

# OUBAAI HOME OWNERS ASSOCIATION ANNUAL GENERAL MEETING 2024 CHAIRMAN'S REPORT

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## **Governance in General**

Trustees are appointed to the Board according to the Constitution of the Association.

The composition of the BoT since the 2023 Annual General Meeting was as follows:

- Giel Hammel – Human Resources & Architectural (shared)
- Karien Hunter – Environment & Communication
- Willem Marx – Estate Manager (non-voting)
- Johanette Rheeder – Deputy Chair, Architectural & Legal (Shared)
- Charl van Eetveldt -Security & Legal (Shared)
- Jaco Kriek – Chairman & Financial

A Trustee shall continue to hold office from the date of his/her election until the end of the second AGM following such election, at which meeting such Trustee shall be deemed to have retired from office. Johanette Rheeder has, however, not made herself available for re-election.

During the period under review, Karien Hunter and Giel Hammel resigned from the Board as they moved out of the estate and were no longer homeowners.

Subsequently, three Trustees needed to be elected at the upcoming AGM, and nominations were called for.

I want to thank all the Trustees for their hard work, commitment and valuable input during the past year and wish the incoming Trustees success and wisdom in their deliberations.

## **The Oubai Risk Register**

The Risk Register is a vital tool for proactive risk management and is instrumental in safeguarding the Oubai Golf Estate's interests, assets, and reputation.

By reviewing the top risks, the Trustees can assess the effectiveness of current risk mitigation strategies. It allows for timely adjustments and additional measures to prevent potential threats from materialising.

- **Financial Stability** - Understanding and addressing high-priority risks is essential for maintaining the financial stability of Oubai Estate. It ensures adequate provisions to handle potential financial setbacks or liabilities.
- **Reputation Management** - A proactive approach to risk management helps safeguard the reputation of Oubai Estate and the Board of Trustees. By identifying and mitigating risks early on, the estate can avoid potential issues that could negatively impact its standing within the community and the broader market.

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- **Compliance and Legal Obligations** - Reviewing the risk register ensures that Oubaa Estate complies with industry regulations and legal requirements. It enables the estate to address non-compliance issues and avoid legal repercussions promptly.
- **Member Confidence** - Demonstrating a robust and proactive approach to risk management enhances member and resident confidence. It reassures homeowners, investors, and other stakeholders that the estate can handle potential risks and challenges.
- **Strategic Decision-Making** - Insights gained from reviewing the risk register can assist and improve the strategic decision-making processes.
- **Operational Continuity** - Identifying and addressing high-priority risks ensures the uninterrupted operation of essential services and facilities within Oubaa. It helps maintain resident's quality of life and ensures the smooth functioning of estate operations.

The Trustees comprehensively reviewed the top risks documented in the Risk Register. While the Risk Register currently records 136 identified risks, the Trustees specifically focused their attention on risks with a high impact to prioritise initiatives, allocate resources effectively, and guide the long-term planning and development of the estate.

Trustees also encourage all homeowners and stakeholders to familiarise themselves with the critical risks identified and the measures to address them. Members' understanding and cooperation are vital to maintaining a safe, secure, and harmonious environment within Oubaa.

The top risks that the Trustees identified are as follows:

- **Organised crime operating from within the perimeters of the Estate:** Typically, crime syndicates rent houses, on long or short term and operate covertly, selling drugs and performing robberies whilst legitimately entering the estate.
- **Access Point and Perimeter Security Risk at Oubaa Estate:** A significant risk is associated with the boundary and perimeter security of Oubaa Estate. The risks include the heritage trail, unsecured boundaries, and uncontrolled access point control. Specific concerns have been raised regarding fishermen and drifters on the coastline and individuals traversing the heritage trails, commonly known as "bergies".

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- **Addressing the Risk of Residents Employing Illegal Workers:** The Trustees recognise the significant risk of residents and contractors employing illegal workers within the estate. Such actions compromise the estate's security, integrity, and reputation.
- **Risk of Failure to Deliver Critical Bulk Services:** Providing reliable and uninterrupted critical bulk services, including water, electricity, and internet, is vital for maintaining the residents' quality of life, safety, and comfort within the estate.
- **Disaster Management and Infectious Diseases:** While the Association has no direct control over infectious disease protocols imposed by authoritative governing bodies, it is responsible for enforcing such directives by government or local authorities in the event of a regional disaster. Disasters may include hazardous spills within the estate or external to its boundaries, similar to the recent sewer spill in the Gwaing River.

Various changes to the Constitution and Estate rules are proposed to deal with identified risks, which will be discussed and proposed for voting at the AGM.

## **Working and Operational Environment**

The rapid growth and development in Oubai over the past 12 months have continued to change Oubai from a holiday destination to a permanent residence Estate.

33 houses have been completed since July 2023, and 21 are currently under construction, with another 5 in the planning and design phase.

Including the Village units, there are now 388 completed dwellings, meaning only 41 stands are still to be built. The growth and increase in residents and building activities impact the Association's resources.

The estate has expanded significantly, and additional management structures and facilities must be implemented to enable the Estate Manager and his team to deliver the services that our residents expect. It also means that the Constitution and Estate rules need to be reviewed and compliance carefully monitored to ensure that we all enjoy the Oubai lifestyle.

## **Oubai Hotel & Golf Course**

During the past financial year, we experienced significant uncertainty regarding the Oubai Hotel and Golf Course, with a liquidation application and a High Court hearing on the 28<sup>th</sup> & 29<sup>th</sup> of August 2023.

In November 2023, Mr Khalfan Al Kaabi purchased the Oubai Hotel and Golf Course, which brought significant stability and certainty to Oubai. We welcome the new owner and his team at Oubai. As a board, we are fully committed to

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cooperating with the new owners to restore the Oubai brand and bring it to a new level of excellence.

## **Financial Performance**

The financial results and unqualified audit report for the year ending 28 February 2024 indicate that Management and the BoT diligently applied control procedures, resulting in a surplus after-tax income of R2,044,481.

Total equity grew to R50,868,393, of which R39,935,901 is invested in various term deposits and income funds with relatively low risk.

The Capital Expenditure and Improvement Reserves grew to R15,544,221 and R30,592,942, respectively, during the year under review. Building a solid capital fund remains essential as the ageing infrastructure will impact our cash resources in the future.

The BoT is comfortable with the financial results for the year ending 28 February 2024. It is satisfied that there is no material deviation from the budget approved by Members at the 2023 AGM.

A representative from the auditors will be available for questions during the presentation of the Annual Financial statements at the meeting.

## **Operational budget**

The BoT deliberated the proposed budget to be approved at the AGM at our meeting on 24 May 2024. The ongoing above-average growth of Oubai, combined with the current challenges facing the South African economy and increasing CPI figures, made it difficult to contain the annual levy increase below the projected CPI for the ensuing year.

It is unavoidable if the Association wants to retain the same service and performance levels. The increased security and technical staff and the quantities of waste that need to be collected and processed require an enlarged labour force.

After considering all the factors carefully, the BoT recommends an increase on the operational levy from R 2868 to R 3 082 pm and the capital contribution levy from R 220 to R 250 pm), which in total equates to an average 8% increase in the total levy payable year on year.

Various capital projects are envisaged for the current financial year. These include removing the water treatment plant from the grid, upgrading the access control biometric readers to potentially include facial recognition, and improving built-in redundancy in electrical reticulation, especially around the treatment plant.

The BoT is comfortable with the increase in our costs being in line with our needs and requirements to provide for the continuous growth of the estate.

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## **Oubai Recreational Facilities**

Trustees recognise the importance of recreational facilities in enhancing the quality of life and community spirit within our estate.

Currently, the community heavily relies on the facilities provided by the hotel and golf course due to the absence of dedicated recreational amenities within the Association.

The Trustees are negotiating with the hotel and golf course owner to formalise possible agreements enabling residents to access and utilise Club and Hotel facilities or even to buy and operate facilities.

## **Security**

One of the main reasons and attractions of Estate Living remains the safety and security of residents. Security is a high priority and enjoys continuous attention from management and the Board.

Security protocols are constantly reviewed and strictly enforced. Management regularly evaluates the service levels of the service provider, Thorburn Security Solutions, and the BoT is satisfied with the current contractual arrangements. Despite an ongoing deterioration of the security situation countrywide, we had no serious incidents during the reporting period. We encourage residents to ensure that we all do our part to maintain the safety and security of homeowners.

## **Safety on our roads**

The increase in traffic on our narrow roads is noticeable and makes safe driving more challenging. Speeding remains a problem, and the number of speeding fines is further evidence of some residents' and contractors' disregard for the safety of all.

Again, I want to urge all of us to adhere to the 40km/h speed limit. Residents' disrespect for this rule can quickly become a disaster that no family should be confronted with. Management must strictly enforce the rules in this regard, and we must all take responsibility.

## **Landscaping and gardens**

The improvement and extension of our gardens over the past 12 months are visible. I want to thank Turfworx, our sub-contractor, for their extensive input in maintaining and improving our estate.

Attention to detail has improved materially, and it is a welcoming fact that the gardens are more "water-wise" in design and layout. I also want to thank the Turfworx team, which is responsible for collecting garbage from our homes regularly and diligently.

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## **Additional parking infrastructure required in the Village**

As more permanent residents live in the Village Units, infrastructure like covered parking has become a significant challenge.

The objective is to address the parking/garage issue without disrupting traffic flow and residents' daily activities. Should this comprehensive study/proposal presented to the BoT yield favourable results, it could financially benefit numerous Village owners and the Association.

Therefore, we propose an amendment to the Constitution allowing trustees to evaluate and possibly approve selling small plots of common land to alleviate specific garage issues in the village precincts.

## **Social interaction in the estate**

The Bergie-See event took place in November last year and was again a popular event and well attended.

This unique annual event contributes immensely to the "Oubai Spirit" and should not be missed. A big thank you to all who were involved in organising and making the event successful.

If Members approve the budget, the Bergie See event is scheduled for November 2024. However, Members will be informed of the arrangements closer to the time.

## **The process of appointing a new Estate Manager**

As many of you know, the Board of Trustees has been diligently engaged in a comprehensive Search Process to recruit a new Estate Manager.

Since commencing the Search Process in September 2023, the Board of Trustees has carefully identified and interviewed a shortlist of candidates. Regrettably, the selected candidates declined our offers due to personal and family-related circumstances.

In light of these developments, the board has broadened our search strategy through a talent-mapping approach. We are now considering candidates beyond those with direct Estate Management experience.

Willem will be available to provide the necessary induction, support and handover to the incoming Estate Manager until the Board is confident that the estate is in good hands. We aim to conclude the recruitment process and introduce the new Estate Manager to the community at our next Annual General Meeting scheduled for 28 June 2024.

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## **Conclusion and appreciation**

It is Willem's last AGM as the Estate Manager, and I want to sincerely thank him for diligently serving the Oubaaï Community over the past 12 years. His contributions during the early days of Oubaaï and some challenging times have been invaluable, and his institutional knowledge of the estate will continue to be enormously valuable to all of us.

The BoT embarked on an extensive headhunting to find a successor and plan to introduce the new Estate Manager at the AGM. Willem has generously agreed to work closely with his successor and provide the necessary support and guidance for a smooth transition. I want to express my sincere gratitude to everyone who contributes to the wonderful experience of living in our beautiful estate.

I extend my appreciation to Willem, his team, and all the sub-contractors for their exceptional service and commitment to our safety and security.

I would also like to thank all the Trustees for their time and energy serving Oubaaï. I appreciate your efforts in overseeing the Association's activities and ensuring effective management.

To all the Association members, I want to express my gratitude for your support and for entrusting the BoT with the necessary power and oversight capabilities. Serving the Association over the past year has been a pleasure and honour.

Let's continue to strive for a culture of patience and respect, where we build an Oubaaï environment that evolves to meet the ever-changing needs of the people who use and interact within it.