

Association Times

Issue 47, March 2017



Estate d'Afrique showcased on page 2

From the editor's desk

It has been a busy start to the year and the first round of regional chapter meetings has been completed. Besides the specific local issues that were discussed, we explored dispute resolution mechanisms and processes as well as the HOA's Legal Liability in respect of the OSH Act and the Construction Regulations.

The next round of chapter meetings has been set up and invitations sent out. You can also find the information on the ARC portal under 'Communications – Notices' or on the 'Calendar'. Please always confirm your attendance with sandy@hoasupport.co.za to arrange for access and to confirm numbers for catering purposes. These chapter meetings will take the form of a mini-workshop on '**drafting rules that work**' followed by '**exploring future scenarios that impact on community management**'.

The 2017 Annual ARC Conference and Expo takes place in the beautiful Western Cape at Pearl Valley and Val de Vie on 2nd and 3rd August. You will find full details on page 4 of this newsletter. Please don't forget to book as there is limited space still available!

Our Annual Golf Day for members is taking place on 4th August and this year we have an alternate winery tour taking place at the same time for non-golfers, where we say 'thank you' to you for your support through the year!

A very warm welcome to the following communities, who are now ARC members; Green Acres, Klein Slangkop, Forest Glade, Helderfontein, Soeteweide Country Estate, Izinga, Rose Acres, K'Shane Lake Lodge, The Meadows, Westbrook Beach Club, Whale Rock Gardens, Merrow Down, Eligwa, Casa Maris, Vulintaba, La Camargue, Summer View, Renishaw Hills and White Sands.

We also welcome our new Business Partners who we have partnered with to provide tailored solutions to our members; **Huawei** (who provides communication technology products and solutions), **Universality** (legal compliance in terms of the OHS Act for estates and homeowners), **NEMS** (Emergency and safety management), **FNB Business** (Banking services and investments) and **Outcor Financial Management** (Bookkeeping, accounting, financial management, debtors & creditors processing, payroll administration and tax planning).

Please also see the full list of our residential community industry business partners on page 10 of this newsletter and contact them to find out how they can assist you with managing your communities with their solutions. You can contact them via the ARC website www.hoasupport.co.za and the portal.

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We are proud to showcase one of our loyal ARC members:

Estate d’Afrique

Refined Country Living - Hartbeespoort Dam’s Fastest Growing Residential Estate



With 31 sales since July 2016, Beau Rivage, a village in Estate d’Afrique, has sold more than 30% of the available 96 stands in the past 7 months, making this one of the hottest developments around Hartbeespoort Dam. Having set its sights on becoming one of the top 10 residential estates in South Africa early last year, it is clear that the estate’s initiatives are paying off in a big way.

According to Kevin Mountjoy of Ooba Cradle the recent growth experienced has exceeded expectations and can be attributed to the unique lifestyle experience offered at a great value. Stands on special limited release presently start at R269, 000.00 and Houses from R1.5 million.

The Estate is made up of 3 Villages, namely Beau Rivage (104 residential stands), Ville d’Afrique (89 residential stands), Port Provence (117 residential stands and 85 bathouses) as well as 2 future developments.

Amenities include a watercraft launch site with direct access into the Hartbeespoort Dam and an impressive swimming pool, beautifully decorated lounge with fireplace and reading corner which are available to residents for use all year round. The clubhouse is also

available to rent for private functions. Residents enjoy the use of a private fitness centre and hiking enthusiasts can soak up the beauty of nature, by exploring the various trails on the estate. Birders will be elated to spot many of the 443 bird species recorded in the area, almost half the total bird species of Southern Africa!

Estate d’Afrique is a proud member of the Magaliesberg Biosphere, recently declared a World Biosphere Reserve, an area endowed with scenic beauty, rich cultural heritage and remnants of 3 Anglo Boer War forts located on the Estate.

Located within a convenient 15-minute commute from Lanseria Airport and close proximity to both Pretoria and Johannesburg, the exquisite Estate d’Afrique provides the ultimate choice in country living.

Estate d’Afrique has something for everyone with stand sizes ranging from 450 m² to 4,000 m² and house sizes from 140 m² to 1,000 m². Estate agents often take prospective buyers to the clubhouse to experience the magnificent views, where many decide right there to make the estate their home, before even seeing any properties for sale! The Estate has 24 registered estate agents to assist buyers with finding their dream home.



The Estate embraces the aspirations of discerning families and provides facilities and amenities in keeping with a refined country lifestyle of tranquillity in abundance.

With its unique French Provençal, architectural style, reminiscent of country homes in the small intimate villages



along the coastlines of France, Estate d'Afrique is quickly becoming one of the most desirable lifestyle estates, providing a safe, secure and family-friendly environment with abundant fauna and flora. Picturesque villas, boathouses, private jetties, cascading water features and cobbled streets offer the quintessential Estate living experience

The unique combination of mountain, wetland, grassland and river eco-systems provide the Estate with a wide variety of wildlife.

Design Philosophy

Estate d'Afrique prides itself on the raw, simple, honest design in harmony with nature, complementing relaxed French Provençal country life. The Estate has an atmosphere of generosity, complementing an exclusive lifestyle with breath taking views towards the Crocodile river and across the Dam. In order to preserve this unique Provençal character, care is always taken to respect and embrace the ethos of Estate d'Afrique which is firmly entrenched and exceptionally well-suited to the area.

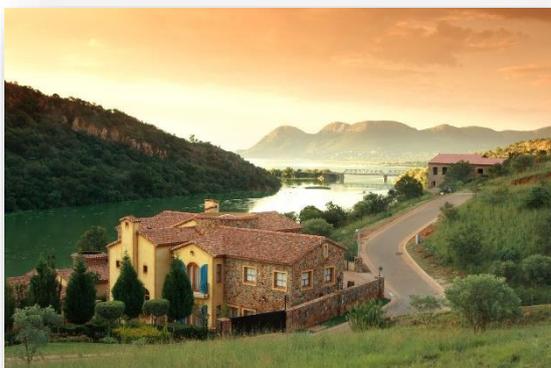
Core Values

Humility - Simple traditional design striving to be part of a greater community esprit d'core.

Harmony with Nature - Indigenous gardens and landscaping concepts, conscious of water resources that attract bees, birds and butterflies.

Raw and Honest- Stone, wood and natural finishes with earthy colours and textures. Honest design seeking happiness and tranquillity.

www.estimatedafrique.com



Residential Community Industry Awards Programme

ARC is excited to be launching our industry awards programme. The awards will be made covering three broad categories, namely:



Service

Determined by homeowner reviews through Yowzit

- Common Areas
- Estate Facilities
- Aesthetics
- Social Events
- HOA Management
- Utilities & Resources
- Communication & Information

Compliance

Determined by an audit of relevant documents

- MOI/Constitution
- Building Guidelines
- Environmental Guidelines
- Rules & Regulations
- Financial Management
- Ethics & Code of Conduct
- Dispute Resolution
- Health & Safety

Innovation

Determined by a panel of industry representatives

- Leadership
- Industry Participation
- Community Involvement
- Social Awareness
- Transformation
- Environmental Management

The awards will be made regionally, in the above categories, and by the size of the estate.

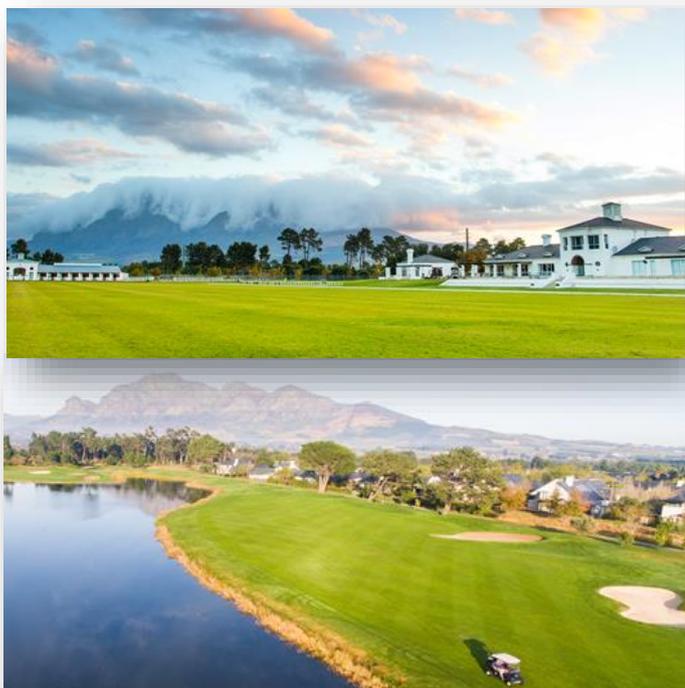
National and regional winners will be announced at an annual gala event and we are securing sponsors to attract some wonderful prizes for the award recipients.

We urge our members to apply to join the programme by completing and submitting an application.

Contact jeff@hoasupport.co.za to apply or find out more.

2017 Annual Conference, Expo and Golf Day

Don't miss this exciting event for all stakeholders of the residential community industry taking place at Val de Vie and Pearl Valley in Paarl, Western Cape 2, 3 & 4 AUGUST 2017



Conference Themes

1. Security, risk, systems, technology, guarding and access control
2. The environment and water, green technologies, alternative power, sustainability programmes and waste management
3. Legal compliance and governance. The CSOS, Companies Act, STMA, MOI, rules and regulations and dispute resolution
4. Staffing and performance management, job descriptions, performance criteria, capacity planning and succession planning
5. Community management, roles, responsibilities and stakeholder management
6. Telecommunications, IT and customer management

Events:

Wednesday, 2nd August 2017

- Conference Day 1, Exposition Day 1 and Gala Dinner all taking place at Val de Vie Polo Club

Thursday, 3rd August 2017

- Conference Day 2, Exposition Day 2 and Informal Dinner taking place at Val de Vie Polo Club

Friday, 4th August 2017

- Golf Day and Prize Giving Dinner at Pearl Valley Golf Course and Country Club
- Delegate and/or partner wine farm visit and lunch

Event Highlights:

- The Conference programme covers various themed interactive sessions over 2 days, where we will explore the key imperatives within each theme, facilitated by experts in the residential community Industry. These sessions will include expert input, panel discussions, group discussions and debate
- A high-profile key note speaker will open the conference each day
- 2 full days of conferencing 8am to 5pm including all teas and meals
- Gala Dinner on 2 August and an informal dinner on 3 August
- Golf Day or Tour (An additional networking activity for non-golfers, delegate partners and international guests, is taking place at the same time as the golf day) followed by the Golf Day Prize Giving Dinner
- Various accompanying partner activities will be available for the duration of the conference, including all dinners
- We will be coordinating the opportunity to run a CAISA programme and AGM before or after the conference and details of this will be provided soon.

Conference Delegate Rates (excluding VAT)

Single Delegate Package	R5,500
Double Delegate Package	R10,450 (5% discount)
Triple Delegate Package	R14,850 (10% discount)
Quadruple Delegate Package	R18,700 (15% discount)
Partner Package	R950

Non-ARC members add 30% to the above rates.

There is limited space available and bookings are coming in fast, so don't miss out – secure your place by emailing sandy@hoasupport.co.za or find the latest information and booking form on the ARC Portal – go to Calendar and click on one of the dates 2-4 August 2017.

We look forward to seeing you there!

Policy and procedure for internal dispute resolution

The background

Where there are people with different views and beliefs living together in a community, there will always be disputes, between home owners, between the directors, other business entities, suppliers and visitors. Homeowners associations must have an agreed policy and process in place to resolve disputes and conflict as they arise.

This has become even more relevant now, that the Community Schemes Ombudsman Service Act (CSOSA) is in place, where the role of the service is to provide an alternate dispute resolution process for all stakeholders of a community scheme. The service will, when receiving an application from a member, check whether the member has attempted to resolve the dispute internally. Therefore, each residential community scheme (HOA) needs to develop and implement their own dispute resolution process

The policy

Recognising that no one community is the same and with a genuine interest in making dispute resolution (DR) procedure accessible to all owners, ARC encourages community association board members to design DR procedures most appropriate for the particular community's needs towards resolving disputes, subject only to requirements contained within the community's governing documents and the Companies Act.

ARC advocates that communities adopt policy resolutions pertaining to DR. Boards may draft resolutions that further elaborate on those DR procedures already established by the governing documents to lend further guidance and transparency to the DR process.

Several methods of DR may be offered, such as mediation, or binding or non-binding arbitration. Communities are encouraged to establish DR committees that are independent from the board and utilise only neutral parties for conducting mediation or arbitration. Always mindful of due process considerations, the policies should provide for a reasonable period within which to resolve disputes and for DR sessions to be held in mutually convenient locations for all parties. If the method of DR selected requires payment of a fee, the resolution should address how the costs will be allocated between the parties and in all cases, the costs should not be prohibitive for owners to meaningfully participate in the procedure.

ARC recommends that resolutions clearly distinguish any matters that typically would not be considered for DR. ARC however opposes the need for management or directors to involve themselves with neighbour disputes unless this impacts on the community at large

ARC opposes any external forced intervention and legislation to deal with disputes in an HOA that is demonstrating fair processes relating to conflict and disputes.

Recommendation

A dispute resolution process must be established to deal with disputes between members and the HOA.



National Minimum Wage

For some time now the national minimum wage has been looming and with great uncertainty to say the least, finally some proposals have been received from the so called "appointed panel". The panel's recommendation is that a national minimum wage be implemented at R3500 per month on a set rate of R20 per hour, calculated on a 40-hour week. The minimum number of hours per day, at this stage, is set at 4 hours per day. However, an opposing party argues that the minimum hours per day be set at 6 hours per day.

It was expected that the national minimum wage would be announced in December 2016 and thereafter implemented before the end of June 2017. Unfortunately, legislation has not yet been enacted, and the appointed Panel expects this to be done by the 01st of July 2017.

The intention is that the national minimum wage must be implemented on the 01st of July 2017 and the last date for compliance would be the 30th of June 2019. Small businesses will have a further grace period until 30 June 2020. It is however noted that the proposed law has not yet been signed into law by Parliament. The implementation of the minimum wage will thus be 1 May 2018. The 01st of July 2017 should however not be ignored. More detail in terms of implementation dates will be provided as it becomes available.

Why comply now?

One would ask yourself the question "Why comply now if it is only enforceable in 2018?". The simplest answer is that one would only comply with a 'rule' once it becomes law, at present compliance is not mandatory.

What does this mean to you as an individual?

Well... basically that domestic workers and farm workers will be covered in this national minimum wage. Domestic workers are required in the first year of implementation, to earn 75% of the national minimum wage. Thereafter the "phasing in" will commence, until such time that a domestic worker earns the national minimum wage (and / or any increases added to the minimum wage).

The "phasing in" period should not be seen as indefinite. It will be commented on in more detail once the relevant legislation has been enacted. With regards to farm workers, a minimum of 90% of the national minimum wage needs to be implemented in the first year prior to "phasing in".

Who will monitor compliance and how?

The Panel recommends that the two existing bodies (the Employment Conditions Commission and the Employment Equity Commission), as well as a newly appointed body known as the DWC (Decent Work Commission) be incorporated into one "department" for ensuring compliance with the new legislation.

There will thus be no specific Sectoral Determination to monitor the national minimum wages for e.g. the Metal and Engineering Industries Bargaining Council. The Basic Conditions of Employment Act 75 of 1997 will be amended to accompany this new proposed legislation.

What will happen if I do not comply with these minimum requirements once it becomes law?

Provisions have already been made in terms of penalties for non-compliance. It is not certain as to the amounts at this stage. We are however led to believe that the penalties will not vary between business and individuals. Penalties will be calculated on a pro-rata basis from the date of enactment, until compliance with the national minimum wage.

For more information on the national minimum wage please contact one of our experienced consultants. Tanya Barnard: 082 328 7101, Gavin Mulvenna: 082 891 7093 Kusile's Offices – 011 609 2630 or Email: kusile@yourside.co.za

Fidelity Insurance

With the changes to the Sectional Title Schemes Management and Community Schemes Ombudsman Services Acts which became effective on the 7th of October 2016 it is imperative to ensure that the necessary cover has been arranged for your community schemes.

In terms of Regulation 15 of the CSOSA Regulations a community scheme must insure against the loss of money belonging to the community scheme or for which it is responsible, sustained as a result of any act of fraud or dishonesty committed by an insurable person.

Compulsory insurance

- "Insurable person" means any (a) scheme executive; (b) employee or agent of a community scheme who has control over the money of a community scheme; (c) managing agent; or (d) contractor, employee or other person acting on behalf of or under the direction of a managing agent, who in the normal course of the community scheme's affairs has access to or control over the monies of the community scheme.
- The minimum amount of the fidelity insurance cover required is the total value of the community scheme's investments and reserves at the end of its last financial year; and 25 per cent of the community scheme's operational budget for its current financial year.

When the client has suffered a loss, the insurer will pay for a loss by the community scheme within a reasonable period after reasonably satisfactory proof of the loss has been furnished to the insurer. The policy does not require that criminal or civil proceedings be taken or completed against the insured person before payment is made under the insurance policy.

The definition of insurable person under the NIC Fidelity and Computer Crime Policy is fully aligned to the Act and makes provision for all of these persons.

These regulations apply to all community schemes, such as but not limited to, a sectional title scheme, a share block company, a home owner's association and a retirement village.

Should you need any further information or advice regarding the cover needed do not hesitate to contact Shantel shantel@nicsa.co.za or Charmaine shantel@nicsa.co.za from NIC Brokers .

Turnkey Estate Emergency Management Solutions

It is evident that with the growing residential estate markets and legal legislation in South Africa, many estates and their respective Home Owners Associations (HOA's) need to comply with specific Health, Safety and Environmental regulations.

NEMS is an emergency management and assistance company that has been operating since 2004. NEMS has the vision that we would like to offer all residential estates and HOA's the maximum benefits of dedicated and unique expertise. NEMS can provide you with several emergency management solutions, emergency rapid response services (on-site and off-site), health, safety and environmental management solutions, emergency first aid, fire, safety and evacuation training, event management and JOC presentations, disaster and evacuation planning, emergency equipment sales and school, sports facilities & educational institutions emergency management programs etc. We enjoy working closely with the homeowner associations and their residents in developing sound emergency management strategies which result in ensuring there is a benefit for all parties involved.

NEMS aims to provide the HOA with the most professional and assertive emergency management solutions that the residential estates require to fulfil their obligations and ensure that residents have peace of mind, knowing that should there be the unfortunate need for emergency or evacuation intervention, that all their needs will be professionally attended to. NEMS aims to leave no open holes in planning for your emergency management requirements, thus ensuring you professional service delivery and peace of mind.



It is NEMS duty to provide residential estates and their residents and facilities with the ultimate level of care. The NEMS team enhances customer relations by being available for consultation on a 24 hour a day basis, as it is part of our pride and level of service delivery as we firmly support the concept of being a friend as opposed to being, "just the service provider". To sum it all up what the main goal is, is simple – To provide service delivery to the maximum and support over and above the client's specific needs and expectations.

NEMS is a neutral and independent organisation and we are not associated to one particular emergency

management company. NEMS firmly believes that it should be everyone's right and not privilege to have access to definitive care in their time of need; regardless of ones socio economic or ethnic status. Therefore we are able to source the best possible and most cost effective solutions for all emergency management situations, equipment and incidents. NEMS aims to provide opportunity for all emergency management companies and communities to assist in the provision of each regions emergency management requirements, thus allowing them to have access to a sustainable and equitable environment in which to work and retaining a mutual relationship to ensure additional resources are available in each specific area, should the need arise.

The NEMS Management team has been in the fortunate position to meet with and discuss potential opportunities and synergies with other ARC business partners. We have identified key areas in need of attention when it comes to Emergency Management Solutions. The increasing risk of insufficient preparedness for both medical and fire related emergencies, identifying non-compliance in terms of OHS recommendations and creating a community driven awareness program for assisting in rendering first aid, activating the emergency services and saving community members lives through shared initiatives.

We believe it is essential for us to inform, educate and



implement best practice solutions. We have a global picture of the future of how we see NEMS making a significant impact in residential communities through turnkey solutions and driving processes in emergency care that is of international best practice standards.

Emergency Procedures

There is a legal responsibility on an estate to ensure Emergency Procedures are in operation, tested and reviewed. This ensures that persons within the estate confines, i.e. staff, resident, contractors and visitors, are not exposed to any unnecessary danger should an emergency occur.

Emergency situations, which may cause the Estate Emergency Response Plan to be implemented, may include:

- Fire
- Emergency evacuation due to: Gas leaks, Chemical spills, Biological and Radioactive incidents and Bomb alerts
- Serious accidents and injury

- Natural disaster (extreme weather / flooding)
- Power failures
- Off-site incidents, that impact the estate

Security and at least 3 alternative emergency contact details must be made available. Assembly points must be allocated throughout the estate. Well-controlled evacuation drills must be conducted twice yearly. Fire Marshalls must be appointed to manage evacuations on the estate.

Evacuation Procedures

In case of Emergency evacuation, residents should exit through the closest emergency exit. Since a fire or other catastrophe could occur at any time, being cognizant of the building's layout and evacuation routes will impact homeowners' ability to exit the building without panic or injury.

Evacuation Plans

An Emergency Plan must be simple, flexible, written, disseminated, tested, reviewed and be easy to use and amend when necessary. Evacuation plans must be displayed throughout the estate and all residents must have a copy. All local emergency numbers must be readily available for emergency use.

Emergency Plans

Local Emergency Management Services to do routine site evaluations for access and egress routes. Location markers and topography identification of fire hydrant location markers to be available as well as dedicated on-site emergency rapid response, transportation and access to medical facilities.

NEMS looks forward to facilitating and assisting in ensuring that all your emergency management requirements are taken care of, leaving you confident to deal with any emergency in your estate.... Make a Difference and Save a Life!

For all-round comprehensive consultations, assessments, guidance and implementation of emergency evacuation planning, procedures, training and compliance, please contact us. estates@nems.co.za / +27 (0) 83 454 5450 / +27 (0) 86 100 6367 (nems)

Out of the woods with water?

The recent rains have been a blessing. In a few short months, the Vaal Dam has gone from just above 20% to overflowing. This is clearly good news. However, the reality is more complex than this simple narrative suggests.

According to Prof Anthony Turton, of **Gurumanzi**, there are two things that any concerned person needs to understand and appreciate, especially residential communities that must manage their water risk into the future:

The first is that the main driver of risk is not how full the Vaal Dam is (or indeed any other dam in the country). That is simply one element of risk. There is still significant risks associated with the water infrastructure in South Africa and that although volume may not be the problem that is has been, during the drought period, the quality issues associated with ageing infrastructure and the effects of runoff into rivers and ground water resources have not been fully addressed.

The real risk is related to the state of infrastructure that abstracts water from the river, treats it to potable standard, pumps it to municipalities, stores it and then redistributes it to the end user via local municipal networks. The overall infrastructure is severely degraded, and the system integrity has been compromised. So even though we now have water in the dam, the treatment of that water and its ultimate delivery to the end user is still a significant risk.

The second relates to the chemistry and physics of an extreme environmental event. To go from the worst drought in living memory to widespread heavy rainfall that included Cyclone Dineo, is radical to say the least. Ecosystems function in balance, and this is clearly a serious imbalance. When aquatic ecosystems are distressed by serious drought, pathogens develop as temperature and nutrient loads change. Then when a flood occurs, these biological processes are reset. Typically flooding causes the washing away of minerals, agricultural chemicals, and in our case, sewage spikes. The latter happens because the sewage system has become connected to the rainfall system by means of drainage systems in urban areas that have been compromised. As masses of fresh water enter



the distressed systems, different biological processes are triggered. We are therefore likely to see significant blooming of cyanobacteria as the ecosystem resets itself.

The upshot is that just because the rains have come it does not mean that risk has gone away. It has merely changed.

We refer to an article written by Prof Anthony Turton for the SA Institute of Race Relations, a copy of which is on their website <http://irr.org.za/reports-and-publications/occasional-reports/water-pollution-and-south-africas-poor> The article has also been placed on the ARC Portal

In the article, it is apparent that significant blooming of cyanobacteria will result in a related increased risk of Microcystin contamination. So, it boils down to how each municipality can deal with the changing circumstances as we approach the end of the rainy season.

It has been Gurumanzi's consistent position at many ARC forums, that the risk relating to water ought to be considered urgently at boardroom level, and residential communities, just like business communities, should formally assess their water-related risks into the future, as soon as possible. Water related security has the potential to erode the value of the entire estate quite rapidly.

It is evident from the analysis of the Vaal System's Water balance that there are still severe challenges ahead.

At the same time, we are witnessing increasing pressure from all fronts on residential communities to raise their game regarding Governance of their estates and the recommendations of King 3 and King 4 are likely, and recommended to be adopted over time.

Longer term, risk-based strategic planning is urgently needed. Alongside security, water is probably the most fundamental risk that a residential community faces in the many municipalities around the country. See: https://www.dropbox.com/sh/5pw8u1n9pky0bc0/AAAi7iYwTG9UolVm95kFqi_ca?dl=0 for a presentation Prof Turton recently did to the Facilities Managers and members of SAFMA. Much of what is said in that presentation applies to residential communities as well.

It may not be an adequate strategy to merely task the Estate or Operations Manager to address the risk of potential failing water infrastructure, for without full and proper boardroom processes and support the risks may not be fully mitigated.

Gurumanzi joined ARC for the express purpose of assisting residential communities to take charge of their water future, by understanding the risks associated with South African water issues and the mitigation of these risks into the future. For further information please contact Gordon gordon@gurumanzi.com

Director Induction Programme

Don't miss this opportunity!

Invaluable, practical and succinct workshop aimed at new and existing board members who wish to ensure the role they play has a positive impact on the residential community that they serve.

The workshop covers:

1. The HOA - legal framework
2. The Board - roles and responsibilities
3. Each Director - fiduciary responsibilities
4. The Estate Manager - delegated lines of authority
5. Impacting legislation
6. The AGM, EGM, resident meetings, board meetings & sub-committee meetings
7. The nuts and bolts of being a board member

The 3-hour workshop is facilitated by Jeff Gilmour, President of ARC, who has over 20 years' in-depth experience in effective residential estate management and leadership.

The cost per person to attend an open workshop facilitated regionally on demand is R980 (plus VAT) for ARC members and R1500 (plus VAT) for non-members. Please let us know if you have directors who would like to attend and we will schedule workshops according to demand.

We also run in-house programmes for the whole board, please let peggy@hoasupport.co.za know if your estate is interested in such a programme.

Our Valued Business Partners

Who help to support and grow the industry and to keep our membership fees low. Please visit hoasupportco.za to find out more about the services they offer our members in the residential community industry and to get their contact details.