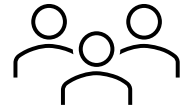




Brought to you by your Strata Committee
February 2022



ANNUAL GENERAL MEETING



Dear Owners,

As the AGM approaches, we wanted to give you an update on what your Strata Committee has achieved in the last year or so.

We know this has been a difficult year for everyone, but your committee has been meeting virtually throughout the year and we have been working hard to do everything we can to make our home more efficient, more affordable and a better, safer place for us all.

We have undertaken the largest building works that Acacia Gardens has ever seen, and there is more to be done. Many years of neglect is being turned around. Many years of mismanagement is being turned around through monitoring of the management, strict monitoring of the financial approval process and regular meetings with the Building Manager. We have many things that we want to achieve in the coming years. We are listening to you, the owners, about the concerns you have and working to improve our home.

Here are a few of the highlights of what we have accomplished:

Cleaning and Painting 	<ul style="list-style-type: none">• Cleaned and painted the exterior of stage 1 for the first time in 20 years• Painting the interior of Stage 1 for the first time in 20 years (commencing February 2022)• Painting the interior of the gym/pool/common facilities for the first time in 20 years (commencing in February 2022)• Cleaning, washing and essential repairs of the façade of Stage 2 (commencing February 2022).
Repair Works	<ul style="list-style-type: none">• Repaired large sections of the façade works for Stage 1• Remedial repairs to Stage 2 façade (commencing February 2022)
Fire Safety	<ul style="list-style-type: none">• Completed the removal of flammable cladding from the whole building• This reduced our insurance premium by over \$50,000
Waterproofing	<ul style="list-style-type: none">• Waterproofed the interior of the gym, pool and recreation centre• Fixed waterproofing problems in approximately 15 apartments and common areas – some of which have been ignored for many years
Gardening 	<ul style="list-style-type: none">• Cleaned up and commenced the process of rejuvenating the gardens that have been neglected for many years
Security	<ul style="list-style-type: none">• Replaced the intercom in Stage 1 that has not worked for many years• Commenced consolidating the security system in the complex to a single location• Commenced consolidating the CCTV system to a single location so our security can effectively monitor the safety of all residents.
Lift	<ul style="list-style-type: none">• Started an audit of all lifts and approved the repair of the stage 2 lifts to minimise the noise

	<ul style="list-style-type: none"> We are investigating a long-term plan to replace the lifts as they are getting to the end of their life
Strata Management Improvement	<ul style="list-style-type: none"> We have had approximately 15 informal committee meetings to discuss important issues and ensure that we are all up to date on everything that is happening in our home Formalised the process for major and minor renovations for all owners We reformed the expenditure approval process so that there is accountability of the building manager to the Owners Corporation for all expenditure, every expense has to be approved by the committee before it is incurred (and paid) Audit of all service contracts – we conducted a review of all service contracts, and went to tender on a number of contracts, to ensure that the OC is receiving market rates for services As a result of the review/audit of services, the OC is saving tens of thousands of dollars a year. For example, the Stage1 building manager had entered into an agreement for a security company to lease the CCTV DVR to the OC for \$700 per month. The audit identified this expenditure, and the committee agreed to purchase a DVR for \$1200 saving the OC approximately \$7,200 per year.
Building Management	<ul style="list-style-type: none"> Stage 1: Following the resolution carried at the 2020 AGM, the committee commenced proceedings to terminate CSR’s building management agreement. The OC was successful in these proceedings (we won!) and the contract was terminated in January 2022. CSR are now wasting more owners’ money by appealing the NCAT decision and continuing to delay their Supreme Court Proceeding despite NCAT saying that CSR had attempted to control the committee for the own financial benefit for many years Stage 2: When Meriton’s contract expired in October 2020, on behalf of the OC BCS conducted a tender for the Stage 2 building management services. Kristal was appointed on a month-to-month basis as the BM for Stage 2 saving the OC \$6,877 per month in building management and cleaning fees.
Savings`	<ul style="list-style-type: none"> Building Works: Instead of blindly accepting the quotes obtained by the previous committee for the Stage 1 remedial works (total approx. \$3,000,000), the committee went to market and tendered for the work. In doing so, the OC saved approximately \$1,500,000. The works have been completed for approximately \$1,500,000 and this included the removal of combustible cladding that was not in scope for the \$3,000,000 quote. Building Management: Following the NCAT decision to terminate CSR’s contract, Kristal was appointed on a month-to-month basis to manage Stage 1 and Stage 2. This will save the OC approximately \$150,000.00 a year in building management fees. Handyman: Kristal’s building management contract includes 4 hours per month of free handyman services for common property. This has saved the OC hiring a handyman to do odd jobs around the building. Cladding/Insurance: By removing the combustible cladding from Stage 1 and Stage 2 façade, the OC has reduced its insurance premium by approximately \$50,000.00 DVR Leasing: By purchasing a DVR for the Stage 1 CCTV, instead of leasing it for \$700 per month as CSR was doing with our money), the OC has saved approximately \$7,200 per year LED Lighting: By changing all of the car park lights to LED, the OC has reduced its energy usage from approximately 36,000.0 kWh in October 2020 to 19,904.530 kWh in November 2021. This equates to a saving of approximately \$2,200 per month (\$26,400 per year) Security: the committee conducted a tender for security services for our building. In doing so, the committee increased the hours that security is on site so that the OC now has 24/7 coverage between a building manager and security.

The hours increased from 100 hours per week (previously) to 123 hours per week (current arrangement). By going to market and tendering for the work, the OC was only required to pay an additional \$580 per month for the additional 23 hours per week.

- **Fire monitoring and prevention:** The OC was using two fire specialists – ADT and AFT for fire monitoring, compliance etc. By going to tender, the committee was able to enter into a contract with one company, Forte Asset Services, who can provide all services and a reduced cost to the OC.
- **Plumbing** As a result of the new expenditure process instituted by the committee, spending on Plumbers has reduced from 82 attendances between December 2020 and June 2021 to 14 attendances between July and December 2021.
- **Electricians:** as a result of the new expenditure process instituted by the committee, spending on electricians has reduced from 18 attendances between December 2020 and June 2021 to 7 attendances between July and December 2021. The committee has also directed the building manager to ensure that multiple jobs are completed within one visit to avoid the OC incurring multiple call out fees.
- **Water:** The OC currently spends approximately \$11,000 per month on water. We have engaged Sydney Water to conduct a WaterFix Strata Savings desktop assessment. Sydney Water is currently conducting a site assessment during which they will access 10% of apartments.
- **Car Park Cleaning:** the committee tendered for annual car park cleaning, resulted in the OC entering into an agreement with Sydney Sweep, **saving the OC approximately \$3,371** per year (compared to the contractor previously used by CSR).
- **Swimming Pool:** the committee tendered for annual swimming pool maintenance, which resulted in the OC entering into an agreement with Network Pools, **saving the OC approximately \$2,324** per year (compared to previous contractor used by CSR).
- **Enviro-LCS:** the committee identified that CSR had entered into a contract with Enviro-LCS to maintain the Stage 1 common area toilets. This contract was not approved by the OC. CSR, had for years, been submitting invoices for the OC to pay. The committee directed CSR to cancel the contract and stopped paying any invoices. This has **saved the OC: \$2,966.70** per year
- **Mechanical Ventilation** - the committee tendered for annual servicing of mechanical ventilation, which resulted in the OC entering into an agreement with Evolution, with a small **savings of \$ 160** per year.

Why is it important that you come to the AGM?

There are a number of important items on the agenda (strata management contract, cleaning contract, special levy, committee, etc). I attach a copy of the agenda which you should have recently received from BCS.

As you may know, NCAT terminated the contract of the Stage 1 Building Manager (Central Sydney Realty) in January 2022. The Tribunal found that SunAust had abused its position as Building Manager by overcharging the Owners Corporation approximately \$698,758.02 and stated that SunAust "**not only acted in self-interest but ignored conflicts of interest and sought not to serve the applicant (Owners Corporation) but to control it**" (see page 54 of the NCAT Orders).

CSR was able to do this by inserting itself and its representatives/associates onto the Strata Committee. We need to ensure that this does not happen again, and we can only do that if owners come and vote for people that they trust at the AGM. **Please come to the AGM. It is important that your vote is heard.**

Understandably, with covid-19, many people are worried about attending the meeting. If you cannot come, please allow someone you trust to vote for you (by proxy). If you are not sure who to trust, you can provide a proxy to BCS (Strata Manager) with your voting instructions. Please do not provide a proxy to CSR or any of their representatives or associates.

Why is there a Special Levy on the agenda?

At the 2020 AGM, the owners corporation agreed to enter into a loan with available funding of up to \$2,700,000 + GST to fund remedial repairs and maintenance works.

However, the Strata Committee has been able to achieve significant savings with the following required remedial works that have been / are being carried out at a total cost of \$1,471,521.80 + GST:

- Critical facade repairs and painting (Stage 1) - carried out by Easy Trades at a contract fee of \$749,618.16 + GST;
- Flammable cladding removal and associated works - carried out by Easy Trades at a contract fee of \$359,963.64 + GST;
- Building wash and required facade repairs (Stage 2) - to be carried out at a contract fee of approximately \$250,000 + GST; and
- Painting (pool, gym, meeting room, changing rooms, common area toilets, lobby lift wells) - to be carried out by First Response Maintenance Solutions at a contract fee of \$111,940 + GST.

Drawdowns on the available loan have ONLY been made for the purpose of carrying out the above projects. For clarity, **the loan has NOT been utilised for any other purposes** (including but not limited to legal fees incurred by the owners corporation).

During the AGM, and since that time, a number of owners have expressed concerns about the amount of interest that the owners corporation will incur on the loan (6.5% per annum - which accrues approximately \$175,500 per year in interest payments if the owners corporation draws down the loan in its entirety).

Owners have also expressed concerns that it is not assisting them to have a \$3,000,000 loan sitting in the owners corporation's records when they are trying to sell their apartment.

It is for these reasons that this motion has been proposed.

There are two options:

Option A (example unit)

A lot with 30-unit entitlements would have the following payments with Option A:

- 4 x quarterly payments of \$1,283.56 including GST
- Total - \$5,134.24 including GST over a 12-month period

The above has been calculated for the repayment of \$1,500,000 (principal) + interest at 6.5%.

Option B (example unit)

A lot with 30-unit entitlements would have the following payments with Option B:

- 8 x quarterly payments of \$662.57 including GST
- Total - \$5,300.55 including GST over a 24-month period

The above has been calculated for the repayment of \$1,500,000 (principal) + interest at 6.5%.

By repaying the loan, by way of a relatively small special levy (approximately \$5,300 per unit), the OC will be saving up to \$175,000 in interest per year plus it makes the building more attractive to potential investors who may not want to purchase in our building because of the \$3,000,000 loan.

Where to from here?

We have so much more good work to do and so much more to offer to our home. Support your committee at the coming AGM.

If you have questions, please contact us and we would be very happy to talk to you about any concerns you have, or anything that you think needs to be done in the coming years.

WHERE TO FIND HELP:

BUILDING MANAGEMENT FOR ACACIA GARDENS is located at the office in the reception area of 71 JONES STREET

08:00 and 16:00 – Monday to Friday

10:00 and 13:00 – Saturday

Contact details **John: 0431 084 001** and buildingmanager2@acaciagardens.com.au



SECURITY FOR BOTH ACACIA GARDENS is located at the office in the reception area of 71 JONES STREET

16:00 and 08:00 – Monday to Friday

13:00 Saturday until 08:00 Monday (weekend)

Contact details **Security: 0410 408 873**

ADDITIONAL CONTACT INFORMATION

The following are the best ways to contact the people you need:

BCS – Samantha Edwards (Strata Manager) Phone: 02 8216 0398 Email: stratamanager@acaciagardens.com.au

Strata Committee (all members) Email: stratacommittee@acaciagardens.com.au

Strata Committee Chairperson (Luming) Email: chair@acaciagardens.com.au

Strata Committee Secretary (Nick) Email: secretary@acaciagardens.com.au

Strata Committee Treasurer (Matthew) Email: treasurer@acaciagardens.com.au

Any other enquiries, Email: newsletter@acaciagardens.com.au

If you want to join the Acacia Gardens Owners groups on either WhatsApp or WeChat, or both, please email us with your phone number to be added. Email: newsletter@acaciagardens.com.au

You can find the Facebook page at: [Facebook](#)

The Acacia Gardens website is now up and running and has a lot of useful resources including new forms for renovations and pet applications. Check it out at: www.acaciagardens.com.au

Thanks for reading!
Acacia Gardens Strata Committee