

And some humour...

STUD ROOSTER

A farmer went out one day and bought a brand new stud rooster for his chicken coop.

The new rooster struts over to the old rooster and says, 'OK, Old fart, time for you to retire...'

The old rooster replies, 'Come on, surely you cannot handle ALL of these chickens. Look what it has done to me. Can't you just let me have the two old hens over in the corner?'

The young Rooster says, 'beat it: You are washed up and I am taking over.'

The old rooster says, 'I tell you what, young stud. I will race you around the farmhouse. Whoever wins gets the exclusive domain over the entire chicken coop.'

The young Rooster laughs. 'You know you don't stand a chance, old man. So, just to be fair, I will give you a head start.'

The old Rooster takes off running. About 15 seconds later the young rooster takes off running after him.

They round the front porch of the farmhouse and the young rooster has closed the gap. He is only about 5 feet behind the old rooster and gaining fast!

The Farmer, meanwhile, is sitting in his usual spot on the front porch when he sees the roosters running by.

The Old Rooster is squawking and running as hard as he can. The Farmer grabs his shotgun and BOOM - he blows the young rooster to bits. The farmer sadly shakes his head and says, 'Dammit... third gay rooster I bought this month.'

Moral of this story...

Don't mess with the OLD FART. Age, skill, wisdom, and a little treachery always overcome youth and arrogance!

All services provided by Solutions in Engineering are supplied on the basis of 'Supply Terms and Conditions' which are available from our office and from our website www.solutionsie.com.au © Solutions in Engineering



P> 1300 136 036
F> 1300 136 037
E> enquiry@solutionsie.com.au
W> www.solutionsie.com.au

Specialising in:

- Sinking Fund / 10 Year Maintenance Plans
- Occupational Health & Safety Reports
- Fire Compliance Reports & Training
- Contribution of Lot Entitlement
- Structural Engineering Reports
- Allocation of Costs Reports
- Insurance Valuations
- Pool Safety Inspections
- Maintenance Reports
- Asbestos Reports
- Balustrade Testing
- Environmental Audits
- Utilities Cost Management Reports

NSW>
 Level 2, 50 York St, Sydney NSW 2000
 PO Box A72 Sydney Sth NSW 1235

QLD>
 14 Railway Tce, Milton Qld 4064
 PO Box 1584, Milton Qld 4064

VIC>
 Level 1, 1 Queens Rd, Melbourne Vic 3004
 GPO Box 3025, Melbourne Vic 3000



P> 1300 136 036 F> 1300 136 037 W> www.solutionsie.com.au

ID 4 11 4

INSIDE>
 Changes to infrastructure charges cont.
 Lot Entitlements cont.
HUMOUR>
 Stud Rooster

Good news for Strata and Queensland Developers

Reforms to infrastructure charges promote building revival

Reforms to local government infrastructure charges in Queensland will provide developers with clarity, transparency, accountability and ensure previously unviable projects become viable. The two most important changes to the infrastructure charges are the introduction of a maximum standard charge framework and the introduction of deferred payments. These changes will stimulate development activity and could create a mini strata boom in Queensland.

New maximum charge framework

The new reform introduces a maximum standard charge framework that will be differentiated for residential and non-residential development. This will create a significant reduction in infrastructure charges, up to 80 percent (see table below for a comparison of current and new charges). Increases in infrastructure charges will be linked to CPI, which will provide certainty and remove concerns about municipal councils annually increasing infrastructure costs.

It is important to note that councils can choose to charge less than the maximum amount.

Summary of changes to infrastructure charges

| Development Type | Current Charge | New Charge | Cut % |
|-------------------------|----------------|----------------------|-------|
| Residential < 3bedrooms | Up to \$30,000 | Max \$20,000 | 33 |
| Residential > 3bedrooms | Up to \$50,000 | Max \$28,000 | 44 |
| Office | Up to \$251 | \$50-\$200/m2 of GFA | 80 |
| Retail | Up to \$524 | \$50-\$200/m2 of GFA | 62 |

Please turn to page 2...

Latest Legislative Changes for Lot Entitlements

On the 14th of April 2011, the changes to the *Body Corporate and Community Management Act 1997* came into effect. These changes are related to the methods of calculation of lot entitlements and the disclosure of information to buyers (including rights of termination).

What the new changes include:

- Changes to the principles used when determining Lot Entitlements Schedules
- Additional requirements for Disclosure Statements and rights of termination
- New process that allows owners, who have been disadvantaged by changes, to submit a motion to the Body Corporate Committee to revert back to their original setting

Method of Calculation must be:

- Consistent with either the *equality principle (EP)* or the *relativity principle (RP)*
 - EP states the lot entitlements must be equal except to the extent to which it is just and equitable in the event for them not to be equal

Please turn to page 2...



Reforms to Infrastructure Charges

Continues from page 1...

New deferred payment mechanism

While the capping of infrastructure costs is fantastic as it provides certainty to developers and reduces costs, the delaying of payments is even more significant. The reform allows payments to be paid at settlement instead of when a development application is lodged. Delaying this cost makes a difference to the cost of holding approved development sites and the associated debt held during the development process.

Premier's comments

The new framework promises to deliver more certainty, more transparency and accountability for developers. In a statement released by Premier Anna Bligh on April 12th 2011 she said, "This is a significant reform that strikes the right balance between developers contributing to the cost of infrastructure and ensuring that new homes are affordable.

It also gives industry the certainty they need to make investment decisions and that is one of the things we need if we are to see a building revival in Queensland."

Capping infrastructure charges and deferring payments will stimulate development in Queensland and make housing more affordable, which will increase the number of investors/owners in strata.

When do the caps come into effect?

It is proposed that the new infrastructure caps apply from 1st July 2011.

If you need a profile report that complies with the new legislation please contact us

Changes to Lot Entitlements

Continues from page 1...

- RP states the lot entitlements must clearly demonstrate the relationship between the lots by reference to 1 or more particular relevant factors
- Written in plain English
- Simple enough that an ordinary person can understand the method of calculation

Adjustments of existing schemes

The legislation allows the Body Corporate to change the contribution schedule lot entitlements for the lots included in the scheme by resolution without dissent (new Section 47A). The changed contribution schedule must be consistent with either the original deciding principle of the existing schedule, or one of the new principles. In certain circumstances, owners may apply to QCAT or a specialist adjudicator to have their scheme adjusted.

How the changes to lot entitlements will affect you

The new changes will ensure there is more certainty surrounding Body Corporate costs for lot owners and provide more flexible principles for setting lot entitlement schedules.

For more information on Lot Entitlements contact

Solutions in Engineering
on 1300 136 036 or email
enquiry@solutionsie.com.au

Solutions in Engineering launches online ordering!

You want to be able to order your compliance reports quickly and easily. Solutions in Engineering (SIE) online ordering portal takes all the hassle out of ordering reports.

Solutions in Engineering's (SIE) online ordering portal is quick and easy, with features that include

- Over 40,000 buildings in the database – saving you time
- Email confirmation of orders received
- Report order history built as reports are ordered
- User friendly interface, tested and approved by professional strata managers

The benefits from using Solutions in Engineering include

- All of your report references and inclusions are up to date and are supported by professional researchers who follow the latest legislative updates and case laws
- You are protected by \$20,000,000 of public liability and \$10,000,000 of professional indemnity insurance
- Chocolates with every report mailed to you! Yes we are known for it

IMPORTANT - Your username and password are unique to your business and/or branch and gives you access to a list of all your buildings.

KEEP IT SAFE

Please contact us to obtain your unique username and password

Solutions in Engineering
on 1300 136 036 or email
enquiry@solutionsie.com.au

How SIE saved a Body Corporate over \$60,000

Normally large rectification jobs are quoted on a percentage basis that allows for all work associated with inspecting critical elements of the rectification works, resolving issues throughout the project with the contractor(s), signing off progress payments and generally looking after the Bodies Corporate interests. A recent job showed how using a different charging model can significantly save a Body Corporate.

Recently, Solutions in Engineering (SIE) was asked to provide a quote for a \$2 million rectification job. Our competitor provided a quote for 6%. SIE believed that they could complete the work for much less than the 6%, so we offered the client the option of an hourly rate with the safeguard of a maximum of 6% of the job value.

The client went with the hourly rate charge model hoping to save some money. The project is almost complete and the result, a total cost of just 3% of the job value. This saved the client \$60,000 and represented 50% of the other companies proposed fees.

Since SIE has gone back to its roots and seriously focused on engineering based work the demand has been very high. Ralph Freestun who founded the engineering part of the business is active again and mentoring our engineers and taking care of some of the larger more technical jobs as well.

The moral of the story... SIE experienced engineers can not only provide a wide range of professional advice, they can save you money too!