

# SCCSL Newsletter



Dear Residents,

Happy belated New Year, I hope 2024 brings happiness and wellbeing for you all.

Finally, we seem to be getting a small break from the monsoonal rainfall conditions that we experienced over the Christmas and New Year period.

Although not present physically on site, both Facilities and Security were in hourly contact with me over this very difficult period. I would like to thank the Security team and the Facilities team, including our dedicated contractors. Some members of these teams had no electricity or water for up to three weeks at their homes whilst they attended to the damage at Sanctuary Cove.

The expenses incurred in the cleanup are currently being collated and we have been working with our Insurance Broker to submit the claims, hopefully there is some good news coming.

*Sanctuary Cove Community Services Limited and its subsidiary companies – Sanctuary Cove Security Services Pty Ltd, Sanctuary Cove Body Corporate Services Pty Ltd and Resort Body Corporate Services Pty Ltd*

We would like to thank Mr. Paul Donovan AO for his guidance and time on the Board and for bringing the wealth of experience he added as an adviser and mediator between the shareholders. The team respected and appreciated Paul's stewardship.

### *History of the Company*

The company was created to employ staff, assume liability, implement, and deliver the annual PBC and PTBC Administration services budgets, and manage facilities to enhance asset values for all stakeholders.

The shareholders (PBC and PTBC) both have 50/50 shareholding.

It is also correct that the PBC funds up to 70.0% of the entire company operating expenses, this is largely due to the Residential Zone areas, meetings, administration, and the provision of Security Services.

You will note that there is a wholly owned entity called Resort Body Corporate Services Pty Ltd. This was authorised by the Board in September 2022, and was wholly supported by the PBC Chair at the time, Mr. John Taylor, and the PTBC Chair, Mr. Stephen Anderson – both commercial realists.

Legal and taxation advice was sought prior to the formation of this wholly owned subsidiary. The intent of Resort Body Corporate Services Pty Ltd was to manage strata schemes external to the Resort (that is PTBC and Hope Island), particularly any further developments by Mulpha Sanctuary Cove.

This was done to offset costs for the Sanctuary Cove community without the need to hire additional staff. There is NO markup or profit involved, but a direct contribution to offset costs. This innovation is contributing approximately \$100,000 (ex) to the company, with NO additional expenses being incurred – non-mutual. Except for Harbour One, the two other management schemes are for a period of 12 months only.

We have been working closely with Hope Island PBC, but only on the establishment of a mirror Community Services company, as the model at Sanctuary Cove is seen as the ideal model.

### *Operational Report – All Entities*

#### **PBC – Administration Fund**

Currently - \$90,000 better than budgeted expenditure. The storm during December 2023/January 2024 is estimated to have cost the community in the vicinity of approximately \$90,000 in clean-up repairs. We are compiling costs for submission to our Insurance Broker.

#### **Pressure Management System**

This system is now operational, allowing us to track and reduce the impact of water pressure coming from the city water supply, which is some 200 psi above that supplied to most regular households. This is early days, but the signs look promising. Aqua Analytics has been engaged by the PTBC to continue the investigation into hidden underground leaks which are buried deep. We will advise on the success of our investigations.

### **Mainline Water Leaks**

During December 2023/January 2024, we also experienced many mainline water leaks along Marine Drive North. These leaks are due to aging infrastructure and the planting of Pine Tees directly over the main water lines. We are currently in the process of seeking quotes from Hydraulic Engineers to design an alternate route away from the trees to avoid this ongoing disruption to residents within this area. We have been providing funds within the PBC sinking fund for potable water upgrades over the next few years.

### **Water Billing**

We understand that this has been a topic of much debate on social media lately, and as usual not all the commentary is well informed, nor factual. This is a snapshot of what took place for the quarter ending 30/01/2024.

- 106-day billing period.
- City of Gold Coast and Sanctuary Cove took readings on 30 January 2024 using the same meter readers.
- Sanctuary Cove issued water bills to residents and commercial clients on 5 February 2024 - \$1,162,780.17 (ex).
- The City of Gold Coast water bill was received on 12 February 2024 – 7 days after billing at Sanctuary Cove took place. The total bill was \$1,370,443.90.
- **This was a shortfall** for the quarter. Water loss through known leaks has been considered. The shortfall is made up of \$118,368.19 in Potable water and \$89,295.53 in Wastewater charges.
- The PTBC share (25%) of the shortfall \$51,601.54 or \$12.14 per lot (4,250 lots) with the PBC share (75%) of the shortfall \$156,062.19 or \$85.61 per lot (1,823 lots).

To rectify this shortfall, we will continue with the replacement of residential water meters and commercial meters, in conjunction with the pressure reduction system and Aqua Analytics investigations.

### 2024/2025 Budget Timetable

- The Budget timetable is well underway, with the expectation that we will present the final draft to all residents and stakeholders in June at the RBC EGMs for approval.
- If approved, it will be submitted to the PBC and PTBC in July for final approval. This timetable has been developed over the last six years to enable levy notices to be distributed and paid by 31 October each year –allowing the contracts and operational expenses to continue as normal.
- The basis for the Budget is based on forecasted CPI for the next two years of 4.25% for 2024 and 3.25% for 2025.
- Gross Labour costs are budgeted to increase by 4.75%, which includes an increase in the Superannuation contribution of 0.5% to 11.5%.
- Staffing levels remain the same – but a recent Macquarie Bank survey nationally shows that 33.0% of Body Corporate staff will naturally experience turnover each year due to the nature of the business and clientele.

The Administration Levy charges are forecast to increase by 0.7% (Draft 1) in 2023/2024, with a Sinking Fund contribution increase of 3.0% (CPI) – **total increase of 4.8% year on year.**

### Security Update

Over the past week Security attended to four Incidents, the most notable being the alleged theft of a mobile phone and over \$2,000 cash from an unlocked delivery truck cab. This incident occurred while the two workers were away from their vehicle making a delivery.

Additionally, a group of male teens from Hope Island Resort gained unauthorised access to the site by using a friend's name to bypass Security at the gate. A call to the resident's house confirmed their son was home at the time of the access. The buggy they used was promptly located and the teens were escorted from the residential area.

Security provided first aid support for 4 Medical Incidents, all involving residents. Two patients required further hospital treatment including a woman who experienced a severe asthma attack.

**Ibis & Fox Management Programs**

Please see below schedule of works for both Ibis and Fox Management programs for March 2024.

Ibis Management – Nest & Egg Dusk Dispersal

- Wednesday, 6 March 2024
- Thursday, 7 March 2024
- Friday, 8 March 2024
- Tuesday, 12 March 2024
- Thursday, 14 March 2024
- Tuesday, 19 March 2024
- Thursday, 21 March 2024
- Tuesday, 26 March 2024
- Thursday, 28 March 2024

Fox Management – Trapping Event 1 (10 days)

- Tuesday, 12 March 2024
- Wednesday, 13 March 2024
- Thursday, 14 March 2024
- Friday, 15 March 2024
- Saturday, 16 March 2024
- Sunday, 17 March 2024
- Monday, 18 March 2024
- Tuesday, 19 March 2024
- Wednesday, 20 March 2024
- Thursday, 21 March 2024

Dates for the next round of Corella Management will be confirmed with the community as soon as they are to hand.

If you have any queries regarding the information supplied in this newsletter, please do not hesitate to reach out to the team via email at [enquiries@scove.com.au](mailto:enquiries@scove.com.au).

Kind Regards,



Dale St George  
CEO, Sanctuary Cove Community Services Limited