

program for residents to enjoy but this requires the owner to carry the cost difference between the actual costs of operating the village in the early stages of development v's the total fees actually collected from a smaller number of occupied residences. This "owner's contribution" continues until the project is 100% complete and 100% occupied.

With regard to the average maintenance fee paid by residents, Forest Place Lifestyle Village at Happy Valley has 240 fully occupied residences with a balanced operating budget requiring an average maintenance fee of approx. \$70 per week per resident. The average maintenance fee for Golden Grove for the next financial year of \$64 per week per resident is still considered to be too low (as the Forest Place village and Golden Grove village are comparable as to operating costs). Now that the Golden Grove village is nearing completion, the annual review of the estimates of the costs of operating a full village each year is much more accurate. The future increases in the maintenance fees required to reach a balanced budget of a fully occupied village will be spread over the next two annual maintenance fee reviews.

Stephen stated questions from the floor would be undertaken later in the meeting. Stephen read out the answers to the written questions submitted to the Administering Authority (copies available at the administration office). In addition, responses were expanded to some of these written questions as follows:

**UNIT 84 Vic and Janet Hill**

*Maintenance Gardens, also what has happened to the bark chip promised for Stages 1 and 2 earlier this year?*

**Additional Response (Gillian)**

The timing of this work will be agreed with your committee giving regard to the annual budget. The work will be carried out in stages, starting with the oldest section of the village.

**UNIT 13 Wolfgang Zietz**

1. *Is maintenance paying for the wasteful and totally unnecessary illumination of the community centre?*

The switching off of public lighting will be a topic to be discussed at length with your committee. In addition to the written answer provided, Stephen advised that Lifestyle Utilities (the telephone and electrical provider for the village) has operational challenges at this time, with regard to electricity costs and solar rebate arrangements to the Golden Grove Village and residents. Management is consulting with engineers and ETSA to resolve this issue.

2. *There is not as yet set a specific timeframe for continuation of mulching.*

**Additional Response (Stephen)**

As mentioned earlier, this topic will be discussed with the committee. There are a number of methods to consider with varying cost implication.

1. The gardening committees manage the whole process (with Lifestyle SA's approval)
2. Lifestyle SA arranges delivery, dropped off in multiple locations and spread by volunteers.
3. Lifestyle SA uses a contractor to do all the work.

**UNIT 305 Dennis and Joy Brown**

*What incentive is there for Lifestyle SA given that it is also the supplier of electricity via Lifestyle Utilities? (Conflict of Interest)*

**Additional Response (Stephen)**

The Lifestyle SA group has a high priority to ensure all costs of living in the Lifestyle SA network of villages are kept to a minimum. Lower costs (compared to other retirement living options) will lead to more successful sales results.

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## **64 Peter Reuter**

### Question 1:

*How can the Administration Authorities justify charging a fee of \$206,353.98 for management, hidden in the maintenance accounts, when:*

- (A) *The SA Retirement Villages Act 1987-1.6.2007 clearly forbids any recurrent charges without special declaration of the charges? (This is no listing of a management fee in the PID document. The residents were not informed of such a charge before signing the document. There already exists a charge of \$102,640.78 for administration).*
- (B) *Common practice and endless precedents clearly make management a cost of doing business and this is normally at the expense of the owners and not the customers.*

### Question 2:

*What contingency plans do the Owners of the village have in case of an event that results in total or substantial destruction of one or more residences?  
(Where do the Residents go and who pays for it?)*

#### **Response (Stephen)**

The Management Fee question will be answered formally in writing. Response will be available at the village administration office.

Lifestyle SA does have the authority to charge a management fee. This has been confirmed by the Office of the Ageing in recent, joint meetings between residents of the Lifestyle SA network and Directors of Lifestyle SA. As per a recent ruling in the Residential Tenancy Tribunal, the management fee is not a recurrent fee.

Gillian thanked Stephen and then invited Sven to give his PowerPoint presentation on the budget including comparisons between all Lifestyle SA villages on the breakdown of running costs per unit per week and the increases for 2012/2013.

Gillian thanked Sven and invited questions from the floor.

## **3. QUESTIONS ASKED FROM THE FLOOR AT ANNUAL MEETING**

### **UNIT 26 John Moore**

*Where is the caravan storage money shown?*

#### **Response: (Sven)**

For Golden Grove, this money goes into the maintenance account as income but is not shown as a separate item at this time.

### **UNIT 17 Kel Johnson**

*I have a concern over getting hot water through the shower either in the community centre or in individual units. A lot of water is wasted.*

#### **Response: (Stephen)**

Where the design of units is in a duplex format, yes it can be a problem due to the distance for the

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water to travel. It is an inherent design issue. At some villages residents have fitted a small caravan type unit under their kitchen sink. This is a decision for each resident to consider. Many residents use the cold water for their pot plants.

**Kel**

*Adding that water up is considerable.*

**Response** (Stephen)

Comment noted. Careful use of water has been a consistent topic in all village meetings

## **UNIT 18      Ian Norman**

*Gillian is doing a good job.*

*When I moved in we didn't have to do any gardening as it was arranged on an overall basis. Now we need to put in request for gardening. Some people are very good at putting in forms.*

**Response** (Gillian)

The Golden Grove village is a huge village with many residents wanting to manage their own garden. Gardening staff have been allocated work schedules, but if a resident is not satisfied with the state of their garden, they should lodge a maintenance request form at the office. This work is logged for the gardener and prioritised.

**Response** (Stephen)

Lifestyle SA meets with Residents' Committee on a constant basis. Gardening is a huge cost to the village. If residents want additional gardening staff we can discuss this issue with the committee as a budget item.

**Ian**

*If staffing our own gardening requirements, is there not a quiet time?*

**Response** (Stephen)

Lifestyle SA is reviewing the gardening arrangements as the village develops. Employing our own staff is an option.

**Response** (Sven)

Wayne (maintenance man at the Elms) used to work at Tea Tree Gardens Village where they used their own internal gardening staff but they suffered from high staff turnover. They found that cutting lawns eight hours straight and getting dirty, plus gardening gets monotonous and tedious. It might look good on paper but not in reality.

## **UNIT 148      John Stephens**

1. *In regards to running and maintaining the pool and spa, there are greater costs in the higher use by non-paying residents. (Guests and visitors) especially now that we have increased the hours they can use the facilities. Also some residents like to go in the pool in private. Two hours of visiting time is generous. Can we put in place other conditions for 16 year olds? What happens when 30 or more family members use the pool?*

**Response** (Stephen)

Lifestyle SA is standardising many of the policies relating to the use of common facilities. With regard to the swimming pool use, our experience is that not many additional people use the pool / spa therefore the cost is minimal. Again, with regard to privacy, a village of this size (approx. 400 people) the issue of less privacy due to visitors is considered a minor point when considering changing the policy. If residents strongly oppose the policy, Lifestyle SA will review its position with consultation

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with the residents committee.

2. *Will the commencement date of the of the maintenance change?*

**Response** (Stephen)

It will stay as at 1 November 2012.

3. *The CIRF item Pool/spa is \$13,500 for the current financial year, \$12,577 for last year, please explain.*

**Response** (Stephen)

The amount is estimated. It is a significant expenditure item. We will consult with the Committee as these budgets are reviewed.

4. *Council rates – you made reference about addressing Valuer General on property values - well done. Lifestyle SA provides roads, lighting, etc. We believe we should get some concession as we pay rates. Would Lifestyle SA be prepared to follow through and assist?*

**Response** (Sven)

The capital value on the community centres is set by the Valuer Generals Dept. and is being challenged by Lifestyle SA. The value of residences is impacted (increased) by the value of the facilities in the village and therefore the council rates (in Lifestyle SA's opinion) should not apply to the community centres.

**UNIT 18 Christine Norman**

*I'm a regular in the swimming pool and I have only ever seen one outside person in the pool.  
( comment )*

**Unit 121 Vivienne Currie**

*There is a difference with the amounts for D units maintenance fee on the schedule. Why?*

**Response** (Stephen)

We will take that question on notice. Each resident type has a slightly different calculation depending on size, facility, external design etc. All the same unit types have the same fee on the basis that they are identical.

**UNIT 25 Ingrid Victory**

*Do all residents get notified separately of the increase?*

**Response** (Gillian)

Residents can obtain a copy of the schedules containing the monthly figures from the small dining room.

**UNIT 223 Bev Mead**

*I have seen ambulances driving lost in the village over the last few weeks.*

**Response** (Gillian)

We continue to communicate to all residents the importance of using the call system. Pressing the emergency button connects directly to the RAA monitoring and all the codes, coordinates etc are provided. The call centre will automatically know where you live and give directions to the emergency services... If residents ignore the emergency call system and ring the four "0" a "standard" ambulance will be called and all this information will not be available to the driver. It is

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imperative to use the call system to get the ambulance to you quickly.

**UNIT 112 Paul Mills**

*Is the period 31 July 2012 to 31 October 2012 at the owners cost and the new rate will apply from 1 November for 12 months.*

**Response (Stephen)**

The shortfall in the required funds to operate the village on a day to day basis is a cost to the village owner. This principle applies to the July/October period. The new rates will apply from 1<sup>st</sup> November 2012 for 12 months.

**UNIT 338 Roger Adamson**

*We, as residents, must go through certain suppliers for any capital items such as air conditioner. We have close relationships with suppliers and can demonstrate competitiveness.*

**Response (Stephen)**

Lifestyle SA will always be open to competitive pricing.

**UNIT 23 Lyall Haines**

*I'm in agreement with Gillian. We must use the emergency button. We had no problems and an ambulance was here in 12 minutes and to think unit 299 is located opposite us but the ambulance got here.*

**Response (Stephen)**

The emergency call system goes to the RAA who call and direct the Ambulance and Fire Service. The information you provided on the form when you first move in is in the system. They have all the access codes and we are finalising GPS coordinates for the units. Each resident's phone system also becomes a hands free arrangement when the button is activated. The quickest way to get emergency services to your home is by using the emergency call system which is installed in every residence and located throughout the common facilities.

**UNIT 179 Cliff Burleigh**

Sven mentioned water would be cheaper with recycled water. We had been previously been told differently.

**Response (Stephen)**

We have one of our villages on recycled water and can comment on that experience. In that village, SA Water rates have increased; recycled water prices at Salisbury council have remained fixed and are now at a lower rate than the "town water". The Golden Grove village has been built with a dual system but recycled water is not yet available. When the village is connected to the City of Tea Tree Gully system, hopefully their charges will be similar.

**UNIT 68 Jim O'Neill**

*We have to pay for the kitchen airconditioner?*

**Response (Stephen)**

The kitchen in the community centre is not designed for a commercial use. The exhausting system is considered adequate. A number of our other villages extensively use their kitchen and have installed their own air conditioning system, with Lifestyle SA's approval. If the Golden Grove committee, with residents approval, wish to proceed with a/c for the kitchen, Lifestyle SA would support the move, conditional upon final design and committee funding the work.



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**UNIT 148     John Stephens**

*Can we get other quotes? Lifestyle SA should pay for the airconditioner as it goes back to Lifestyle SA?*

**Response** (Stephen)

When a village is being built, the owner commits to completing all work as set out in the principal documents. The community centre has been completed as per the documentation which does not include the a/c of the kitchen. Any additional work that is carried out using residents committee funds does become an asset of the village, but will always remain on site for the use of all existing and future residents.

**UNIT 26     John Moore**

*Why is there an airconditioner in the Clubhouse?*

**Response** (Stephen)

The consultants who designed the services for this kitchen had made the assumption that the club room use was more of a commercial nature.

**UNIT 148     John Stephens**

*Why not come to the party and pay 50% as it becomes yours?*

**Response** (Stephen)

As per previous response.

**UNIT 257     Leslie Attrill**

*Does Lifestyle SA have any quality assurance from Fairmont in regards to the building? We have had lots of small issues e.g. fly screens fall out if the wind is in the right direction.*

**Response** (Stephen)

Please lodge a maintenance request at the office. Whilst the builder is on site we have the best opportunity to have them attend to the problems.

**Leslie**

*I had been told that I will now have to pay for better fly screens.*

**Response** (Stephen)

If the screens are not suitable they will be replaced by the builder.

**Leslie**

There are plumbing issues under the slabs not being checked by a building supervisor.

**Response** (Stephen)

Residents maintenance cost should not be burdened by poor quality workmanship. Fairmont Homes will ensure that all quality standards are met. If a defect is found, the repair work will be covered under warranty. The project is in a developing phase where it is easiest to raise these issues.

**UNIT 114     David Mapp, President of the Residents' Association**

We will get another two quotes on the airconditioner.

**Response** (Stephen)

Please keep me informed through the Estate Coordinator.

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**UNIT 29 Colleen Dearing**

*Lifestyle SA provided me with a lovely unit and six lavender and daisy bushes in really hard dirt with no topsoil. I have worked hard and added gypsum, soil, rocks and plants. Does this all have to be reinstated (when I have spent hundreds of dollars on plants) when I "depart"? Do we get rewarded for adding to make a garden?*

**Response (Stephen)**

You have created something special. I am sure that, at the time of resale, any new resident (when the time comes) will appreciate the work you have done and it will be reflected in the "sale price".

**UNIT 264 Gerry Letch**

*I raised a matter at the office over the builder not completing outside my unit as I live on the boundary, will it get finished? The council came and cut all the weeds and the soil blows but I've seen Exotics working there but they did not plant behind my unit, they stopped before it.*

**Response (Gillian)**

Following on from our discussion last Tuesday on this matter, we have spoken to the builder who informs us that the land you refer to belongs to the council. The land is "park lands" and is the responsibility of council to arrange landscaping. Because of the steepness of the land, landscaping will be minimal. The Engineers have confirmed that the walls have been designed to support the change in level and will not erode.

**Response (Stephen)**

**We take this matter on notice.**

Gillian then asked those present if there were any more questions to be raised relating to the Budget. As there were no more shows of hands, Gillian thanked all for attending.

**4. CLOSURE**

The meeting was declared closed at 3.15pm.