





# Why are we here?

- To explain the Strata Committee's decision to recommend replacing all 6 lifts over a 2 year period at a cost of \$1.3 million.
- Based on information provided by independent consultants, the Strata Committee (SC) are convinced that replacement of Pacific Park's lifts is inevitable and better done sooner rather than later.

# Why are we here?

- The replace all 6 lifts, a Special Levy for a period of two years is required.
- The levy equates to an average for each apartment of approximately \$1,000 a quarter over eight payments – some will be less: the smallest is \$585.00, and some will be more: largest is \$2,080.

# Why are we here?

- To reduce the financial burden this places on all owners, the SC has delayed some non-critical capital works expenditure to reduce Strata Levies in 2018.
- In 2018, Levies will be reduced by an average of \$500 per quarter – there is no reason this can't continue until the lift payments are complete.

# Why this recommendation?

- Replacement of all lifts is the cheapest and easiest option available to us.
- Otis stopped making these lifts 20 years ago, and vital parts 5 years ago – parts simply no longer exist.
- Multiple independent and qualified sources warn that our lifts are on the cusp of catastrophic breakdown.
- An unplanned, catastrophic breakdown will put a lift out of action for 8 months – a planned replacement, just 6-8 weeks.

# Are there other options?

- YES! Simply put, we can do nothing and wait for a catastrophic breakdown. When that occurs, it means 8 months without a lift and paying the going rate for a new lift – more expensive than a package deal.
- If an agreement to begin replacing the lifts can not be reached, Capital Works fund levies will be increased in 2018 to create provision for future lift replacement.



# What have we considered?

- Keeping cost and impact on residents as low as possible.
- We investigated buying up any remaining spare parts from around the world and storing them and using parts from other lifts – logistically this was impossible.
- We considered the pros and cons of taking out a loan (huge interest rate) versus a Special Levy.
- We explored refurbishment, modernisation and replacement options from a number of companies and settled on the replacement option.
- We also explored timing the replacements to get the best bang for our buck – two lifts at a time is the cheapest option.

# Why accept this recommendation?

- Since 2014, successive SCs have engaged independent and respected consultants to provide advice and quotes on the easiest and cheapest way to protect against a catastrophic breakdown. The advice has always been the same: wholesale replacement is unavoidable, only the circumstances by which we replace the lifts can be managed.
- Breakdowns have been occurring, often for extended periods – this is at great inconvenience to residents.
- On 5 December 2016, the OC elected an almost entirely new SC to review our options.
- Like previous SCs, this SC has reviewed all options available to addressing the lift issue and has, like previous SCs, arrived at the same conclusion – they need to be replaced as soon as possible.



# Thank you...

- Questions?



# Levies over the years

