



What is the capital works fund and why does your building need one?

Picture this. Your building needs a new roof. Or the lifts have reached the end of their life. Or the external waterproofing has failed. These aren't emergencies, they're things you can see coming. But they cost a lot of money.

That's exactly what the capital works fund is for.

The capital works fund, sometimes called the maintenance fund or sinking fund, is your building's long-term savings account. Every owner contributes to it through their levies, and it builds up over time to fund major repairs and replacements.

Every strata scheme in Australia is required to have a ten-year capital works plan, which forecasts what major works are likely to be needed and how much they'll cost. This plan forms the basis for setting the capital works contribution in your levies each year.

When the fund is healthy, your building can respond to major works without financial stress. Repairs happen on schedule, assets are maintained, and owners aren't hit with unexpected special levies.

When the fund is underfunded, the opposite happens. A major repair becomes a crisis. A special levy notice lands in every owner's letterbox, sometimes for thousands of dollars, with little warning.

The good news is that staying across this doesn't take much. Ask your strata manager when your building's capital works plan was last updated, and whether the fund is on track. These aren't intrusive questions. They're exactly the kind of questions an engaged owner should be asking.

A healthy capital works fund is one of the clearest signs of a well-managed building. It protects your asset, your community and your peace of mind.