

Association of Residents of Queensland Retirement Villages

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NEWSLETTER

March 2012

From the President

A somewhat belated Happy New Year to you all, and with that wish, the expectation that 2012 will be a very good year for you personally and for our Association.

Glad tidings over, it is my melancholy duty to advise that our Treasurer Vi Armstrong has resigned effective end-February 2012 due to ill health. Our association will greatly miss her dedication and expertise. Thank you Vi for your sterling contribution to the ARQRV cause.

The Treasurer's role is the most onerous portfolio on the Committee, requiring a large amount of time, so it is not surprising that a volunteer Treasurer has not been forthcoming.

The Committee has therefore decided, at least as an interim measure, to purchase these specialist services from a suitably qualified non member. See page 8 for details on this position and contact the President if you are interested in volunteering.

Ministerial Working Party

The Government has issued Terms of Reference for a Retirement Villages Ministerial Working Party (RVMWP) titled "Improving The Regulation of QLD Retirement

Villages". The need for the WP arose following a number of village closures as addressed in the QLD Retirement Village Discussion Paper (QRVDP) issued in August 2011. This paper addressed major issues including:

- Who should be able to trigger the closure of a Village;
- Timeframes involved in winding-down and closing a village;
- Grounds (reasons) for closing a village;
- How to deal with surplus money in funds;
- How a unit in a village which is closing should be valued;
- Compensation for affected residents;
- Exit fees; and
- Whether better disclosure is needed at the contracting stage.

Subsequently, the RVMWP has been reconvened to address these issues, plus other important aspects influencing the Industry, namely:

- Revised/simplified Public Information Document (PID)
- Communication processes with the industry on proposed legislation and key issues;
- Transparency of financial statements and costs;
- Reinstatement issues;

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MWP continued

- Cooling-off period issues;
- Increase in entry age limits.

The QRVDP and the Terms of Reference for the RVMWP are available on the ARQRV website. Comments on these important issues are sought from interested members.

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In our December 2011 issue we set out just how one arrives at the "total of general services charges" and why, contrary to our earlier position, it was necessary to examine increases in fees on the basis of comparing last year's budget with the budget proposed for the year in prospect. Quite a few Members have expressed puzzlement as to what has occurred to cause "actuals to budget" to give way to "budget to budget".

The driver for this change was the scheme operators' desire to charge increased fees from the beginning of the financial year. Previously, budgets for the following year could not dependably be compiled until after the end of the current financial year because the actual expenditure was not known, and the relevant CPI figure were not published, until after 30 June. Because S102A required budgets to be developed "for each financial year" this late production effectively prevented Operators from backdating any GSC increase. Moreover, backdating is not allowed by some PIDs and has been resisted by residents in many villages. But, in any case, there is no compelling reason why the contribution year should be the same as the financial year!

Consequently, to remove this difficulty being experienced by scheme operators, the OFT, as part of the March 2006 amendments to the

Act, changed the 'CPI year' from July to June, to April to March. That change required scheme operators to compile their budgets before the beginning of the financial year, using the CPI year ending the previous March for the purpose of the CPI cap. Thus budget estimates reflected the actual expenditure up to the end of March and then a 'predicted' expenditure for April to June; the total to be considered as the "actual annual expenditure" for comparison with the budget for the following year. However, the real actual expenditure, as required to be shown on the S.113 financial reports, is not known until much later, probably not until November and may not be the same as listed in the budget estimates. That meant, if we wanted to be certain about the actual expenditure to compare with the budget we had to revisit the whole operation again when we got the S.113 financial report - a most unsatisfactory way in which to monitor budgets.

And, it is important to mention, this change was implemented without any input from the ARQRV; indeed we were not even aware of it until it was sprung upon us by the 2006 amendments to the Act. So, we are having to make the best of what might be seen as a bad job and that means that, in determining whether a budget increase is excessive, we have to scrutinize budgets by comparing 'budget to budget' instead of "actuals to budget". However, S.102A requires budgets to raise a "reasonable amount" and if a budgeted amount for any item or items are causing the '*total of general services charges*' to be increased beyond the CPI cap they must still be individually approved by special resolution unless they are allowed under S.107. And if the budget for a line item is significantly more than was spent in the previous year then that may be unreasonable and is to be questioned.

This approach is in keeping with some other provisions of the Act,

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S 106 continued

..... notably the fact that it is what residents are 'charged' via the budget figures which concerns us, not what the actual expenditure is. Scheme operators may spend what they like but they may not charge us what they like. It is perhaps a subtle point but it is valid and we must base any dispute we have on what the Act now prescribes.

Reinstatement

Sections 58, 59, 61 & 62 all deal with one aspect or another of reinstatement, who does it and who pays for what.

The Act Dictionary attempts to define exactly what reinstatement is but does not do so particularly clearly, notwithstanding that any good dictionary will define reinstatement as "restoration to a former state". However, in the Retirement Village scene when a Resident ceases to reside, it means, according to the Act Dictionary, restore to a "marketable condition having regard to its former condition and the condition of other comparable Units"; a most unsatisfactory description. What it does not mean is to upgrade or improve the Unit, or to make it more up-to-date or more fashionable.

There is no good reason why a Unit should not be improved or upgraded when it is vacated, but such work cannot be done at the former resident's expense. For example, a new shower cubicle or a redesigned kitchen would be significant improvements, but the departing resident should not have to pay for this work.

When you, or your heirs, get a 'payout statement', to which Section 54 of the Act entitles you, have a good look to see what exactly you are being asked to pay for as reinstatement, whether or not it is so described.

Section 58 of the Act obliges the scheme operator to attempt to come to an agreement with the outgoing resident on what is reinstatement work. Failing agreement, the resident is entitled to get a quote for what he or she considers to be reinstatement work and the scheme operator is obliged to do the same.

If you have any doubts about it, follow the advice we have given in the article on costs of sale – get in touch with the ARQRV.

Liquor Licenses

It has always been a bit contentious and certainly laughable that we oldies have to be prevented from drinking too much and becoming drunk and disorderly!

The Licensing Branch didn't really want to know about us but were stuck with the Act. So, and we may have had something to do with this, the Liquor Act 1992 (Qld.) was suitably amended in 2009 to provide some concessions for residents in Retirement Villages.

However, there seems still to be quite a few village managers and even some of our own village Committee people who are unaware of these changes to that Act which make it unnecessary for there to be any sort of bar licence in retirement villages. We even had cause to remonstrate with one firm of liquidators who insisted that they now held the licence and that residents could not take their own drinks into the Community Hall! They subsequently relented and tacitly acknowledged the error of their belief by issuing the following:

"It is now time for the Bar to be handed back to the Residents Committee or Social sub-committee to run, this will then be in line with all other Retirement Villages".

Those who may be interested in the source of

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Liquor Licenses continued

..... this can find it at Section 12 of the Liquor Act, which lists all manner of exemptions from the Act. Subsection (k) confirms that the prohibition of carrying of liquor for sale does not apply to retirement villages. There is a proviso, however, you may not have more than two standard drinks in a day! So, beware of all those nasty inspectors making notes of your consumption!

Incidentally, taking your own alcoholic drink into the Community Hall would never have roused the ire of the Licensing branch!

For those unfortunate enough to be holding a bar license for a retirement village, check Section 215, which deals with the possible partial refund of license fees paid.

Broadband for Seniors Program

Did your village have computers and furniture supplied under the "Broadband for Seniors" program? If so, after June 2011 these items became the property of the hosting organization.

At present, the internet access costs are being paid by the Federal Government, which has extended the original term by a further 12 months. When that time runs out in June 2012, the Village will carry these costs.

If this scheme operates in your village, check who is now the owner of the computers and therefore is "the hosting organization". If the residents own them, any costs of repairs or maintenance will come from recurrent charges. If the operator owns them, the operator is responsible for the replacement of the computers in the future.

For more information, contact the NEC Broadband for Seniors hotline on:

- 1300 795 897 (Mon - Fri 9.00am - 5.00pm)
- go to www.broadbandforseniors.com.au

NEC Australia manages Broadband for Seniors on behalf of the Government, with their consortium partners Adult Learning Australia, Australian Seniors Computer Clubs Association (ASCCA) and the University of the Third Age Online.

Visits & Assistance

The ARQRV is committed to assisting our members in any way we reasonably can. Email or phone our Office if you would like to discuss any aspects of village life, or if you would like us to visit your Village.

Act Amendments

The Retirement Villagers Act 1999 (QLD) has been amended to include a new section 53A titled "How To Work Out Particular Exit Fees For A Residence Contract". This section applies to all contracts that require the Resident to pay an Exit Fee that is calculated based on the Resident's period of occupancy.

For contracts entered into after the commencement of the amendments, Exit Fees payable under those contracts must be calculated on a daily pro-rata basis.

For contracts entered into before the commencement of the amendments, exit fees must be calculated on a daily pro-rata basis unless the contract provides "a way of working out the exit fees that is not on a daily basis".

The Bill will receive Assent on 1 March 2012.

Cost of Sale S.68

Apart from 'existing' residence contracts, i.e. those entered into before the 1st July 2000, the costs of selling the right to reside are to be shared between the former resident and the scheme operator in the same proportion as each party shares the ingoing contribution paid by the next resident.

These costs are the actual costs incurred, not some arbitrary figure which the scheme operator considers to be a fitting amount to charge for his trouble. Actual costs mean receipted costs incurred by the operator; not those payable to a third party. Residents' beneficiaries or executors are entitled to refuse to pay any sales costs for which a bona fide receipt cannot be produced.

We have recently become aware of three cases which we consider to be highly suspect, if not fraudulent. In two of those cases the outgoing residents were each charged \$4000 for 'advertising and marketing' for 12 months. In the third case the charge was only \$3200, but the resident had occupied the Unit for only 124 days.

Admittedly, the length of occupancy does not determine costs involved but in none of those cases were the charges substantiated by receipts. Unfortunately we did not hear of them soon enough to do anything about them.

Moreover, the costs of sale must relate only to the particular Unit being marketed, and must not include any Corporate charge or cost

incurred by a third Party.

What we would like to impress upon members is that they should inform their beneficiaries or executors that when they get a pay-out figure from the scheme operator, if it features sales costs without actual receipts, they should get in touch with the ARQRV.

The benefits of membership do not completely cease with the member's death.

ARQRV Product Endorsement

We frequently receive requests from outside agencies to endorse their products or services.

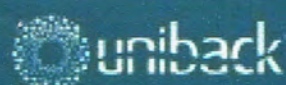
In determining whether an endorsement is appropriate, we consider our primary aims of providing Consumer Protection; and enhancing living conditions for our members. Where appropriate, the results of any in-Village evaluation are also considered.

The ARQRV is pleased to endorse an Australian-designed invention, the Back Buddy Multipurpose Back Cleanser, a product for those seeking the benefits of a wash, scrub, scratch, exfoliation or a therapeutic massage, but who now lack the flexibility of movement to get to all those hard-to-reach places.

Details of the Back Buddy are attached overleaf.

Association of Residents of Queensland Retirement Villages (Inc)





Back Buddy

Give Your Back a treat, every day!

Scrub & Massage
Your back
comfortably and
easily while
showering.

Back Buddy
exfoliates dead
skincells
improves
circulation
relieves stress
makes YOU feel
good and sleep
better

Strong & durable
Easily fitted to the
shower wall
NO Tools required
Won't fall off!



Hands Free



Reversible
Micro -fibre
cloth with
smooth and
coarse side



300mm
height
adjustable

Great
Aussie
Invention



Limited Time Offer
RRP ~~\$69.90~~ **\$59.40** Includes **FREE** Postage
BUY 2 Uniback's for \$ 108.80 save 20%

FREE Postage

For more information
or to order online with
Credit Card or Paypal

visit: www.uniback.com.au

Discount coupon code for one Uniback
Discount coupon code for two Uniback's

arqrv1u
arqrv2u

or call: **1300 52 78 79**

The Uniback Back Buddy is endorsed by the Association of Residents of QLD Retirement Villages (Inc.)



Send cheque or money order with completed coupon to: Uniback, P.O. Box 91, Samford Qld 4520

Name _____

Referred by: Name Referrer or Code _____

Address _____

Suburb _____ State _____ Postcode _____

Phone No _____ Optional email _____

Coupon code _____

Or direct Bank Deposit: Bank of Queensland BSB124 001 Acc NO 21703308

ARQRV Website

Have you seen the ARQRV website yet? The site has six page headings as follows:

Home Page (About the ARQRV)

- Aims of this Association
- About the ARQRV
- Membership Form

Information for Members

- Retirement & Lifestyle Expo
- Resident versus Resident
- Residents & Disputes
- Retirement Villages: Some questions to ask before signing
- The ARQRV Constitution

Issues

- Increases in Fees
- Queensland Retirement Villages Discussion Paper
- The ARQRV Position Paper on Issues Arising in Relation to Reinstatement Works
- The ARQRV Position Paper on Village Budgeting Operations of S106 & S107

Archives

- ARQRV Newsletters
- Heads of Agreement
- President's Report

Links

- Government
- Know Your Rights
- Seniors
- Educational
- Clubs, Games & Sports
- Internet & Computing

Contact Us

- Executive Committee Contact Details

The site is regularly updated with news, papers and articles, and the links are checked regularly, but you are welcome to contact the Web Manager on web.manager@villagers.org.au if you find a "broken" link.

If you wish to access the Acts relevant to your village, find out about Elder Abuse or learn about the steps to take if you have a dispute, simply go to the Links page and click the link you require.

Happy "Surfing"!



Direct Deposits

One problem that has, on occasion, caused considerable extra time to be expended by the Treasurer is with direct deposits into our bank accounts, without any notification to the ARQRV. Unless the deposit slip contains your name, address & telephone number, the bank does not show it on our bank statement. This causes considerable double checking by the Treasurer to reconcile the deposits. Please attend to this request when

completing your next bank deposit for subscription renewals.

Likewise, when paying direct by internet banking, an email to the ARQRV is essential, as dependence on the bank for correct information on bank statements cannot be guaranteed.

Either of the following bank accounts may be used for your deposits.

Bank of Queensland

BSB 124001
A/C 20511301

Commonwealth Bank

BSB 064162
A/C 10062890

Position Vacant

Expressions of Interest are sought from members to fill the position of ARQRV Treasurer, Database & Membership Manager. This position includes management of the 8000 Membership Database, the receipt and banking of income, the payment of accounts and all associated accounting procedures. The position requires approximately 25 hours

per week during the membership payment months of November, December and January; and approximately 15 hours per week during August, preparing for the Annual Audit of Accounts. The remaining 8 months require approximately 8 hours per week.

Please phone the office or email your EOI to: sec.arqrv@villagers.org.au

Executive Committee Contact Details

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ARQRV Quarterly Newsletter is now available by email

Please state your email address below to receive your copy of the latest ARQRV Newsletter electronically

Please pass the completed form to the ARQRV Liaison Officer or post it with your cheque to:
 PO Box 1361
 Buddina QLD 4575

Annual Subscription = \$15 per Calendar Year - January to December - Lifetime Membership = \$100

Please tick - ☐ Renewal ☐ New Member

Names/Names:	
Villa/Unit No:	Village/Resort Name:
Full Address:	
Postcode:	Phone No:
Email Address: (please check accuracy)	
Can you help with a donation? All donations gratefully accepted - Thank You Amount \$	
I/We apply to join the Association of Residents of Queensland Retirement Villages (Inc.)	
Signature:.....	Signature:.....