

# The Aurora

# TOWER



## Word from the Chair

The Committee have been working hard with a heavy load since the re-setting of the Deed of Agreement with our Caretaker and Letting Agent. We are continually seeking to improve the processes within the complex. This has been brought about by our regular weekly meetings and the introduction of technology in the building management space. In this Newsletter, we have highlighted a number of our key activities. Many are complicated as you would expect in a building of this size, and we are very mindful of the trust you have in us to spend our resources (your money) prudently. As always, please feel free to raise issues with the Committee, or channel your comments through the webform or via the Committee Secretary.

A major priority is the safety of all at Aurora Tower, ie residents, staff, contractors and their property. With that in mind, and the size of Aurora, we do have a range of rules that need to be adhered to. Please familiarise yourself with the information on our website and if something doesn't go according to plan, please work through a suitable solution in a courteous way with your neighbours and staff.

**Also please note**, we are currently working with our Project Manager and finalising our strategy for managing the Cladding removal issue for which we will need to have an EGM shortly to approve works. More information on page 3.

**Phil Conwell**

Chairperson, Aurora Tower Body Corporate

## Treasurer update

### Sinking Fund Budget & Sinking Fund Forecast

The purpose of the following information is to keep you up to date with these important issues and to assure you the committee does look closely at building expenditure and levy collection.

#### Background

For accounting purposes, the body corporate has two accounts – an administration fund (recurring current expenses) and a sinking fund (future capital expenses). In practice, most bodies corporate also work with one current account from which money from either fund is drawn as appropriate.

An obligation of the body corporate is to approve a sinking fund budget which reserves a reasonable amount for anticipated capital expenditure. There is no obligation to have a sinking fund forecast carried out by a qualified expert or even specifically to approve a sinking fund forecast. However, due to the size of the Aurora Tower budget it is helpful to refer to a recent forecast.

The forecast will not always be precise, and there may be reasons for the budget to diverge from the forecast. This is the case with the cladding issue.

#### Variations

The unexpected cost of the cladding issue requires close attention for the following reasons:

- *A number of tender rounds were required as understanding grew about the locations of the cladding and the treatment process.*
- *The quoted costs changed from \$300,000 to \$500,000 to \$600,000 to \$1.8m to \$1.5m to \$1.4m in a short period of time.*
- *Cladding has not been a budgeted item and not a usual part of a sinking fund forecast. The necessity for a special levy is one that requires careful investigation.*
- *The building's insurer is being kept informed as the investigation progresses.*

The committee had a sinking fund forecast prepared in March 2021. At that time, our advice was that the cladding cost was likely to be \$500,000 and this was included in the forecast. As part of the ongoing review of this forecast document, mistakes were found and a new forecast has been issued (July 2021). The revised document also included the full cladding stage 1 cost.

The forecast includes major expenditure items over 15 years that will require scrutiny before making any decisions in relation to the appropriate level of funding. The key expense is the estimate for the replacement of all lifts of \$4.42 million in 2027. The lift replacement provision was determined from Rawlinson's industry guide. A quote will be required to confirm accurate costs from the lift specialist.

The forecast is a guide and the actual spending should be based on the current and future needs of the common property.

### **Issues Currently Under Investigation**

The following expenditure items in particular the commencement, duration and cost of the items are being reviewed. These considerations play a role when setting future levies.

<b>Major Capital Expenditure Items (costs include GST)</b>	<b>Recommendation/Action currently being Undertaken</b>
<b>Replacement of all lifts for \$4.42m in 2027 (year 6)</b>	A lift specialist has been appointed to understand the timing and costs of lift replacement. A site inspection is set for the end of July. A report is expected around Aug/ Sep.
<b>Building Repaint for \$1.8m in 2028 (year 7)</b>	Defer to 2029 (year 8) subject to review in 2027 (year 6)
<b>Cladding Costs: \$750,000 (Stage 1) in Year 1 \$650,000 (Stage 2) unbudgeted and timing for completion to be decided.</b>	EGM required for Stage 1 to be approved. A revised Cladding report to be delivered after completion of Stage 1.  Further investigation is required for Stage 2.
<b>Key replacement Year 1</b>	Consideration of Electronic Key System is recommended to be deferred until lifts replacement costs and budgeting is confirmed. A lower cost medium term solution is under consideration.
<b>Access Control System (fob) Year 1</b>	Due to the deferment of the Electronic Key System the choice of access control system is being requested.



The committee will make the outcomes available to lot owners as soon as it is feasible to do so (expected by September). **AT THIS STAGE WE DO NOT ANTICIPATE THE NEED FOR A SPECIAL LEVY.**

**Jan Brewer**

Treasurer, Aurora Tower Body Corporate

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## **GOOD NEWS**      **Electricity Contract Negotiations**

The Aurora Tower is currently on a market contract with Origin Energy which is due to expire on 31 December 2021. Offers were sought from several retailers with only Origin Energy, Shell Energy (previously ERM Power) and AGL responding. The four other retailers, Simply Energy, Momentum Energy, Alinta Energy and Energy Australia declined to provide an offer in this instance.

The average energy cost under a new contract (for the first year) will be as low as 12.02 c/kWh + GST and over 40% lower than the standard residential charges from Origin or AGL. AGL has provided the lowest rates over one, two, three and four-year terms, with the lowest annual

average cost over a four-year term. The current retailer Origin Energy has additional costs of \$56,678 + GST over the four years compared to AGL.

**The Aurora Tower will see savings of up to 16.8% compared to current contract rates.**

With the market now delivering the lowest future wholesale market rates from 2023 through to 2025 (including environmental charges), many bodies corporate have been choosing longer term contracts to achieve greater certainty of future rates.

A contract with AGL has been executed for a four-year term commencing 1 January 2022.

## **CLADDING**      **Extraordinary General Meeting**

You will shortly be asked to vote at an Extraordinary General Meeting (EGM) to approve expenditure for the removal of flammable cladding from the building. This first stage is to remove cladding from the lower levels ie level 7 and below, with work to start within the next 2 months. The committee engaged Diverse FMX to manage the project and they called tenders from several companies. The preferred tenderer is Gold Coast Building Service who quoted \$732,600 for stage 1. The committee strongly recommends that you approve this expenditure.

## **AIR CONDITIONING REPAIRS**

Work is due to start in August for the next stage in repairing corrosion damage from the circulating water pipework in the air conditioning system. Isothermal were the successful tenderer, and they will be using Cliff Wilson Mechanical Services for the specialist welding. Isothermal will be on site from 12-August to start removing cupboard doors and walls to gain access. The system will be drained on 16-August and it's important that all air conditioners are switched off at this time. Failure to do so may result in damage to your unit. The work will take approximately 3 weeks with the return to service date expected to be 6-September. Should you have any questions, please contact the secretary, Russell Christie or the building Facilities Manager, Chris Brown.

## Did you Know

### UV properties of the Aurora Tower glazing

- The laminated glass used to glaze Aurora Tower was manufactured using Eastman Saflex pvb.
- Laminated glass using pvb interlayer is able to block UV to > 99% up to 380 nm.
- In the US, Saflex interlayer was given the US Cancer Council approval to an equivalent Factor 50+.
- Because the level of protection is already very high and to preserve the outward appearance of the Tower, additional layers of UV protective film is not endorsed or approved for installation.
- The Eastman Saflex UV brochure is available from the Committee Secretary.

### Call out fees for QFES (Queensland Fire & Emergency Services)

Ever wondered about whether the Queensland Fire & Emergency Services charge for services when called to a building.? The answer is yes. The fee charged is significant, and the Body Corporate Committee always tries to assign the cost to those responsible for the callout. The fees are shown in the table below.

UNWANTED ALARM RESPONSE CHARGES	\$	GST	TOTAL
*Unwanted Alarms are classed as an emergency response and are GST exempt.			
<b>1<sup>ST</sup> unwanted alarm response within any continuous 60 day period*</b>	No Charge	\$0.00	No Charge
<b>2<sup>nd</sup> and subsequent unwanted alarm response(s) within any continuous 60 day period (or 1<sup>ST</sup> and subsequent unwanted alarm response to a fire alarm system monitored by a provider other than the QFES)</b>	\$1 373.95 per alarm	\$0.00	\$1 373.95 per alarm

## Gym Review

Thank you to everyone who completed the Gym Survey. In total there were 54 responses, the details of which were provided in the last Newsletter.

We are currently exploring options for Multi-Gyms which give the greatest range of exercises for the best value. With supply chain issues exacerbated by COVID, most equipment is unavailable in Brisbane and there are significant delays.

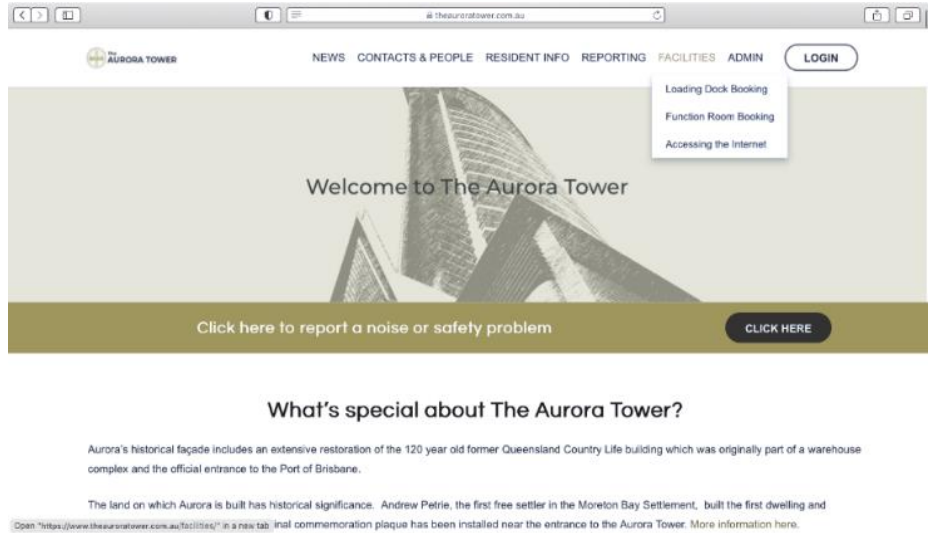
Some of the recommendations made only require relocation of equipment. For example, the Infiniti Treadmills are the least used equipment, so it is likely we will remove one of these to make more space for floor exercise. We are also looking into dense floor matting which will reduce reverberations which has been the subject of complaints.

Fortunately, we are able to draw on advice from a resident who owns gyms and along with suggestions from our Gym using community I hope we will have improved facilities while being very mindful of the heavy demand on Body Corporate finances. **Bronwyn Dredge**



## Booking the Function Room & Theatre, Lift & Loading Dock or Internet

This information can be found on The Aurora Tower Website under **FACILITIES** Tab on the Main Menu.



## Hot Topics

### Communication

The Committee hopes that you are finding these Newsletters informative, and that you are accessing information on the Website, or in some cases from EBCM, our Body Corporate Manager.

The Committee is committed to making sure it is representing all owners, and indeed owners have more in common than not. We all care about how clean and secure our building is, so that it is a pleasant place to live, regardless of whether you are an owner, you have tenants or you have short term guests staying in your apartment. Of course, we all care about capital growth and make sure our building is a great place to invest and live.

It is quite easy to get feedback from residents, as a short conversation in the lift, carpark or lobby reveals all sorts of issues. Residents are a very active community, benefiting from the Aurora Residents Group Facebook site, which incidentally invites all owners even if not resident.

While the committee is confident that it is fully representing all owners, feedback from non-resident owners is not abundant. The Committee would like to encourage feedback from investors. Are there other issues you would like the Committee to address? To that end, we welcome any ideas about how the Committee could engage with you. Would you like some ZOOM based Q&A sessions, or ZOOM sessions to explain specific policies? Please let us know.



## Next BC Meeting

The Aurora Tower Body Corporate Committee meets formally every second month. In between these meetings, informal meetings are conducted. This allows the Committee to discuss and debate issues in more depth.

The next formal meetings for the remainder of 2021 – 2022 are:

8 September 2021	Formal CM
10 November 2021	Formal CM
December 2021	nil
9 February 2022	Formal CM
13 April 2022	Budget Meeting
25 May 2022	AGM

## StrataMax

Lot Owners will also find more documents and information about The Aurora Tower CTS35222 if they register with the Stratamax online portal. This site holds more documents than the Aurora Tower website and the link to the Stratamax portal can be found on the Ernst website.

Email Ernst if you have any registration issues.

## Aurora Tower Website

[theauroratawer.com.au](http://theauroratawer.com.au)

Owners can register for access to confidential information by clicking on 'register' on the top menu of the website.

### Reporting (online)

Please report any noise, security, cleaning or maintenance matters through the online forms. Click on 'Reporting' at the top of the website screen.

## How to contact the Committee

- Secretary (*Russell Christie*)
- Building Manager (*Mark Fogarty*)
- Facilities Manager (*Chris Brown*)
- Ernst (EBCM) (*Gary Willis*)

[secretary@theauroratawer.com.au](mailto:secretary@theauroratawer.com.au)  
[BMAurora@theoaksgroup.com.au](mailto:BMAurora@theoaksgroup.com.au)  
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## Your Committee

Phil Conwell - Chair  
Russell Christie - Secretary  
Jan Brewer - Treasurer  
Bronwyn Dredge  
Greg Firth  
Luis Cabellero  
Tracy Stanley

## Aurora Tower Newsletter

This newsletter is sent via *email*. Owners who haven't provided an email address to EBCM will find a copy posted on the Aurora Tower website.

The Committee encourages the use of email as it facilitates timely communication and helps to save money for all owners