



6th July, 2017

Dear Lot Owner,

Owners Corporation Fees FY2017/18

Sanctuary Lakes Resort Services Ltd (SLRS), as a licensed owners corporation manager, delivers services to all residents within the Resort. SLRS is owned and controlled by its members, which are the 44 Owners Corporations that make up Sanctuary Lakes Resort. The SLRS Board of Directors consists of 9 resident Lot Owners elected by the authorised representatives of those 44 Owners Corporations.

SLRS has two roles –

1. Management of the 44 Owners Corporations that make up Sanctuary Lakes Resort, and
1. Management of the Sanctuary Lakes Resort facilities - the parks and gardens, lake, security services, tennis courts, the recreation club and community meeting room.

Budget Process Followed

In late March, management commenced work on the Budget for FY2017/18 in consultation with the Board of Directors. Further to meetings with the various managers responsible for parts of the budget, the Board members satisfied themselves that the proposed budget would deliver both the levels of service expected by lot owners and improved facilities for the changing demographics of the Resort. The proposed budget was presented to a meeting of the Owners Corporations' authorised representatives (delegates representing SLRS members) on 19th June where the members unanimously supported the proposed FY2017/18 Budget. Subsequently, the Board of Directors of SLRS formally approved the Budget and its associated fees on 20th June.

Fees for FY2017/18

The proposed fee increase for FY2017/18 of 2.2% is slightly less than the relevant CPI at 2.5%. It will deliver the annual services as agreed between the Board and Management. This is an increase of \$50 plus GST per lot over last year's fee.

The SLRS Owners Corporation Fee for FY2017/18 will be \$2,552 per lot including GST.

Budget Allocation

The budgeted allocation of expenditure for Financial Year 2017/18 is as follows:-

Expenses	Total/ ' 000s	/Lot
Security	959k	328
Recreation	529k	181
Lake Management	1,005k	344
Resort Maintenance	2,014k	689
Irrigation	722k	247
OC Management & Accounting	626k	214
Administration and General Expenses	862k	295
Surplus	64k	22
Total (excl. GST)	6,781k	2,320
Add GST	678k	232
Total Fees (incl. GST)	\$7,459k	\$2,552

In fact, there are some savings anticipated for the coming year but our power costs will triple as the favourable electricity contract, put in place three years ago, has now expired resulting in an anticipated power cost increase of \$206,000. We must buy power at commercial rates and do not have the protection against large cost increases provided to retail customers. We will settle a new contract when commercial power rates are reasonable.

Sanctuary Lakes Resort Services Limited ACN 092 610 449

Resident Owned, Resident Run

SLRS Office, 72 Greg Norman Drive, Sanctuary Lakes VIC 3030 Telephone: (03) 9394 9400

E-mail ocmanager@sanctuarylakes.com.au Web site www.sanctuarylakesresort.com.au



City of Wyndham (WCC) – Sanctuary Lakes Rebate

SLRS carries out some works that would normally be carried out by WCC such as the maintenance of the entry boulevard, boulevard median and some nature strips, parks and gardens, and street trees. These works are completed to a higher standard than that set by WCC and includes irrigation not used by WCC. WCC provides a rebate directly to Sanctuary Lakes Resort lot owners based upon the costs that WCC would have incurred. The Sanctuary Lakes Rebate for FY2017/18 will be \$201.35 per lot, up from \$197.40 in FY2016/17. You will find this rebate on your next WCC rates notice.

Brief Overview FY2016/17

- The renovated Recreation Club operated smoothly through the year with some group activities being added in the Community Room. Some minor renovations are being carried out in the Pool/Spa/Sauna area this week.
- We had hoped to add seating and BBQ facilities at the tennis courts during FY2016/17 when the Town Houses, being constructed on Greg Norman Drive were completed, (scheduled for last November). However the construction of those town houses was delayed due to the insolvency of the builder. Works have now recommenced and, as soon as they are completed, we will have our contractor install the seating and BBQ works.
- We have continued the push for Sanctuary Lakes to be proclaimed a separate Suburb. This was delayed due to staff changes at WCC but appears to be getting back on track in recent weeks. We are still cautiously optimistic of a favourable outcome.
- We have continued to achieve best ever "lake water quality results. A second Truxor (shallow water harvester) was acquired during the year. Last summer was a particularly difficult one with very vigorous non-toxic algal bloom growth which is detrimental to the appearance of the lake but has no effect on the fish or the water quality. It can take 6-8 weeks to clear the whole lake of algal blooms.
- Our Security service, which is an in-house subsidiary, continues to work very effectively with residents and Victoria Police. Nevertheless, we have conducted a review of the service in light of the current environment and will be scheduling additional patrolling hours and installing additional security cameras in the new year. If your home is not connected to our alarm network, we urge you to contact Security on 9394 9471 and make an appointment for a technician to visit your home and advise you on how to get connected. If you are not sure whether you are connected, they can advise you immediately.
- Most lot owners would be aware that many golf clubs in Australia, and around the world, are struggling financially and, while the Directors of the Sanctuary Lakes Golf Club have been doing a great job in improving its financial position, it has always been a concern of the Directors of SLRS that, should the Golf Club fail, SLRS could lose access to the Maintenance Compound which is vital to our Resort Maintenance operations. In late 2016, SLRS made an offer to purchase the Maintenance Compound from the Golf Club at market valuation and that transaction was settled in December 2016 thereby securing our Maintenance Operations going forward.
- The abovementioned initiatives, together with ongoing general cost saving initiatives and continually improved debt collection practices, delivered a financial result slightly ahead of budget for Y2016/17, strengthening the financial position of SLRS and the Resort.



FY2017/18 Owners Corporation Fees and Payment Options

Fee Notices are scheduled to be issued on 13th July, 2017.

The Due Date for payment of FY2017/18 Fees is 11th August, 2017.

Two payment options are available for payment of Owners Corporation Fees for FY2017/18 – in full by the due date or monthly by direct debit. **Note that monthly payments must be by direct debit.** Any other partial/terms payments will attract interest and may result in action at VCAT.

- 1) In Full – If you pay in full by the due date, you will receive a \$45 discount on the general Owners Corporation Fee (\$2,552). The discount does not apply to Common Property Fees and Maintenance Fund Levies. The discount is only applicable if the full amount of all fees due including any overdue items from prior years, as shown on your Statement included in the billing package, is cleared by the due date. Payment methods, for payment in full, include cash, cheque, debit card, credit card, BPay and EFT.
 - NOTE re BPay – Please ensure that you use the correct BPay Biller Code as shown on the current Fee Notice and Statement. Do NOT use the Golf Club's Biller Code.
- 1) Direct Debit – If you choose to pay your fees by ten monthly direct debits, you must complete and return the direct debit application, included in the billing package, by the due date. The first direct debit run will be processed on the 18th August with all subsequent instalments processed on the 18th of each month until May 2018. As all direct debit requests are calculated as monthly instalments to 18th May, 2018, any direct debit requests received after the due date will be divided into equal monthly instalments over the remaining period to May 2018.
 - Please note that direct debit applications signed last year will be rolled over into FY2017/18 as noted on last year's notice unless you advise otherwise.
 - If providing a new direct debit application, it must be lodged by mail or e-mail (accounts@sanctuarylakes.com.au), by the due date.
 - There is no additional charge for payment by monthly direct debit except in the case of payment by credit card where a bank service fee does apply.
 - Where a direct debit is refused, the bank will charge a dishonour fee, usually \$30. Please ensure that you advise us if you receive a new credit card from your bank if you are using a credit card for direct debit payments.
- 2) All payments by credit card incur an additional fee as charged by the relevant card company.

Thank you for your continued support.

Tony Ferreri | Chief Executive Officer
Sanctuary Lakes Resort Services Ltd