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CAPITAL WORKS FUND PLAN

COTE D'AZUR

1 McDonald Street

Cronulla NSW 2230

Strata Plan 50785



Report details	
Inspection date:	7/02/2017
Inspector:	Marco Camps

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23 March 2017

The Executive Committee
Strata Plan 50785
1 McDonald Street
Cronulla NSW 2230

Dear Committee Members,

Thank you for appointing our company to conduct your Capital Works Fund Plan.

Based on our survey of your property, we have determined that the current level of contributions is sufficient to cover forecasted maintenance expenses. In order to maintain this level of contributions, we recommend that the capital works fund levy be increased in line with construction and maintenance prices over time.

This plan should be updated regularly to account for actual changes in construction and maintenance costs, unanticipated changes in the property's condition over time, changes in legal requirements, and any discrepancies between the forecast and actual capital works fund balances. Regular updates also create peace of mind and assist the Owners Corporation to manage the risk of litigation from individual owners (current and future) for breaches of its duty to maintain the common property by providing reasonable, up-to-date estimates of the cost of necessary maintenance work and repairs.

Key Report Data Levies Summary – First Financial Year

Levy Per Unit Entitlement (Total capital works fund levy divided by unit entitlements)	$429.00
Total Unit Entitlements	1000
Total Capital Works Fund Levy	$429,000.00

The data used to arrive at the above figures (which includes GST) is in the attached report. It is designed for ease of reading. For your convenience here is your Report Index:

Report Index	**Page No.**
Owners Report Summary	**Section 1**
Building Details and Report Inputs Page	2
15 Year Cash Flow Tracking & Graph	3
Report Detail	**Section 2**
15 Year Anticipated Expenditure Table	4
Building Data List from Property Inspection	9
Inspector's Building Report & Building Specific Report Notes	19
Report Notes	20

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If you have any questions regarding your report or need our specialised services in Professional Safety Reports, Insurance Valuations, Maintenance Reports, Asbestos Audits or Balustrade Testing call us on 1300 136 036 or email enquiry@solutionsinengineering.com.

Yours sincerely,

The Team at Solutions in Engineering

Building Details & Report Inputs

Supplied information

Building Name	Cote D'Azur
Building Address	1 McDonald Street Cronulla NSW 2230
Strata Plan (SP) No	50785
Plan Type	Strata Plan
Registered Plan Date/Year of Construction	1997
Number of Unit Entitlements	1000
Number of Units	105
Estimated Starting Capital Works Fund Balance	$917,100
Starting date of Financial Year for Report	1/03/2017
GST Status	Registered for GST
Current Capital Works Fund Levy per Lot Entitlement (Inc. GST)	$400.00

Report assumptions & information

Assumed Interest Rate on invested funds (For funds over $10,000)	2.00%
Company Taxation Rate	30.00%
Interest on Invested Funds - Based on Assumed Interest Rate minus Company Taxation Rate. Calculated only on capital works fund balances over $10,000.	1.40%
Contingency Allowance - For minor and/or unforeseen expenses	9%
Assumed Rate of Inflation for Building Maintenance Costs - Based on average annual building cost increase between 2002 and 2012	3.10%
Forecast Period - Number of years the plan looks out.	15 years

15 Year Levy Table

Year	Year To	Total Contribution		Contribution per Unit Entitlement		Quarterly Contribution	
	dd/mm/yyyy	Including GST	GST Component	Including GST	GST Component	Including GST	GST Component
1	28/02/2018	429,000.00	39,000.00	429.00	39.00	107.25	9.75
2	28/02/2019	442,299.00	40,209.00	442.30	40.21	110.58	10.05
3	29/02/2020	456,010.27	41,455.48	456.01	41.46	114.00	10.36
4	28/02/2021	470,146.59	42,740.60	470.15	42.74	117.54	10.69
5	28/02/2022	484,721.14	44,065.56	484.72	44.07	121.18	11.02
6	28/02/2023	499,747.49	45,431.59	499.75	45.43	124.94	11.36
7	29/02/2024	515,239.66	46,839.97	515.24	46.84	128.81	11.71
8	28/02/2025	531,212.09	48,292.01	531.21	48.29	132.80	12.07
9	28/02/2026	547,679.66	49,789.06	547.68	49.79	136.92	12.45
10	28/02/2027	564,657.73	51,332.52	564.66	51.33	141.17	12.83
11	29/02/2028	582,162.12	52,923.83	582.16	52.92	145.54	13.23
12	28/02/2029	600,209.15	54,564.47	600.21	54.56	150.05	13.64
13	28/02/2030	618,815.64	56,255.97	618.82	56.26	154.71	14.06
14	28/02/2031	637,998.92	57,999.90	638.00	58.00	159.50	14.50
15	29/02/2032	657,776.89	59,797.90	657.78	59.80	164.45	14.95

15 Year Cash Flow Tracking Sheet

The table below shows the cash flow starting with the anticipated **'Opening Balance'** at the start of the first financial year which you provided to us. We then add the **'Total Levy Contributions'** for the year and any **'Interest'** on balances greater than $10,000. Any **'Anticipated Expenses'** are then allowed for leaving a **'Closing Balance'** for the year which in turn becomes the **'Opening Balance'** for the following year. In summary:
Opening Balance + Total Levy Contributions + Interest – Anticipated Expenses = Closing Balance

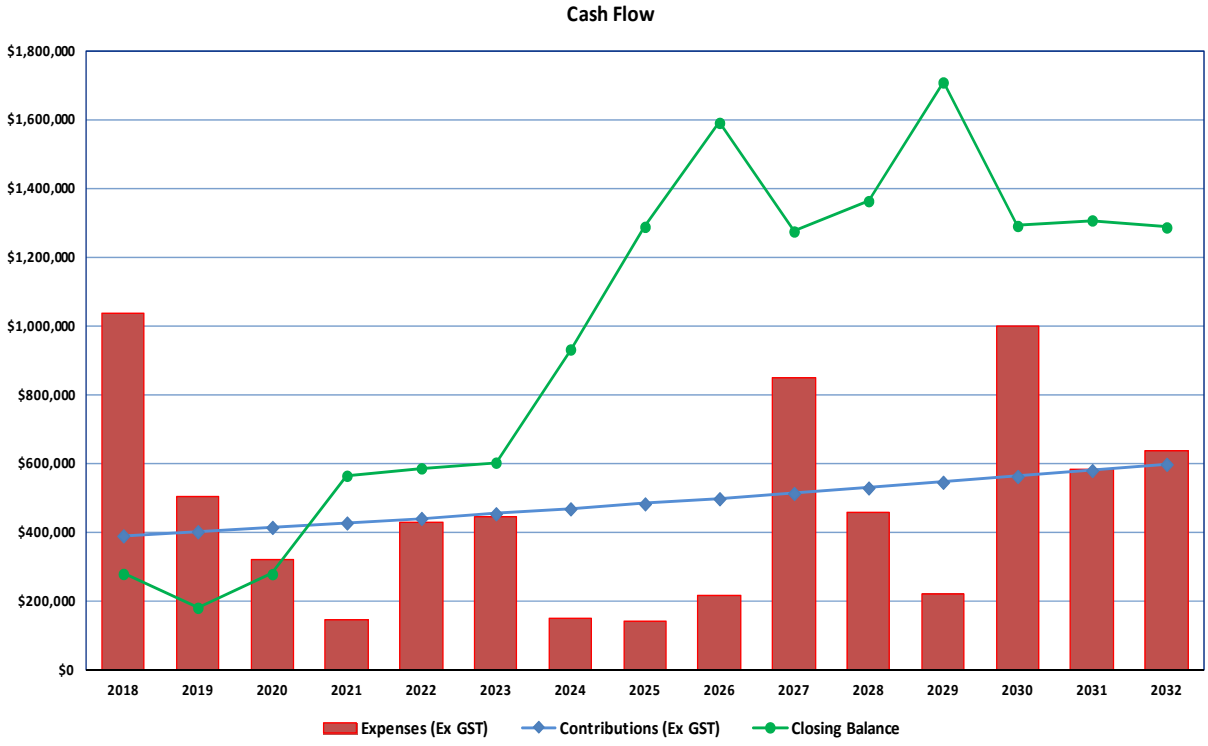
Year	Year To	Opening Balance	Total Levy Contributions	Interest	Anticipated Expenses	Closing Balance
1	28/02/2018	917,100.00	390,000.00	8,316.24	1,036,165.45	279,250.79
2	28/02/2019	279,250.79	402,090.00	3,198.47	503,667.27	180,871.99
3	29/02/2020	180,871.99	414,554.79	3,194.94	319,879.09	278,742.63
4	28/02/2021	278,742.63	427,405.99	5,862.67	147,367.27	564,644.02
5	28/02/2022	564,644.02	440,655.58	8,000.62	426,998.18	586,302.04
6	28/02/2023	586,302.04	454,315.90	8,266.22	446,030.91	602,853.25
7	29/02/2024	602,853.25	468,399.69	10,668.92	149,974.55	931,947.31
8	28/02/2025	931,947.31	482,920.08	15,435.48	141,746.36	1,288,556.51
9	28/02/2026	1,288,556.51	497,890.60	20,015.89	215,590.91	1,590,872.09
10	28/02/2027	1,590,872.09	513,325.21	19,921.87	849,088.18	1,275,030.99
11	29/02/2028	1,275,030.99	529,238.29	18,340.59	459,216.36	1,363,393.51
12	28/02/2029	1,363,393.51	545,644.68	21,353.00	222,002.73	1,708,388.46
13	28/02/2030	1,708,388.46	562,559.67	20,849.66	1,000,813.64	1,290,984.15
14	28/02/2031	1,290,984.15	579,999.02	18,060.66	581,872.73	1,307,171.10
15	29/02/2032	1,307,171.10	597,978.99	18,031.33	636,417.27	1,286,764.15

15 Year Cash Flow Graph

The graph below tracks the 'Contributions' (the amount collected in levies), the projected 'Closing balance' of the capital works fund and the likely 'Expenses' for each year of this plan. The three lines in the graph are:
Contributions line - Total capital works fund contributions per year.

Expenses line – Total anticipated expenses in each year.

Closing balance line – Shows the amount left in the fund bank account at the end of the year after all anticipated expenses have been allowed for.



Anticipated Expenditures Table Year 1 - 15

This table shows when expenses will occur in the next 15 years. From left to right the columns are:-
'Expenditure Items' - lists the different areas and items of expenditure.
'Current Cost' - shows the current maintenance expenditure costs in today's dollars.
'Year 1' to 'Year 15' - shows the costs in the year in which they occur including the 'Assumed Rate of Inflation' compounded annually until the cost is due.

At the bottom on each column there are three lines. Firstly, a **'Grand Total (Inc. GST)'** followed by a line calculating the '**Contingency Allowance (Inc. GST)'** for unforeseen and minor expenses and finally **'Total Expenses (Inc. GST)'** for that year. Please note: This page rounds figures to the nearest whole dollar.

Expenditure Item	Current Cost	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	Year 15 (2032)
1. Building exterior																
Repair render, concrete panels and expansion joints	12,500	-	-	-	-	-	14,561	-	-	-	-	-	-	-	18,590	-
Repaint building exterior (total: 12658m2)	225,000	-	231,975	-	-	-	-	-	-	-	296,149	-	-	-	-	-
Repaint building exterior (total: 12658m2)	225,000	-	-	239,166	-	-	-	-	-	-	-	305,330	-	-	-	-
Repaint building exterior (total: 12658m2)	250,000	-	-	-	-	-	291,228	-	-	-	-	-	-	-	371,794	-
Replace aluminium windows and doors	55,000	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final instalment for balustrades	374,420	374,420	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace balustrades	1,350,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintain balcony / terrace and walkway floor tiles	2,386	-	2,460	-	2,615	-	2,779	-	2,954	-	3,140	-	3,338	-	3,548	-
Water proof balcony / terrace floors (total: 1380m2) - 20%	186,576	-	-	-	-	210,810	-	-	-	-	245,575	-	-	-	-	286,073
General building maintenance	112,111	-	-	-	-	126,673	-	-	-	-	147,563	-	-	-	-	171,897
Sub Total (Incl. GST)		**429,420**	**234,435**	**239,166**	**2,615**	**337,483**	**308,568**	**0**	**2,954**	**0**	**692,427**	**305,330**	**3,338**	**0**	**393,932**	**457,970**
2. Roof																
Replace metal roof, box gutters and flashings (total: 1208m2)	24,000	24,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace metal roof, box gutters and flashings (total: 1208m2)	24,000	-	24,744	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace bituminous membrane	397,858	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace anchor points	917	-	945	-	1,005	-	1,068	-	1,135	-	1,207	-	1,283	-	1,364	-
Sub Total (Incl. GST)		**24,000**	**25,689**	**0**	**1,005**	**0**	**1,068**	**0**	**1,135**	**0**	**1,207**	**0**	**1,283**	**0**	**1,364**	**0**
3. Foyer - Tower																
Refurbish foyer	30,000	-	30,930	-	-	-	-	-	-	-	-	-	-	-	-	-
Repaint ceilings	1,496	-	-	-	-	-	-	-	1,852	-	-	-	-	-	-	-
Repaint walls	3,129	-	-	-	-	-	-	-	3,875	-	-	-	-	-	-	-
Replace furniture	11,014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintain floor tiles	378	-	-	-	-	427	-	-	-	-	498	-	-	-	-	580

Expenditure Item	Current Cost	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	Year 15 (2032)
Replace carpet	1,950	-	-	-	-	-	-	-	-	-	-	-	2,728	-	-	-
Sub Total (Incl. GST)		**0**	**30,930**	**0**	**0**	**427**	**0**	**0**	**5,727**	**0**	**498**	**0**	**2,728**	**0**	**0**	**580**
4. Lobbies and stairwells - Tower																
Repaint ceilings	8,778	8,778	-	-	-	-	-	-	-	11,206	-	-	-	-	-	-
Repaint walls	28,770	28,770	-	-	-	-	-	-	-	36,729	-	-	-	-	-	-
Repaint doors and architraves	15,604	15,604	-	-	-	-	-	-	-	19,921	-	-	-	-	-	-
Maintain floor tiles	159	-	-	169	-	-	185	-	-	203	-	-	222	-	-	244
Replace carpet	35,363	-	-	-	-	-	-	42,472	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		**53,152**	**0**	**169**	**0**	**0**	**185**	**42,472**	**0**	**68,059**	**0**	**0**	**222**	**0**	**0**	**244**
5. Stairwells - Low rise																
Repaint ceilings	1,716	-	1,769	-	-	-	-	-	-	-	2,259	-	-	-	-	-
Repaint walls	4,242	-	4,374	-	-	-	-	-	-	-	5,583	-	-	-	-	-
Repaint doors and architraves	1,645	-	1,696	-	-	-	-	-	-	-	2,165	-	-	-	-	-
Maintain floor tiles	636	-	-	676	-	-	741	-	-	812	-	-	890	-	-	975
B2 external tunnel door + fixed panels remake	15,000	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace carpet	7,622	-	-	-	-	-	-	-	9,438	-	-	-	-	-	-	-
Repaint balustrades	2,208	-	2,276	-	-	-	-	-	-	-	2,906	-	-	-	-	-
Sub Total (Incl. GST)		**15,000**	**10,115**	**676**	**0**	**0**	**741**	**0**	**9,438**	**812**	**12,913**	**0**	**890**	**0**	**0**	**975**
6. Toilets / Bathrooms																
Repaint ceilings	528	528	-	-	-	-	-	-	-	674	-	-	-	-	-	-
Repaint walls	1,092	1,092	-	-	-	-	-	-	-	1,394	-	-	-	-	-	-
Repaint doors and architraves	1,222	1,222	-	-	-	-	-	-	-	1,560	-	-	-	-	-	-
Replace floor / wall tiles	636	-	-	676	-	-	741	-	-	812	-	-	890	-	-	975
Replace fixtures	689	-	710	-	755	-	803	-	853	-	907	-	964	-	1,025	-
Water proof bathrooms	4,000	4,000	4,124	4,252	4,384	4,520	4,660	4,804	4,953	5,107	5,265	5,428	5,596	5,770	5,949	6,133
Sub Total (Incl. GST)		**6,842**	**4,834**	**4,928**	**5,139**	**4,520**	**6,204**	**4,804**	**5,806**	**9,547**	**6,172**	**5,428**	**7,450**	**5,770**	**6,974**	**7,108**
7. Gymnasium																
Repaint ceilings	550	550	-	-	-	-	-	-	-	702	-	-	-	-	-	-
Repaint walls	1,071	1,071	-	-	-	-	-	-	-	1,367	-	-	-	-	-	-
Repaint door face – one side including architraves	101	101	-	-	-	-	-	-	-	129	-	-	-	-	-	-
Replace blinds	989	-	-	-	1,084	-	-	-	-	-	-	-	-	-	-	-
Repair or replace gymnasium equipment	2,610	-	2,691	-	-	2,949	-	-	3,232	-	-	3,542	-	-	3,882	-
Replace rubber mats / floor	5,312	-	-	-	-	-	-	-	6,578	-	-	-	-	-	-	-
Sub Total (Incl. GST)		**1,722**	**2,691**	**0**	**1,084**	**2,949**	**0**	**0**	**9,810**	**2,198**	**0**	**3,542**	**0**	**0**	**3,882**	**0**
8. Sauna																
Replace sauna heater	3,676	-	-	-	-	-	-	-	-	4,693	-	-	-	-	-	-

Expenditure Item	Current Cost	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	Year 15 (2032)
Refurbish sauna structure	9,930	-	-	-	-	-	-	-	-	12,677	-	-	-	-	-	-
Sub Total (Incl. GST)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**17,370**	**0**	**0**	**0**	**0**	**0**	**0**
9. Spa room																
Repaint ceilings	264	264	-	-	-	-	-	-	-	337	-	-	-	-	-	-
Repaint walls, bench and cupboard	840	840	-	-	-	-	-	-	-	1,072	-	-	-	-	-	-
Repaint door face – one side including architraves	101	101	-	-	-	-	-	-	-	129	-	-	-	-	-	-
Replace spa shell	3,151	-	-	-	-	3,560	-	-	-	-	-	-	-	-	-	-
Replace floor tiles	318	-	-	338	-	-	370	-	-	406	-	-	445	-	-	488
Replace pump	952	-	-	-	-	1,076	-	-	-	-	1,253	-	-	-	-	1,460
Replace heater	1,152	-	-	-	-	1,302	-	-	-	-	1,516	-	-	-	-	1,766
Sub Total (Incl. GST)		**1,205**	**0**	**338**	**0**	**5,938**	**370**	**0**	**0**	**1,944**	**2,769**	**0**	**445**	**0**	**0**	**3,714**
10. Driveway / Basement carpark																
Maintain paving	1,257	-	-	1,336	-	-	1,464	-	-	1,605	-	-	1,759	-	-	1,927
Replace curved stainless safety mirror	505	-	-	-	-	-	-	-	-	645	-	-	-	-	-	-
Repaint walls	1,512	1,512	-	-	-	-	-	-	-	1,930	-	-	-	-	-	-
Repaint doors and architraves	3,290	3,290	-	-	-	-	-	-	-	4,200	-	-	-	-	-	-
Replace internal tilt doors	1,684	1,684	1,736	1,790	1,846	1,903	1,962	2,023	2,085	2,150	2,217	2,285	2,356	2,429	2,504	2,582
Replace garage doors	5,668	-	-	-	-	6,404	-	-	-	-	7,460	-	-	-	-	8,691
Replace electric door motor	2,477	-	2,554	-	2,715	-	2,885	-	3,067	-	3,260	-	3,466	-	3,684	-
Sub Total (Incl. GST)		**6,486**	**4,290**	**3,126**	**4,561**	**8,307**	**6,311**	**2,023**	**5,152**	**10,530**	**12,937**	**2,285**	**7,581**	**2,429**	**6,188**	**13,200**
11. Barbeque																
Replace BBQ	3,154	-	-	-	-	-	-	-	3,905	-	-	-	-	-	-	-
Sub Total (Incl. GST)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3,905**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
12. Swimming pool and spa																
Water proof pool area floors	270,000	270,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace floor tiles	795	-	-	-	-	-	-	-	984	-	-	1,079	-	-	1,182	-
Replace pool and spa surface	45,572	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace pump	5,057	-	-	-	5,542	-	-	-	-	-	-	-	7,075	-	-	-
Replace water chlorination unit	2,080	-	-	-	2,279	-	-	-	-	-	-	-	2,910	-	-	-
Replace sand filter	2,511	-	-	-	-	-	-	3,016	-	-	-	-	-	-	-	-
Replace cartridge filter	1,235	-	-	-	-	-	-	1,483	-	-	-	-	-	-	-	-
Replace cartridges inline filter	437	-	-	-	-	-	-	525	-	-	-	-	-	-	-	-
Replace spa pump	1,435	-	-	-	1,573	-	-	-	-	-	-	-	2,008	-	-	-
Replace spa heater	4,397	-	-	-	-	-	-	5,281	-	-	-	-	-	-	-	-
Replace furniture	952	-	982	-	1,043	-	1,109	-	1,179	-	1,253	-	1,332	-	1,416	-
Sub Total (Incl. GST)		**270,000**	**982**	**0**	**10,437**	**0**	**1,109**	**10,305**	**2,163**	**0**	**1,253**	**1,079**	**13,325**	**0**	**2,598**	**0**
13. Fixtures and fittings																
Replace community television aerial	1,910	-	-	-	-	-	-	-	2,365	-	-	-	-	-	-	-

Expenditure Item	Current Cost	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	Year 15 (2032)
Replace letterboxes	13,109	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace fire doors, frames and hardware	7,500	7,500	7,733	7,972	8,219	8,474	8,737	9,008	9,287	9,575	9,872	10,178	10,493	10,818	11,154	11,500
Replace bin rotator unit and motor	7,838	-	-	-	-	-	9,131	-	-	-	-	-	-	-	-	-
Maintain security access intercom, swipe / key pad and basement remote system	10,185	-	-	10,826	-	-	11,865	-	-	13,003	-	-	14,250	-	-	15,616
Upgrade CCTV system	2,322	-	2,394	-	-	2,624	-	-	2,875	-	-	3,151	-	-	3,453	-
Sub Total (Incl. GST)		**7,500**	**10,127**	**18,798**	**8,219**	**11,098**	**29,733**	**9,008**	**14,527**	**22,578**	**9,872**	**13,329**	**24,743**	**10,818**	**14,607**	**27,116**
14. Fences and gates																
Replace powdercoat fences and gates (total: 680m2) - 5%	13,090	13,090	-	-	-	-	15,249	-	-	-	-	17,763	-	-	-	-
Repair or replace powdercoated fences to C1 & C6	16,000	16,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		**29,090**	**0**	**0**	**0**	**0**	**15,249**	**0**	**0**	**0**	**0**	**17,763**	**0**	**0**	**0**	**0**
15. Landscaping																
Water proof planter boxes	17,088	-	17,618	-	-	-	-	20,523	-	-	-	-	23,908	-	-	-
Prune or remove trees and vegetation	1,583	-	1,632	-	1,735	-	1,844	-	1,960	-	2,084	-	2,215	-	2,354	-
Maintain or upgrade gardens	3,369	-	3,473	-	3,692	-	3,925	-	4,172	-	4,434	-	4,714	-	5,010	-
Sub Total (Incl. GST)		**0**	**22,723**	**0**	**5,427**	**0**	**5,769**	**20,523**	**6,132**	**0**	**6,518**	**0**	**30,837**	**0**	**7,364**	**0**
16. Fire equipment																
Replace fire control panel	55,000	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace or upgrade fire control panel	55,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace or upgrade fire control panel - mimic	2,079	-	-	-	-	-	-	-	-	-	-	-	-	2,999	-	-
Replace fire doors - stage 1	75,000	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace fire doors - stage 2	75,000	-	77,325	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace fire hose reels	1,469	1,469	1,515	1,561	1,610	1,660	1,711	1,764	1,819	1,875	1,934	1,993	2,055	2,119	2,185	2,252
Replace valves, pipes and sprinklers	4,950	4,950	5,103	5,262	5,425	5,593	5,766	5,945	6,129	6,319	6,515	6,717	6,925	7,140	7,362	7,590
Replace fire extinguishers	364	364	375	387	399	411	424	437	451	465	479	494	509	525	541	558
Replace fire hydrant booster pump	2,914	-	-	3,097	-	-	3,395	-	-	3,720	-	-	4,077	-	-	4,468
Replace fire pressurization system fans	20,738	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,797
Replace emergency fire pumps - diesel	13,264	-	-	-	-	-	-	-	-	-	-	18,000	-	-	-	-
Replace emergency fire pumps - electric	28,531	-	-	-	-	-	-	-	-	-	-	-	-	-	42,431	-
Replace fire pump control boxes	952	-	-	-	-	1,076	-	-	-	-	1,253	-	-	-	-	1,460
Replace emergency lighting	3,571	3,571	3,682	3,796	3,914	4,035	4,160	4,289	4,422	4,559	4,700	4,846	4,996	5,151	5,311	5,475
Sub Total (Incl. GST)		**140,354**	**88,000**	**14,103**	**11,348**	**12,775**	**15,456**	**12,435**	**12,821**	**16,938**	**14,881**	**32,050**	**18,562**	**17,934**	**57,830**	**53,600**
17. Plant - water																
Replace sump pumps	3,517	-	-	-	-	-	-	-	-	4,490	-	-	-	-	-	-
Replace sump pumps control box	540	-	-	-	-	-	-	-	-	-	-	-	-	-	803	-
Replace irrigation pump	957	-	987	-	-	1,081	-	-	1,185	-	-	1,299	-	-	1,423	-
Replace water fountain pump	651	-	-	692	-	-	758	-	-	831	-	-	911	-	-	998

Expenditure Item	Current Cost	Year 1 (2018)	Year 2 (2019)	Year 3 (2020)	Year 4 (2021)	Year 5 (2022)	Year 6 (2023)	Year 7 (2024)	Year 8 (2025)	Year 9 (2026)	Year 10 (2027)	Year 11 (2028)	Year 12 (2029)	Year 13 (2030)	Year 14 (2031)	Year 15 (2032)
Replace domestic water jacking pumps	10,377	-	-	-	11,372	-	-	-	-	13,248	-	-	-	-	15,432	-
Replace hot water circulation pumps	557	557	574	592	610	629	649	669	690	711	733	756	779	803	828	854
Replace hot water system – 275L gas	21,527	-	-	-	-	-	-	-	-	-	-	29,213	-	-	-	-
Replace hot water system – instantaneous gas	3,329	-	3,432	-	3,648	-	3,878	-	4,122	-	4,382	-	4,658	-	4,951	-
Replace hot water storage tanks	2,792	-	2,879	-	3,060	-	3,252	-	3,457	-	3,675	-	3,906	-	4,152	-
Replace water and sewer pipes	7,374	7,374	7,603	7,838	8,081	8,332	8,590	8,856	9,131	9,414	9,706	10,007	10,317	10,637	10,966	11,306
Sub Total (Incl. GST)		**7,931**	**15,475**	**9,122**	**26,771**	**10,042**	**17,127**	**9,525**	**18,585**	**28,694**	**18,496**	**41,275**	**20,571**	**11,440**	**38,555**	**13,158**
18. Plant - electrical																
Replace light fittings	5,821	5,821	6,001	6,187	6,379	6,577	6,781	6,991	7,208	7,431	7,662	7,899	8,144	8,397	8,657	8,925
Replace switchboards	199,003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace or repair back up generator	29,549	-	-	-	32,383	-	-	-	-	-	-	-	41,342	-	-	-
Replace back up power control box	9,046	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,870
Sub Total (Incl. GST)		**5,821**	**6,001**	**6,187**	**38,762**	**6,577**	**6,781**	**6,991**	**7,208**	**7,431**	**7,662**	**7,899**	**49,486**	**8,397**	**8,657**	**22,795**
19. Plant - air																
Replace air-conditioning units	30,000	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace air-conditioning units	20,000	-	20,620	21,259	21,918	22,598	23,298	24,020	24,765	25,533	26,324	27,140	27,982	28,849	29,744	30,666
Replace ductwork and brackets	4,079	4,079	4,205	4,336	4,470	4,609	4,752	4,899	5,051	5,207	5,369	5,535	5,707	5,884	6,066	6,254
Replace mechanical ventilation fans (roof mounted)	2,914	-	3,004	-	3,193	-	3,395	-	3,608	-	3,835	-	4,077	-	4,334	-
Replace mechanical ventilation fans (basement)	2,870	-	2,959	-	3,145	-	3,343	-	3,554	-	3,778	-	4,015	-	4,268	-
Replace other ventilation fans	570	570	588	606	625	644	664	685	706	728	750	774	797	822	848	874
Replace cooling tower	22,198	-	-	-	-	-	-	-	-	-	29,217	-	-	-	-	-
Replace cooling tower motor	2,610	-	-	-	-	2,949	-	-	-	-	-	-	-	-	-	4,002
Replace cooling tower pump	3,047	-	-	-	-	-	-	3,660	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		**34,649**	**31,376**	**26,201**	**33,351**	**30,800**	**35,452**	**33,264**	**37,684**	**31,468**	**69,273**	**33,449**	**42,578**	**35,555**	**45,260**	**41,796**
20. Lifts																
Replace lift to bar	106,660	-	-	-	-	-	-	-	-	-	-	-	-	153,853	-	-
Replace buttons	20,000	-	20,620	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace high-rise lift	529,511	-	-	-	-	-	-	-	-	-	-	-	-	763,799	-	-
Sub Total (Incl. GST)		**0**	**20,620**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**917,652**	**0**	**0**
21. Window Safety Devices / Locks																
Install window safety devices / locks	12,500	12,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		**12,500**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (Incl. GST)		**1,045,672**	**508,288**	**322,814**	**148,719**	**430,916**	**450,123**	**151,350**	**143,047**	**217,569**	**856,878**	**463,429**	**224,039**	**1,009,995**	**587,211**	**642,256**
Contingency Allowance (Incl. GST)		**94,110**	**45,746**	**29,053**	**13,385**	**38,782**	**40,511**	**13,622**	**12,874**	**19,581**	**77,119**	**41,709**	**20,164**	**90,900**	**52,849**	**57,803**
Grand Total Expenses (Incl. Contingency Allowance and GST)		**1,139,782**	**554,034**	**351,867**	**162,104**	**469,698**	**490,634**	**164,972**	**155,921**	**237,150**	**933,997**	**505,138**	**244,203**	**1,100,895**	**640,060**	**700,059**

Building Data List from the Property Inspection for Cote D'Azur

This table has all the data collected by the building inspector while inspecting the complex. The columns from left to right are:-

'Items' – identifies and describes the maintenance item
'Qty' – lets you know the total quantity of that item
'Unit' – is the unit rate used to measure the quantity
'Rate' – is the cost of each unit in dollars
'Value' – is the quantity (Qty) multiplied by the Rate ($)
'Next Due' - is the remaining life in years until an item needs money spent on it.
'Total Life' - is the total life the item after it is replaced, repaired or repainted.
'Comments' – details any useful explanatory notes for the item.

Items	Qty	Unit	Rate ($)	Value ($)	Next Due	Total Life	Comments
1. Building exterior							
Repair render, concrete panels and expansion joints	1	Item	12,500.00	12,500.00	6	8	Repair as required or on paint cycles
Repaint building exterior (total: 12658m2)	1	Item	225,000.00	225,000.00	2	8	Ongoing painting program
Repaint building exterior (total: 12658m2)	1	Item	225,000.00	225,000.00	3	8	Ongoing painting program
Repaint building exterior (total: 12658m2)	1	Item	250,000.00	250,000.00	6	8	Ongoing painting program
Replace aluminium windows and doors	1	Item	55,000.00	55,000.00	1	0	Units: C2, C40, C69 & C71
Final instalment for balustrades	1	Item	374,420.00	374,420.00	1	0	FEENIX contract
Replace balustrades	1	Item	1,350,000.00	1,350,000.00	50	50	Replace as required
Maintain balcony / terrace and walkway floor tiles	15	m2	159.04	2,386.00	2	2	Replace as required
Water proof balcony / terrace floors (total: 1380m2) - 20%	276	m2	676.00	186,576.00	5	5	Water proof as required
General building maintenance	1	Item	112,111.00	112,111.00	5	5	Future building maintenance works - sprawling concrete, upgrades and water proofing
2. Roof							
Replace metal roof, box gutters and flashings (total: 1208m2)	1	Item	24,000.00	24,000.00	1	0	
Replace metal roof, box gutters and flashings (total: 1208m2)	1	Item	24,000.00	24,000.00	2	0	Block A areas
Replace bituminous membrane	1,008	m2	394.70	397,858.00	16	20	Replace as required
Replace anchor points	2	Ea	458.27	917.00	2	2	Replace as required
3. Foyer - Tower							
Refurbish foyer	1	Item	30,000.00	30,000.00	2	0	
Repaint ceilings	68	m2	22.00	1,496.00	8	8	Ongoing painting program
Repaint walls	149	m2	21.00	3,129.00	8	8	Ongoing painting program
Replace furniture	1	Item	11,014.00	11,014.00	20	20	Replace as required
Maintain floor tiles	2	m2	189.04	378.00	5	5	Replace as required
Replace carpet	22	m2	88.63	1,950.00	12	12	Replace as required

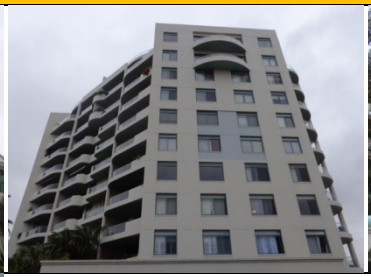
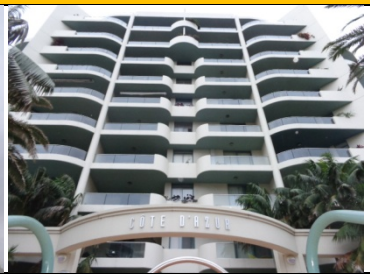
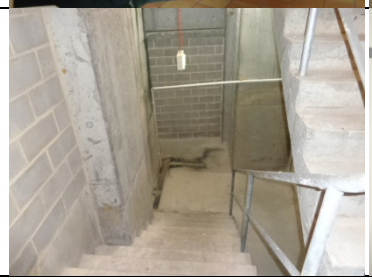
Items	Qty	Unit	Rate ($)	Value ($)	Next Due	Total Life	Comments
4. Lobbies and stairwells - Tower							
Repaint ceilings	399	m2	22.00	8,778.00	1	8	Ongoing painting program
Repaint walls	1,370	m2	21.00	28,770.00	1	8	Ongoing painting program
Repaint doors and architraves	332	m2	47.00	15,604.00	1	8	Ongoing painting program
Maintain floor tiles	1	m2	159.04	159.00	3	3	Replace as required
Replace carpet	399	m2	88.63	35,363.00	7	12	Replace as required
5. Stairwells - Low rise							
Repaint ceilings	78	m2	22.00	1,716.00	2	8	Ongoing painting program
Repaint walls	202	m2	21.00	4,242.00	2	8	Ongoing painting program
Repaint doors and architraves	35	m2	47.00	1,645.00	2	8	Ongoing painting program
Maintain floor tiles	4	m2	159.04	636.00	3	3	Replace as required
B2 external tunnel door + fixed panels remake	1	Item	15,000.00	15,000.00	1	0	
Replace carpet	86	m2	88.63	7,622.00	8	12	Replace as required
Repaint balustrades	48	Lm	46.00	2,208.00	2	8	Ongoing painting program
6. Toilets / Bathrooms							
Repaint ceilings	24	m2	22.00	528.00	1	8	Ongoing painting program
Repaint walls	52	m2	21.00	1,092.00	1	8	Ongoing painting program
Repaint doors and architraves	26	m2	47.00	1,222.00	1	8	Ongoing painting program
Replace floor / wall tiles	4	m2	159.04	636.00	3	3	Replace as required
Replace fixtures	1	Item	688.63	689.00	2	2	Replace as required
Water proof bathrooms	1	Ea	4,000.00	4,000.00	1	1	Repairs only
7. Gymnasium							
Repaint ceilings	25	m2	22.00	550.00	1	8	Ongoing painting program
Repaint walls	51	m2	21.00	1,071.00	1	8	Ongoing painting program
Repaint door face – one side including architraves	1	Ea	101.11	101.00	1	8	Ongoing painting program
Replace blinds	1	Item	988.63	989.00	4	12	Replace as required
Repair or replace gymnasium equipment	1	Ea	2,610.29	2,610.00	2	3	Replace machines as required on rotation
Replace rubber mats / floor	25	m2	212.46	5,312.00	8	12	Standard colour 6.0mm thick rubber sports mats
8. Sauna							
Replace sauna heater	1	Ea	3,676.29	3,676.00	9	15	Replace as required
Refurbish sauna structure	1	Ea	9,930.49	9,930.00	9	20	Refurbish as required
9. Spa room							
Repaint ceilings	12	m2	22.00	264.00	1	8	Ongoing painting program
Repaint walls, bench and cupboard	30	m2	28.00	840.00	1	8	Ongoing painting program
Repaint door face – one side including architraves	1	Ea	101.11	101.00	1	8	Ongoing painting program
Replace spa shell	1	Ea	3,150.61	3,151.00	5	25	Replace as required
Replace floor tiles	2	m2	159.04	318.00	3	3	Replace as required
Replace pump	1	Ea	951.71	952.00	5	5	Replace as required
Replace heater	1	Ea	1,151.71	1,152.00	5	5	Replace as required

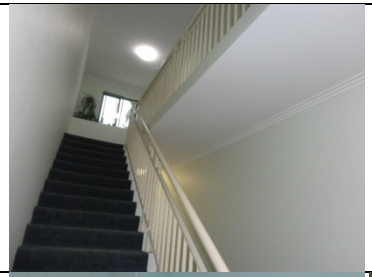
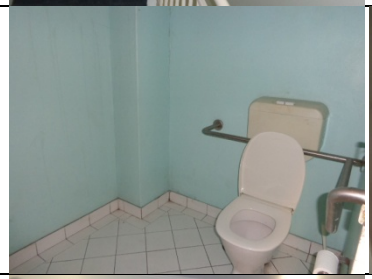
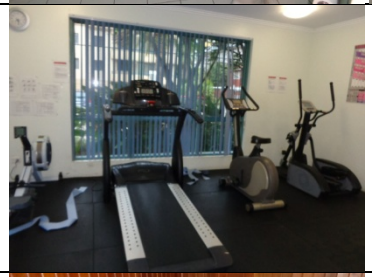
Items	Qty	Unit	Rate ($)	Value ($)	Next Due	Total Life	Comments
10. Driveway / Basement carpark							
Maintain paving	15	m2	83.78	1,257.00	3	3	Repair or replace as required
Replace curved stainless safety mirror	1	Ea	505.06	505.00	9	10	Replace as required
Repaint walls	72	m2	21.00	1,512.00	1	8	Ongoing painting program
Repaint doors and architraves	70	m2	47.00	3,290.00	1	8	Ongoing painting program
Replace internal tilt doors	1	Ea	1,684.40	1,684.00	1	1	Repair or replace as required
Replace garage doors	1	Ea	5,668.15	5,668.00	5	5	Replace as required - not including motor
Replace electric door motor	1	Ea	2,476.74	2,477.00	2	2	Replace as required
11. Barbeque							
Replace BBQ	2	Ea	1,577.10	3,154.00	8	20	Replace as required
12. Swimming pool and spa							
Water proof pool area floors	1	Item	270,000.00	270,000.00	1	0	
Replace floor tiles	5	m2	159.04	795.00	8	3	Replace as required
Replace pool and spa surface	180	m2	253.18	45,572.00	18	20	Replace as required - quotation required
Replace pump	3	Ea	1,685.54	5,057.00	4	8	Replace as required
Replace water chlorination unit	1	Ea	2,079.74	2,080.00	4	8	Replace as required
Replace sand filter	1	Ea	2,510.74	2,511.00	7	12	Replace as required
Replace cartridge filter	1	Ea	1,234.72	1,235.00	7	12	Replace as required
Replace cartridges inline filter	1	Ea	437.41	437.00	7	12	Replace as required
Replace spa pump	1	Ea	1,435.06	1,435.00	4	8	Replace as required
Replace spa heater	2	Ea	2,198.31	4,397.00	7	10	Replace as required
Replace furniture	1	Item	951.62	952.00	2	2	Replace induvidual pieces as required
13. Fixtures and fittings							
Replace community television aerial	2	Ea	955.23	1,910.00	8	12	Replace as required
Replace letterboxes	108	Ea	121.38	13,109.00	17	25	Replace as required
Replace fire doors, frames and hardware	3	Ea	2,500.00	7,500.00	1	1	Ongoing maintenance allowance
Replace bin rotator unit and motor	1	Ea	7,837.72	7,838.00	6	15	Replace as required
Maintain security access intercom, swipe / key pad and basement remote system	105	Units	97.00	10,185.00	3	3	Replace as required
Upgrade CCTV system	1	Item	2,322.10	2,322.00	2	3	Upgrade as required
14. Fences and gates							
Replace powdercoat fences and gates (total: 680m2) - 5%	34	m2	384.99	13,090.00	1	5	Repair or replace as required
Repair or replace powdercoated fences to C1 & C6	1	Item	16,000.00	16,000.00	1	0	
15. Landscaping							
Water proof planter boxes	25	m2	683.52	17,088.00	2	5	Water proof individual planter boxes as required
Prune or remove trees and vegetation	1	Item	1,583.25	1,583.00	2	2	Quotation required by garden contractor
Maintain or upgrade gardens	1	Item	3,369.43	3,369.00	2	2	Upgrade as required
16. Fire equipment							
Replace fire control panel	1	Ea	55,000.00	55,000.00	1	0	Replace as required

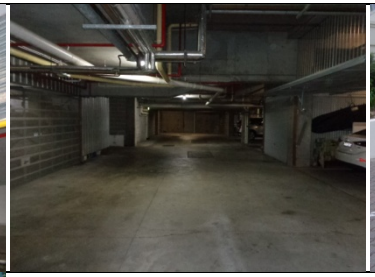
Items	Qty	Unit	Rate ($)	Value ($)	Next Due	Total Life	Comments
Replace or upgrade fire control panel	1	Ea	55,000.00	55,000.00	20	20	Replace as required
Replace or upgrade fire control panel - mimic	1	Ea	2,079.13	2,079.00	13	15	Replace as required
Replace fire doors - stage 1	1	Item	75,000.00	75,000.00	1	0	
Replace fire doors - stage 2	1	Item	75,000.00	75,000.00	2	0	
Replace fire hose reels	2	Ea	734.52	1,469.00	1	1	Replace only if existing cannot be repaired
Replace valves, pipes and sprinklers	1	Item	4,949.53	4,950.00	1	1	Ongoing maintenance program
Replace fire extinguishers	2	Ea	182.12	364.00	1	1	Ongoing maintenance program
Replace fire hydrant booster pump	2	Ea	1,456.91	2,914.00	3	3	Replace as required
Replace fire pressurization system fans	2	Ea	10,369.09	20,738.00	15	15	Repair or replace as required
Replace emergency fire pumps - diesel	1	Ea	13,263.50	13,264.00	11	15	Repair or replace as required
Replace emergency fire pumps - electric	1	Ea	28,531.09	28,531.00	14	30	Repair or replace as required
Replace fire pump control boxes	1	Ea	952.22	952.00	5	5	Repair or replace as required
Replace emergency lighting	1	Item	3,570.62	3,571.00	1	1	Ongoing maintenance program
17. Plant - water							
Replace sump pumps	2	Ea	1,758.73	3,517.00	9	10	Replace as required
Replace sump pumps control box	1	Ea	539.52	540.00	14	20	Replace as required
Replace irrigation pump	1	Ea	956.98	957.00	2	3	Replace as required
Replace water fountain pump	1	Ea	651.24	651.00	3	3	Replace as required
Replace domestic water jacking pumps	2	Ea	5,188.60	10,377.00	4	5	Replace as required
Replace hot water circulation pumps	1	Ea	557.23	557.00	1	1	Replace as required
Replace hot water system – 275L gas	2	Ea	10,763.68	21,527.00	11	15	Replace as required
Replace hot water system – instantaneous gas	1	Ea	3,329.42	3,329.00	2	2	Replace as required
Replace hot water storage tanks	1	Ea	2,792.41	2,792.00	2	2	Replace as required
Replace water and sewer pipes	1	Item	7,374.44	7,374.00	1	1	Repair or replace as required
18. Plant - electrical							
Replace light fittings	1	Item	5,821.14	5,821.00	1	1	Ongoing maintenance program
Replace switchboards	2	Ea	99,501.34	199,003.00	30	50	Replace as required
Replace or repair back up generator	1	Item	29,548.61	29,549.00	4	8	Repair or replace as required
Replace back up power control box	1	Item	9,045.79	9,046.00	15	15	Repair or replace as required
19. Plant - air							
Replace air-conditioning units	1	Item	30,000.00	30,000.00	1	0	
Replace air-conditioning units	2	Ea	10,000.00	20,000.00	2	1	Ongoing replacement program
Replace ductwork and brackets	15	Lm	271.96	4,079.00	1	1	Ongoing replacement program
Replace mechanical ventilation fans (roof mounted)	1	Ea	2,913.81	2,914.00	2	2	Repair or replace as required
Replace mechanical ventilation fans (basement)	1	Ea	2,869.70	2,870.00	2	2	Repair or replace as required
Replace other ventilation fans	1	Ea	569.70	570.00	1	1	Repair or replace as required
Replace cooling tower	1	Ea	22,197.62	22,198.00	10	30	Repair or replace as required
Replace cooling tower motor	1	Ea	2,609.88	2,610.00	5	10	Repair or replace as required
Replace cooling tower pump	1	Ea	3,046.57	3,047.00	7	10	Repair or replace as required

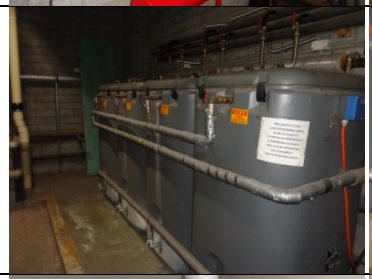
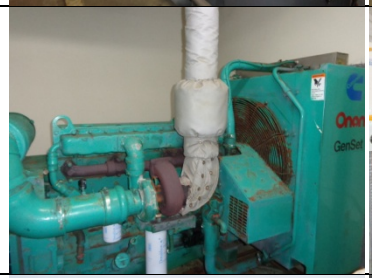
Items	Qty	Unit	Rate ($)	Value ($)	Next Due	Total Life	Comments
20. Lifts							
Replace lift to bar	1	Ea	106,659.52	106,660.00	13	30	Replace as required
Replace buttons	1	Item	20,000.00	20,000.00	2	0	
Replace high-rise lift	2	Ea	264,755.55	529,511.00	13	30	Replace as required
21. Window Safety Devices / Locks							
Install window safety devices / locks	1	Item	12,500.00	12,500.00	1	0	Install to meet strata regulations

BUILDING PHOTOS

Item Group	Photo
Building exterior	  
Roof	
Access for work at heights	
Foyer - Tower	 
Lobbies and stairwells - Tower	  

Stairwells - Low rise	
Toilets / Bathrooms	 
Gymnasium	
Sauna	
Spa room	

Driveway / Basement carpark	  
Barbeque	
Swimming pool and spa	
Fixtures and fittings	  
Fences and gates	

Landscaping	
Fire equipment	  
Plant - water	  
Plant - electrical	 
Plant - air	  

Lifts	
Window Safety Devices / Locks	

Inspector's Report for Cote D'Azur

1. Actual Painting quotations can vary to our Painting Cost Estimates due to colour selection changes (ie: changing from light to dark or dark to light that may require multiple coats). Often over product specification that include either an impact membrane or 3 coat system can add up to 15-20% to the painting per square metre rate.

2. The painting cost estimates are as accurate as possible. However, due to privacy considerations, access restrictions to some areas and the varied nature of the property, it is recommended that the Owners Corporation obtain quotes for painting work well in advance of when the work is to be carried out to allow for any shortfall or excess in funds.

3. An allowance has been made for the cleaning and maintenance of the driveway. Cleaning may be carried out using high pressure water or a chemical wash, however the Owners Corporation should take care to abide by water-use restrictions when doing so.

4. The powder coated metalwork throughout the property may be subject to a manufacturer's warranty and, as such, the manufacturer's cleaning and maintenance recommendations should be followed to maximise the lifespan of the product.

5. As the property is in a salt air environment it is most important that the Owners Corporation closely monitor the state of repair of the building. Even limited exposure to salt air can shorten the effective lives of many items and can lead to unpredictable wear and tear on a wide range of surfaces and materials. Any signs of corrosion or deterioration should be assessed for repair as swiftly as possible, and repairs undertaken accordingly.

6. Trees should be lopped to below the fascia and gutter height and be kept clear of the building to prevent premature corrosion of the roof flashings, gutters and downpipes. Root systems should also be kept away from the building to prevent structural damage to the footings using root barriers of. If these measures cannot prevent damage to the building or property, the Owners Corporation may wish to consider removing problem trees.

7. Based on our assessment of the maintenance needs of the property, we believe that the levies currently being paid by the owners are adequate to meet the forecast liabilities of the Capital Works. As such, we have recommended that the levies be kept at their current level and increased for inflation only. We recommend that this report be updated no less than every three years to ensure that it captures market variations and any changes in the building itself.

8. An allowance for the installation of window safety devices/locks was included for the complex.

9. An allowance for general building maintenance, repairs and water proofing was added for future works.

10. Monies were budgeted for the replacement of windows and doors on the complex.

11. An allowance for plumbing and drainage maintenance was included for the complex.

Report Notes

Capital Works Fund Plan (NSW)

This forecast satisfies the current requirements of section 80 of the Strata Schemes Management Act 2015, which states:

80 Owners corporation to prepare 10-year capital works fund plan

(1) *An owners corporation is to prepare a plan of anticipated major expenditure to be met from the capital works fund for a 10-year period commencing on the first annual general meeting of the owners corporation.*
(2) *An owners corporation is to prepare a plan for each 10-year period following the 10-year period to which the first plan applied. The plan is to be prepared for the annual general meeting at which the period covered by the previous plan expires.*
(3) *An owners corporation may, by resolution at a general meeting, review, revise or replace a 10-year plan prepared under this section and must review the plan at least once every 5 years.*
(4) *A plan under this section is to include the following:*
  (a) *details of proposed work or maintenance,*
  (b) *the timing and anticipated costs of any proposed work,*
  (c) *the source of funding for any proposed work,*
  (d) *any other matter the owners corporation thinks fit,*
  (e) *any other matter prescribed by the regulations for the purposes of this section.*
(5) *A plan under this section is to be finalised by the end of the next annual general meeting of the owners corporation after the annual general meeting for which the plan is prepared.*
(6) *An owners corporation may engage expert assistance in the preparation of a plan under this section.*
(7) *An owners corporation is, so far as practicable (and subject to any adjustment under this section), to implement each plan prepared under this section.*

A Capital Works Fund is established pursuant to section 74 of the Strata Schemes Management Act 2015, which states:

74 Capital works fund

(1) ***Establishment of fund***
An owners corporation must establish a capital works fund.
(2) ***Amounts payable to fund***
An owners corporation must pay the following amounts into the capital works fund:
  (a) *the contributions levied on, and paid by, owners for payment into the fund,*
  (b) *any amounts paid to the owners corporation by way of discharge of insurance claims, unless paid into the administrative fund,*
  (c) *any amounts paid to the owners corporation under Part 11,*
  (d) *any amount received by the owners corporation that is not required or permitted to be paid into the administrative fund,*
  (e) *the proceeds of any investment of the fund.*
(3) *An owners corporation may also pay the following amounts into the capital works fund:*
  (a) *any income of the owners corporation,*
  (b) *any amount that may be, but is not required to be, paid into the fund under this Act.*
(4) ***Amounts payable from fund***
An owners corporation may pay money from its capital works fund only for the following purposes:
  (a) *payments of the kind for which estimates have been made under section 79 (2),*
  (b) *payments made in accordance with this Division on a distribution of a surplus in the fund,*
  (c) *payments of amounts for the purposes of Part 11,*
  (d) *the transfer of money to the administrative fund or to pay expenditure that should have been paid from the administrative fund.*
(5) ***Exemption***
An owners corporation for a strata scheme comprising 2 lots need not establish a capital works fund if:
  (a) *the owners corporation so determines by unanimous resolution, and*
  (b) *the buildings comprised in one of those lots are physically detached from the buildings comprised in the other lot, and*
  (c) *no building or part of a building in the strata scheme is situated outside those lots.*

THIS REPORT DEALS WITH THE CAPITAL WORKS FUND PLAN.

Implementation - It is the responsibility of the Executive Committee and the Owners Corporation to implement this plan so far as is practicable.

Interaction with Capital Works Fund - The source of funding for all proposed work or maintenance is presumed to be the capital works fund. No allowance has been made for proposed work or maintenance that is funded by means other than the capital works fund.

Figures used and updates - The figures used in the forecast are typical for this type of building and normal usage. The Executive Committee has some flexibility to make minor adjustments to the timing of any proposed work. More major adjustments to the timing of work may require an ordinary resolution of the Executive Committee, or complete revision of the Plan. The purpose of this forecast is to ensure monies are available when required to cover foreseeable expenses.

Contingency - A contingency has been allowed for any unforeseen expenses. Please refer to the second page of the report.

Interest, Taxation and Inflation - The standard interest rate used by Solutions in Engineering is based on the Reserve Bank of Australia's (RBA) historical series for Cash Management and Online Savings Account interest rates for the past previous fifteen years. The company tax rate is applied to interest income unless Solutions in Engineering is advised that the Owners Corporation is exempt from tax on external income. The standard inflation rate used by Solutions in Engineering is based upon the entire RBA historical series for Construction, Manufacturing and Property Services inflation, commencing March 1999. While historical figures are not an accurate predictor of specific future outcomes, over the life of this report (fifteen years), interest rates and inflation should approach long-term averages. Changes in economic conditions may affect the accuracy of these figures. This report should be updated at regular intervals to ensure that any such changes are taken into account.

Administration Fund - Items of a recurrent nature that are covered by the administration budget such as maintenance contract for lifts, fire protection equipment, air conditioners, cleaning and gardening are not included. Neither are items of a minor recurrent nature with varying life spans such as light bulbs and exit light battery packs.

Items with Indefinite Lives - There is no allowance for replacement of items that, if properly maintained, should last indefinitely, (unless otherwise requested by the Executive Committee); for example: sanitary fittings and lift carriage interiors. This forecast deals only with estimating the timing of physical obsolescence.

Improvements - The Executive Committee may resolve to undertake improvements not related to normal maintenance. No allowance has been made for these items.

Defects - No allowance has been made for correction of defects resulting from faulty construction except where nominated in the report. The inspectors report summarises only issues observed during our inspection and is not a structural report.

Ongoing Maintenance Programs - The lives of some items overall may have been extended indefinitely due to the use of an ongoing maintenance program. When there is any doubt in our minds about how and when an item may need replacement or maintenance, we give control to the owners and the Executive Committee. With allowances for ongoing maintenance programs, allow funds to be available for maintenance, gradual replacement or in some cases accumulation of funds for total replacement in the long term. The lives of some items can vary considerably, especially with issues such as:

- Usage.
- Accidental damage to floor tiles, which may or may not be still available or in stock.
- Fences can be maintained and replaced gradually or all at once.
- Metal and Aluminium Balustrades can last anywhere between 10 and 50 years, depending on the original quality, coatings (painting) and maintenance.
- Concrete driveways that have been cracked but are still perfectly sound and serviceable.
- Pumps and Fans can last indefinitely or wear out relatively quickly. This often depends on the quality of internal construction and finish.

Safety - The inspection does not cover safety issues.

Lifts - Due to the many types of lift contracts covering varying parts and aspects of lift maintenance, no allowance is made unless instructed by the Executive Committee Committee/Representative.

Fire Maintenance – We have assumed that the Fire Maintenance Contractor has covered the Fire Maintenance Items; no allowance is made unless instructed by the Executive Committee/Representative.

Window Safety Device – It is mandatory to install a safety device/ lock that restricts the opening of an openable window to less than 12.5cm. The device must be able to withstand a specific outward pushing force. All windows in

every apartment building above a certain height must comply. (Section 118 Strata Schemes Management Act 2015; section 30 Strata Schemes Management Regulation 2016). An allowance has been made for the installation of these devices. Contact our office should you require a quotation to install these devices.

Other Matters - Unless otherwise included, this report does not include matters that are not anticipated major expenditures to be met from the capital works fund.

Updates - The forecast is made with the best available data at this time. The forecast should be upgraded at regular intervals. We recommend a minimum of bi-annual updates.

Supply terms and conditions - 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.solutionsinengineering.com

Please read the information and the notes on the Inspector's report to gain the most from this report.