

# 10 Year Plan



As you may have heard the amended Strata Titles Act (the Act) came into effect in 2020, and one of the amendments was the introduction of 10 Year Plans. There is now a requirement for Designated Strata Companies to undertake a 10 Year Plan in accordance with the Act and the Strata Titles (General) Regulations 2019.

**Who is a Designated Strata Company?** This is defined as a strata company for a scheme with 10 or more lots; or a strata company with a building replacement cost of more than \$5 000 000.

**What does a 10 Year Plan Cover?** The common property and the personal property of the strata company (covered items) that is anticipated to require maintenance, repair, renewal or replacement (other than of a routine nature) that will require attention over the next 10 years along with the estimated costs for the maintenance, repairs, renewal or replacement. NB: There is a list under the Act of Covered Items to work from.

**What is required in the 10 Year Plan?** Briefly it must include:

- Details about the Complex – the address of the scheme, name of the scheme
- Details and qualifications of who prepared the 10 Year Plan
- The plan must list the *covered items* and their current condition (*Condition Report – see below*)
- The method of which the estimated costs for maintenance, repair, renewal or replacement were determined including any assumptions underlying the determination
- A plan of funding for the estimated costs to maintain, repair, renew or replace the *covered items*

**What is to be included in a Condition Report?**

- The date of installation, construction, or acquisition of the *covered items*
- The present condition or operating state (including whether working or not)
- The date that the inspection was undertaken
- Details of any maintenance, repair, renewal or replacement that is anticipated to be required in the period of the 10 Year Plan
- The date or dates on which it is estimated that maintenance, repair, renewal or replacement is likely to be required in the period of the 10 Year Plan
- Details of the estimated cost of maintenance, repair, renewal or replacement
- The estimated lifespan of the covered item or items once maintained, repaired, renewed or replaced

**How often does a 10 Year Plan need to be done?**

The 10 Year Plan must be revised at least once in each 5 years, when the plan is revised it must be extended to cover the next 10 years.

**I'm an Owner, but not on the Strata Council, can I see the Plan?**

The 10-Year Plan must be provided to Owners every year for their Annual General Meeting. Degrees Strata also makes this available to owners on the online portal so you can reference this at any time.

**Do we have to raise money for the covered items noted in the 10 Year Plan?**

The Act states that a Designated Strata Company must establish a Reserve Fund for the purpose of accumulating funds to meet contingent expenses, other than those of a routine nature, and other major expenses of the strata company likely to arise in the future.

The Designated Strata Company must determine the amounts to be raised for payment into the Reserve Fund, when selecting an amount to be raised that should consider the 10 Year Plan and the estimated costs of repair for the covered items lists for maintenance, repair, renewal or replacement within that year.

**If we are not considered a Designated Strata Company, can we still obtain a 10 Year Plan?**

Of course! The Strata Company must keep the common property in good and serviceable repair, properly maintain, and if necessary renew and replace, so if you decide that the best way to manage the Strata Companies General Duty is with a 10 Year Plan then you should obtain a 10 Year Plan. The 10 Year Plan will assist you in managing your budgets in future as you will be more informed about what will require maintenance, repair, renewal or replacement.

**I still have questions, who can I speak to?** We're always happy to help you, so please do not hesitate to get into contact with your **Degrees Strata Manager**.