

Transition calls for Change

It has been some time since the publication of a Newsletter to residents, advising you of the activities of the Principal Body Corporate (PBC), so this newsletter is the forerunner of a regular publication.

There has been a significant transition at Hope Island Resort (HIR) over the last couple of years, from a major developer controlled environment, to now, where the majority of residential lots are owned by private individuals. There is no longer any recognisable owner/ developer at HIR, and only just over 15% of the total 1,989 lots have yet to be registered for development and/ or sale.

This means that there needs to be a different approach to the management of all the activities in respect to the infrastructure and operations of our Resort. To this end the PBC some time ago, approved the establishment of a number of Sub-Committees as follows:

Gardening and Landscaping

Waste Collection

Security

Moorings and Waterways

Finance and Contracts

Communications

The Architectural Review Authority (ARA) is also a Sub-Committee of the PBC and has been operating

since the Resort was first developed – seven residents serve on this Committee.

The role of these Sub-Committees is to oversee the specific areas designated, and deal with issues that require more detailed research and information from a policy setting perspective. They are required to be run in a professional, businesslike manner, but only have a mandate to make recommendations to the PBC. They must work within the terms of reference as ratified by the PBC. They usually comprise up to six (6) members.

Some of the above Sub-Committees have already been active and have been addressing issues associated with the particular areas of responsibility covered by their Committee. For example, the Security Sub-Committee has five residents on the Committee and has been working closely with the Security Manager and Cambridge

Management Services (CMS) to identify initiatives to enhance and improve the security aspects of the Resort. Details of the initiatives already undertaken and proposed are covered later.

The Moorings and Waterways Sub-Committee comprising four residents, has been undertaking a comprehensive review of all documentation and the physical presence of the varied moorings and vessels around the waterways of our Resort. Information about the outcome of their investigations is reported later.

The Gardening and Landscaping Sub-Committee undertook the tendering process in 2007 for the Gardening and Landscaping contract, and has also been working closely with the site maintenance staff and CMS, to improve the overall appearance of the Resort. Details of the most recent changes are discussed later.

The Finance and Contracts Sub-Committee has undertaken detailed analysis of the PBC and PTBC Budgets to ensure the

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income and expenditure streams are efficiently accounted for and reflect the necessary levels to maintain the standards expected of the secondary thoroughfare and primary thoroughfare infrastructures and assets. Members of this Sub-Committee recently participated in negotiations with CMS and Mirvac in respect to new Administration and Management Agreements. They will continue this work to finalise the terms and conditions of these agreements, preparatory to circulation to all Residential Bodies Corporate for their consideration.

WHO IS THE PBC COMMITTEE?

The PBC Committee can be described as the “Governing Council” for all residential areas of our Resort, and is responsible for decisions affecting the efficient maintenance and financial management of the secondary thoroughfare and other common assets of our Resort.

The PBC Committee comprises nominee representatives chosen by all residential Bodies Corporate.

Each year an Executive Committee (EC) of the PBC is elected at the Annual General Meeting.

In August this year, members of the PBC elected the following Executive Committee:

Ken Ellis (*Marina Homes*)

Len Gilbertson (*Gracemere Island 1*)

John Hughes (*Rosebank*)

Barrie MacDonald
(*Gracemere Waters North*)

Vincent Vine (*Riverleigh*)

Bruce Maynard (*Gracemere Quays*)

Geoff Smithwick (*The Lakes North*)
Chairman

The above Committee members are all residents and cover a wide representation across the Resort.

The Executive Committee's role is to examine and analyse a diverse range of matters and make

recommendations to the PBC Committee at General meetings for approval, regarding initiatives that will maintain or enhance the lifestyle, presentation standards and property values of our Resort.

The PBC, through its representatives on the PTBC, work closely with the PTBC Committee in a similar manner.



OUR BODY CORPORATE MANAGER (BCM) CAMBRIDGE MANAGEMENT SERVICES (CMS)

Our Body Corporate Management Company is conveniently located on our doorstep in the Boardwalk building.

This provides ready access for all residents to visit the office for a wide range of reasons, including Committee meetings.

CMS are required to undertake all administrative tasks outlined in the agreement with the PBC which includes arranging all Committee meetings (Executive and PBC Committees, plus EGMs and the AGM), handling all correspondence and other enquiries, collection of fees, preparation of financial statements, plus administrative support for the ARA, Sub-Committees, and day to day matters for the Security service staff.

They are also required to supervise and monitor performance of all contractors such as garden and landscaping, CATV maintenance, and all repairs and maintenance, including buildings, roadways, plumbing, electrical, canals, generators, sewerage, fences and gates, water plant & irrigation systems.

The key management staff at CMS are -

Michael Lynch – *General Manager*
Hugh Beutel – *State Manager Queensland*

Martin Cichero – *Operations Manager*

Tim Borten – *Financial Controller*

Annalise St Ange – *Strata Manager*

Carmel Leeson – *Administration Manager*

The role of our BCM is to act as service providers for the agreed list of duties in our agreements, advisors to all Bodies Corporate regarding issues raised, and facilitators in respect to proposals, initiatives and projects approved by all Bodies Corporate.

MAKE UP OF THE PRIMARY THOROUGHFARE BODY CORPORATE (PTBC)

It seems appropriate that you are also made aware of the parties that make up the PTBC and the vested interests, roles and influence that the members have in the overall structure and the presentation

of the various elements that make up our integrated Resort, and the prestige that goes with having these elements on our doorstep.

Not many other integrated Resorts can boast a world class

Golf course, Tennis Centre, Retail Shopping Complex including several restaurants of different variety, a Tavern, Marina and a Gymnasium (potentially within 12 months).

The members and their voting rights are as follows:

The Principal Body Corporate		1,989
Other Residential		
- The Lakes East		938
- The Lakes Views		252
- The Lakes Waters		224
CPC Hope Island Land P/L -	Hotel Site	1,692
CPC Hope Island Land P/L -	Golf Course	569
CPC Marina -	Marina	300
DCHI Freehold P/L -	Tavern	153
Recurring P/L -	Shopping Centre	337
PCITA P/L -	Tennis Centre	195
Bridge Investments -	Palisades Apartments	743
<i>[Including Proposed Gymnasium]</i>		
Mirvac Qld P/L -	Boardwalk Building	128
Walker Corporation -	Harbour Point Offices	80
Total Voting Rights		7,600

The PTBC is facilitating the buggy path and pedestrian connection to Sanctuary Cove in conjunction with the SC management and developer, whilst the PBC is evaluating a joint project with the developer of Hope Island Central shopping complex to introduce a buggy/pedestrian connection into that centre.

All these developments only serve to enhance the lifestyle benefits for all HIR residents and their visitors and guests.

SECURITY

Research tells us that one of the main critical features pertaining to gated communities like HIR is an effective and efficient security service and system.

Generally the main services identified include, but not limited to, a regular visible presence through vehicle and foot patrols, camera surveillance of gates and other risk areas, water patrols (if applicable), back to base alarms including smoke detection, and assistance with health threats (limited to qualifications and skills of the security personnel). These services are fundamental and can be summarized as being vital for the protection of the people and their property within a Resort.

The Security Sub-Committee has been investigating a range of issues and has made a number of recommendations to the PBC, conducive to improving our Security service and system relative to the above critical features. Previous initiatives have included additional staff to increase services, and improved signage and roof lights on security vehicles. Recent approvals from the PBC have facilitated the following initiatives :

- **Replacement of the analogue system of camera monitoring with a state of the art digital video television system including reconfiguration of all cameras for improved imaging;**
- **Relocation of 2 cameras, installation of 2 additional cameras at identified risk locations, and replacement of 6 cameras across the network to improve coverage;**
- **Installation of larger security signs at the entrances of our canals from the Coomera river;**
- **Relocation of the Security Office to a more functional, independent and higher profile location funded by CMS;**
- **Review and finalisation of a list of critical duties for the security service, after consultation and feedback from all Residential Bodies Corporate, to provide a better understanding for residents as to what services they can expect for their fees for security.**

Other initiatives under consideration are - the purchase of two Defibrillators to assist the Security staff to attend to health incidents (after appropriate training) until medical teams arrive; and the incorporation of the Security Service into a Limited Liability Company. This has been a concern to the Executive Committee for some time, as all residents could be at serious financial risk of litigation against the PBC, who employ the Security staff, in the event of a serious incident or accident. While this may be a prudent proposition, the level of liability transferred to volunteer Directors and/or shareholders is still being investigated.

The PTBC has also approved a number of improvements to the security of the Resort, including, closing gaps in fencing, soil replacement under fences, fitting spikes to additional sections of perimeter fencing and trimming vegetation along fence lines.

The above measures will ensure residents and their property are better protected and our home environment is a safer one.

Moorings & Waterways

With the exception of the lakes around the golf course, the Resort's internal waterways, by reason of the original Plan for the Resort, are either designated as primary thoroughfare waterways or secondary thoroughfare waterways.

The PBC is responsible for the administration and management of the latter, whilst the PTBC is responsible for the primary thoroughfare waterways. Liaison between the PBC and the PTBC aims to ensure a common approach to the management of all internal canals.

In considering how best to carry out its' responsibility for the secondary thoroughfare waterways, the PBC and the ARA has to take cognizance of the requirements of Queensland Transport (Maritime Safety Queensland) and the relevant terms contained in the following Resort By-Laws and documents :

Secondary Thoroughfare By-Laws (STBLs)

Development Control By-Laws (DCBLs)

Private Mooring Licence Deeds (PMLD"s)

Specification for Residential Private Moorings

This last document is of a technical nature and sets out the criteria by which moorings within the Resort are built. It is therefore of particular interest to pontoon builders and installers.

As far as the other listed documents are concerned, a detailed review by the Moorings and Waterways Sub-Committee is almost complete.

Applications to install a mooring are vetted in the first place by the ARA and formal approval is subsequently given by the PBC.

The Moorings and Waterways Sub-Committee, apart from reviewing all

relevant documents as mentioned above, has of late set out guidelines for the approval of non-elevating vessel enveloping systems (e.g. 'Sea Pen') and Jet Ski docking devices.

A longer term project to have a vessel register and on-going monitoring system will follow the completion of the documentation review.

While the engineering integrity of moorings, revetment walls and rock ballast are of over-riding importance, the sub-committee will continue to try and balance the desire of mooring owners to introduce new types of equipment with the need for an acceptable 'look' of the waterways.

GARDENING & LANDSCAPING

THE PBC HAS APPROVED AND INSTIGATED MANY REPAIRS AND UPGRADES TO VARIOUS GARDEN AREAS, ROUNDABOUTS AND PARKS DURING THE LAST 12 MONTHS, AND APPROVALS FOR FUTURE IMPROVEMENTS WERE MADE AT THE AUGUST AGM.

Recently the PBC approved the assignment of the Gardening and Landscaping contract from the HIR Site Maintenance Company, to Plant Management Horticultural Services (PMHS).

All the existing staff (and assets) owned by the Site Maintenance Co. transferred to the new contractor and the staff will receive the benefit of the vast experience and knowledge of PMHS.

PMHS is a privately operated company which has many high profile gardening and landscaping contracts, including Delfin developments at Varsity Lakes, Woodlands and Springfield, as well as Brisbane Airport and the Twin Waters Resort to name but a few of

The PBC has approved and instigated many repairs and upgrades to various garden areas

their clients. PMHS was recently successful in winning a contract at Sanctuary Cove.

The contract with the PBC and PTBC is subject to annual review regarding overall performance in accordance with the contractual specifications, and an annual audit by an outside consultant, on the basis that a set of key performance indicators, is undertaken.

The Gardening and Landscaping Sub-Committee is working closely with CMS to monitor the performance of the new contractor and promptly raising any obvious shortfalls in standards and complaints raised by residents.

WASTE COLLECTION

This Sub-Committee has not yet been active, but two (2) residents have volunteered to undertake a comprehensive study of the possibility of introducing a recycling service in conjunction with our existing rubbish collection services.

Recently, Sanctuary Cove introduced a recycling service at minimal additional cost, after an extensive study of all the implications of such a service, especially a guarantee that proper disposal of the recycled goods would be undertaken.

Appropriate consultation will be undertaken with all Residential Bodies Corporate, including circulation to all residents of the details of any proposal.

It is anticipated that this study will be completed before the end of the year and if approved by the PBC will be considered as an integral part of the tendering process of the Waste Collection contract in 2009.

Finance & Contracts

Aside from reviewing the Annual Administration and Sinking Fund Budgets, members of this Sub-Committee have undertaken protracted negotiations with CMS and Mirvac, to address many points of concern and anomalies contained in our existing Administration and Management Agreements.

The outcome of the negotiations so far has achieved the following changes in the current arrangements, which may be introduced if approved by the majority of the Residential Bodies Corporate -

The elimination of the apparent “Continuity in Perpetuity” nature of all Agreements.

- The requirement for Market Reviews of the value for services provided by our Body Corporate Management Company, by an independent expert, at the end of year 5 and at the end of year 10. The decision by the independent expert must be accepted.
- The inclusion of an expanded list of duties, over and above normal body corporate agreements.
- The introduction of a uniform fee of \$320 per lot for administration agreements for all Residential Bodies Corporate, based on the expanded list of duties – a reduction of almost 10% for most RBCs based on projected 2008/09 Budgets. This fee would be reduced as any new RBCs are registered. There are a few RBCs which require additional management requirements and

they will need to negotiate any associated additional costs.

- The reduction of the Management Fee to a flat \$700 per lot, a reduction from the projected fees for 2008/09, by on average, approximately 30%.
- The deletion of the additional annual 2% indexation over CPI.
- The deletion of the \$50 Facility Management System Fee per lot in RBC Budgets.
- Further reduction in the Facility Management fees in the PBC Budget, capped for 5 years
- The introduction of common commencement and anniversary dates & fees base across all Residential Bodies Corporate.
- The introduction of a simplified structure of Agreements and Accounting bases.
- The consequential adjustments in all the Budgets and to lot owners to be backdated to 1 June 2008.
- Hope Island Resort Services Ltd would not be involved in any future relationship with any Body Corporate in Hope Island Resort, if the new agreements are signed by all Residential Bodies Corporate currently under agreements with the PBC and HIRS.

Residential Bodies Corporate were advised of the basic offer by CMS at the 2008 PBC Annual General Meeting in August, and the above outcomes have been negotiated following that meeting.

Detailed work on draft new Agreements has taken considerably longer than envisaged in August. However, as soon as the drafts are advanced to a stage where it is felt

they represent a fair and reasonable deal for Resort residential property owners, they will be circulated to all Residential Bodies Corporate for consideration.

The negotiating committee has always had serious reservations about two major issues – the tenure of the new agreements (10 + 5 years) and the level of fees proposed, but Mirvac/ CMS have been adamant about their position in regard to these terms, as proposed at the AGM.

Last year, two members of the Committee made a private written submission to the Government concerning the issue of tenure of Agreements requesting an appropriate review of the Integrated Resort Development Act to limit the appointment of Body Corporate Managers to a term similar to the BCCMA. A visit was made to the Department of Infrastructure recently, to discuss the proposed interim changes, and to emphasise the need for urgent follow up review of the Act in regard to the length of tenure of all Agreements.

The Committee, is also seeking further advice regarding the suitability of the draft new agreements and certain other aspects of the current agreements, before it provides all the information to the Residential Bodies Corporate.

In the final analysis, the decisions regarding any changes to the terms and conditions of the current agreements will rest with the members of the PBC in General Meeting regarding the Management Agreement, and individual Bodies Corporate regarding their Administration Agreement with CMS.



Hope Island Resort SECURITY SERVICE

HOME SECURITY HINTS

The Security Service would like to take this opportunity to mention some Home Security hints that can be implemented to make the holiday season more enjoyable:

- **Lock doors and windows of the house that are unattended, even if you are home.**
- **Keep valuables and money out of sight and out of easy reach.**
- **Lock your vehicle when unattended.**
- **Utilise your alarm system.**
- **Notify Security if on holidays.**
- **Avoid leaving your house key under the mat or pot plant.**
- **Do not give access cards to contractors.**
- **Update your authority list with Security.**
- **Update all contact details.**
- **Mark valuable property so it can be identified by Police.**

- **If you hear strange noises call Security (Internal 59999) (Telstra 55309971) or press your emergency button.**

SCHOOL HOLIDAYS

The school holidays mean children are home and looking for some new adventures. Unfortunately over the past several weeks Hope Island Resort Security has had to answer a number of safety concerns regarding children driving golf buggies, playing on building sites and not wearing helmets when riding bicycles. Please ensure that your children are aware of our safety concerns and they have a wonderful safe holiday.

EMERGENCY ALARMS

If you require any of the emergency services (Police, Fire, Ambulance) we advise you to dial '000' and then press the emergency button in your house.

The Security team will attend your home and also escort

emergency services through the gates to where the incident is/ has occurred. While members of the Security team are not medical professionals, they all hold a current Senior First Aid Certificate and have recently completed a refresher course in CPR which included the use of a Defibrillator.

HOUSEHOLD INSURANCE

Following an evaluation of our Security Service, RACQ Insurance was so impressed with the standard of our Security, that they have offered a 25% discount on Home Building, Home Contents and combined Building and Contents Policies for all residents in Hope Island Resort.

This is a feather in the cap of our Security staff and the excellent surveillance systems.