

16 May, 2011

RE Minutes of 2011 AGM & New OC Manager

Please find enclosed a second and complete copy of the minutes of the Annual General Meeting held on Tuesday May 3, 2011. The initial copy of the minutes was inadvertently sent without the tabled and approved papers which form part of the minutes. Also enclosed is a duplicate copy of the Notice of Interim Resolutions. Because there was not a quorum present all resolutions from the Annual General Meeting are interim resolution as described in the notice.

I also take this opportunity to advise the following news;

1. Turnbull Cook have stepped aside.

Agreement was reached with Turnbull Cook on Thursday 21 April that they would immediately cease to claim to be Manager and they have since handed over records and control of funds. Any outstanding invoices for fees should be paid to the account details as shown on the Invoice issued with the assistance of Ace Body Corporate.

2. AGM resolved to appoint ACE as OC Manager

The AGM on May 3, 2011 resolved to appoint Ace as Manager of our Owners Corporation. This appointment will take place via a Certificate of Appointment prepared by the Committee when the Interim Resolutions become full resolutions. Ace is expected to also be appointed Secretary at the Committee meeting scheduled for 7 June, 2011.

3. Terry Harwood is no longer Compliance Officer

Terry Harwood is no longer Compliance Officer for Waterways with duties being taken over by Ace. Details of the activities of Ace in compliance are under review by the OC Committee. The email address compliance@waterways.com.au will automatically forward to officers in Ace who are looking after compliance matters. Telephone contacts should be made to Ace on (03) 9583 8911.

4. New Committee Elected

The AGM elected 10 people to the Committee. These people are Andrew Watkins, Angelina Zimmerman, Chris Dickinson, Colin Langham, Darren Walsh, David Barlow, David Flew, Gordon Ming Li, Jill Campbell and Rob Cocks.

Yours sincerely,



Terry Harwood
Secretary

Owners Corporation Plan No 435322B

Independent Audit Report to the Members of Owners Corporation Plan No 435322B

Scope

We have audited the financial statements, being a special purpose financial report comprising the Statement of Assets & Liabilities as at the 31 December 2010, and the Operating Statement for the year ended 31 December 2010. We have conducted an independent audit of these financial statements in order to express an opinion on them to members.

The financial statements have been prepared for the purpose of fulfilling the requirements of the Owners Corporation Act 2006.

We disclaim any assumption of responsibility for any reliance on this report or on any financial statements to which it is related to any person other than members, or for any purpose other than for which it was prepared.

Our Audit has been conducted in accordance with Australian Auditing Standards. Our procedures include examination on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects the financial statements are presented fairly.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion the financial statements present fairly the results of the Owners Corporation's operations for the year ended 31 December 2010 and its assets and liabilities as at that date.



12 April 2011

W K Garner FCA
Garners Accounting Pty Ltd
Chartered Accountants
554 Rathdowne Street
Carlton North Vic 3054

**OWNERS CORPORATION 1 PLAN NUMBER PS435322B
OF WATERWAYS
ANNUAL GENERAL MEETING 3RD MAY 2011
AT KEYSBOROUGH GOLF CLUB, 55 HUTTON ROAD, KEYSBOROUGH**

MINUTES

Present and Proxies:

LOT	NAME	LOT	NAME
79	Proxy to Tracey Lee Looze	209	Mr A B Cox
272	Proxy to Terry Harwood	320	Ken Ryall
299	Leslie P Hall	400	C Langham
346	Tim & Carole Nicholls	197	Mr & Mrs Lobo
92	Yvonne Mansfield	387	Effie Panou
216	Mr & Mrs Lum	548	Mr & Mrs Bawden
480	Martin & Ann Roberts	131	Ms G Ash
593	Hans Prem & Angelika Zimmerman	211	Proxy to David Flew
169	Proxy to Scott Hill	418	Mr & Mrs Theron
240	Mr & Mrs Long	599	Ms Rosemary Cavey
525	Mr & Mrs Dean	1048	David Farquharson
609	Proxy to Ming Li	41	Proxy to Jillian Campbell
15	Proxy to Richard Ferris	143	Mr Carter & Ms Furniss
95	Proxy to David Barlow	265	Ms T Taranto
264	Ms D Taranto	403	Sharon Watkins
371	Mr & Mrs Wiskin	544	Mr & Mrs Hawkes
534	Kusum Jayaratne	320	Ken Ryall
563	Ms Carlene Whatman	203	A B Cox
184	Mr & Mrs Bowen		35 Lots Present in person or by proxy entitled to vote

The Following Part owners were present, but without proxies:

LOT	NAME	LOT	NAME
238	Mr Robert Cocks	280	Antonis Alevizopoulos
549	The Cuong Nguyen		

Apologies:

Chris Dickinson
Darren Walsh

In Attendance

Stephen Raff, Binah Raff, Sarah Raff, Brendan Mullens, Rick Thoonen - of Ace Body Corporate Consulting
Rose Cox – visitor of Lot 203

Quorum:

In the absence of a quorum and in accordance with Section 78 of the Owners Corporation Act 2006 the meeting was held. **All resolutions of this meeting are interim resolutions** for 29 days after which time if no petition for a Special General Meeting has been received in accordance with Section 78 (4) the interim resolutions will be passed as resolutions of Owners Corporation No. 1 Plan No. PS435322B.

Chairperson of the Meeting:

David Flew, Chairperson of the Owners Corporation No.1 Plan No. 435322B. David opened the meeting at 6:34pm and welcomed the members, outlined the purpose of the meeting and thanked everyone for coming.

Entitlement to Vote:

It was explained that only financial members are entitled to vote. It was also explained that members with joint names on title must both be in attendance or a proxy be provided on behalf of the non-attending owner, in order for voting entitlements.

Voting Method:

Voting was by show of cards for all resolutions, one vote per lot. Each represented Lot was issued with a yellow voting card and people with proxies were issued with a green card recording the number of proxies held. A cross check was made by close count of people voting against or abstaining to determine the outcome.

The following resolutions were considered and resolved:

1. STANDING ORDERS

Resolution 1

Resolved that the standing orders, as tabled, for the conducting of business at an Annual General Meeting be approved and adopted.

<u>Moved Lot#</u> 400 Langham	<u>Seconded Lot#</u> 480 Roberts	
<u>For:</u> 35	<u>Against</u> 0	<u>Abstain</u> 0

Outcome: Carried

2. MINUTES

Resolution 2

Resolved that the minutes of the Special General Meeting held on 31 March, 2011 be confirmed as a true and correct record of the proceedings of that meeting and note that the Minutes of the Annual General Meeting held on 23 March 2010 were confirmed as true and correct at that meeting.

<u>Moved Lot#</u> 41 J Campbell	<u>Seconded Lot#</u> 525 Dean	
<u>For:</u> 34	<u>Against</u> 0	<u>Abstain</u> 1

Outcome: Carried

3. FINANCIAL STATEMENTS

Resolution 3

Resolved that the Audited Financial Statements, as per the revised summary statement tabled at the meeting, for the Year Ending 31 December 2010 be accepted.

<u>Moved Lot#</u> 320 Ryall	<u>Seconded Lot#</u> 480 Roberts	
<u>For:</u> 35	<u>Against</u> 0	<u>Abstain</u> 0

Outcome: Carried

4. COMMITTEE

4.1 Resolution 4.1

Resolved that Owners Corporation 1 Plan No. PS435322B appoints the following 10 members to the committee

LOT	NAME	LOT	NAME
609	Gordon Ming Li	41	Jillian A Campbell
95	David Barlow	403	Andrew J Watkins
46	Darren Walsh	211	David Flew
593	Angelika Zimmerman	400	Colin Langham
291	Christoper James Dickinson	238	Robert Henry Cocks

<u>Moved Lot#</u> 534 Jayaratne	<u>Seconded Lot#</u> 41 Campbell	
<u>For:</u> 35	<u>Against</u> 0	<u>Abstain</u> 0

Outcome: Carried

4.2 Resolution 4.2

Resolved that Owners Corporation 1 Plan No. PS435322B delegates all its other powers and functions to the Committee (other than a power or function that requires a unanimous resolution or special resolution) in accordance with section 11 of the Owners Corporation Act 2006 and the minutes of this special general meeting will be regarded as the necessary instrument of delegation.

<u>Moved Lot#</u> 400 Langham	<u>Seconded Lot#</u> 593 Zimmerman	
<u>For:</u> 35	<u>Against</u> 0	<u>Abstain</u> 0

Outcome: Carried

5. REPORTS

The Members present were provided time to view the reports provided upon arrival.

Including the Following:

- o *Owners Corporation Manager’s Report (Prepared by Turnbull Cook)*
- o *Committee Report*
- o *Maintenance Plan Report*
- o *Insurance Report*

Resolution 5.

Resolved that all reports be accepted as tabled.

<u>Moved Lot#</u> 184 Bowen	<u>Seconded Lot#</u> 1048 Farquharson	
<u>For:</u> 35	<u>Against</u> 0	<u>Abstain</u> 0

Outcome: Carried

6. BUDGETS AND FEES FOR THE YEAR ENDING 31 DECEMBER, 2011

It was noted that UMS have proposed a cost increase which is higher than budget and that the Committee had reconsidered fees but decided to recommend acceptance of the budget as proposed but with the warning that the fee reduction may not be sustainable and may need to be raised again in future.

Resolution 6.

Resolved that the proposed budget for the period 1st January 2011 to 31st December, 2011 circulated at the meeting be adopted.

<u>Moved Lot#</u> 1048 Farquharson	<u>Seconded Lot#</u> 525 Dean	
<u>For:</u> 34	<u>Against</u> 1	<u>Abstain</u> 0

Outcome: Carried

7. APPOINTMENTS AND AUTHORISATIONS

Under section 11 of the Owners Corporations Act 2006 an Owners Corporation may by instrument delegate any power or function of the Owners Corporation (other than a power or function that requires a unanimous resolution or a special resolution) to: the Committee of the Owners Corporation; the Manager of the Owners Corporation; a Lot Owner; the Chairperson of the Owners Corporation; the Secretary of the Owners Corporation; an employee of the Owners Corporation.

7.1 Design Review Committee

Resolution 7.1

The Owners Corporation confirms the continued appointment of David Barlow and David Flew as the owners corporation representatives on the Design Review Committee.

<u>Moved Lot#</u> 593 Zimmerman	<u>Seconded Lot#</u> 41 J Campbell	
<u>For:</u> 35	<u>Against</u> 0	<u>Abstain</u> 0

Outcome: Carried

7.2 OC Manager.

Resolution 7.2.1

The Owners Corporation appoint Trylean East Pty Ltd (ABN 50 108 688 231) trading as Ace Body Corporate Consulting as Owners Corporation Manager until revoked by the committee or a general meeting of the owners corporation and that the owners corporation committee is authorised to execute a Contract of Appointment and affixing the common seal in accordance with Sections 20 and 21 of the Owners Corporations Act 2006 and to delegate powers and functions to the Manager as necessary, and the minutes shall be the instrument of delegation to the Committee.

<u>Moved Lot#</u> 480 Roberts	<u>Seconded Lot#</u> 400 Langham	
<u>For:</u> 35	<u>Against</u> 0	<u>Abstain</u> 0

Outcome: Carried

Resolution 7.2.2

Resolved that the Owners Corporation confirms that the Owners Corporation Committee may delegate to the Manager the powers and functions of the Owner Corporation (other than a power or function that requires a Unanimous Resolution or Special Resolution) that are necessary to enable the Manager to perform his duties under the Appointment, and as varied from time to time by the Committee and that the Committee has the power execute the delegation.

<u>Moved Lot#</u> 480 Roberts	<u>Seconded Lot#</u> 400 Langham	
<u>For:</u> 35	<u>Against</u> 0	<u>Abstain</u> 0

Outcome: Carried

8. PENALTY INTEREST

Resolution 8.1

Resolved that the Owners Corporation charges Penalty Interest on any fees and charges not paid by the due date in accordance with Section 2 of the Penalty Interest Rates Act 1983.

<u>Moved Lot#</u> 203 Cox	<u>Seconded Lot#</u> 563 Whatman	
<u>For:</u> 35	<u>Against</u> 0	<u>Abstain</u> 0

Outcome: Carried

Resolution 8.2

Resolved that when any past amounts outstanding on a Members Accounts which are less than \$10.00 and represent interest accumulated between issue of a notice and payment of a notice within 28 days of issuing the notice shall be credited to the Owner account

<u>Moved Lot#</u> 480 Roberts	<u>Seconded Lot#</u> 41 J Campbell	
<u>For:</u> 35	<u>Against</u> 1	<u>Abstain</u> 0

Outcome: Carried

9. QUESTIONS AND GENERAL BUSINESS

Discussions were held regarding the Status of Turnbull Cook's management. It was confirmed that Turnbull Cook have resigned and ceased to operate as Manager effective 21 April and are now co-operating with the change of OC Manager process.

Several matters were raised and discussed as questions. None led to resolutions or actions instructions to the committee. Officers and others agreed to follow up on

- maintenance of adjoining lands and paths on those lands
- reported graffiti.

Colin Langham moved a vote of thanks to all past committee for their work and efforts which was met with spontaneous applause.

10. MEETING CLOSE

Confirmed that the meeting closed at 8:30PM



Standing Orders for Procedures at Annual General Meeting

Background

Every year at the Annual General Meeting the owners corporation has a number of statutory resolutions to resolve.

In order to streamline the annual meeting, it is proposed that a set of standing orders be created and adopted and used as the proceeding for every annual meeting.

Standing Order 1 – Election of Meeting Chair

In accordance with Section 79(2) that the Chairperson of the Owners Corporation chairs the meeting, unless they are absent and then an election will take place. If there is reason for the Chairperson of the OC to not chair the meeting this shall be declared by the chairperson or any member present and an election of chair for the meeting will take place.

Standing Order 2 – Committee Nomination

That a lot owner (or their proxy) nominating for a Committee position may provide a short written biography with their nomination. If the nomination is received before the closing time for written nominations this will be typed and copied for attendees at the AGM. If nomination is received after the closing of mail nominations, the nominee may provide a written statement which may be read once aloud by the chair of the meeting

Standing Order 3 – Committee Positions

That the owners corporation comprise a committee of twelve (12) members who are financial lot owners or hold proxies on behalf of lot owners. If there are less than 12 nominations at the end of the General Meeting the committee shall consist of the number of nominees as long as this is greater than 3.

Standing Order 4 – Committee Election

That the election of committee members is by written ballot and that the ballot paper will show all the nominations received by the Secretary, plus any nominations received from the floor at the meeting. A valid vote will be a ballot form, given to the returning officer, clearly identifying not more than 12 persons being voted for. This may be by deleting names not voted for or by placing a mark against those being voted for. A person may use less than 12 votes.

Standing Order 5 – Committee Term

That the elected committee and its' office bearers will hold office until a new committee is elected (including any interim period).

Standing Order 6 – Voting at the meeting

That voting at the meeting will be use of voting card. The voting cards will be issued at the time of registration. Voting Cards will be issued to voters who are financial and hold a valid proxy (if applicable). Voting will be by show of cards. If a lot owner (or a proxy) receives a voting card and they know that they are not eligible to vote, they must return the card.

Standing Order 7 – Counting of Votes

The counting of the votes will be determined by counting the number of votes for, against or abstaining (not voting). The Chairperson will nominate the order that the count will take place and then mathematically determine the outcome of the larger preference.

Standing Order 8 – Disputed Validity to Vote

If a member disputes that they are ineligible to vote, they may ask the Secretary to record their intended vote and to then confirm their validity to vote by reviewing records after the meeting. If the person or persons vote would have changed the outcome of any counted vote and it is later found that they should have been found eligible to vote, the resolution shall be considered unresolved and if the matter requires resolution at a General Meeting the Secretary shall call a Special General Meeting to again put the resolution. If the matter is within the delegated responsibility of the Committee, the Committee may resolve to handle the matter.

Owners Corporation Plan 435322B
Waterways
Statement of Assets & Liabilities
As At 31 December 2010

	2010			Total	2009
	DRC Fund	Maint Fund	Admin Fund		
Assets	\$	\$	\$	\$	\$
Current Assets					
Bank Accounts					
Cash at Bank	-	-	84,862.54	84,862.54	182,567.33
Investment Accounts					
DRC Funds	52,055.91	-	-	52,055.91	-
Sundry Debtors	-	-	61,619.59	61,619.59	96,818.18
Prepayments	-	-	8,662.70	8,662.70	11,077.55
Levies Receivable	-	-	49,206.30	49,206.30	47,892.96
	52,055.91	143,364.31	557,208.51	752,628.73	430,303.12
Liabilities					
GST Outstanding	-	-	4,151.84	4,151.84	- 2,399.00
GST Reconciliation	-	-	12,837.43	12,837.43	- 3,289.91
DRC Clearing Account	-	-	30,999.68	30,999.68	-
Accounts Payable	-	-	39,510.37	39,510.37	55,386.35
Provision for Taxation	317.00	638.00	840.00	1,795.00	- 388.00
Levies Paid In Advance	-	-	115,751.61	115,751.61	82,766.75
	317.00	638.00	178,416.07	179,371.07	132,076.19
Net Assets	51,738.91	142,726.31	378,792.44	573,257.66	298,226.93
Owners Funds					
Opening Balance	-	136,168.43	162,058.50	298,226.93	111,519.00
Surplus / (Deficit) on Operations for Year	641.86	6,557.88	267,830.99	275,030.73	186,707.93
	641.86	142,726.31	429,889.49	573,257.66	298,226.93
Represented By;					
DRC Fund Transfer	51,097.05	-	51,097.05	-	-
Administration fund	-	-	378,792.44	378,792.44	206,279.83
Maintenance Fund	-	142,726.31	-	142,726.31	91,947.10
DRC Funds	51,738.91	-	-	51,738.91	-
	51,738.91	142,726.31	378,792.44	573,257.66	298,226.93

**Owners Corporation Plan 435322B
Waterways
Operating Statement
For the Year Ended 31 December 2010**

	2010				2009
	DRC Fund	Maint Fund	Admin Fund	TOTAL	\$
	\$	\$	\$	\$	\$
Income					
Levy Income	-	-	641,750.00	641,750.00	618,410.23
Maintenance Subsidy-Kingston Council	-	-	68,857.74	68,857.74	45,000.00
Interest on Overdue Fees	-	-	4,746.40	4,746.40	1,758.91
Interest on Investment Accounts Administration Funds	-	-	3,056.38	3,056.38	1,451.67
Interest on Investment Accounts Maintenance Fund	-	4,341.21	-	4,341.21	-
Interest on DRC Account	1,159.34	-	-	1,159.34	-
Special Levy Income	-	-	4,281.86	4,281.86	3,625.02
Sundry Income	-	-	-	-	523.03
Sundry Income adjustment	200.48	3,406.67	2,292.87	5,499.06	-
Additional Developer Subsidy	-	-	50,000.00	50,000.00	75,215.00
	<u>958.86</u>	<u>7,747.88</u>	<u>774,985.25</u>	<u>783,691.99</u>	<u>745,983.86</u>
Expenses					
Advertising	-	-	1,017.31	1,017.31	-
Audit & Accounting Fees	-	-	3,950.00	3,950.00	3,785.00
Bank Charges	-	-	3.00	3.00	6.00
Community Events	-	-	1,644.54	1,644.54	1,485.41
Electrical Expenses	-	-	11,010.50	11,010.50	-
Management Fees- Turnbull Cook	-	-	54,545.44	54,545.44	54,920.44
Other Extras	-	-	555.00	555.00	9,270.72
Schedule 3 Charges	-	-	8,181.09	8,181.09	7,975.81
Debt Collection Fees	-	-	-	-	3,200.00
Equipment Maintenance & Motor Vehicle Exps	-	-	2,083.00	2,083.00	24,996.00
Equipment Purchase & Replacement	-	-	2,083.00	2,083.00	24,996.00
Insurance	-	-	20,690.25	20,690.25	11,687.36
Insurance & Workcover	-	-	950.00	950.00	10,450.00
Internet Site	-	-	2,572.72	2,572.72	-
Legal Fees	-	-	4,290.00	4,290.00	2,336.50
Maintenance Contract	-	-	84,918.65	84,918.65	83,000.00
Postage & Courier	-	-	212.47	212.47	438.72
Printing & Stationary	-	-	1,250.00	1,250.00	6,766.44
Public Lighting	-	-	8,197.42	8,197.42	12,705.76
Site Assets Repairs & Maintenance	-	-	14,031.52	14,031.52	9,174.54
Rubbish Removal & Bin Hire	-	-	312.25	312.25	13,291.55
Security	-	-	-	-	1,968.00
Site Office & Shed Expenses	-	-	2,250.00	2,250.00	27,000.00
	-	-	<u>223,013.66</u>	<u>223,013.66</u>	<u>309,454.25</u>
Waterways Site Maintenance					
Fountains	-	-	5,916.14	5,916.14	-
Garden Management	-	-	-	-	48,028.09
Gardening	-	-	33,687.00	33,687.00	48,546.32
Garden Upgrade	-	-	17,927.93	17,927.93	-
Grass Management & Edging	-	-	98,089.81	98,089.81	51,033.19
Garden Grass Project Management	-	-	6,982.91	6,982.91	-
Parkland Maintenance & Grass	-	-	14,944.15	14,944.15	-
Irrigation	-	-	30,913.87	30,913.87	11,585.00
Wetland Weed Control	-	-	7,878.00	7,878.00	47,844.27
On site Plant Watering	-	-	-	-	1,311.82
Plants & Materials	-	-	2,238.76	2,238.76	-
Sundry Expenses	-	-	1,870.99	1,870.99	764.09
Telephones	-	-	1,181.44	1,181.44	1,000.00
Water Plates	-	-	752.39	752.39	1,186.90
Depreciation	-	-	-	-	-
Compliance Management	-	-	50,414.26	50,414.26	32,500.00
Compliance Registration Fees	-	-	16,239.95	16,239.95	-
Lake Edge & Other Weed Control	-	-	5,737.00	5,737.00	5,737.00
	-	-	<u>283,300.60</u>	<u>283,300.60</u>	<u>249,536.68</u>
Total Expenses	-	-	<u>506,314.26</u>	<u>506,314.26</u>	<u>\$ 558,990.93</u>
Surplus / (Deficit) Pre Tax	<u>958.86</u>	<u>7,747.88</u>	<u>268,670.99</u>	<u>277,377.73</u>	<u>\$ 186,992.93</u>
Taxation Expense	317.00	1,190.00	840.00	2,347.00	285.00
Surplus / (Deficit) After Tax	<u>641.86</u>	<u>6,557.88</u>	<u>267,830.99</u>	<u>275,030.73</u>	<u>\$ 186,707.93</u>

Reconciliation of DRC Bank Account to Clearing

	\$		\$	
DRC Bank Account		52,055.91		
<i>Less Interest for Period</i>		-1,159.34		
		50,896.57		
<i>Payments deposited into W'ways Admin</i>				
09.09.10	3,727.27			
19.11.10	863.63	4,590.90		
<i>Payments made from W'ways Admin</i>				
14.09.10	-7,819.26			
	-5,000.00			
	-6,046.51			
01.12.10	-3,818.23			
	-4,818.18	-27,502.18		
			-22,911.28	<i>Net payments made from W'ways Admin to be reimbursed from DRC Bank Account</i>
			27,985.29	
<i>Add outstanding amount due from PHG</i>			2,000.00	
<i>Add GST included in payments (12,650.43-11,635.85)</i>			1,014.58	
DRC Adjusted Bank Account			30,999.87	
DRC Clearing			30,999.87	
			0.00	



Turnbull Cook Body Corporate Management
PO Box 6076
St Kilda Road Central 8008
P. 8697-0600 F. 8697-0669

MANAGER'S REPORT

JANUARY – DECEMBER 2010

OWNERS CORPORATION NO: 435322B

WATERWAYS

In accordance with Section 124 Part 6 Clause 126 of the Owners Corporation Act 2006, the manager submits the following report of activities undertaken for the period 1st January 2010 to 31st December 2010.

ANNUAL GENERAL MEETING

In accordance with Part 4, Sections 71 and 72 of the Owners Corporations Act 2006, Turnbull Cook, in conjunction with the committee, issued 14 days notice to the members to attend the Annual General Meeting held on Wednesday 24th March 2010.

In addition, the minutes of the meeting were distributed to the members within the prescribed time.

COMMITTEE MEETINGS

A representative of Turnbull Cook has attended three committee meetings throughout the 2010 financial year. The Turnbull Cook CEO also met with chairperson and secretary on at least two occasions.

OWNERS CORPORATION REGISTER

As required under Section 147 and 148 of the Owners Corporation Act 2006, Turnbull Cook is regularly updating the owners corporation register as new members are included in the owners corporation.

COMMON SEAL

No common seal was affixed during the period of January 2010 to December 2010.

SECTION 151 CERTIFICATES

During the period 1st January 2010 to 31st December 2010, Turnbull Cook processed 140 Owners Corporation Certificates for Waterways development. These certificates also include compliance disclosure statement, rules and design guidelines.

INSURANCE

The insurance cover for this owners corporation was renewed in accordance with instructions received from the owners corporation committee. A reduction of the total premium amount was achieved.

Note: The Owners Corporation 435322B – Waterways, does not own any common property and therefore holds no reinstatement and replacement insurance. Obligations with City of Kingston require the Owners Corporation to hold public liability insurance.



Turnbull Cook Body Corporate Management
PO Box 6076
St Kilda Road Central 8008
P. 8697-0600 F. 8697-0669

Turnbull Cook has Professional Risk Insurance of \$5,000,000 via CGU. The policy number is 03REA0674492 and the expiry date is 31st December 2011.

FINANCIAL STATEMENTS

In accordance with Section 34 Part 3 Clause 34 and 35 of the Owners Corporation Act 2006, audited financial statements for the period 1st January 2010 to 31st December 2010 are provided in the Notice of Annual General Meeting to all owners.

In addition to these requirements, Turnbull Cook provides the committee with quarterly and monthly Manager's Report comprising of a profit and loss statement; a year to date profit and loss statement; balance sheet and expense variance analysis.

Separate bank accounts for administration and maintenance funds were managed and controlled by Turnbull Cook. Cash management reports for both of these respective bank accounts were either provided to the committee upon request or on a regular basis. Bank statements were also provided to the committee.

Turnbull Cook also forwarded the annual financial statements to the auditor in accordance with the past resolutions of the owners corporation.

Payment of invoices is processed upon approval by the Committee. Turnbull Cook ensured internal procedures are in place to streamline the payment process in a timely fashion.

Turnbull Cook also administered and facilitated payment of invoices to Ilario G. Cortese Architects Pty Ltd, reconciling these invoice with monies received (committed funds) from Portland House Group Pty Ltd.

ANNUAL CONTRIBUTION PAYMENT FROM COUNCIL

Turnbull Cook liaised with the City of Kingston on several occasions to receive the annual contribution payment as per the agreement with Council.

DEBT COLLECTION

As per past practice, Turnbull Cook, issued tax invoices to all owners on a quarterly basis. Reminder notices were also issued to owners in arrears 28 days after the due date.

During the 2010 financial calendar year Turnbull Cook in conjunction with Access Mercantile Agency, effectively settled a number of debts owed to the owners corporation. There were 42 accounts which were processed by Access Mercantile for the period 1st January 2010 to 31st December 2010.

The collection success rate achieved by the implementation of previously adopted procedures is an ongoing process which is regularly tracked by both Turnbull Cook and the committee.

Turnbull Cook issued reminder notices prior to sending out a final reminder notice. Final reminder notices were issued to lot owners who are 3 quarters in arrears.



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On occasion, Turnbull Cook settled debts with owners experiencing financial hardship by entering into an agreed payment plan that was endorsed by the committee.

In addition to the above, Turnbull Cook regularly liaises with the Debt Collection Company in order to recover monies owing to the Owners Corporation. This is achieved by tracking individual lot owners accounts throughout the debt collection process.

Turnbull Cook also compiled a detailed arrears audit report for the Committee on a quarterly basis. This report included graphs and relevant data on all the outstanding fees, as well as the status and updates made by Access Mercantile and Turnbull Cook together with recommendations made to the Committee on each account.

In this development, Turnbull Cook was not required to attend VCAT to obtain an order for recovery of arrears.

Turnbull Cook issued welcome letters to new members, drawing their attention to their responsibility under the Act to pay owners corporation fees by the due date. Furthermore, new members were also informed to immediately advise the owners corporation of any change in their mailing address in order to avoid being the subject of debt recovery action and incurring interest on late payments.

INTEREST ON LATE PAYMENTS

Turnbull Cook has charged interest on late payments resulting in additional income for the owners corporation to a total value of \$4,746.40.

Note: Amendments to the Owners Corporations Act 2006 that came into effect on 1st January 2011 now mandate complete reporting for waiving of penalty interest charges as at 1st January 2011. Since this change came into effect, two written requests for removal of penalty interest charges have been received. The Secretary approved one request for removal of interest charges.

COMPLAINTS

No complaints were received via Consumer Affairs during this period.

Turnbull Cook received numerous telephone calls and emails in relation to queries and complaints at Waterways.

Some complaints submitted in writing were forwarded to the Committee were in relation to:

- the inferior bark which was placed at Waterways known as BK20.
- Mirvac workers parking illegally and damaging lot owners front lawn.
- general issues and in particular maintenance of the Waterways Estate.



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BREACHES

Turnbull Cook issued 41 breach notices to residents in accordance with committee's instructions.

There were 32 letters issued to owners requesting that they maintain their property and mowing of vacant lots sent together with a Repairs/Maintenance Notice.

There were 2 breach notices issued regarding the illegal installation of satellite dishes.

There were 2 breach notices issued regarding the illegal car parking where lot owner parked their vehicles not in accordance with the Rules of the Owners Corporation.

There were 3 breach notices issued regarding the illegal car parking on the nature strip.

There were 2 final breach notices issued regarding commercial vehicle parking illegally and not in accordance with the Rules of the Owners Corporation.

POWER METERS & ACCOUNTS

Turnbull Cook arranged for the connection of power meters servicing public lighting and the fountains at Waterways. Turnbull Cook also ensured that the standing accounts with Origin and AGL were changed to the name of the owners corporation.

ATTENDANCES AT VCAT

Attendance at VCAT was not required during this period.

END OF 2010 REPORT

OC Committee Report – 2010-2011

The Waterways OC committee elected at the 2010 AGM in March 2010 consisted of 12 members. The committee elected Chris Dickinson as Chairman and Terry Harwood as Secretary. Chris stepped down from the position of Chairman but remained on the committee. David Flew was elected Chairperson on 19 October, 2010. Cameron Myrtle and Carolyn Brooks resigned from Committee during the year and were replaced by co-opted members Rob Cox and Gordon Le Ming

The committee scheduled to have a full agenda meeting quarterly and held 4 such meetings. In addition, special topic meetings were held for budget preparation, to plan for this AGM and to address matters of OC Management. Members of the Committee and their attendance at meetings are listed below.

Meetings of OC Committee		Eligible	Attended
Aaron Cox		7	4
Andrew Watkins		7	7
Cameron Myrtle	Resigned October 2010	2	1
Carolyn Brooks	Resigned November 2010	3	1
Chris Dickinson		7	6
Darren Walsh		7	4
David Barlow		7	6
David Flew		7	7
Gail Ash		7	4
Gordon Ming Li	Elected to Casual Vacancy December, 2010	3	1
Jill Campbell		7	6
Kusum Jayaratne		7	6
Rob Cocks	Elected to Casual Vacancy November, 2010	3	2
Terry Harwood		7	6

The committee identified 3 key responsibilities which it progressed during 2010-2011.

1. Establishing Sustainable Long Term Management

The Committee identified that the issues faced by Waterways would be unlikely to be sustainably managed by a volunteer committee. It was further identified that the current Manager was not providing the support level for appropriate Waterways management. After detailed investigation and review the Committee assessed that we needed a key Manager who was part of a resourced and capable organisation which could provide resources as needed, but not have to employ them when not needed. After advertising and searching in several areas, the Committee identified and recommended Ace Body Corporate Consulting for this role with the first step being their recommended appointment as OC Manager at the 2011 AGM. Difficulties and costs associated with revoking the appointment of Turnbull Cook are documented elsewhere but their appointment has now ended.

2. Cost Effective Site Maintenance with Sustained Quality

The major cost and responsibility for the Waterways OC is the contracted responsibility to City of Kingston to maintain parklands and facilities. Performance in this area was mixed during 2010 – 2011 with a significant cost reduction and initially good outcomes including seeing all garden beds mulched. In late 2010 the quality of performance and management performance both deteriorated. In April 2011, contractor UMS asked for a 40% increase in price. These are priority matters for the committee to manage.

3. City of Kingston Contract

Your committee considers the contract between City of Kingston and OC 435322B – Waterways to be unfair. The expectation that a community should bear responsibility for all maintenance costs and receive a small portion in return from a government body seems unreasonable. Some of the requirements of the contract are unachievable by a community based organisation. We have endeavoured to renegotiate this situation ever since the first owner based committee was elected.

Whilst progress was slow we have achieved in the last year;

- agreement in principle that COK will take over full responsibility for street trees
- the matter taken to Council to allow officers to enter into negotiations
- recognition that handover requirements of the Developer were not met
- clarity that the OC is only has a maintenance role not a decision making role

This will again be high priority in 2011 – 2012.

Other matters receiving attention from the Committee in 2010-2011 included

- Working groups (renamed from sub-committees because of obligations the Act places on sub-committees with delegated responsibilities) continued in the areas of Finance, Community, Compliance, Gardens and Parklands, DRC.
- Replanting was undertaken in some garden areas and will be more extensive in 2011.
- Questions of separation between OC and Community received discussion including on the website. The committee position has been consistently that it can facilitate community involvement but not represent the community or spend significant funds on matters which are not directly an OC responsibility under our rules or the OC Act.
- Lake water level was high or very high on several occasions including an extreme event in February. The committee continues to communicate with Melbourne Water to resolve improved information and understanding of lake level control, noting that it currently falls very slowly.
- A new website (www.waterways.net.au) and forum was created to improve communications with owners.

Required Notifications

Waiver of Interest.

The Committee or its delegates have waived interested charges in the following situations.

- an amount of \$55.26 waived for a member who had good payment record but had not received the account for the particular payment.

Other requests received which were not waived were responded with requests for written justification which was not received.

Compliance Report

The Compliance Officer issued notices as below.

Number	Type	Outcome
38	Repairs / Maintenance – Vacant Lot	Some were cut by owner but OC arranged cutting for many.
1	Repairs / Maintenance – Home Garden	Owner did some work. Still being monitored.
4	Commercial Vehicle Parking - Truck	2 ceased Parking. 2 continued to breach.
3	FINAL Commercial Vehicle Parking - Truck	No outcome. Still to be further progressed.
1	Wide Driveway exceeding 3.5m.	To be further reviewed
6	FINAL - Wide Driveway exceeding 3.5m.	To be further reviewed

During 2010 – 2011 the Compliance Officer advised the committee he would not continue in the role beyond the 2011 AGM and desired to step aside immediately when an alternative was identified. Although one support option was tried and a further option investigated an appropriate alternative was not thought viable until an Estate Manager is appointed.

Compliance action for the past year has focused on following up reported breaches, initiating action on clear and major breaches and preparing communications to explain compliance and rules.

The Committee authorised several matters to proceed to VCAT but action was not progressed and will need to be recommenced when new processes and resourcing is put in place.

The Committee is currently in the process of transferring compliance responsibility to Ace Consulting and reviewing the practices which should be in place.

Maintenance Plan Report

The Owners Corporation does not own any assets it is required to maintain. The OC does however have a contractual responsibility to maintain assets owned by City of Kingston.

A Maintenance Plan was approved at the 2010 AGM and it is the consideration of the Committee that no change is necessary to that plan. All maintenance carried out during the year was in accordance with that plan funded from the administration account and reserves provided for that purpose. In accordance with the plan no levy for the purposes of the maintenance fund is proposed for 2011.

Funds due for receipt in 2010 from City of Kingston for 2009 were transferred into the Account as planned. No funds were transferred out of the Maintenance Fund during 2010.

Secretary
14 April, 2011

INSURANCE

The Owners Corporation currently has the following insurance cover: -

Industrial Special Risk(damage to assets for which we are responsible to maintain or replace)

Cover: \$1,500,000
Company: QBE through OAMPS Insurance Brokers Pty Ltd
Policy Number: 40A019365ISR
Due Date: 30th June, 2011
Premium Amount: \$5,949.90
Excess: \$1,000

Public Liability – As required by City of Kingston but covering any and all Public Liability : -

Cover: \$10,000,000 in any one occurrence
Company: QBE through OAMPS Insurance Brokers Pty Ltd
Policy Number: 40A262135PLB
Due Date: 30th June, 2011
Premium Amount: \$7,419.50
Excess: \$1,000

Management Liability – Executives and Officers and Employment Practices

Cover \$1,000,000
Company: Chubb through OAMPS Insurance Brokers Pty Ltd
Policy Number: TBA
Due Date: 30th June, 2011
Premium Amount: \$3,960.00
Excess: \$5,000

Personal Accident Insurance for Voluntary Workers

Cover: \$100,000 / \$1,000 week
Company: ACE Insurance through OAMPS Insurance Brokers Pty Ltd
Policy Number: 02PO016052
Due Date: 30th June, 2011
Premium Amount: \$946.00

Under Division 6, Insurance section 54, 55, 56 & 59 of the Owners Corporation Act 2006, the Owners Corporation must take out full reinstatement and replacement insurance on all buildings and the common property. Owners Corporation 1 Plan No. PS 435322B – Waterways, does not own any common property and therefore holds no reinstatement and replacement insurance.

Obligations with City of Kingston require the Owners Corporation to hold public liability insurance.

Recommended Budget and Plan for Waterways Upgrades

Activity	Budget Cost
Tendered	
Bowen Road Bridge - Upper beds	\$ 4,000
Lake South Edge - Upper Garden Beds Fountain Court to Black Swan	\$ 3,000
Grass repair and replanting -South to Wetlands	\$ 25,000
Lake South Edge - Selective High Impact or Poor Areas	\$ 4,000
Lake South Edge - return bare areas to Garden Beds between path and lake	\$ 50,000
Bowen Road part removal of grass and replanting to new plan	\$ 15,000
Lake West Upgrade and expansion	\$ 12,000
Median Strip upgrades (other than immediate solutions)	
- Waterways Boulevard	\$ 8,000
- Burdekin Boulevard	\$ 8,000
Median Strip grass replacement	
- Waterways Boulevard	\$ 8,000
- Burdekin Boulevard	\$ 8,000
- Island Point Avenue	\$ 12,000
Grass Repair and progressive change to Kykuyu	\$ 10,000
Upgrade Lake West South Side	\$ 10,000
	SUB TOTAL \$ 177,000
Rear Barmah place to wetland edge	\$ 10,000
	SUB TOTAL \$ 10,000
Other (unspecified)	\$ 25,000
Non Garden Upgrades	
Path Repair and resurfacing	\$80,000
Barbecue Shelter	\$5,000
Seats and Picnic Table	\$5,000
	SUB TOTAL \$ 115,000
Spray, mulch and upgrade boundary mounds	\$0
	SUB TOTAL \$0
TOTAL	\$ 302,000
Management	\$ 20,000
Contingency @ 10%	\$ 30,200
GRAND TOTAL	\$ 352,200

Waterways Owners Corporation - 2011 Proposed Budget

	PROPOSED BUDGET
Administrative Fund	
Income	
Fee Income (755 lots @ 233.75 for 2Q, 187.00 for 2Q) less GST	577,575
Maintenance Subsidy - Kingston Council	50,300
Total Admin Fund Income	627,875
Expenses	
Audit Fees	6,000
Community Events	2,200
Insurance	18,400
Legal/Professional Collection Costs	1,000
Legal other than Collection	5,000
Pest Control	1,000
Postage & Courier	100
Printing & Stationery	500
Newsletter - Printing and Mailing	4,000
Power/Pub Light.Pumps & Fountain	27,000
Sundries	500
Telephones	1,000
Website	1,700
Water Rates	1,000
SUB TOTAL NON-MAINTENANCE EXPENSE	69,400
Site Maintenance	
Key Maintenance Contracts	
Grass and Gardening	
Fixed Price Components	185,400
Anticipated Extras	79,200
Wetlands	25,000
Electrical - Regular and Repairs	12,200
Irrigation	34,100
Repairs & Maintenance Uncontracted	7,000
SUB TOTAL MAINTENANCE EXPENSE	342,900
Administration & Management	
Compliance Officer	45,000
Local Site Manager	40,000
Management Fees - Turnbull Cook	56,800
Additional Charges - Turnbull Cook	8,500
SUB TOTAL ADMINISTRATION EXPENSE	150,300
Total Expenses	562,600
Operating Surplus	65,275
Funded from Accumulated Surplus	
Improvement Projects - Once Off from Accumulated Funds	
Garden & Grass Project Improvements	200,000
Non-Garden Improvement Projects	85,000
Value adding new works	15,000
Project Management and Contingency	50,000
SUB TOTAL ONE-OFF (CAPITAL) IMPROVEMENTS	350,000
TOTAL BUDGETED EXPENDITURE	912,600