

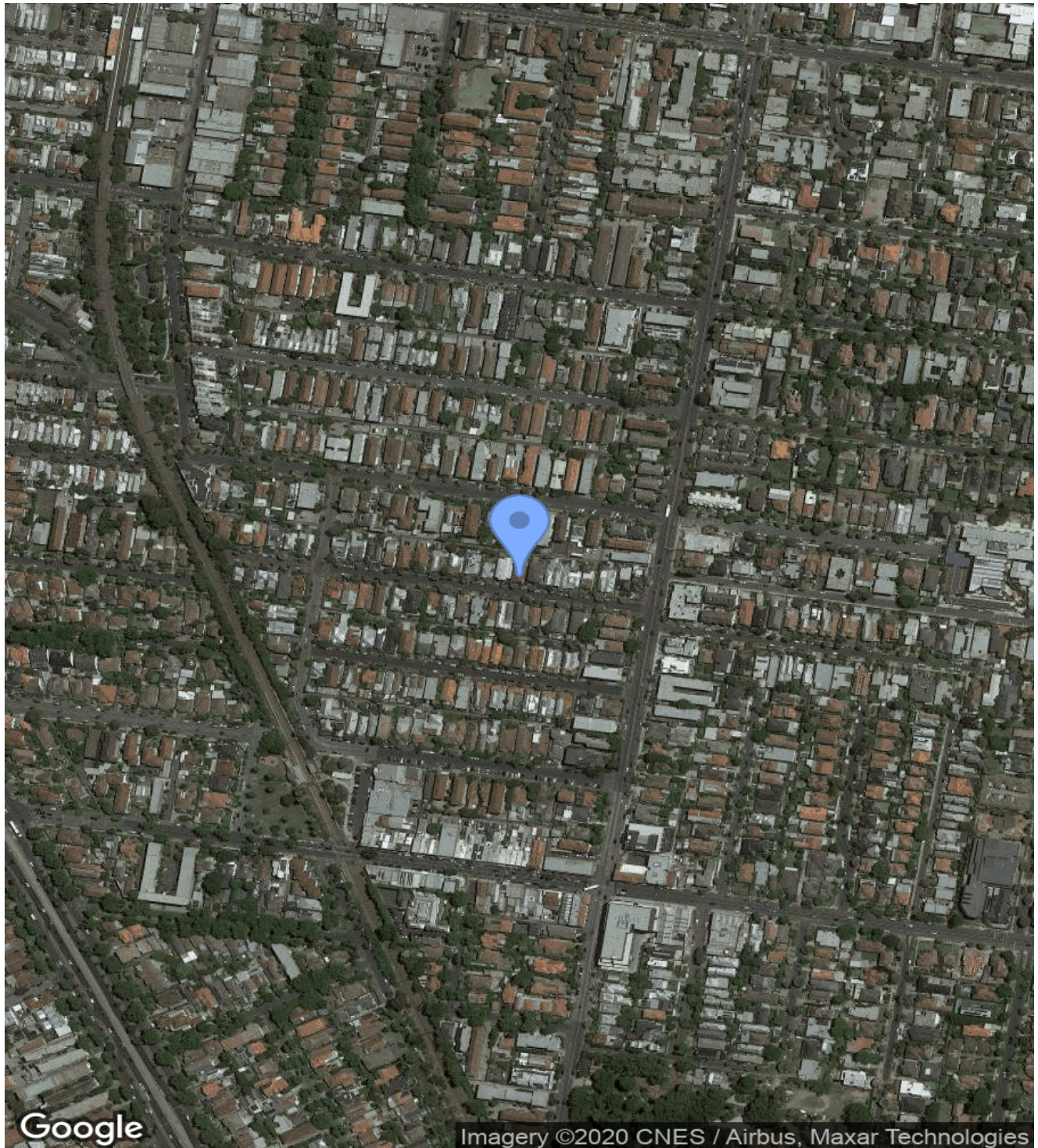


# MAINTENANCE PLAN REPORT

100 Sample St, Melbourne, VIC, 3000  
PS 123456K



## Property Location





## Schedule 1

Instructions		
Item 1	Your instructions were received by us on	29/04/2020
Item 2	Our Assessment was compiled on	15/05/2020
Item 3	<b>Person who authorised report</b> <i>'the authorising party'</i>	
Item 4	<b>Name of Company</b> <i>'the authorising party OC Manager or Committee'</i>	
Item 5	<b>Company Address</b> <i>'the authorising party OC Manager or Committee'</i>	
Item 6	<b>Phone</b>	
Item 7	<b>Email</b>	
Item 8	<b>Assessment Compiled by</b>	
Item 9	<b>Assessment Checked by</b>	

Property Details		
Item 10	Address of Property:	100 Sample St, Melbourne, VIC, 3000
Item 11	Plan of Subdivision No:	PS 123456K
Item 12	Property Type: <i>Type - Residential / Mixed Use / Retail / Office / industrial / Commercial / Shopping Centre Etc.</i>	Residential Apartment

Period		
Item 13	<b>Start Date</b>	01/05/2020
Item 14	<b>End Date</b>	01/05/2030

Insurance Details		
Item 15	Current Insured Amount	\$2,000,000
Item 16	Insurance Expiry Date	10/10/2022

Property Maintenance Plan Assessment Details		
Item 17	Number of Lots	6
Item 18	Number of Levels <i>(Excluding Basements)</i>	2
Item 19	Date of Maintenance Plan Assessment	05/05/2020
Item 20	Commencement date of Budget	01/05/2020
Item 21	Starting Balance	\$0
Item 22	This Maintenance Budget Plan has been prepared to be implemented over (Number of Years)	10 Years
Item 23	Registered for GST <i>GST requirements If your owners corporation's income (including fees) exceeds \$75,000 in a year, it must register for GST. If the total income is less than \$75,000, the Owners Corporation may choose to register for GST.</i>	No

Our Assessment and findings are valid for **90** days from the date shown in Item 2 in the **Schedule 1**. This Assessment is to be read in conjunction with our **'Terms of Engagement'** and **'Maintenance Plan Report'** assessment wording.

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## Report Brief, Notes & Assumptions

### Property Description

Double-storey apartment comprising 6 lots. The building is on the North side of Sample Street.

### This property consists of the following

- 1) Pitched terracotta roof tiles.
- 2) Common stairway and walkway on the ground and first floor.
- 3) Open space parking at the rear.

### Client Brief

- 1) Recently had CCTV carried out on the common drains, resulting in the common sewer being relined and are about to complete repairs to the storm water.
- 2) There were concrete repairs done in or around early 2016.
- 3) Will also need to carry out underpinning works in the near future.
- 4) There is no need to include windows maintenance in this plan. This will be done by each owner as needed.
- 5) There is also no need to include the maintenance of the ground floor timber courtyard fences. The ground floor lots have a lease on these fences.
- 6) Exterior painting to be part of maintenance plan despite being external boundaries.

### Inspection Notes

As per the instruction of the OC manager we have calculated the Maintenance Plan based on the following:

- The property consists of one Owners Corporations as per the Plan of Subdivision provided and a budget has been calculated for the Owner's corporation.
- Overall, the building was noted to be in good condition, considering its age.
- The Maintenance Plan has been calculated to account for all anticipated future maintenance works that are required in order to maintain the common property in an acceptable condition.
- Within the forecast period, the items requiring significant anticipated expenses were found to be:
  - Underpinning works to be done.
  - The painting of the exterior of the building.
  - Replacement of Intercom system.
  - Future CCTV Stormwater and Sewer, Structural and OH&S reports.
  - Roof maintenance.
- A liabilities table has been provided for each year of the budget plan.

This maintenance budget plan is intended to be supplied and used as a guide to ensure adequate funds are collected to maintain the building in good condition, not as a precise schedule of the date that each work should be conducted over the next ten years or as a quote for the exact cost for each item.

It is recommended that this Maintenance Budget Plan is reviewed after five years in order to reassess the general condition of the maintainable items within the plan, the actual expenditure and to ensure that the plan is performing as required.

## 5. Property Description

Maintenance Plan Inputs	
100 Sample St, Melbourne, VIC, 3000	
Strata Plan Number	PS 123456K
Strata Plan Registration Date	04 April 2005
Property Address	100 Sample St, Melbourne, VIC, 3000
Property Manager	
Address	
Commencement Date of Budget	01 May 2020
Forecast period	10 Years
Number of Lot Liabilities	1000
Number of Lots	6
Starting Balance	\$0.00
Assumed Rate of Inflation	1.9%
Assumed Rate of Interest on Investments	3.0%
Assumed Taxation Rate on Funds	30%
Interest Rate x Taxation Rate	2.1%
Level of GST Applicable	10%
Contingency for Unforeseen expenses	8%
GST Status	Not-Registered

Maintenance Plan Budget - Fund Outline					
100 Sample St, Melbourne, VIC, 3000					
Year		Opening Balance	Fund Contribution	Net Anticipated Expenses	Closing Balance*
0	May-20	\$ -	\$ -	\$ -	\$ -
1	May-21	\$ -	\$ 11,552.04	\$ 9,991.15	\$ 1,560.89
2	May-22	\$ 1,560.89	\$ 11,975.44	\$ 10,447.32	\$ 3,121.79
3	May-23	\$ 3,121.79	\$ 9,262.04	\$ 6,205.81	\$ 6,243.57
4	May-24	\$ 6,243.57	\$ 7,177.59	\$ 6,339.90	\$ 7,212.38
5	May-25	\$ 7,212.38	\$ 7,313.96	\$ 6,700.63	\$ 7,977.17
6	May-26	\$ 7,977.17	\$ 7,452.93	\$ 6,567.23	\$ 9,030.38
7	May-27	\$ 9,030.38	\$ 7,594.53	\$ 6,794.68	\$ 10,019.87
8	May-28	\$ 10,019.87	\$ 7,738.83	\$ 7,136.95	\$ 10,832.16
9	May-29	\$ 10,832.16	\$ 7,885.87	\$ 7,272.56	\$ 11,672.95
10	May-30	\$ 11,672.95	\$ 8,035.70	\$ 10,588.42	\$ 9,365.36
		\$ -	\$ 85,988.92	\$ 78,044.65	\$ 9,365.36

\*This balance includes the interest earned on the fund balance and tax payable on these earnings

## Property Inspection Report & Maintenance Estimate

100 Sample St, Melbourne, VIC, 3000

Zones	Works	Quantity	Unit	Rate (NPV)	Total Cost (NPV)	Current Condition	End of Lifespan Action Required	Start Collection	Remaining Lifespan	Expected New Lifespan
<b>Front and Side External</b>										
	Mailbox	1	no	\$ 1,200.00	\$ 1,200.00	Good	Replace	2027	18	20
	Antenna	1	no	\$ 850.00	\$ 850.00	Good	Replace	2024	15	20
	Intercom	1	no	\$ 6,500.00	\$ 6,500.00	Good	Replace	2022	13	25
	Pedestrian Gate	2	no	\$ 650.00	\$ 1,300.00	Good	Replace	2020	10	20
	Paintng front wall	1	sum	\$ 450.00	\$ 450.00	Good	Replace	2020	11	12
	Grey Fence	3	lm	\$ 85.00	\$ 255.00	Good	Replace	2024	15	20
	Painting of grey fences	1	sum	\$ 400.00	\$ 400.00	Good	Replace	2020	11	12
	Handrail Paint	20	lm	\$ 135.00	\$ 2,700.00	Good	Replace	2020	11	12
	Timber boundary fence	15	lm	\$ 55.00	\$ 825.00	Good	Replace	2024	15	25
	Fire Extinguisher	1	no	\$ 250.00	\$ 250.00	Good	Replace	2020	5	8
	Lighting	5	no	\$ 200.00	\$ 1,000.00	Good	Replace	2020	5	12
Contractor's toilet	Toilet	1	no	\$ 750.00	\$ 750.00	Good	Replace	2027	18	20
	Sink	1	no	\$ 650.00	\$ 650.00	Good	Replace	2027	18	20
	Door	1	no	\$ 500.00	\$ 500.00	Good	Replace	2024	15	25
	Painting	12	sqm	\$ 35.00	\$ 420.00	Good	Replace	2020	11	12
<b>Façade</b>										
	Exterior Painting (incl. surafce preparation)	300	sqm	\$ 55.00	\$ 16,500.00	Good	Replace	2020	11	12
	Scaffold for painting	300	sqm	\$ 58.00	\$ 17,400.00	Good	Replace	2020	11	12
<b>Rear External</b>	Concrete area around property and rear carpark	180	sqm	\$ 115.00	\$ 20,700.00	Average	Replace	2029	20	40
	Line Marking	1	sum	\$ 200.00	\$ 200.00	Average	Replace	2020	2	12
	Lighting	1	no	\$ 200.00	\$ 200.00	Good	Replace	2020	5	12
	Pedestrian Gate	1	no	\$ 650.00	\$ 650.00	Good	Replace	2020	10	20
	Grey Fence	2	no	\$ 85.00	\$ 170.00	Good	Replace	2020	10	20
	Painting of grey fences	1	sum	\$ 400.00	\$ 400.00	Good	Replace	2020	11	12
<b>Miscellaneous</b>					\$ -					
	CCTV Storm Water and Sewer Inspection	1	sum	\$ 1,650.00	\$ 1,650.00	Good	Maintenance	2020	7	8
	Structural and Masonry Inspection Allowance	1	sum	\$ 1,500.00	\$ 1,500.00	Good	Maintenance	2020	7	8
	OH&S and ESM miscelanous works	1	sum	\$ 850.00	\$ 850.00	Good	Maintenance	2020	2	4
	Roof Repoint Tiles	190	sqm	\$ 15.00	\$ 2,850.00	Average	Replace	2021	12	35
	Stormwater & sewer Plumbing Upgrades/Repairs	1	sum	\$ 14,000.00	\$ 14,000.00	Good	Repair	2038	29	30
	Gutters, downpipes and rainwater disposal system	190	sum	\$ 45.00	\$ 8,550.00	Good	Replace	2029	20	35
	Underpinning Works to be done	1	sum	\$ 10,000.00	\$ 10,000.00	Good	Repair	2020	2	50

## Annual Contributions Toward Anticipated Expenses

100 Sample St, Melbourne, VIC, 3000

Expense Requirements	1 2020 - 2021	2 2021 - 2022	3 2022 - 2023	4 2023 - 2024	5 2024 - 2025	6 2025 - 2026	7 2026 - 2027	8 2027 - 2028	9 2028 - 2029	10 2029 - 2030
Contingency for Unforeseen Expenses	\$ 541.35	\$ 551.64	\$ 562.12	\$ 572.80	\$ 583.68	\$ 594.77	\$ 606.07	\$ 617.59	\$ 629.32	\$ 641.28
Front and Side External										
Mailbox	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139.50	\$ 142.15	\$ 144.85
Antenna	\$ -	\$ -	\$ -	\$ -	\$ 93.39	\$ 95.16	\$ 96.97	\$ 98.81	\$ 100.69	\$ 102.60
Intercom	\$ -	\$ -	\$ 687.76	\$ 700.83	\$ 714.14	\$ 727.71	\$ 741.54	\$ 755.63	\$ 769.98	\$ 784.61
Pedestrian Gate	\$ 132.47	\$ 134.99	\$ 137.55	\$ 140.17	\$ 142.83	\$ 145.54	\$ 148.31	\$ 151.13	\$ 154.00	\$ 156.92
Painting front wall	\$ 45.86	\$ 46.73	\$ 47.61	\$ 48.52	\$ 49.44	\$ 50.38	\$ 51.34	\$ 52.31	\$ 53.31	\$ 54.32
Grey Fence	\$ -	\$ -	\$ -	\$ -	\$ 28.02	\$ 28.55	\$ 29.09	\$ 29.64	\$ 30.21	\$ 30.78
Painting of grey fences	\$ 40.76	\$ 41.53	\$ 42.32	\$ 43.13	\$ 43.95	\$ 44.78	\$ 45.63	\$ 46.50	\$ 47.38	\$ 48.28
Handrail Paint	\$ 275.13	\$ 280.36	\$ 285.68	\$ 291.11	\$ 296.64	\$ 302.28	\$ 308.02	\$ 313.88	\$ 319.84	\$ 325.92
Timber boundary fence	\$ -	\$ -	\$ -	\$ -	\$ 90.64	\$ 92.36	\$ 94.12	\$ 95.91	\$ 97.73	\$ 99.59
Fire Extinguisher	\$ 50.95	\$ 51.92	\$ 52.90	\$ 53.91	\$ 54.93	\$ 55.95	\$ 56.97	\$ 57.99	\$ 59.01	\$ 60.03
Lighting	\$ 203.80	\$ 207.67	\$ 211.62	\$ 215.64	\$ 219.74	\$ -	\$ 95.07	\$ 96.88	\$ 98.72	\$ 100.59
Contractor's toilet										
Toilet	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87.19	\$ 88.84	\$ 90.53
Sink	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75.56	\$ 77.00	\$ 78.46
Door	\$ -	\$ -	\$ -	\$ -	\$ 54.93	\$ 55.98	\$ 57.04	\$ 58.13	\$ 59.23	\$ 60.35
Painting	\$ 42.80	\$ 43.61	\$ 44.44	\$ 45.28	\$ 46.14	\$ 47.02	\$ 47.91	\$ 48.83	\$ 49.75	\$ 50.70
Façade										
Exterior Painting (incl. surface prep)	\$ 1,681.35	\$ 1,713.30	\$ 1,745.85	\$ 1,779.02	\$ 1,812.82	\$ 1,847.26	\$ 1,882.36	\$ 1,918.13	\$ 1,954.57	\$ 1,991.71
Scaffold for painting	\$ 1,773.06	\$ 1,806.75	\$ 1,841.08	\$ 1,876.06	\$ 1,911.70	\$ 1,948.02	\$ 1,985.04	\$ 2,022.75	\$ 2,061.18	\$ 2,100.35
Rear External										
Concrete area around property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,498.69
Line Marking	\$ 101.90	\$ 103.84	\$ -	\$ 17.97	\$ 18.31	\$ 18.66	\$ 19.01	\$ 19.38	\$ 19.74	\$ 20.12
Lighting	\$ 40.76	\$ 41.53	\$ 42.32	\$ 43.13	\$ 43.95	\$ -	\$ 19.01	\$ 19.38	\$ 19.74	\$ 20.12
Pedestrian Gate	\$ 66.24	\$ 67.49	\$ 68.78	\$ 70.08	\$ 71.41	\$ 72.77	\$ 74.15	\$ 75.56	\$ 77.00	\$ 78.46
Grey Fence	\$ 17.32	\$ 17.65	\$ 17.99	\$ 18.33	\$ 18.68	\$ 19.03	\$ 19.39	\$ 19.76	\$ 20.14	\$ 20.52
Painting of grey fences	\$ 40.76	\$ 41.53	\$ 42.32	\$ 43.13	\$ 43.95	\$ 44.78	\$ 45.63	\$ 46.50	\$ 47.38	\$ 48.28
Miscellaneous										
CCTV Storm Water and Sewer	\$ 240.19	\$ 244.76	\$ 249.41	\$ 254.15	\$ 258.97	\$ 263.89	\$ 268.91	\$ 273.97	\$ 279.07	\$ 284.21
Structural and Masonry Inspection	\$ 218.36	\$ 222.51	\$ 226.73	\$ 231.04	\$ 235.43	\$ 239.90	\$ 244.46	\$ 249.07	\$ 253.73	\$ 258.44
OH&S and ESM miscellaneous work	\$ 433.08	\$ 441.30	\$ 224.84	\$ 229.12	\$ 233.47	\$ 237.91	\$ 242.43	\$ 247.03	\$ 251.73	\$ 256.51
Roof Repoint Tiles	\$ -	\$ 295.93	\$ 301.56	\$ 307.29	\$ 313.12	\$ 319.07	\$ 325.14	\$ 331.31	\$ 337.61	\$ 344.02
Stormwater & sewer Plumbing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gutters, downpipes and rainwater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,032.07
Underpinning Works to be done	\$ 5,095.00	\$ 5,191.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Yearly Contributions Required	\$ 10,499.78	\$ 10,995.20	\$ 6,270.77	\$ 6,407.88	\$ 6,796.61	\$ 6,636.06	\$ 6,876.23	\$ 7,243.74	\$ 7,381.37	\$ 11,052.37

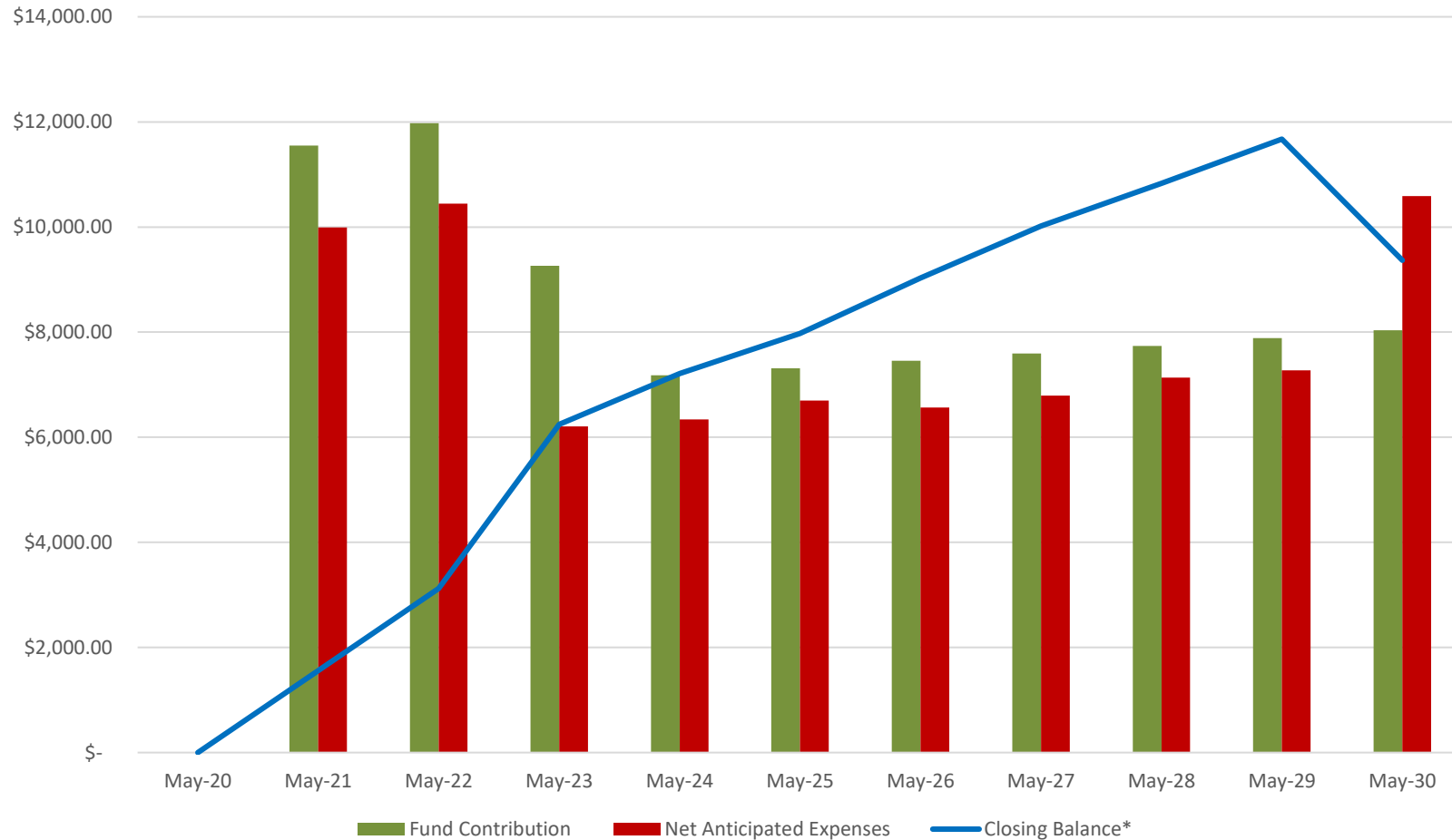
## Annual Contributions for Each Lot

100 Sample St, Melbourne, VIC, 3000

Lot Name	Liabilities	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030
CP 1	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lot 1A	165	\$1,906	\$1,976	\$1,528	\$1,184	\$1,207	\$1,230	\$1,253	\$1,277	\$1,301	\$1,326
Lot 2 A	167	\$1,929	\$2,000	\$1,547	\$1,199	\$1,221	\$1,245	\$1,268	\$1,292	\$1,317	\$1,342
Lot 3	167	\$1,929	\$2,000	\$1,547	\$1,199	\$1,221	\$1,245	\$1,268	\$1,292	\$1,317	\$1,342
Lot 4	167	\$1,929	\$2,000	\$1,547	\$1,199	\$1,221	\$1,245	\$1,268	\$1,292	\$1,317	\$1,342
Lot 5	167	\$1,929	\$2,000	\$1,547	\$1,199	\$1,221	\$1,245	\$1,268	\$1,292	\$1,317	\$1,342
Lot 6	167	\$1,929	\$2,000	\$1,547	\$1,199	\$1,221	\$1,245	\$1,268	\$1,292	\$1,317	\$1,342



## 10 Year Maintenance Plan Budget - Fund Outline



## Maintenance Plan Assessment

### About Budget Vals

Thank you for using Budget Vals for your Maintenance Plan Assessment. We have completed the Assessment which has been compiled by our experienced team. Our combined industry experience and qualifications as registered unlimited building practitioners and licensed estate agents ensures that your insurance reinstatement and replacement valuation is accurate. The Owners Corporation Act & Regulations places accountability on the Owners Corporations, their elected committee and appointed manager, to ensure that your building has adequate funds to maintain the property. Our **PRICE POLICY** at Budget Vals "If a competitor has a cheaper quote.. we'll beat it by 10% GUARANTEED" Just provide us evidence of a cheaper quote. Thank you for your continued business the team at Budget Vals Pty Ltd

### Instructions

Our instructions were received on the day appearing in **Item 1** in the **Schedule 1** our Assessment was made available to you on the date appearing in **Item 2** in the **Schedule 1** the person named **Item 3** in the **Schedule 1** from the organisation shown in **Item 4** in the **Schedule 1** company address, phone and email of the authorising party are shown in **Items 5,6 and 7** in the **Schedule 1**. The Assessment was prepared and compiled by the **Consultant** shown in **Item 8** in the **Schedule 1** and reviewed by the person shown in **Item 9** in the **Schedule 1**.

### Assessment Scope

This Assessment has been prepared, on a visual review of the documentation supplied to us on your instructions, whether in writing, via our online portal or verbal, provided by you. The Assessment has been compiled from data and information provided to us or obtained by us on your behalf. The Assessment is visual which means we have inspected the property.

#### 1. Property Information

- 1.1 Location of the property is shown in **Item 10** in the **Schedule 1**
  - 1.2 Plan of Subdivision number is shown in **Item 11** in the **Schedule 1**
  - 1.3 Description of the Property is shown in **Item 12** in the **Schedule 1**
  - 1.4 The period of Assessment date is shown in **Item 13** in the **Schedule 1** 'the start date' and the end date is shown in **Item 14** in the **Schedule 1** 'the end date'
  - 1.5 The insurance start date details (if provided by you) are shown in **Item 15** in the **Schedule 1** and the insurance end date details (if provided by you) are shown in **Item 16** in the **Schedule 1**.
- Building photos or site aerial views which have been obtained by us on site or using online aids such as Google Earth, Google Maps, Near Maps or any other online sites we deem appropriate in carrying out the Maintenance Plan Assessment.

#### 2. Owners Corporation Act & Regulations

This forecast satisfies the current requirements of the Owners Corporation Act 2006 (Vic). As required for prescribed Owners Corporation under Section 6 of the Owners Corporation Regulations 2018 (Vic) and will also satisfy any amendments which may be made from time to time under the Act and Regulations in respect to Maintenance Plans. The current requirements at **June 2020** are as follows.

##### 2.1. Division 3 - Maintenance Plan

###### Maintenance Plan.

- 2.3. A prescribed Owners Corporation must prepare a maintenance plan for the property for which it is responsible.
  - 2.4. An Owners Corporation (other than a prescribed Owners Corporation) may prepare a maintenance plan for the property for which it is responsible.
  - 2.5. What must a maintenance plan contain.
- The maintenance plan must set out.**
- 2.6. The major capital items anticipated to require repair and replacement within the next 10 years
  - 2.7. The present condition or state of repair of those items
  - 2.8. When those items or components of those items will need to be repaired or replaced
  - 2.9. The estimated cost of the repair and replacement of those items or components

- 3.0. The expected life of those items or components once repaired or replaced

##### In this section- "major capital item" includes

- 3.1. A lift
- 3.2. An air conditioning plant
- 3.3. A heating plant
- 3.4 An item of a prescribed class

##### When does a maintenance plan have effect.

- 3.5. A maintenance plan does not have effect unless it is approved by the Owners Corporation.
- 3.6. In approving a maintenance plan, an Owners Corporation may set conditions for the payment of money out of the maintenance fund.

##### 3.7. Division 4 - Maintenance Fund

###### Establishment of maintenance fund

An Owners Corporation that has an approved maintenance plan must establish a maintenance fund in the name of the Owners Corporation.

##### 3.8. What is the maintenance fund for.

The maintenance fund of an Owners Corporation must be used for the implementation of the maintenance plan of the Owners Corporation.

##### 3.9. Payments into maintenance fund

If an Owners Corporation has established a maintenance fund, the following must be paid into that fund:

- 4.0. Any part of the annual fees that is designated as being for the purpose of the maintenance plan
  - 4.1. Any amounts received under an insurance policy in respect of the damage or destruction of property covered by the maintenance plan
  - 4.2 Any interest earned on the investment of the money in the fund
  - 4.3 Any amounts of a prescribed kind
  - 4.4 Any amounts of a kind determined by the Owners Corporation
  - 4.5. Payments from maintenance fund
- Subject to any conditions specified in the regulations and an ordinary resolution at a general meeting of the Owners Corporation, money may be paid out of the maintenance fund at any time in accordance with the approved maintenance plan.
- 4.6. Terms & Definitions
  - 4.7 Forecast Period

This Maintenance Budget Plan has been prepared to be implemented over the period shown in **Item 23** in the **Schedule 1**. All items requiring predictable maintenance or replacement have been budgeted for.

#### 3. Collection Period

In order to avoid steep increases or decreases in contributions, and in order to provide a fair "user pays" system whereby the owners pay into the fund in order to cover upgrades consistently, this budget plan has been set up to begin collecting funds for anticipated expenses over the period shown in **Item 23** in the **Schedule 1** before replacement.

#### 4. Starting Balance

The balance of the maintenance fund at the time of the forecast is a particularly important variable for the calculation of fund contributions by each owner. If the starting balance is relatively low when compared to projected expenses, then there may need to be some short-term increased contributions to pay for early maintenance upgrades and also to build a healthy fund balance. If the starting balance is not given to our forecasters, it is assumed to be \$0.00, which can result in unnecessarily high initial contributions. Always ensure that the starting balance contained within this forecast is correct.

##### 4.1. Taxation, Inflation & Interest

All profits earned by the OC through interest gained by the maintenance fund are taxed at the applicable company tax rate as at financial year 2020–2021 the company tax rate applicable for aggregated turnover threshold the tax rate for base rate entities under the threshold \$50 million is 26.0% for entities. This has been factored into the yearly balance calculations and optimization within the fund outline. Inflation has been taken into account for the calculation of all future contributions and expenses.

##### 4.2. Goods & Services Tax

For all GST registered owners' corporations, a requirement for any Owners Corporation with income (including fees) exceeding \$75,000 Per Annum GST input credits can be claimed. This has been calculated yearly and factored into the projected fund outline.

### 4.3. Items Covered by Maintenance Plan

The Maintenance Plan is designed to cover the predictable replacement of items, such as carpet, fire extinguishers or fencing. Predictable building maintenance is also covered, which includes the repainting of building interior and exterior. **Ongoing service contracts are not covered within this forecast, as they are covered by annual Owners Corporation fees.**

### 4.4. Current Condition of Items

The present state of repair of an item is considered when determining its remaining life, however it is not the only consideration. Many items degrade in a non-uniform fashion, wearing more rapidly towards the end of their life, so items which appear to be in a good state of repair may be substantially through their lifespan. As such, we draw upon industry experience and information regarding expected lifespans of items when estimating replacement schedules, but modify our estimates based upon our visual inspection. From our report, for individual items scheduled for replacement, the following guidelines are used

- Good
- Average
- Poor

The action required at the end of lifespan, such as replacement, repair or maintenance, is assigned and costed for each item and given a projected year.

### 4.5. Costs and Estimates

The costs and estimates that have been provided in the Maintenance Plan Budget are designed to denote the items that may require maintenance / repair and the frequency that the maintenance / repair may be required. Costings have been compiled using a combination of Rawlinsons Australian Construction Handbook and extensive industry experience. It is designed to assure that adequate funding is available at the time maintenance / repair is required. This report has been prepared with all due care and diligence and as such Roscon Property Services Pty Ltd accepts no responsibility for any short fall that may occur from time to time.

### 4.6. Contingency Sum

In the case of unforeseen expenses that are not covered by insurance, it is essential that a minimum balance be retained at all times to avoid the raising of a special levy. Our plan annually collects a contingency figure of between 8-12% (Default: 8%) of the total 10 yearly anticipated expenses.

### 4.7. Optimisation of Contributions

The yearly contributions to the maintenance fund have been optimised using in-house software that utilizes a complex set of goal-seeking macros in order to best meet the following important criteria:

- Fund balance is always positive and (ideally) above the contingency sum
- Owner contributions minimised
- Steady & predictable contribution increases (if possible)
- A healthy closing balance

The goals are fully customizable for each project and can be tailored to the specific needs of different OCs.

Note: If the starting balance is relatively low when compared to projected expenses, then there may need to be some short term increased contributions in order to pay for early maintenance upgrades and also to build a healthy fund balance.

### 4.8. Frequency of Levy Payments

This report provides a full 10 year levy plan for each lot owner with annual liabilities given. If contributions are made on a different frequency, such as half yearly, the annual levy should be divided between the payments periods set by the Owners Corporation so that, in any given year, the total contribution by the Owners equals the total annual levy recommended in this report.

### 4.9. Occupation Health & Safety

Items relevant to the Occupation Health & Safety Act are not covered by this report. Should it be required a safety inspection can be arranged and a separate report provided.

### 4.10. Transportation Equipment, Lifts

Annual lift maintenance has not been included, but an allowance has been included to cover the long term costs that are required to keep the equipment in operational condition.

### 4.11. Additional Works

The property owners may decide to perform improvements to the property that are not related to normal maintenance and repair; no allowance has been made for these improvements.

### 4.12. Pre-Existing Defects

No allowance has been made to correct pre-existing defects that may exist within the property. Faulty workmanship, incomplete works, works that do not comply with the National Construction Code, government legislation etc. have not been allowed within the budget. Items that are apparent at the time of the inspection are noted within the inspection report and should be attended to as a matter of priority.

### 4.13. Lifespan

The life of an item is greatly varied by the way it is treated and can be severely reduced by:

- Misuse and abuse, accidental damage
- Lack of general maintenance, lubrication, painting etc.

The overall lifespan of an item can be extended if a practical maintenance plan is in effect and is complied with.

### 4.14. Updates

The Maintenance Plan Budget is supplied based on the information that was provided at the time the Maintenance Plan Budget was compiled. It should be noted that it should be reviewed regularly to verify that it is current relevant to the variations in inflation, interest rates, bank charges, taxation scales etc.

### 4.15. Items with Indefinite Lives

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

## 5. Basis of the Estimate

The estimate has been based upon dimensions ascertained by a combination of the following methods:

- 5.1. from our site inspection.
- 5.2. From drawings provided to us by you.
- 5.3. From drawings already on file.
- 5.4. From dimensions and measurements taken from the Strata Plan of Subdivision.
- 5.5. From building photos or site aerial views which have been obtained by us using online aids such as Google Earth, Google Maps, Near Maps or any other online sites we deem appropriate.

## 6. Goods and Services Tax

Our reinstatement cost includes:

- 6.1. GST Inclusive
- 6.2. GST Exclusive

It is recommended that this matter should be discussed with a tax advisor and insurer to determine the appropriate figures that should be adopted.

## 7. Exclusions

- 7.1. Excluded from Calculation

The 'Maintenance Plan Assessment' excludes the following items:

- 7.2. Alternative accommodation cost of renting and consequential loss.
- 7.3. Professional fees incurred to prepare a claim following a loss.
- 7.4. Building variations to the current design.
- 7.5. Moveable fittings, furniture, or equipment.
- 7.6. Tenancy fit out including office, recreation equipment, catering equipment, furniture, curtains, blinds, and ornaments that do not form part of the building.
- 7.7. Contributions to fit out and tenant incentive costs.
- 7.8. Trade, advertising signs, logos, etc.
- 7.9. Works located outside the property boundary including but not limited to in ground drainage.
- 7.10. Reconstruction finance charges.
- 7.11. Delays in obtaining approvals due to appeals or other factors.
- 7.12. Removal of contaminated soil.
- 7.13. The removal of asbestos and the detection of asbestos has not been allowed.
- 7.14 Lot Owners who have made substantial improvements within their own title boundaries.

Unless otherwise informed by Owner/s or the Owners Corporation, fixtures and structural improvements by individual Owners will not be included within our 'Maintenance Plan Assessment'. For more information.



## 8. Disclaimer

8.1. This Assessment is to assist the recipient in placing funds aside to meet ongoing maintenance and or replacement of equipment or other works on the property. The figures are our estimates only and could be subject to change at any time in the future we cannot guarantee that they are accurate.

8.2. The sums estimated by us in the Maintenance Plan Assessment are to be applied as stated in our assessment and funds used for the stated purposes and as such should not be used for any other purpose. The details that are contained within this document are strictly confidential to the owners of the premises, their brokers, legal representatives, and insurers. Budget Vals does not accept any liability, contractual or from any consequences, loss or damage which may arise because of any other person acting upon or using this Assessment.

8.3. It is recommended that a reassessment is conducted at least every three years to maintain this assessment relevant due to the fluctuations in inflation, material costs & labour variables.

8.4. This Assessment is prepared by Budget Vals Pty Ltd for the purpose as stated on the front cover, and its contents are provided only for the exclusive use of the named client. Budget Vals believe that the information contained in this document is correct as at the date shown in **Item 2** in the **Schedule 1** any opinions, conclusions, recommendations, and any views expressed in this Assessment are made as at the date of inspection.

8.5. Budget Vals do not warrant their accuracy and disclaim all responsibility for any loss or damage which may be suffered by the client or any other person, directly or indirectly.

8.6. Budget Vals has no relationship with the entity "the client" that has requested this Assessment and does not owe any duties to their client, the owner's corporation their agents or contractors working on the premises now or in the future which this Assessment relates.

8.7 This inspection report has been prepared by a Budget Vals staff or contractor for the Owners Corporation.

8.8. This work was undertaken using advice provided by representatives of the owners corporation and includes items sighted during the day of the inspection only.

8.9. Budget Vals will not be liable for loss or damage caused to, or actions taken by third parties because of reliance on the information contained within this report or its accompanying documents.

8.10. This plan is provided to the Owners Corporation committee as a professional opinion. Budget Vals is not to be held responsible for the implementation of the plan.

## 9. Terms and Conditions

The following information is particularly important and forms an integral part of this report.

**9.1. Our Terms and Conditions are to be read in conjunction with our Terms of Engagement.**

9.2. This is a Visual Inspection only and in Accordance with AS4349. This visual inspection is limited to those areas and sections of the property fully accessible and visible to the Inspector at the time and on the date of Inspection. The inspection DID NOT include breaking apart, dismantling, removing, or moving objects including, but not limited to, foliage, mouldings, roof insulation/sarking membrane, floor or wall coverings, sidings, ceilings, floors, furnishings, appliances or personal possessions. The Inspector CANNOT see inside walls, between floors, inside skillion roofing, inside the eaves, behind stored goods in cupboards, or other areas that are concealed or obstructed. The inspector DID NOT dig, gouge, force or perform any invasive procedures. In an occupied property it must be understood that furnishings or household items may conceal defects which may only be revealed when the items are removed.

### 9.3. Scope of Report

This Maintenance Plan is not intended as a certificate of compliance of the property within the requirements of any Act, regulation, ordinance or by-law, or, as a warranty or an insurance policy against problems developing with the building in the future.

### 9.4. Limitations

Nothing contained in the Report implies that any inaccessible or partly inaccessible area(s) or section(s) of the property being inspected by the Inspector on the date of the inspection were free from defects latent or otherwise. No responsibility can be accepted for defects which are latent or otherwise not reasonably detected on a visual inspection without

interference with or removal of any of the structure including fixtures or fittings within the building.

9.5. This Maintenance Plan does not contain any assessment or opinion in relation to any item, which is the subject of a Special Purpose Property Report (as defined in AS4349.1), or any matter where the inspection or assessment of which is solely regulated by Statute. Special Purpose Property Reports include comment on the following - Common property areas, environmental concerns such as sunlight, privacy, streetscape and views. Proximity of property to flight paths, railways and busy traffic or other neighbourhood issues. Noise levels, health and safety issues including the presence of asbestos or lead. Heritage concerns. Security or fire protection. Analysis of site drainage apart from surface water drainage. Swimming pools and spas. Detection and identification of illegal and unauthorised building and plumbing work. Durability of exposed finishes.

### 9.6. Important Information

Any person who relies upon the contents of this Report does so acknowledging that the above clauses, definitions, and disclaimers that follow define the Scope and Limitations of the inspection and form an integral part of this assessment.

### 9.7. Disclaimer of Liability

No liability shall be accepted on account of failure of the Report to notify any problems in any area(s) or section(s) of the subject property physically inaccessible for inspection, or to which access for Inspection is denied by or to the Inspector (including but not limited to any area(s) or section(s) so specified by the Report.

### 9.8. Disclaimer of Liability to Third Parties

This report is made solely for the use and benefit of the Client named on the front of this report. No liability or responsibility whatsoever, in contract or tort, is accepted to any third party who may rely on the Report wholly or in part. Any third party acting or relying on this Report, in whole or in part does so at their own risk.

### 9.9. Contractual Limitation of Liability

9.9.1. We will use reasonable endeavours to maintain professional indemnity insurance for an amount not less than **AU\$5 million** while providing the services and for three **(3) years** after completion of the services ('Period of Liability').

9.9.2. To the extent permitted by law, our liability to you in any way in connection with this matter (whether in negligence or otherwise) is limited to **AU\$5 million**.

9.9.3. To the extent permitted by law, if a court holds that we are liable to pay damages to you and if you or any other person have contributed to the loss you suffered, the damages payable by us will be reduced to the amount which would ultimately be payable by us if: **(a)** the legislation providing for a defence of contributory negligence applied to a claim based on breach of contract; **(b)** you had not agreed to exempt or limit the liability of any entity or person; and **(c)** you joined every entity or person who was liable to pay damages in respect of your loss and we obtained an order for contribution against each of them and they paid you the full amount of their contribution.

9.9.4. Subject to a maximum aggregate liability for all claims in connection with the services being provided the consultant will pay the lesser of **AU\$5 million** or five **(5) times** our total Fees charged to you (excluding GST).

9.9.5. Our liability is limited to liability for direct loss or damage suffered by the Client. The Consultant shall not be liable for indirect, consequential, or special loss, or for loss of profits or business opportunity, or liquidated damages.

9.9.6. To the maximum extent permitted by law, the Consultant shall be deemed to have been discharged from all liability in respect of the Services whether under contract, in tort, in equity, under statute or otherwise, on the expiry of the **(‘Period of Liability’)**.

9.9.7. We accept no responsibility for any loss suffered because of any reliance upon our assessment or report other than as being accurate at the date the property was inspected for the purpose of the assessment or report.

9.9.8. Our findings are valid for 90 days from the date of issue of our assessment or report.

9.9.9. If and to the extent that any part of **‘Clause 9.9 to Clause 9.9.8’** is void as a result of any section of the Competition and Consumer Act 2010 (Cth) or any other Act, then the Consultant's liability for a breach of its obligations under this Agreement is limited to supplying the relevant Services again or

paying the reasonable costs of having a third party supply the same Services again.

#### **10. Lighting Installations**

It should be noted that this inspection was done during daylight hours and therefore the adequacy of lighting in darkness could not be directly assessed.

#### **11. Electrical Installations**

We have carried out a thorough visual inspection of the common property and assets visible from the common property areas. If there were any visible electrical installation issues they have been included in the relevant sections of this report. We have not carried out a thorough inspection of electrical installation and the main switchboard, as we are not qualified to do so, please ensure that a suitably qualified electrical contractor carries out a thorough visual inspection at least every 2 years, this inspection can be incorporated with the testing of the Residual Current Device if Community Circuits are present.

#### **12. Plumbing, Gutters, Downpipes & Roofs**

We have carried out a thorough visual inspection of the common property and assets visible from the common property areas. If there were any visible plumbing, gutters, downpipe, or roof issues they have been included in the relevant sections of this report. We have not carried out a thorough inspection of the plumbing, gutters and downpipes and roof, nor have we performed any static pressure testing or hydraulic calculations, as we are not qualified to do so, please ensure that a suitably qualified plumbing contractor (who is qualified to undertake roof inspections) carries out a thorough regular inspection. We will recommend a qualified plumber to inspect if an issue is found and the cost will be billed directly to the client by the plumbing contractor, we will seek your approval before we instruct any plumbing contractor.

#### **13. Lifts**

Please ensure that if lifts are in the building(s) that regular maintenance programs are in place. This report does not cover lifts.

#### **14. Air Conditioning**

Only a general external inspection of air conditioning units is carried out where installed, therefore please ensure that if the Owners Corporation has air conditioner(s) in the building(s) they have regular maintenance programs in place. This report does not cover air conditioning units and air condition cooling towers.

#### **15. Plant and Equipment**

The client will ensure that if the Owners Corporation has plant and equipment in the building(s) that regular maintenance programs are in place for each piece of plant and equipment. This report does not cover plant and equipment unless specifically stated.

#### **16. Balcony Balustrades**

Wherever balcony balustrades are installed, be advised that a comprehensive inspection of balcony railings was not carried out as part of this report. Also, this report is only a visual inspection of areas accessible from the common property; therefore all balcony balustrades are not viewed. If there are any visible signs of corrosion on the balustrade including fixings and/or if the balustrades are over 10 years old a detailed inspection and testing of balustrades should be undertaken.

#### **17. Pests**

We have not carried out a pest inspection of the site, as we are not qualified to do so, please ensure that a suitably qualified pest inspection contractor carries out thorough regular inspections.

#### **18. Fire Fighting Equipment and Statutory Requirements**

It has been assumed that any building requiring firefighting equipment to meet legislative requirements such as the National Construction Code (NCC) formally known as the Building Code of Australia (BCA), did meet those requirements at the time of construction completion. We have not examined the fire safety requirements for the building and make no comment as to the adequacy of the measures found in your building. If the Owners Corporation wishes to ascertain its position with respect to fire safety compliance it may carry out its own assessment or employ suitably qualified consultants. We have visually inspected the firefighting equipment but have not carried out any testing and therefore cannot determine if the equipment has been tampered with or will be effective in case of fire.

#### **19. Safe and Reasonable Access**

The extent of accessible areas shall be determined by our inspector at the time of inspection, based on the conditions encountered at the time of inspection. Our inspector will also determine whether sufficient space is

available to allow safe access to specific areas of the property. The inspection shall include only accessible areas and areas that are within the inspector's line of sight and close enough to enable reasonable appraisal. Reasonable access shall be determined in accordance with the following. An access hole shall be a minimum of 400 x 500 mm to provide safe and reasonable access. A crawl space shall be a minimum of 600 x 600 mm to provide safe and reasonable access. The inspector shall inspect an elevated area only when; it is at a height at which safe reasonable access is available or an unobstructed line of sight is present from safe use of a 3.6 meter ladder and the building elements present are close enough to allow appraisal.

#### **20. Cost Estimates**

The Client acknowledges that any cost estimates provided as part of the Services are not a statement of absolute cost, and rather will have an accuracy range commensurate with, amongst other things, all relevant information provided by the Client, the certainty of data and the level of detail available at the time of preparation of our assessment.

#### **21. Commercial Financial Significance**

When cost estimates are to be used in critical financial planning decisions or are of material commercial significance, the Client should consider a third-party peer review to confirm the accuracy of the estimates prepared by us.

#### **22. Equipment Utilized**

A visual inspection of the property may be aided by us using the following technical pieces of equipment where we consider its use to be appropriate.

- a) FLIR E6-3900 – A FLIR E6-3900 thermal imaging camera will be used in appropriate locations to detect thermal anomalies across the surface of different areas of the inspected property. It is especially useful in the identification of water ingress as water is usually cooler than the surrounding building elements and aided the inspector in tracking and identified water ingress that is not easily identifiable.
- b) Protometer Mini 2000 – A Protometer Mini 2000 moisture meter may be used to identify high moisture content in various materials affected by moisture ingress. The meter has been calibrated to detect moisture anomalies in a wide range of building materials including timber, plaster, masonry, and concrete.
- c) RIDGID micro CA-300 – A RIDGID micro CA-300 inspection camera is utilized to provide imagery of hard to reach or concealed spaces, when required. It aids the user in inspecting ceiling/wall cavities, or any other hard to access area, to provide as much detail as possible in the identification and location of problem areas.
- d) Merlin lazer glass analysis tools – The Merlin lazer glass analysis suite provides an array of instruments for the exact inspection and identification of all glazed elements within a building. Any deviation from the Construction Issue building drawings can easily be identified as the glazing installed throughout a building can be precisely compared to what has been specified in those documents.

#### **23. Our Accounts and Payment of our Costs**

We may request a deposit before we commence any works on your behalf of which will be utilised in reduction of the IQS we may also send you a bill from time to time for services already rendered or for services to be rendered which may be at the end of each month or at suitable breaks in the matter and at the end of this matter. We may also ask you to pay an amount in advance to cover past or future disbursements. Our bill is payable when you receive it. Our payment terms are 14 days from date of our invoice. If you do not pay our bill, we may stop working on your matter until our account is up to date. Forensic Building Defects and VCAT Expert Witness reports or any other report which our fee for the said report exceeds \$5,000 the client undertakes to make our payment on presentation of our Tax Invoice before the report is released by us to you

#### **10. Mission Statement**

It is the policy of Budget Vals to deliver property services to its clients in the most efficient and timely manner while respecting legal and statutory requirements. Budget Vals operates under ISO 9001-2000 in the completion of its services. All staff & sub-contractors are expected to work

according to our policies and procedures. The system employed by Budget Vals is reviewed annually to ensure its consistency”.

### 11. Publishers Note

While every effort has been made to ensure accuracy of the information given in this Assessment, neither the individual who performed the valuation or Budget Vals in any way accept liability for loss of any kind resulting from the use of the information contained in this Assessment.

### 12. Intellectual Property

Trademarks, service marks and trade names in this Assessment always remain the 'Marks' of **Budget Vals Pty Ltd** or related companies and are protected by Australian Trademark Laws. This Assessment was produced for the person/s or company denoted in **Item 3 & 4** in the **Schedule 1**. The contents of the Assessment may be used by our 'Instructing Party' only to distribute to Owners Corporation Committee members and or building owners for disclosure of its contents and to their preferred building insurer. This Assessment is not to be distributed copied or electronically transmitted to any third party without the written consent from **Budget Vals**. No part of this report including the whole of same shall be used for any other purpose nor by any third party without prior written consent of **Budget Vals Pty Ltd**.

### 13. Our Assessment

Our Assessment includes the following:-

- Part 1 Report Brief, Notes & Assumptions
- Part 2 Property Description
- Part 3 Maintenance Budget Plan Regulations
- Part 4 Terms & Definitions
- Part 5 Detailed Maintenance Budget Plan

The team at Budget Vals are available to assist you with any and every aspect that may eventuate and look forward to your call.

Thank you for your continued business.

Yours Sincerely

**Budget Vals Pty Ltd**

Paul Cummaudo

**Director**

Vic, Registered Building Practitioner VBA - DB-U 13329, CB-U 4272  
NSW, Builders Contractor Licence 294038C  
Qld, Builder Open - No: 15116625  
CRE, Licensed Estate Agent  
Member AREI, REIV, MBAV, AIPM, SCA

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