

**CHAIR'S REPORT**  
**Edgewater Service Limited**  
**2016 AGM – 5 December 2016**



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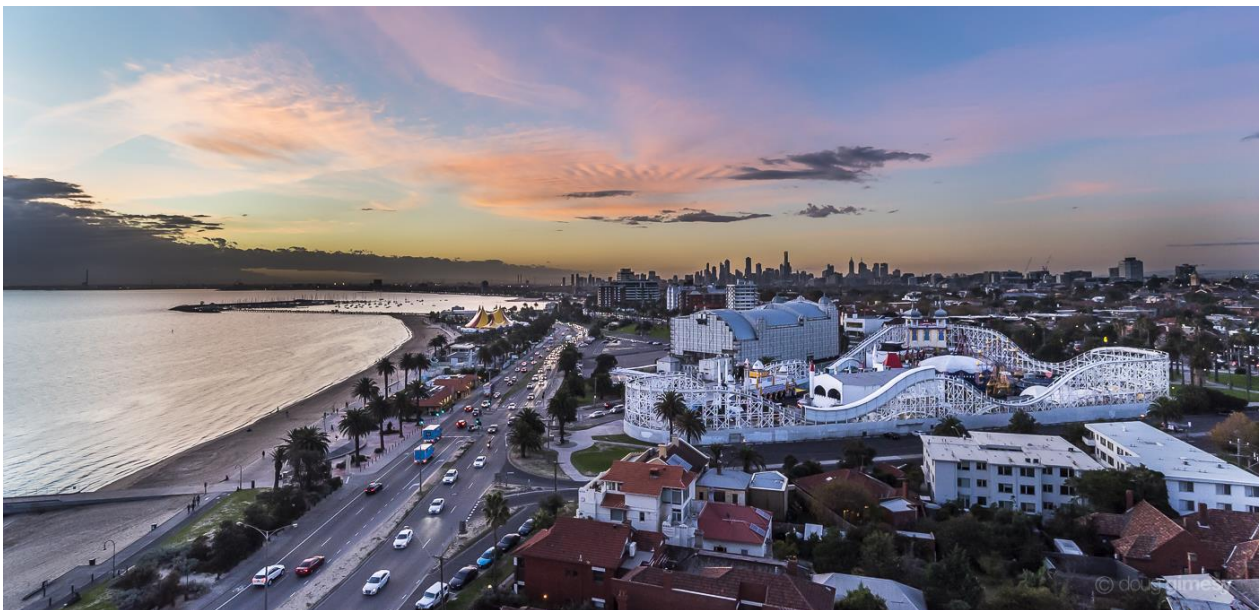


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Your Board has again been pro-active in managing the projects that were undertaken to continue the refurbishment program, which is leading to an enhancement in the values of our apartments. The expertise of the Board members, which we used to help plan, control, and manage the various projects resulted in a substantial savings to the shareholders.

In June 2016, I took over the role of Chairman from Sym Kohn. The Board thanks Sym for his tireless work in managing the building and most importantly reducing debts to enable projects to proceed.

I'd like to build on the work of the Board in the past, who have made significant improvements such as the car park asphaltting, air lock entrance system, foyer upgrades, security systems, improved lighting and landscaping.

My aim is to continue the great work of the past by increasing value and amenity.

Increased value will be achieved by implementing two long overdue projects. The first is the conversion of titles to strata and the second is the general beautification of the building. These two projects will see the most significant increase in the value of our homes, more so than any other project to date.

In terms of increasing amenity, my priorities are finishing the rooftop and opening up access, improving cctv, upgrading the lifts and reducing budget pressures to allow for works to be undertaken without increasing fees.

On the topic of fees, and as stated at the last AGM, we have reduced the quarterly fees to \$1,250 while still delivering the expected projects. My goal is to further reduce fees where possible while also contributing to the sinking fund for future projects, such as new lifts.

I'd like to thank all the Board members for their dedicated hard work on behalf of all residents and shareholders at Edgewater. Collectively the Board has spent hundreds of hours on Edgewater issues and projects to improve the amenity for all.

The current Board represents a good cross section of the residents and while we don't always agree, all decisions are healthily debated. I understand that sometimes residents may not agree with decisions of the Board, however I ask that each shareholder understand that a Director has an overruling duty to act in the best interests of the company and not individual shareholders. The result being that the outcomes of Board decisions are ones that have been thoroughly considered and fairly balanced.

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For these reasons, I put my support behind all current Board members and encourage the shareholders to vote to retain the Board as it stands.

I'd also like to thank Anne McVean from BBC Strata Management for her invaluable assistance provided to the Board over the last three years.

I'll now turn to projects undertaken in 2016 before moving to those foreshadowed for 2017.

## **Projects in 2016 included:**

- **Video intercom system.** The old handset intercoms were upgraded and replaced with colour, two way audio video sets. The Board had many complaints that the old handsets were breaking down and parts were no longer available. The addition of video is a significant feature, allowing residents to see who is at the gates before allowing entry.
- **Line marking.** The Board wrote to Council requesting line marking on Spenser Street in order to minimise the potential for accidents due to vehicles parking too close to the entrance gates. This has now occurred.
- **Gate motors.** The motors were upgraded due to the old motors becoming unreliable and breaking down frequently. The new motors are significantly faster and less prone to fault. The Board does however remind residents to use the pedestrian gate for entry and exit as opening the gates unnecessarily does impact the life of the motors.
- **Rooftop**
  - Enabling works undertaken to lift the BMU channel and to replace the membrane under the channel. This was required before the new balustrade could be installed on the channel.
  - Manufacture and installation of the new balustrade.
  - Removal of the existing non-compliant perimeter fencing.
  - Concrete remediation to the lift motor room roof.
  - Replacement of the waterproof membrane to stop leaks from the roof into some of the top floor apartments.
  - Exhaust fans moved into the unused lift turret, freeing up space on the rooftop and reducing noise.
  - The expression of interest has been published and the tender will be considered in the coming months.
  - Works are likely to commence in February 2017.
  - Refer to the Annexure for pictures and descriptions.
- **Tree Project.** Formative pruning of the trees has occurred, along with robust staking for tree straightening and replacement of the struggling tree species along the South with the more resilient species thriving in the car park. Refer to the Annexure for pictures and descriptions.

- **Debts.** The Board, largely through the tireless work of Sym, has maintained a low level of outstanding fees. Legal action will continue to be taken automatically against any owner who allows a debt over \$2,000 to accumulate. The Board reminds shareholders that notices are sent out 14 days before being due and prompt payment allows the Board to maintain the building and progress projects.
- **Washer and dryers.** The washers and dryers were upgraded to larger capacity, lower power/water consumption, front loading machines. The washers provide a much better clean, spin clothes much more thoroughly (reducing drying times) and allow fabric softeners to be used via a dedicated compartment. The company chosen by the Board has provided a much better rebate which effectively means that the cost of running the services are paid for by the users and not the shareholders as a whole.
- **Laundry and Stairwell.** Following the machine upgrades, the laundries have been patched and painted as there was significant wear and tear due to constant use of the areas. At the same time, touchup painting has also occurred to the steps in the stairwells up to level 3.
- **Lift Noticeboards.** Due to the lobby notice Board being out of plain view, the Board decided to install the notice boards in the lifts to ensure that important notices are seen by all residents. We believe this has increased awareness of events within the building.
- **Melbourne Open House.** Edgewater Towers again featured as a building on the Melbourne Open House agenda, raising the profile of the building and allowing others in the wider community a glimpse into the Edgewater Community. The Board thanks the volunteers who provided source material and assisted on the day.
- **Building appearance**
  - The ground floor entrance walls were painted.
  - The building washing has recommenced, with more frequent and through cleaning scheduled for the new year, including monthly ground floor windows.
  - Removal of untidy cabling and conduits.

## Projects planned for 2017

- **Rooftop.** An absence of structural computations from when the building was built has created a delay and roof access is now anticipated by the end of summer 2017. The Board is striving to open up the rooftop as soon as practical and will notify all shareholders and residents when this is imminent. Once the rooftop has been opened, a consultation process for any additional rooftop design or amenity ideas will be considered.
- **Smoke Alarm.** The Board has committed to upgrading all smoke alarms within apartments to the current specifications. This project was initially scheduled to occur

on a staggered basis, however has been fast tracked in the interests of uniformity and safety.

- **Security Cameras (CCTV).** The Board has committed to the upgrade of the CCTV system which is currently made up of two separate systems for the internal, HD cameras and the internal SD analog cameras. The new system will combine all cameras onto the single, digital system with internal cameras being upgraded to HD and external cameras upgraded to 4K. In addition, new cameras will be installed to cover the pedestrian entrance gates.
- **Website.** A revamp of the website is planned along with redirecting the high definition video cameras to the Marina and St Kilda beach and adding a live stream on the Edgewater website. Aside from promoting St Kilda and the building, opportunity for advertising exists which in turn reduces pressure on fees.
- **Short term lets.** The Board has resolved to enter into agreements with short stay operators based on a very strict set of rules. The Board understands that some residents are opposed to allowing Short Stays, indeed some Board members are also against it. However, the Board must balance the time and cost of policing the enforcement of short stay operators, any detrimental affect on amenity of our residents along with recognising that any visitor, short stay or not, offers a potential to lift the profile of the building. The shareholders should rest assured that the Board will monitor all Short Stays over the coming months and those that do not agree to the rules we have set, or break them, will be locked out of the building. The Board places significant value on the amenity of its residents.
- **Gas Meter Audit.** Requests have been made for residents to respond to the Board providing their gas meter numbers. Accordingly, the Board is working with Multinet directly to identify all units and in the new year will be asking residents to confirm the allocated meter number. We aim to complete the audit in mid 2017 and will be encouraging those residents to respond. This is a safety issue as there is a potential safety risk if the fire brigade cannot turn off the gas to isolate an apartment in the case of a fire in or next to the apartment. Further, you may be paying for your neighbors gas if not properly identified.
- **Building Survey.** In the new year, the Board will engage a building survey to report on enclosed balconies and balustrades as occurred in 2007. A number of balconies are in a state of disrepair to an extent that they may now be potentially dangerous and pose a hazard due to the risk of the enclosed windows falling from the building. In one instance pieces of wood have fallen to the ground and a breach notice has been issued. The safety of residents and their guests is of the utmost importance.

One of the conditions that applied when permission was granted to enclose balconies, and remains so, was that owners assume the responsibility for all maintenance of the enclosed balconies. Repairs to the balconies will be carried out by the respective owners at their own expense.

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The balcony survey will also identify air conditioner condensers, water heaters and other works that have been installed in breach of the rules, which includes unsightly rusting items and those staining the building. Owners will be required to re-site them to an appropriate location.

The Board asks that all shareholders understand that we all have a part to play in beautifying the building. Nothing harms the building reputation more than its external appearance and it is only after people visit our building that they realise just how great a place it is. The Open House participation has been invaluable.

- **Strata Conversion.** This project is in my opinion the most long overdue project contemplated. I have noticed that it has been raised at nearly every AGM for the last 10 years and I believe that we are now poised to be able to ensure this project proceeds.

The conversion will bring the benefit of bringing the management of the building within the gambit of the Owners Corporation Act 2006 (Vic) as opposed to various other jurisdictions such as the Corporations Act 2001 (Cth).

A strata feasibility study has been undertaken which will be provided to shareholders by way of a Strata Information Pack. The Strata Information Pack will include costings, proposed rules, plans of survey and will be followed by a forum with shareholders to answer any questions or misconceptions that may remain.

The last thing I will say about the conversion is that it's not just about increasing the value of our homes. It's about modernising the rules that govern the way the building is managed, providing more transparency and giving shareholders a greater say in the Edgewater community. Conversely, Board members will no longer be Directors of a company and will be free to make decisions without the weight that such a responsibility brings. I am personally excited to be driving this project in the new year and believe we have the skills on the Board to make it a reality.

## **Projects for 2018 and beyond**

Other than the lift refurbishment in the near term, the Board has no set commitments or resolutions past the 2017 year. We do however intend upon circulating a survey before the end of the 2016 financial year to all shareholders and residents with a view of ascertaining just what is important to the members of the Edgewater community in the coming years.

## **Other Issues**

- **Regulation update.** The Edgewater Regulations have recently been updated and all residents and shareholders are urged to check the website for the updates. Please go to the Edgewater website: [www.edgewater Towers.com.au](http://www.edgewater Towers.com.au)

- **Insurance Excess.** There have been a number of occasions where an insurable event has occurred inside an apartment. Shareholders need to be aware that in the future the Board will apply greater scrutiny to prevent claims that should not be accepted as this unnecessarily increases the cost of the policy that all shareholders pay through the quarterly fees. Also note that if a claim is made then the excess will be payable by the owner “responsible” for the insurable event.
- **Insurance for floor coverings.** A reminder that the building policy expressly excludes cover for all floor coverings – carpets, floating floors, lino, etc. All owners should ensure that they cover their own floor coverings as part of their contents insurance.
- **Service Ducts.** There have been a number of leaks in the service ducts in the kitchen. In some cases, our plumbers have had to break into the service ducts because the owners, when renovating their kitchens and bathrooms, did not leave access to the ducts. The plumbers will only restore the wall of the service duct, but will not replace tiles or any other wall covering and neither will the Board.
- **Car Parks.** A number of car park issues have cropped up during the year. We ask all residents, shareholders and their guests to be mindful of the following:
  - If you have tradespeople working in your apartment and you allow them into the car park, please ensure that if they park in someone else’s car spot, they leave their mobile number prominently displayed so that they can be contacted when the space is needed.
  - No one should park their cars in the driveway leading to the back entrance. This can block access to car spots for apartments GG, 6A, 6B, and possibly 3D.
  - You should all be aware that car park spots are not on title and are allocated by the Board. If you persistently abuse the privilege of car park access, the Board has the power to re-allocate the spot and remove your access to the car park.
  - Stickers will be placed on the windscreen of the offending vehicle to encourage the owners to think twice before parking their cars illegally.
  - The Board also reminds all residents that vandalizing another person’s vehicle is completely unacceptable. The Board understands that it is frustrating when a parking space has been taken, however vandalism is not a response that will be tolerated. The Board will work with the Victorian Police (and victims) to ensure that incidents are not repeated.
- **Hard Rubbish.** The dates for the hard rubbish collections are available on the website, the next occasion being 22 December 2016. The Board would like to remind all residents that dumping on the street is illegal and the Board will not hesitate in reporting offenders to the City of Port Phillip. The maximum fine is \$9,328.
- **Storage.** The Board reminds all residents that the carparks, laundries and bike rooms are not to be used for storage. Any items found in contravention of the

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regulations will be disposed of without further notice. Keeping the common areas clean and tidy is not just a matter of fire safety but adds to the aesthetics of our community.

- **Peanut Farm Lighting.** We will continue to lobby Council for lighting to be installed to improve the safety and security of our residents crossing during the evening.
- **Renovations.** The Board reminds all shareholders that permission from the Board is required for all renovations. It is important that consent is sought as works that proceed without permission will not be covered by the building insurance policy. The building has many risks that a builder may not be aware of, for example water and electricity conduits through the floor and wall slabs that could be damaged. The Board has the power to take possession of an apartment where unauthorised building works are occurring and will not hesitate to do so if the safety of the building or residents is at risk.

Ty Brierley

**Chair**

**Edgewater Service Limited**