



# PROPOSED BUDGET

First financial year

**73Eight Gympie Road CTS 55071**

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# Administrative fund<sup>1</sup>

## **INCOME**

Levies - Administrative Fund	\$	42,000.00
<b>TOTAL ADMIN. FUND INCOME</b>	\$	<b>42,000.00</b>

## **EXPENDITURE - ADMIN. FUND**

ABN & TFN registration	\$	180.00
Bank Charges	\$	100.00
Cleaning	\$	7,800.00
Community power	\$	2,440.00
Contingency	\$	2,000.00
Disbursements - Body Corporate Manager	\$	1,056.00
Fees & Permits	\$	350.00
Income tax returns	\$	145.00
Insurance	\$	10,500.00
Management Fees - Body Corporate Manager	\$	1,650.00
Pest Control	\$	-
R&M Building	\$	1,500.00
R&M Electrical	\$	600.00
R&M Fire control	\$	3,630.00
R&M Gardens& grounds materials	\$	3,000.00
R&M Lift	\$	5,000.00
R&M Lift Phone	\$	780.00
R&M Plumbing	\$	750.00
Software licencing fee	\$	430.00
<b>TOTAL ADMIN. EXPENDITURE</b>	\$	<b>41,911.00</b>

NUMBER OF UNITS OF ENTITLEMENT:	1,000
AMOUNT PER UNIT OF ENTITLEMENT:	\$ 42.00

<sup>1</sup> GST under \$150,000 – All above expenses must include GST. **Income** does not have GST included

# Sinking fund

<b>INCOME</b>	
Levies - Sinking Fund	\$ 12,000.00
<b>TOTAL SINKING FUND INCOME</b>	<b>\$ 12,000.00</b>

<b>EXPENDITURE - SINKING FUND</b>	
Provision for major expenditure	\$ 5,000.00
<b>TOTAL SINKING FUND EXPENDITURE</b>	<b>\$ 5,000.00</b>

NUMBER OF UNITS OF ENTITLEMENT:	1,000
AMOUNT PER UNIT OF ENTITLEMENT:	\$ 12.00

## Summary (no insurance levy)

Accordingly, upon registration of the building format plan for the development, the lots will contribute to the amount of **\$42,000.00** being the above administrative fund budget amount and the sinking fund budget amount of **\$12,000.00** in accordance with the contribution schedule lot entitlements.

Based on the above budget and on the basis of the contribution and interest entitlements shown in the first community management statement for the development, the amounts payable by the owners will be:

Administrative fund contributions	<b>\$3,500.00</b>	per lot
Sinking fund contributions	<b>\$1,000.00</b>	per lot

The levy contributions will be payable by quarterly instalments, in advance.

### GST

All of the estimated expenses shown in the budget are GST inclusive. It is not intended to register the body corporate for GST initially, although the body corporate will apply for an Australian Business Number immediately following registration of the scheme.

### Contingency

This amount includes provision for any increased or unforeseen costs or charges or water charges billed directly to the body corporate by the local Council.

### Sinking fund contribution

Pursuant to Section 139 of the Body Corporate and Community Management (Standard Module) Regulation 2008, the body corporate must adopt a sinking fund budget. This budget must allow for raising a reasonable capital amount to provide for necessary and reasonable spending from the sinking fund for the financial year, and also to reserve an appropriate proportional share of amounts necessary to be accumulated to meet anticipated major expenditure over at least the next nine years.



## Insurance

The developer has the obligation for the first year's insurance for the complex, but it is entitled to recover that cost from the buyer of lots in the complex on a pro-rata basis at settlement. An estimated cost of insurance renewal for the building for the second year is included in the administrative fund budget.

## Lift maintenance

There are **one lifts** in the overall complex. During the first year, the lifts will be covered by the manufacturer's warranty. The body corporate will then need to enter into a maintenance agreement for both of the lifts. Fees under such maintenance agreements are payable quarterly in advance. The provision that has been made in the budget is to cover the first quarterly payment in the second year for the lifts.



# Principles for deciding the lot entitlements for each lot

The relativity principle is the principle that has been used for deciding the contribution schedule lot entitlements for the lots included in this scheme.

1(A) As required by Section 46A of the Body Corporate and Community Management Act 1997, in applying the relativity principle for the contribution schedule lot entitlements for the scheme regard has been had to the following relevant factors:

- a) how the community titles scheme is structured;
- b) the nature, features and characteristics of the lots in the scheme;
- c) the purpose for which the lots are used;
- d) the impact the lots may have on the costs of maintaining the common property; and
- e) the market value of the lots.

1(B) On the basis of these factors, and applying the relativity principle, it is just and equitable for there to be a variation in the contribution schedule lot entitlements for the scheme. The contribution schedule lot entitlements for all lots varies between a minimum of 40 out of a total of 1,100 and a maximum of 50 out of a total of 1,100.

The difference in lot entitlements recognises that the factors stated above do not impact on how much each lot should contribute to certain body corporate costs such as bank fees, secretarial fees, audit fees, printing, postage and outlays and that all lots should contribute equally to those body corporate costs. However, the structure of the scheme and the features and characteristics of the lots result in a differential burden on the costs of the body corporate for repair and maintenance of the common property. When allocating the lot entitlements to be included in the lot entitlement contribution schedule, each of the factors stated above impacts on the allocation in the following ways.

## Structure of the scheme

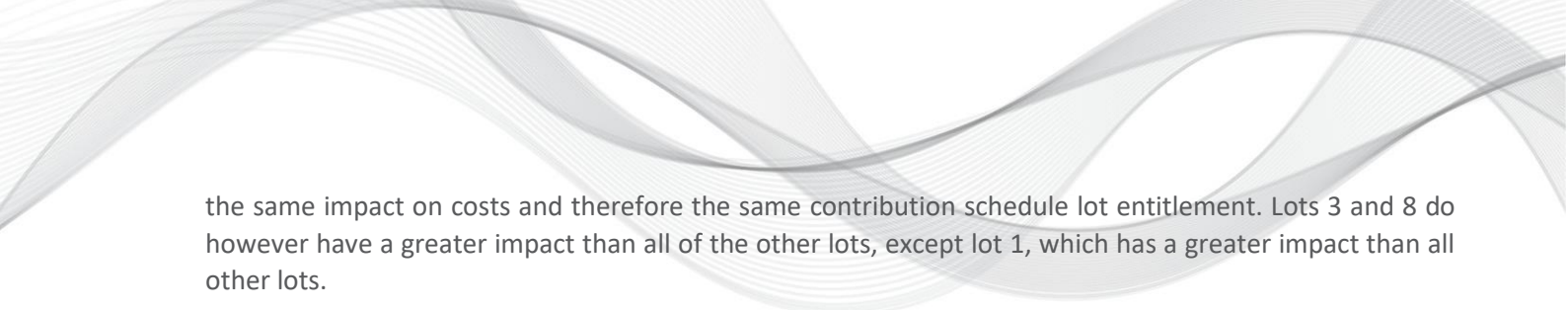
The community titles scheme is a basic community titles scheme. The common property facilities (for example: major thoroughfares/corridors landscaping) are part of the community titles scheme. This factor does not contribute to the differences in the contribution schedule lot entitlements.

## Nature features and characteristics of the lots in the scheme

All of the lots are part of a building on a building format plan. The body corporate is only responsible for the repair and maintenance of common property within the scheme. This includes the external walls, windows of the building, roof, utility infrastructure and utility services. In allocating the contribution schedule lot entitlements, the following features or characteristics of lots in the scheme increase the burden the lots places on the body corporate expenditure for the maintenance, cleaning and repair of the common property on the following bases:

- i. The external common property that benefits the lot:

The external surface area of the lot, which as part of the common property comprises, amongst other things: the exterior walls which require painting and maintenance, window frames and fittings and glass, screens and louvers, roofing membrane and materials. The greater the exposure of the lot to the common property, the greater the common property to be maintained by the body corporate and consequently the greater the lot entitlement. Therefore, units that have a greater perimeter of external wall have a greater contribution schedule lot entitlement and contribution. For this scheme, the majority of the lots will have



the same impact on costs and therefore the same contribution schedule lot entitlement. Lots 3 and 8 do however have a greater impact than all of the other lots, except lot 1, which has a greater impact than all other lots.

ii. The internal common property that benefits that lot

The internal common property comprises, amongst other things, utility infrastructure, pipes and electrical wiring. These all require maintenance and replacement. Therefore, units that enjoy a great amount of these, especially with regard to special authority or exclusive use to enjoy areas that benefit from this property, have a greater lot entitlement and contribution. For this scheme, the majority of the lots will have the same impact on costs and therefore the same contribution schedule lot entitlement. Lots 3 and 8 do however have a greater impact than all of the other lots, except lot 1, which has a greater impact than all other lots.

**The purpose for which lots are used**

All of the lots are to be used for residential purposes and this factor does not contribute in any way to the differences in the contribution schedule lot entitlements.

The impact the lots may have on the costs of maintaining the common property

The details referred to under paragraph (b) above are also relevant to consideration of matters relating to this factor. The number of potential occupants in a lot may also have an impact on the cost of maintaining those parts of the common property that are subject to wear and tear by residents. That has not been given any consideration in determining the differences in lot entitlements in this scheme.

# The interest schedule lot entitlements

The market value principle is the principle that has been used for deciding the interest schedule lot entitlements for the lots included in this scheme.

## Contributions to the body corporate manager's administration agreement

Based on the above budget items the body corporate manager's fees and disbursements and on the basis of the contribution schedule lot entitlements shown in the first community management statement for the development, as detailed above, the amounts payable by the owners will be:

Body corporate manager **\$ 1.65** per contribution schedule lot entitlement

The amounts payable by the individual lots towards the body corporate managers and disbursements for the first year following the registration of the Scheme will be as set out in the following table.

## Levy contributions

The levy contributions payable by the individual lots for the first year following the registration of the Scheme will be as set out in the following table, below and on the following page. [GST included in the amounts specified in the table below.](#)

Lot No	CSLE	ISLE	Admin	Insurance	Sinking	Annual	Weekly	BCM
1	87	87	\$ 2,740.50	\$ 913.50	\$ 1,044.00	\$ 4,698.00	\$ 90.35	\$ 217.89
2	85	85	\$ 2,677.50	\$ 892.50	\$ 1,020.00	\$ 4,590.00	\$ 88.27	\$ 212.89
3	80	80	\$ 2,520.00	\$ 840.00	\$ 960.00	\$ 4,320.00	\$ 83.08	\$ 200.36
4	80	80	\$ 2,520.00	\$ 840.00	\$ 960.00	\$ 4,320.00	\$ 83.08	\$ 200.36
5	78	78	\$ 2,457.00	\$ 819.00	\$ 936.00	\$ 4,212.00	\$ 81.00	\$ 195.35
6	82	82	\$ 2,583.00	\$ 861.00	\$ 984.00	\$ 4,428.00	\$ 85.15	\$ 205.37
7	80	80	\$ 2,520.00	\$ 840.00	\$ 960.00	\$ 4,320.00	\$ 83.08	\$ 200.36
8	83	83	\$ 2,614.50	\$ 871.50	\$ 996.00	\$ 4,482.00	\$ 86.19	\$ 207.88
9	83	83	\$ 2,614.50	\$ 871.50	\$ 996.00	\$ 4,482.00	\$ 86.19	\$ 207.88
10	86	86	\$ 2,709.00	\$ 903.00	\$ 1,032.00	\$ 4,644.00	\$ 89.31	\$ 215.39
11	86	86	\$ 2,709.00	\$ 903.00	\$ 1,032.00	\$ 4,644.00	\$ 89.31	\$ 215.39
12	90	90	\$ 2,835.00	\$ 945.00	\$ 1,080.00	\$ 4,860.00	\$ 93.46	\$ 225.41
	<b>1000</b>	<b>1000</b>	<b>\$ 31,500.00</b>	<b>\$ 10,500.00</b>	<b>\$ 12,000.00</b>	<b>\$ 54,000.00</b>		<b>\$ 2,504.54</b>