

AVEO PEREGIAN SPRINGS COUNTRY CLUB RESIDENTS ASSOCIATION.

August 2020 AGM/QGM Letters and Replies.

The RAC executive led by Chair Jan Corlett would normally respond to questions from residents at the QGM/AGM. After the cancellation of the meetings [due to COVID-19] residents were encouraged to write to the RAC if they wished to respond to any reports which were available after the meeting date [18th August].

Once the 2 letters were received, the executive met & wrote replies to the correspondence.

At the September meeting the RAC discussed & ratified the responses.

Here are the letters received & the replies.

20/08/2020 Letter from Arnold Vandenhurk:

7.4

Peregrin Springs Country Club ,

20th August 2020.

Dear RAC Secretary,

Unfortunately the A.G.M. scheduled for Tuesday 18th August 2020 was cancelled due to Government Covid-19 restrictions.

I would like to draw your attention to the comments made in the notices of the Annual General Meeting. In particular, reference is made to the Manor Bar terms. The second paragraph mentions, " its purpose is to show a small profit. " Further on, it mentions the responsibility of the bar manager is, " Maintain an operating profit margin of 35% plus. " There seems to be a complete misunderstanding of both meanings.

Let me point out that the purpose of the bar facility was never intended to be a revenue earner for the R.A.C. Tuesday and Friday nights happy hour was purely introduced for the purpose of having a social drink and meet your fellow residents.

I understand that the responsibilities of the R.A.C. are:

Maintain and oversee the M.R.F. fund

Maintain and oversee the General Services fund

Maintain and oversee the Capital Reserve Fund

To look after the interest of the residents.

The treasurer's report as at the end of the month of June showed a net worth of \$20,035.00 of which \$17,000.00 of resident's money is held in cash by the R.A.C.. Recently we have been faced with an extraordinary increase in our monthly levies. The R.A.C. decided to add salt to the wound and is expecting to get 35% or more from the bar. This means that for every **one dollar** spent by the resident at the bar the R.A.C. takes **35cents** or more. This is in contrast to the interest of the residents.

I fully understand the need for some revenue to be returned to the R.A.C. An operating profit of 20% would be ample to meet the running cost of the R.A.C.

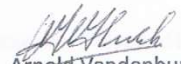
In addition to the 20% profit from the bar, the R.A.C. also profits from the various raffles, i.e. Easter raffle, Mother's day raffle, Christmas raffle, as well as the proceeds of the fashion parades etc. The total of these functions raises in excess of \$3,000.00 annually. The R.A.C. does not have overhead or managerial expenses nor do they have operating expenses, all expenses currently mentioned are self-inflicted. Expenses of the R.A.C. which are unavoidable, Cost of the yearly liquor licence, Cleaning of the B.B.Q., Cost of skip bins, Administration expenses, Purchase of library books, and some other incidentals. The totals of these expenses according to the treasurer report amounts to \$5,000.00 annually.

The revenue of the bar at 20% Profit amounts to more than \$6,000.00 this is in addition to the \$3,000.00 revenue raised from the various activities before mentioned. There is no need to have assets in excess of \$20,000

I strongly urge the R.A.C. to reduce the current profit margin from 35 plus to 20% and to run and operate the R.A.C. for the purpose it was inaugurated.

I welcome the new committee members to the R.A.C. and hope that they will not fall into the current misunderstanding of the obligations and the running of the current management of the Residents Funds.

I have expressed not only my own opinion but the contents of this letter carry the sentiments of many other residents.


Arnold Vandenhurk
Village 114

Reply from RAC executive 30th August.

AVEO PEREGIAN SPRINGS COUNTRY CLUB RESIDENTS ASSOCIATION.

Dear Arnold,

Thank you for your letter of 20th August in response to requests for questions & comments from residents due to the cancelation of the QGM & AGM.

At the next monthly meeting of the RAC to be held on Friday 11th September, your letter will be discussed by the full committee.

The executive of the RAC held an informal meeting this week to discuss various matters including your letter. Below is our response to some of the matters you raised.

1. Manor Bar.

We would like to draw your attention to the QGM minutes 27/03/2018 & the then Bar Manager's comprehensive report. In that report he flagged a price increase effective 1st April 2018. There have been no increases since that date.

There is a 'typo' in the Manor Bar Terms of Reference. It should read '5. Maintain an operating profit margin of 30%'.

The RAC reviewed the Manor Bar Terms of Reference at the February monthly meeting held on 15/02/2019 & this matter is recorded in the Minutes. We must apologise for this mistake.

The motion to accept the Manor Bar Terms of reference was moved by John Davies 2nd Denise Hattenfels 'that the Manor Bar Procedures be accepted'. The motion was carried unanimously.

You can view the minutes of the QGM for 27/03/2018 and RAC monthly meeting for 15/02/2019 on the Village Website.

You can view the Treasures Reports which indicate the Bar Operating profit monthly. E.g. October 2017 profit was 32% & March 2018 profit was 29%.

2. Residents Association Funds.

To be included in your list of costs incurred by the Association should be added outside furniture for the patios, side verandah & poolside. Additional shade added to the side patios and BBQ area. A new BBQ. And resurfacing of the outdoor area.

The RAC sought ideas from residents regarding the use of funds. Overwhelmingly the response was more 'fun' & 'entertainment'. The RAC together with the Social Sub-committee has been able to hold subsidised events with live entertainers and welcome drinks. Unfortunately, since early this year, Covid-19 has stopped us in our tracks! No doubt once we are able to do so, events with live entertainment will happen again. We know that our residents are looking forward to it.

You mention raffles. They are not designed to make a profit. They are intended for resident's enjoyment.

Similarly, the fashion parades. I insist the sellers offer a percentage because they are using our premises. There are many variables which determine the outcome of a Fashion Parade. We cannot view Fashion Parades as a reliable revenue stream.

3. RAC's responsibility regarding the various funds.

We disagree with your final comment alluding to the RAC's ability to understand their obligations and the running of the current management of the Residents Funds.

We also believe that the RAC Sub-Finance Committee has demonstrated a full understanding of their responsibilities. The RAC is accountable for three funds, the MRF, GSF & the CAPX. The recent changes to our monthly charges amount to an increase of \$6.82 or \$6.62 per month. The difference depends on whether the resident is fully freehold or freehold lease back. GST accounts for the discrepancy between the two.

Kindest Regards
Karen Wright,
Secretary, Residents Association.

20/08/2020 letter from Dave & Dina Figgins.

20 August 2020

Jan Corlett

Chair- AVEO Peregrin Springs Country Club Residents Association

Dear Jan

Writing to you to express our thanks for the **Information Paper, August 2020** authored by Sue Day and John Davies – **Payment of AVEO Way Rates**

While the content is very important and provides clarity on the current situation, as AVEO Way residents many of us would like the following thoughts to be considered.

1. SCC rates, Pensioner Concession, discount for prompt payment

- SCC letter 28 November 2019 Michael Whittaker to Dan Purdie – have councillors discussed the possibility of making a change to the 20/21 budget to accommodate granting the Pensioner Discount? What actual representation is being made by AVEO/Brookfield in regard to this and including a discount for prompt payment? AVEO's "30-day payment policy" is quite untenable.
- As an AVEO Way resident my August invoice for the service charge has increased by \$ 113 per month [an additional \$ 1356 per annum]. This is a 17% increase and requires clearer explanation of how it is derived. "Explanatory Notes" [8 July] from the new Community Manager posit SCC new waste levies and a Unity Water price increase as the "beyond control" reasons. The increase was shown as 10.79%. The "Final Notice" of 27th July announced that further reductions had been found. The last paragraph regarding the current

deficit Of \$55,756 is “recommended” that a planned reduction of the deficit will be presented in next year’s budget etc. In other words, AVEO/Brookfield may well endeavour to pass this impost on to residents rather than accept it as a fault of previous management by not budgeting correctly. I require some further explanation from AVEO management as to why I should have to pay the 17% increase and have therefore paid the previous [June] invoice of \$ 667.73 until the situation is resolved.

2. AVEO WAY Benefits

- Comprising three areas featuring a financial benefit valued at \$750 per annum, the actual quality of these benefits has declined markedly. AVEO has the opportunity of revamping the details to provide significant improvements for residents.
- AVEO Nutrition Select - the range of frozen meals offered has been reduced, and the overall quality of the food is poor and limited in value. Has the supply contractor been changed? We selected this option but will definitely not be continuing with it.
- AVEO Connect – Telecoms and Foxtel availability are inadequate. To install Foxtel channels a resident must accept the IQ2 decoder which was phased out by Foxtel several years ago and subscribers outside AVEO Connect are receiving Foxtel on IQ 4 receivers which enable high end recording, high definition services, substantial improvements in quality. I believe AVEO settled on the outdated IQ2 boxes as they were surplus to Foxtel requirements!
- AVEO Mobile Rehab [Qld only] - no comment
- We would suggest that in order to assist residents with service charge increases, AVEO could offer to dispense with the above Benefits and apply the \$ 750 as a credit against each AVEO WAY resident if they so nominate this [rather than receive any other benefits]. See also 5 - General Points

3. Facilities - bowling green

- At a meeting of residents earlier this year the previous Community Manager Noel Beardwood stated that capital expenditure had been approved by AVEO for the complete refurbishing of the bowling green – replace base, new synthetic surface, surrounds etc all at a quoted figure of some \$ 24k.

We have not received any update on the progressing of this important facility replacement. Recent reports from the new community management indicate that Brookfield has commissioned a full report on all assets throughout AVEO Australia and until that report is completed and decisions made, no further action on this item will take place. This is totally unacceptable as reporting and decision making can take many months to complete – if at all.

We are now relying on enterprising bowlers manually stretching the worn layer and hammering in nails/screwing in battens to keep the surface available for play – all this in the high vis/central area of the complex! Could RAC request clarification from AVEO/Brookfield on this?

4. Grounds maintenance

- We understand that no budgeted funds are available for new plants, shrubs, trees for the complex. However, the recent placement of metal has been disappointing. The entrance to the complex from Yarran Road is not a good advertisement for our Country Club.
- Visitors to our complex have remarked on the severity of the metal covered road frontages and planter beds. Residents were not consulted on this.
- The severe pruning of mature trees, which in the past have softened and enhanced the appearance of the village has also been a disappointment to many residents. Gentle pruning of the evergreen trees would surely have been better, and not the “fire hazard” as suggested by some as the reason for the heavy pruning.

5. Security

- The automatic gate at the Yarran Road entrance continues to be non-functional. It is opened manually and now left open for the daylight hours, which is good as the constant automatic open/close phase is slow and unreliable. This gate requires either re-engineering to operate properly, or a more effective maintenance system put in place [availability of spare parts/repair equipment].
- A complete review of the security of the complex would be timely, coupled with clear and concise communication with all residents on how the system works, responsibilities for maintenance and proper use by residents.

6. General points

- Solar power systems are installed in a number of residences. Has AVEO management considered the installation of a system using the roofed area of the Manor House? If not, then a significant opportunity to make substantial financial savings to offset budget increases is being lost. We are amazed that this has not been implemented.
- Many residents on single pensions are in the invidious position of being unable to meet the increased service charges being applied. The annual \$750 AVEO Benefit would be beneficial to those residents to go towards their fees. We would request that this be discussed with AVEO/Brookfield and a protocol and guidelines developed by management to cover the situation when a resident finds themselves in such an eventuality.
- Further to Item 1 – Pensioner concessions. The information paper is detailed and very helpful in understanding the labyrinth of bureaucratic reasons why pensioner concessions are not being applied by the SCC. We would like to suggest two further courses of action - establishing a network of information sharing with all of the other retirement complexes within the Sunshine Coast Council area [at least 12 complexes at last count] and maintaining a

concerted effort in making representations to SCC, coupled with local media publicity.

- Constant pressure from RAC on AVEO/Brookfield management seems to be essential and for that we are grateful for the work RAC carries out on our behalf.

Kindest regards
David and Dina Figgins

Reply from RAC executive 26/08/2020

AVEO PEREGIAN SPRINGS COUNTRY CLUB RESIDENTS ASSOCIATION.

Dear Dave & Dina,

Thank you for your letter of 21st August. It will be discussed at a full meeting of the RAC. The next monthly meeting will be held on Friday 11th September.

Meanwhile the RAC executive held an informal meeting yesterday [25th August] to discuss a number of matters including your letter.

Here are our initial responses to most of the issues you have mentioned: -

1. SCC rates, Pensioner Discounts, discount for prompt payment.

Re Pensioner Discounts: A follow-up email has been sent to Dan Purdie asking if the CEO of Sunshine Coast Council has responded. So far, no reply.

An email has been sent to AVEO/Brookfield regarding the prompt payment of Council Rates which would then attract a discount. More news on this will be forthcoming when the new RAC meets on 11th September.

The service charge increase that was recently debited to your account was backdated by one month. Thus, we were all charged 2 months of increases.

This was because the budget was changed after residents contested the proposed budget at the Resident Budget meetings on 21st August. The budget was reduced. Due to accounting procedures taking extra time the increase shown in your August statement was for both July & August. The actual increase is approximately \$56 per month. This will be reflected in your September statement.

2. AVEO Way Benefits.

The issues surrounding AVEO Way Benefits should be addressed by Management. The RAC has been lobbying AVEO on these points & will continue to do so on your behalf. We consider your last point to be a brilliant idea.

3. Facilities-bowling green.

The RAC are actively engaged with AVEO to ensure the Capital Replacement Budget set by AVEO meets our requirements.

Whilst aware that the RAC should oversee the Capital Replacement Budget the RAC has requested from Richard O'Connell on 18th August a copy of the Capital Replacement Budget. We recommend you read the Chair's report for the AGM.

4. Grounds maintenance.

This is a Body Corporate issue. We suggest that you contact your Body Corporate representative Richard O'Connell.

5. Security.

Again, a Body Corporate issue.

6. General Points.

Please refer to the minutes of the August RAC meeting. We are delighted that AVEO/Brookfield is investigating photo voltaic solar electricity panels for the Manor rooftop. It is hoped that the electricity generated will provide substantial relief to the power costs for the Manor common areas, the shed, outside lighting etc.

On your last point. You are absolutely right!

Constant pressure & advocacy is necessary from the RAC regarding financial matters and the well-being of the residents.

Further discussion will be held with all members of the RAC and the Community Manager on Friday 11th September.

Kindest Regards,
Karen Wright,
Secretary, Residents Association.

08/09/2020 Letter from Arnold Vandenhurk.

Secretary Res. Ass.
Peregian Springs country Club.

8th September 2020

7. 11

Dear R.A. Secretary,

Thank you for your letter dated 30-8-2020, in answer to my correspondence of 20th August 2020. You mentioned that my original letter was discussed at an informal meeting by the Executives of the RAC. Therefore, I must assume that your comments do not represent the sentiments of the remaining Committee members. I find this very disturbing. I will forward a copy of the original letter as well as a copy of this letter to all committee members. This will enable the members of the committee to form an impartial decision before the input of the Executives.

Reference is made to par.1 MANOR BAR.

In this report, you mentioned that the then Bar Manager flagged a price increase effective as of 1st April 2018. The Bar Manager stated that the reason for the price increase was necessary, because everything else was going up in price. There was never given any purpose for the price increase. Further you mentioned that the return % on the bar is not all profit but represents an average trading or operating profit, which at that time was 42%. My question is why was it necessary to have a price increase, if the profit margin was running at 42%

You also mentioned in your letter to me that there is a typo in the Manor Bar Terms. It should read 30%. Yet other residents have been advised, that R.A.C is satisfied with the documents as it stands. There seem to be some misleading statements of facts and needs to be rectified.

Reference is also made to par. 2 RESIDENTS ASSOCIATION FUNDS.

In this Par. You mentioned that the funds had been spent on upgrading facilities for the enjoyment of all residents. Let me point out that upgrading the facilities in the past are not and never have been the responsibility of the RAC. If, anything the RAC should direct their efforts in having AVEO to attend to the needs of the residents. The RAC together with the Social Committee has been able to hold a number of subsidised events. I fail to understand why the RAC has to subsidise these events out of the Revenue earned by residents patronising the bar. The total of residents in this village is nearing 300. At the best of times the attendance at the bar is less than 20%, Social events organised by RAC or Social committee should be self funded and follow the example of the various activity i.e. Computer club, Bowlers fraternity, Bingo Snooker etc.

You also mentioned that the various raffles held throughout the year are not designed to make a profit nor are the fashion parades. Yet the treasurer's report August 2020 states income from Social Committee \$3191.00 Contrary to any further comments I can only assume that these figures relate to proceeds from raffles fashion parades etc. Your comments would be appreciated.

Again, I strongly urge the RAC to have a full overhaul of their responsibilities and recommend that the current bar Profit margin of 30% be reduced to 20%. This will allow the R.A.C. sufficient funds to operate effectively for the purpose it was in inaugurated.

Arnold Vandenhurk
Villa 114



Reply from RAC 14/09/2020

AVEO PEREGIAN SPRINGS COUNTRY CLUB RESIDENTS ASSOCIATION.

Arnold Vandenhurk,
Villa 114.
Monday 14/09/2020

Dear Arnold,

We are responding to your letter dated 8th September 2020.
We suggest that you refer to the first paragraph of our reply dated 30th August assuring you that your letter of 20th August would be discussed by the full RAC.

All members received copies of all your correspondence several days prior to the RAC September 11th meeting. This enabled a full discussion to be held regarding the matters you raised.

At the meeting it was moved by John Davies & 2nd Kerry Jewell: -
'that the RAC fully endorse the reply to Arnold Vandenhurk's letter of 20th August sent by the secretary 30th August'. Carried.

The RAC fully endorsed our correspondence to you dated 30th August and further encourages you to refer to the Residents Association Constitution, particularly: -

'Section 2.4 To promote and support social activities including, but not limited to, sports, recreational activities, entertainment, management of the bar etc. for the benefit of the Country club residents.

We note that 'management of the bar' management in this instance includes financial aspects as well as operational.

This is our final say on the matters you have raised.
No more correspondence will be entered into.

Kind regards,

Karen Wright.
Secretary, Residents Association.