



**QUESTIONS SENT AHEAD OF TOWN HALL MEETING
ANSWERED DURING THE TOWN HALL MEETING**

1. Is there any reduction to fees as a result of COVID-19, due to some services not being available?

At the moment it is too early to ascertain the full impact of Covid-19 on SLRS operations.

Due to government requirements we have closed, reopened, and closed again the recreation club, we have also closed the green waste. While we have seen some savings due to lower occupancy costs when we have also had some reductions in income to SLRS.

We received rental income from two sites. The waterstone Café and 1/2 of the maintenance compound is rented to the golf club. Due to closures or partial closures and following government guidelines rental income has been reduced. We have also seen a reduction in income from owners corporation certificates due to less properties being put up for sale at this time.

Furthermore, when the recreation club reopened for a short period of time, we also had to staff this with extra staff due to the extra staffing and cleaning requirements. For those of you who do not know when the recreation club was reopened we were letting residents in for 45 minutes and then all residents had to leave the facility and staff were cleaning and wiping down all surfaces before the next group of residents entered.

Some of the surplus funds were also used to do previously unbudgeted repairs and maintenance in the recreation club. With the recreation club usually being open seven days a week one of the challenges is to do maintenance work while trying to not affect the opening hours. With it being closed we have performed a lot of maintenance work, which included repainting of the pool area, repainting of parts of the change rooms, replacement of the spa heater, replacement of the sauna cedar seating, replacement of the sauna heater, reupholstering of worn weight and exercise equipment. We also arranged servicing of the weight and exercise equipment, and also steam cleaned the all of the tile area.

SLRS did not have the reduction in income to qualify for Jobkeeper therefore no staff have received job keeper. Until we know the full impact of Covid-19 including such things as how long the recreation club will be closed, we are unable to quantify the economic impact yet.

2. Various Board Member and process questions i.e. meeting minutes, conflicts of interest and declarations?

Why were there no minutes of the January's AGM provided to all authorised reps?

The SLRS AGM, which was held on 3 December 2019, minutes will go out as part of next year's AGM pack.

Why were there no minutes of the recent finance meeting provided to all Authorised reps?

The annual budget meeting is not a general meeting under the constitution of SLRS so no minutes are taken nor distributed.

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Why is it not considered a conflict of interest for SLRS Board members to also be OC Reps?

It is not considered a conflict of interest as the Board members are lot owners like anyone else and have the same entitlement as anyone else to participate in the owners corporation committee process. We believe it would contravene the OC act to exclude a lot owner from being a member of the committee of the owners corporation they live in.

3. Update – removal of contaminated soil at the driving range?

The golf club have advised us that works have started on the soil at the driving range. The golf club recently issued a statement detailing the process of removing the contaminated soil. The plan is to remove the top section of the mound that has been found to contain the illegal waste, separate the waste and then have it disposed of at an approved disposal site. Once the cleanup is finished the area will be hydroseeded and landscaped. The works are expected to take up to seven weeks.

The full statement from the golf club can be found in newsletter July 28th 2020 on our website.

4. Update – when will the walkway at the front of the Townhouses along the lake be opened?

It is unfortunate to report that we have had no progress on the completion of the boardwalk. The owners on 76 Greg Norman Drive have promised on multiple occasions to complete this work but it has not occurred.

SLRS does not have a contract with the owners of 76 Greg Norman Drive for them to complete. We are endeavoring to get the original developer to complete the work as promised but that has its challenges as some of those companies are in liquidation. We are also working with the planning department at WCC do try to get their assistance.

We are still waiting for the owners of 76 Greg Norman Drive to sign off on the change of boundary. Once this occurs DELWP will process the title change and the last part of the lake can be transferred to SLRS. Once this occurs we can begin negotiations with Melbourne Water to finalise the section 173 agreement.

5. Why are residents not consulted on the spend across the resort before the fee is set?

Like many owners corporations there is a Committee/Board process in place in relation to setting fees and budgets. Part of this is outlined in section 23 of the Owners Corporation Act 2006. The budget process this year, like other years, is to consult with each owners corporation committee via the authorised representative and then approve a budget.

This is very consistent with owners corporations across all of Victoria and consistent with the OC act, corporations act as well as the constitution of SLRS.

6. Like all businesses at present, how is the Board addressing an effectiveness/efficiency review i.e. Cost Out Program?

As mentioned at the meeting, because of COVID-19, we have already reduced our work force by 14.4% or 6.45 people across the various departments. Through alternate improved processes, we anticipate this will have no impact to services.

Ahead of COVID-19, SLRS were already working on various initiatives to explore improved processes internally. As an example, the 'Systems' project, where a Residents App would be

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available, would be supported by a new centralised platform for the SLRS team. This will streamline processes across the various departments, improving processes and creating efficiencies at different stages. A decision on this is imminent and as mentioned by the Chairman during the presentation, we are currently working towards an end of 2020 or start of 2021 deployment. Unfortunately, due to COVID-19, this project was also put on hold back in late March 2020, therefore was originally scheduled to be in place in September 2020.

Another example is with the Landscape Master Plan project. Whilst one of our goals is to plan for new and exciting landscape design elements throughout the resort, which are modern and eco-friendly, yet still within the initial 'resort' theme, it is our goal to include a low maintenance landscape, which is adaptable for future growth; and provides operational efficiencies.

The SLRS team and the Board continue to review the business for 'reducing cost' opportunities. Throughout the FY21 we'll be looking for improvements across all departments. Our goal is to do so without any impact or reduction to service levels provided to residents, in fact, it is our aim to continually improve our service levels.

7. Council rate (approximately \$210 per lot) versus SLRS costs of service.

The council rate of \$210 per lot is for a basic level of maintenance, the council will sporadically mow the entrance, parks and some nature strips, they would also maintain some garden beds.

Some things to keep in mind is that we have irrigation and all garden beds are planted out mostly with carpet roses, this is not something council would have or maintain.

Another cost of difference is we keep the entrance, nature strips, parks, and garden beds manicured at a much higher level than WCC.

This grounds presentation difference is easily seen in any developed estate that has been handed back to Council by developers once the estate is complete.

As mentioned all our nature strips, parks, and gardens / garden beds are irrigated and kept green and lush all year round, the boulevard trees amongst others are also irrigated.

We also maintain the beaches every Friday and top up these areas with sand as required.

The turf area that we maintain is roughly 136,000 square meters, which is the equivalent of 6.8 hectares or to put into perspective is just over 6 MCG grounds. This turf area is all irrigated and includes the 36 parks we have around the resort.

Lastly, the area of garden beds is 43,000 square meters which is just over the size of 2 MCG grounds. We have about 150 rose garden beds along the boulevard alone, with more scattered around the resort within the stages themselves.

8. Why aren't certain properties (i.e. along the Boulevard or backing onto the lake) paying higher fees?

All lots in sanctuary lakes pay owners corporation fees. In accordance with the owners corporation act owners corporation fees are based on lot liability. As all lots have the same lot liability all lots pay the same SLRS fee regardless of whether the lot is on the lake, next to a park, on the boulevard or the golf course and regardless of the services you use such as the Recreation Club and pool. The standard that Sanctuary Lakes is kept shows in the value of all homes whether you live on the lake or in another park of sanctuary Lakes. Waterfront homes

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obviously benefit most from lake maintenance but only drive by small parts of the boulevard. Homes on the golf course have their rear fence line mowed often and properties that back onto a park enjoy the benefits of regular maintenance. Each area of the estate receives different maintenance but as a whole all enjoy the value of it.

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ANSWERED IN Q&A, AS NOT ENOUGH TIME DURING MEETING**

- 9. Question: Footpath installation at the intersection of Skyward and Beachview Pde. There is a muddy track which is rather dangerous, as numerous people walk and cycle along here. It would appreciated for the safety aspect.**

We believe that this track is the other side of the bollards and not in land maintained by Sanctuary Lakes. We will inspect the area and report to Wyndham City Council as this area is managed by Council.

- 10. Question: Are SLRS still completing Garden Maintenance Inspections?**

SLRS complete garden maintenance inspection every 8 weeks, and writes to residents. During our last inspection which was at the beginning of June we wrote to 127 lots. Can you please write to ocmanager if you believe we have missed any homes? It should be noted that due to stage 4 restrictions a full round of inspections will not be able to be done until restrictions on businesses ease.

- 11. Question: Can we please have Christmas decorations installed on the flagpoles at the entrance roundabout?**

The Flag poles and the roundabout belong to WCC. We had requested that WCC put some decorations up and their reply was as follows:

“Some 10+ years ago the current location of Christmas Decorations was established and maintained to this day except for a few that have had been altered due to changes in roads/power.

WCC have a policy that they will not install decorations in shopping centres, estates, or villages, nor carparks etc. Decorations were only to be installed on main inner-city arterial roads and major arterial roads that lead into Wyndham City.

- 12. Question: Please advise me of the number or residents and residences within the Resort.**

The resort has 2,949 lots and between 9,500 and 10,000 residents.

- 13. Question: What is the total Council Tax revenue that Wyndham City Council derive from both domestic properties and commercial premises within the Sanctuary Lakes Resort?**

Council rates are based on property values, we have a wide range of property values across the resort, therefore we are not able to guess how much rates are charged nor do council inform us of that figure.

- 14. Given the substantial Revenue generated from the SL Resort does WCC consult with SLRS regarding any future funding requirements prior to their annual budget planning.**

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SLRS can and has made submissions as part of their budget process.

15. Question: Why is the fee decided upon and invoiced before it is ratified at the AGM?

The setting of the fee was challenged at VCAT and found to be in line with the OC act requirements. We also note this also facilitates the ability to pay the OC fees over 10 instalments rather than paying in one lump sum, 40% of lot owners pay via the instalment method.

16. Question: Will the AGM's be remote this year and how will voting occur?

OC AGM's will be held soon via zoom, we are currently working on a schedule and will inform lot owners of times and dates once it is finalised. We encourage lot owners to attend their AGM and if able be part of their committee too. Voting will occur like any other meeting where lot owners raise their hand to confirm the agree with a resolution.

17. Question: How do you propose OC Reps gather a clearer view of what their OC wants including how much they want to spend each year and what areas they want to spend it in.

The OC representative or the committees can and do approach the Board or Management company with queries on a regular basis.

The appointing of directors and proposing a resolution process is detailed in the constitution of SLRS. This is the process that is followed and is no different to any other corporation covered by the Corporations Act.

18. Question: Can the SLRS financial results be tabled at least 2 weeks before the SLRS AGM in November, rather than at the meeting?

We will endeavor to do this however timelines are usually very tight between the auditors signing off on the accounts, the directors signing off on the accounts and their lodgment with ASIC.

19. Question: Progress/Status of the Rec Centre development. Specifically, proposed timeline to progress

The progress of the recreation club redevelopment was covered in the presentation by the Chairman, however to reiterate due to Covid-19 we have put this possible project on hold. Any future changes would still go through a vigorous community consultation program. The Board decided to put the project on hold due to the current economic uncertainty due to Covid-19.

20. Question: Schedule of Major Supplier tender dates over the coming years (e.g. Security, Maintenance, Fuel or other). For those scheduled in the next 18 Months the approach

We currently have the irrigation system management contract, the subcontractor services for garden maintenance, electricity contracts for the resort, the waste disposal contract for both green waste and the lake seagrass and the water contract with City West Water (CWW) up for review in the next 18 months. The usual approach is to seek quotes from at least 3 suppliers and

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then the Board to approve the contract. Obviously negotiating for the water has a different approach as the price for recycled water is approved between CWW and the essential services commission and the only source of water we can seek is from CWW.

21. Question: Can we please get an update on the Lake fountain...the height and fullness of the fountain has diminished significantly over the last 12 months since replacing the pump.

We have terminated our relationship with our old pump supplier and have engaged a new pump supplier from Geelong. This height of the fountain is being addressed with them.

22. Question: What the overall plan is for the estate over the next 12 months and beyond?

I hope the presentation has outlined this. From a project basis we are continuing to look at a new app for residents as well as progressing the landscape masterplan. There is no plan for reduction in services.

23. Question: Please advise on what basis the SLRS as manager pay residents' fees to the SLRS as service provider for services which have never been approved by the residents through special resolution?

As set out in the OC Act the budget is listed for approval at the AGM.

Any special resolutions that were sort would have occurred when the owners corporation were set up, which for some was 20 plus years ago. However, this issue was raised at a VCAT hearing in 2010 and VCAT was comfortable with the structure.

24. Question: The toilets located at the café / gym / pool could certainly be given a thorough and regular clean.

Thank you for your feedback, it is on a daily cleaning schedule however we will investigate this matter.

25. Question: According to the 2019 Financial Year report, SLRS as manager has paid itself for the Super OC Management service. What jobs are included in this service? Please provide a breakdown of the total amount of working hours required to do the job?

SLRS delivers a suite of services to its resident and lot owner stakeholders. These services cover the key Mission for the Estate, namely:

- Security
- Presentation
- Leisure Services
- Value for money

As standards are changed, the number of staff required to deliver the service will flex up and down. Similarly, if efficiencies are made and the total number of staff required to deliver the service is lowered, staff numbers will flex to accommodate this.

SLRS will not provide a detailed breakdown of individuals roles, tasks or hours worked as the nature of the work for many will vary on a regular basis to fit the condition or standards being requested. Small to medium sized businesses must be flexible in the use of people's skills and time. At times this means doing different tasks to respond to a need or ask of the working environment.

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26. Question: What do the SLRS think the impact of the new proposed Daniel Andrews land tax will be on making SL a destination of choice? With council rates and SLRS fees will this new tax make it too expensive to live in SL?

We are unable to find releases from the state or federal government on a new proposed land tax. Nor are we able to ascertain the quantum of the new land tax so it would be impossible for us to ascertain whether it would “make it too expensive to live in SL?”

27. What has been planned/allocated for SL Resort in the 20/21 Annual Budget and Plan.

We hope this has been covered off in the Town Hall presentation which is available on our YouTube channel. From a project basis we are continuing to look at a new app for residents as well as progressing the landscape masterplan. There is no plan for reduction in services.

28. With around 10,000 residents living on the Resort generating significant traffic movements daily a much higher priority needs to be given to traffic calming measures, speed cameras perhaps and/or further targeted road speed humps.

We are in frequent communication with WCC with regards to the road safety at the roundabout at the intersection of Greg Norman Drive and Sanctuary Lakes North Blvd. With regard to speeding issues in the resort this not an issue we have had much luck with and can only say that there is strength in numbers, the more complaints council receive about road safety the more likely they are to do something about it. Please direct all roads complaints to WCC. If you see hooning and it is happening now and poses a serious risk you should ring 000. If not urgent then please contact the Police Assistance Line 131 444. The police will need the location, description and when last seen. Bad driving behaviour can be reported by anonymously contacting Crime Stoppers on 1800 333 000.

QUESTIONS ASKED VIA ‘CHAT’ DURING THE TOWN HALL MEETING

29. Will the driving range be checked by the EPA once works are completed?

SLRS is not involved in any aspect of the SL Club Driving Range. We have been advised that the EPA is driving the needs for repair of the Driving Range environment. This is best answered by the SL Club Board and Management.

30. Why do SLRS hold a \$2 million surplus?

As with all businesses, you need a contingency plan for emergencies and unscheduled issues. SLRS manages a vast range of facilities, services, environmental items, plant and equipment. Each of these items have the potential to create a significant cost in the event of failure (regular or catastrophic). Having a financial reserve set aside to cover such events avoids the unscheduled request for funds from all lot owners as has been seen this year from SL Club to cover unscheduled costs. The current COVID crisis is showing this strategy to be critically important to running a conservative business approach that allow survival through difficult business times.

Additional to this, SLRS has earmarked some of this money as security for major projects to reduce direct fee increases due to development costs.

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