

ARQRV CONNECT

ISSUE 110

JUNE 2020

The Association of Residents of Queensland Retirement Villages is the voice of residents in the Queensland retirement village industry



Presidents' Ponderings

Welcome to our first print newsletter for 2020, as we changed the timing of membership renewals we have also had to adjust when Connect is posted, to ensure that members receive a copy at relevant times during the year.

1. For membership renewals,
2. AGM information and notification of any voting
3. General information

Between these print newsletters we also keep members informed through our regular email newsletter, eConnect, as well as special editions when we need to quickly provide updates. If you have an email address that is not listed with us and you would like to receive email correspondence please email our membership team with your details membership@arqrv.org.au

I do hope that things are beginning to get back to the way they used to be in your village. I know that where I live we are all pleased that some activities and classes have recommenced, and we will be even happier when the clubhouse and bar reopens. Congratulations to all residents in retirement villages throughout Queensland, as there was not a single outbreak of Covid-19 in any of them.



Judy Mayfield

Continued over page...

Inside this issue...

Why you should read your residents contract

Final stages of the Amendments to the Retirement Villages Act

Membership Support Officers

Results of Electricity Survey

Village Financials

Contact ARQRV to receive your free copy of the new Residents Committee Manual (one free copy per village)

Extra copies are available for \$38.50 each (includes printing and postage).

Continued from previous page...

As a committee, we were forced to make some changes to how we function. We held our monthly meetings via a video conferencing app called *Zoom*. It is surprisingly easy to use and was a great way to continue *business as usual*. It is a practical and efficient way to meet and we will continue our monthly meetings in this way with only quarterly face-to-face meetings in the office, this saves us all time as well as cutting down costs on travel reimbursements. We have decided that, if members are interested, we could hold members forums for information and updates. We could also meet with a residents committee (if Help Desk is registered) to provide advice or training as requested. This has the advantage of us being able to connect with members across the State and all it would require is that individuals have a computer, laptop, or tablet. Peter Smyth, a committee member, is our *go to* person for computer advice and he is happy to talk you through how to connect with us on zoom. If this is something you would be interested in, please contact Peter at comm3@arqrv.org.au to discuss what help you need.

We have also updated some of the information on our website. There is an excellent 34 page, very comprehensive document, entitled *Village Financials*, that provides all the information you need to understand the financial processes within a village. I highly recommend it to you. Also, anyone who has a Residents Committee Manual which is registered with us will be receiving updates to that manual posted out in a couple of weeks. All you need to do is remove the old pages from your current Manual and insert the new pages.

As you know our AGM is usually held in September each year. The Office of Fair Trading is allowing incorporated associations a 6-month extension on the usual 12 month requirement to hold the AGM. We are currently investigating a venue that will allow us to hold our AGM as a webinar as well as having participants attend in person. At this time we are planning on a late October meeting but we will keep you updated, as the timing will depend on the venue we are able to book.

In this newsletter you will also find a brief update on the progress of the final *Regulation to the Amendments of the Retirement Villages Act 1999*. We have been advised that the approved forms will not be available for this upcoming financial year but will be in use for the 21/22 financial year.

As we emerge from Covid-19 restrictions, stay safe and keep well.

Judy Mayfield

Your residence contract— why you should read it

Many members contact the ARQRV with questions about what the operator is doing (or not doing for them) in their village, or complaining about maintenance issues and who should be paying for what. In these cases, the first question we ask is *'what does your residence contract say?'* When they don't know, we suggest they read what is written, often their question is answered, and they don't bother getting back to us.

This is because these **your residence contract answers many of the queries raised**. Members are often surprised at what they can resolve for themselves.

Continued over page



Continued from previous page

A residence contract will comprise various documents such as, the Public Information Document (PID), lease document or licence agreement, other contracts between you and the scheme operator, and other documents provided by the scheme operator).

Together they provide the details of your rights and obligations (otherwise known more simply as *conditions*) as well as those of the scheme operator. Even though these documents may appear at first overwhelming and complicated, they must be read carefully in order to understand their contents. You may even have to read different sections to get the full picture. If you are unable to do this, you may need to have a family member explain various matters to you. Your village manager should also be able to tell you what it means.



Remember, you signed these documents in the first place and they are a **legally binding** contract that **cannot be altered** just because you now don't like the terms and conditions.

You should also not rely on what other residents tell you as their understanding may be misguided or their contract is different. Often a village will have different residence contracts with different conditions. This is particularly so if a village has been sold and the in-coming operator has a different contract for new residents.

What information might I find in my residence contract?

The *Retirement Villages Act 1999* lists a large range of matters which must be in your residence contract, but this is only the minimum requirements.

However, some matters which may be of particular interest to many residents are as follows:

- the conditions of living in your unit – for example, – your maintenance and replacement obligations for your unit and your garden
- your insurance obligations and those of the scheme operator, and who is responsible to pay the policy the funds the scheme operator must keep and for what purposes they must be used
- particulars of any reinstatement or renovation of your unit you are obliged to pay for when you leave
- what fees and other charges you have to pay when you leave
- how exit entitlements are calculated.

ARQRV also recommends that you discuss the terms and conditions of your residence contract with your family so that they understand there are fees and charges to be deducted from the sale of your accommodation unit. Many angry sons and daughters contact us on the death of their parents asking why this money has to be paid.

If you do not have your residence contract

Under the provisions of the *Retirement Villages Act 1999*, your village manager must let you access or take a photocopy of your residence contract that is held by the scheme operator. The Retirement Villages Regulation authorises that a fee is payable to the scheme operator for either inspecting or taking a copy, so ARQRV recommends requesting a copy rather than simply inspecting it. There is further information on the ARQRV website at www.arqrv.org.au – search for 'operation documents'.



Final stages of the Amendments to the *Retirement Villages Act 1999*

As you will see from the table below, we are waiting on development of the approved forms and proclamation of the changes to the Regulation. This will finalise all the changes/amendments made to the *Retirement Villages Act 1999* which commenced November 2017.

Financial Statements and Budgets

Amendment	What does it mean?	Reference
Capital Replacement Fund budget must be in the approved form	When adopting a capital replacement fund budget for each financial year, the budget must be in the	Section 93
Maintenance Reserve Fund budget must be in the approved form	When adopting a maintenance reserve fund budget for each financial year, the budget must be in the	Section 99
General Services Charge budgets must be in the approved form	When adopting a general services charge budget for each financial year, the budget must be in the approved form (once it is developed).	Section 102A
Quarterly Financial Statements	Requires a scheme operator to give the resident a quarterly financial statement for the capital replacement fund, maintenance reserve fund and the general services charges fund in the approved form (once it is developed).	Section 112
Annual Financial Statements	Requires a scheme operator to supply annual financial statements in the approved form	Section 113

Residence Contracts

Amendment	What does it mean?	Reference
Form and content of a residence contract	Introduces the capacity for a regulation to require 'prohibited terms', 'required terms' and other matters prescribed by regulation be included in a residence contract.	Section 45 <i>Retirement Village Regulation</i>



DID YOU KNOW?

More than 40,000 Queenslanders live in 30,326 retirement units in 325 retirement villages in Queensland

Membership Support Officers

ARQRV is represented by a network of **Membership Support Officers (MSOs)** each based within their own retirement village. They are the day to day face of ARQRV and a conduit between members and the ARQRV committee.

ARQRV strives to enlist an MSO in every retirement village where there are existing members. Sadly, this is not always the case, and some retirement villages are without an MSO.

The role of the MSO is essentially to raise the profile of ARQRV within their retirement village. This is primarily achieved by ensuring there is a supply of ARQRV brochures readily available to residents in a common area, such as your village community hall or clubhouse. MSOs are encouraged to assist residents with new and existing ARQRV memberships. The role of an MSO does not include getting involved with any issue a resident may have with the scheme operator or manager.

MSOs should enjoy talking to people, be confident in handling small amounts of cash and have an email address for corresponding with the ARQRV office.

All resources required to undertake the role of MSO are supplied by ARQRV. This includes, brochures, membership forms, newsletters, a laminated poster to advertise yourself as the MSO for your village, a list of current village members, a MSO badge, receipt book, reply-paid envelopes, a supply of personalised introduction letters (handy for introducing new residents to ARQRV) and any other material you may require. You will also receive a handy **ARQRV carry bag** and a **comprehensive instruction handbook**.

The ARQRV office is only a phone call away and will assist you with any queries or concerns.

If your village does not have a MSO and you are interested in becoming the MSO, please contact **Jan or Carol** at the ARQRV office on **0429 098 417** (Monday to Friday) between 8:30am and 3:30pm.

Electricity Survey Report

In March 2020 the ARQRV conducted a survey of electricity charges to residents of retirement villages in Queensland. The purpose of the survey was to answer a number of questions about the supply of electricity to residents in retirement villages. **A full report of the survey can be found on the ARQRV website.** Below is a **summary of the findings** of the survey results.



- * **Embedded networks do not appear to disadvantage residents.** In fact, they appear to, on average, be charged a lower rate by their provider than that charged for independent networks. It is noted that this was heavily influenced by one return which provided the lowest charge rates and was an embedded network. This skewed the results for the five returns. Without this result the electricity supply charge rate is closer to the overall average and the daily network charge is much higher than the overall average.
- * **Solar panels do not produce the full benefit.** It appears that, where solar panels exist, the charge rate for supply is higher than for non-solar situations. In addition, some providers also charge for meter readings and the full benefit of solar power is reduced.
- * **Senior Rebate.** Where a resident was entitled to a senior rebate it was passed on in full to the resident.
- * **There was a range of supply charges.** The charge rate for electricity supply varied from a low 17.523 cents to 29.028 cents per kilowatt hour. The provider charging a low 17.523 cents per kilowatt hour for the usage of electricity also charged a low 57.78 cents per day for network charges which ranged from 57.78 cents to 131.56 cents per day. The question that this example raises is why are others not able to get close to this rate.
- * **Controlled Supply.** Some providers offered lower tariffs for controlled supply. This included the old tariffs 31 and 33 which are essentially for heating hot water at night when the power demand is low and therefore the power rates are lower. These rates varied from a low 13.3056 cents to a high of 23.617 cents per kilowatt hour. The average rate was 18.192 cents per kilowatt hour.
- * **Standing Offer rate was exceeded by a number of providers.** The AEC (Australian Electricity Commission) has set a maximum rate for the charging of electricity supply. Currently, in SE Queensland these rates are 22.65 cents per kilowatt hour for supply and 105.51 cents per day for network charges. For a number of providers, the supply charge exceeds the Standing Offer rates. These situations need further investigation to determine if these charges are justified in the individual cases.

Village Financials

Unless residents have accounting skills, it is not straightforward for them to understand village budgets and financial statements. They are complex documents because they must meet the extensive requirements of the Retirement Villages Act and Regulations, Tax Office rulings and generally accepted accounting standards and practices. They are, however, of great interest to all residents as they determine the level of service fees charged.

The recently published “Village Financials” document is intended to assist residents better understand village budgets and financial statements including the obligations of scheme operators and the rights of residents’ committees.

Section A of the document covers the regulatory requirements which the village financials must meet, and Section B is a practical guide for residents’ committees when reviewing draft village budgets and quarterly and annual financial statements.

The document is **available now on the ARQRV website** or in hard copy by contacting the office.



Health emerges as the key factor influencing both low and high quality of life in older Australians.

80% of older Australians feel younger than their age, and more than half feel at least 10 years younger.



37% of older Australians don't have private health insurance.

51% of older Australians do less than 2 hours of exercise a week.



Did you know...Any member with questions about their membership or membership renewal can contact our friendly office staff, Jan and Carol by phoning the ARQRV office on 0429 098 417 between 9am and 2:30pm Monday to Friday.



VISIT OUR WEBSITE...

WWW.ARQRV.ORG.AU

Find all the information you need about ARQRV, becoming a member and retirement village life.

You can even join or renew and pay your membership fee online!

2019/2020 ARQRV COMMITTEE:

PRESIDENT

Judy Mayfield
president@arqrv.org.au

VICE-PRESIDENT

Mike Fairbairn
vicepresident@arqrv.org.au

TREASURER

John Rae
treasurer@arqrv.org.au

SECRETARY

Jan Sullivan
membership@arqrv.org.au

COMMITTEE MEMBERS

Brian McKay
Des Robinson
Peter Smyth
Thea Biesheuval
Gus Hatter

OFFICE STRUCTURE:

FOR ALL MEMBERSHIP ENQUIRIES CONTACT THE ARQRV OFFICE

membership@arqrv.org.au
Ph: 0429 098 417

FOR ALL GENERAL ENQUIRIES PLEASE CONTACT A COMMITTEE MEMBER

enquiries@arqrv.org.au
Ph: 0437 906 074

NOTE: Office hours may vary, if there is no answer, please leave a clear voice message and you call will be returned at the earliest convenience.



The average age of people moving into a retirement village is 74 years.

Bequest Request

The ARQRV is a recognised and respected **not-for-profit organisation**, operating on a **very small budget** and run by volunteers. Its sole source of income is from **modest fees** and small **donations**.

Everyday costs continue to erode finances and there is a conscious effort to **keep membership fees low**.

To help the Association continue to survive and to assist members who need assistance now and in the future, as many of you have done in the past, you may **consider a bequest in your will**.

Remember the **benefits to your family** are there long after you are gone.