

# Developing a Business Case

## Do I Need to Develop a Business Case?

Certain water fixing programs will require approval from the strata committee, or if they are larger works, they need approval from the owners corporation at a general meeting. To obtain these approvals, a business case is often necessary.

### Where a Business Case is Optional:

#### **Approval for Common Area Maintenance**

If the water saving plan that you develop is to simply fix leaks in common areas of the building, then the costs for that work will be covered under general maintenance. It is the owners corporation's duty to repair and maintain common property.

While simply asking for leaks to be checked and fixed won't require an extensive business case, it might be worthwhile to let your strata committee members know the low-cost, high pay-back benefit of this simple water saving step.

If the water saving plan or business case proposes major changes throughout the building, a special resolution must be passed at a general meeting to authorise the changes.

#### **Approval for Private Lot Maintenance**

If the water saving plan that you develop is to fix leaks and update fixtures in your own private lot of the building, then you are unlikely to require any approvals. However there are exceptions;

- if you are a renter hoping to make changes to your property, you will need approval from your landlord,
- if you are an owner with plans to make substantial changes to your private lot, you may need to obtain approval at a general meeting if your plans breach a by-law, affect common property, or is considered a major or minor renovation.
- if the owners corporation is going to cover the costs of the leak check and updating fixtures.

Getting leaks checked and fixed won't require an extensive business case, but it is advised if you require approval from a landlord, strata committee or the owners corporation.

## Where a Business Case is Necessary:

You will need to get owners corporation approval at a general meeting if your water saving plan;

- is regarding common area property and is outside the scope of what could be considered maintenance (such as retrofits), or
- requires using the owners corporation fund to pay for maintenance or works in private lots.

To get your retrofits approved by the owners corporation, you need to develop a strong business case that will answer the questions of other owners, and prove to them that the idea is financially and logistically viable.

## Developing a Case for Water Retrofits in Your Building

The business case is designed to be presented at the general meeting for approving the retrofits, or if the case is still in a preliminary stage at the time of the general meeting, could be presented to ask for pre-approval at a general meeting.

The business case requires information such as:

- Description of the project
- Products that might be used/ comparison of the most appropriate products
- Cost estimates including quotes
- Savings and payback period
- Funding and potential funding sources such as government rebates and incentives
- How the owners corporation will pay for the retrofits; this could be presented as a few different options (e.g. special levy, loan, capital works fund)
- Project timeline
- Possible adverse impacts to residents during works/implementation
- Foreseeable barriers and extra costs, such as by-laws or council approval

Adapted from Smart Blocks [Selling the Business Case](#)

If you have a project manager, strata manager, or have a supplier that is implementing the retrofits, they can help you develop your business case or do it for you.

If you are drafting your own business case, the following are links to various guides to help you:

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| – <u><a href="#">Hiring Experts</a></u>            | – <u><a href="#">Getting Quotes</a></u>                                      |
| – <u><a href="#">Drafting a Scope of Works</a></u> | – <u><a href="#">Council Development Approvals Relating to Retrofits</a></u> |