

ARQRV CONNECT

ISSUE 114

MAY 2021

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



Presidents' Ponderings

Here are several important issues for your information.

Update on the Amendments to the RV Act

Financial Reporting: Following initial stakeholder consultation about minimum standards for budgeting and financial reporting in 2019, and subsequent consultation about particular proposals which included input from ARQRV, the Department of Communities, Housing and Digital Economy (DCHDE) has developed the draft Retirement Villages (Annual Financial Statements and Other Matters) Amendment Regulation 2021.

The Amendment Regulation, if made, would prescribe minimum standard requirements for retirement village budgets, including general services charges funds, maintenance reserve funds and capital replacement funds, and quarterly and annual financial statements.

The Introduction of more consistent financial reporting is part of a number of reforms that were aimed at improving consumer protections and increasing transparency in the relationships between village operators and retirement village residents. The reforms represent implementation of the final stage of amendments to the *Retirement Villages Act 1999* made in 2017.

You will find a plain English summary of the proposals on our website under *News* if you would like to make any comments on the proposals you can email them to:

RVConsult@hpw.qld.gov.au

Standardised Contracts: Following initial stakeholder consultation in 2019 about more standardised residence contracts the Department of Communities, Housing and Digital Economy has developed a consultation paper regarding the new proposals.

Inside this issue

Do you understand your Village Budget?

Purpose of the Residents Committee Support Desk

Census 2021

Non-member enquiries

Village Financials publication update



Continued over page...

Continued from previous page...

The intent of more standardised residence contracts is to make it easier for prospective residents to understand what they are signing and obtain legal and financial advice, ensure important information is provided upfront and clearly labelled, and to help to reduce disputes between residents and operators. We will let you know once these new contracts are approved, but of course this will not change your current contract which will stay in place.

Population and Housing Census

The Australian Bureau of Statistics will be conducting a census on 10 August 2021. You will find information about it in this newsletter so that you are aware that they will be making a direct approach to your village.

Classification of Expenditure document

Many of you will be aware of this document which is on our website, the original was developed many years ago in consultation with industry and we were aware that it was due for review. The Retirement Living Council has presented us with an updated draft for our approval, and we will advise you once the new document is uploaded to the website.

Residents Committee Support Desk (previously Help Desk)

There still seems to be confusion about the purpose of the Support Desk. A residents committee in a village may sign up and pay for membership to the Support Desk which then provides them with assistance for their role as per the information published in the Residents Committee Manual. It DOES NOT enable other residents to seek information from ARQRV regarding their individual concerns, or even to go through their committee for assistance with their issues. Residents must be an individual member of ARQRV to access the services and advice we offer.

Reminder for committees – when you have an election and officers on the committee change please remember to let ARQRV know as updates and information are always sent to the person in our database, we have no way of knowing if your committee representative has changed unless you let us know.

Village Visits

We will shortly re-commence village visits. If you have previously contacted us requesting a visit we will be in touch shortly.

It is difficult for us to visit villages in regional areas because of both cost and time constraints. Travel and accommodation are expensive and committee members do not always want to be away from home for an extensive period of time. We do not get paid, apart from travel/accommodation expenses, for our time away. Because of these difficulties I recently filmed my village presentation which will soon be available to MSOs and committees who can present it to residents. It will be available on a USB and we are also looking to post it on You Tube, if you are interested you can order a free USB from the office. For villages that are comfortable with using technology I can follow up the presentation with a zoom connected Q & A session. Let me know if you are interested. I will let you know as soon as the USBs are available.

Special thanks to residents at Carlyle Gardens, Bargara who generously allowed us to film in their village. The film crew and I disrupted several activities and the residents who participated gave freely of their time to participate in the filming, something that took nearly the whole day. Much appreciation to Ann Dillon, the MSO, who organised everything at the village and to the village manager who was very supportive of our being there.

AGM



Judy Mayfield
President ARQRV

A date claimer for the AGM which will be held at the Kedron/ Wavell Sports Club, just behind the Chermside shopping centre, on **Tuesday 21 September at 10am**. More information in the August edition of Connect.

I also wish to advise that I will not be nominating for the committee. I have been the President of ARQRV for over seven years and it is now time to step down and enjoy my retirement. For the last few years we have had no new nominations for the committee and unless we can have a functioning committee the Association will cease to exist. Please consider nominating. If you wish to discuss any questions, please phone or email me.

Do you understand your Village Budget?

The *Retirement Villages Act 1999* (Qld) (RVA) and the *Retirement Villages Regulation 2018* (RVR) impose requirements on the establishment and use of three separate funds for the operation of each Retirement Village.

The three funds are the General Services Charges Fund (GSCF); the Maintenance Reserve Fund (MRF); and the Capital Replacement Fund (CRF). The Village Operator is responsible for the financial reporting and accounting for the Funds. The Village Residents are responsible for contributions to the GSCF and MRF. The Operator is responsible in the most part for contributions to the CRF in conjunction with the Capital contributions made by residents when entering the Village. The resident's contract may also contain terms allocating the cost of capital items to the resident and should be read in conjunction with the financial documents.

Budgets are prepared on an annual basis by the Village Operator prior to the commencement of each financial year. The Residents' Committee may request a copy of the draft budget documents from the Village Operator prior to 28 days before the beginning of the financial year. The operator, at least 14 days prior to the new financial year should then supply the accounts and attend a meeting with the Residents Committee for discussion of the proposed budgets. (ss93(3), 99 (4) and 102A (4) apply). A survey conducted by a registered Quantity Surveyor estimating costs over the next 10 years is used in the CRF and MRF budgets preparation and should also be supplied to the Residents' Committee.

Any surplus or deficit in the GCRF and MRF must be carried forward to the next financial year and taken into account.

The use of the funds in each account must comply with the allowable uses as defined in the Act. It is an offence to use funds outside of the allowable uses. Any new general services proposed to be funded by residents must be approved by residents in a Special Resolution prior to their appearance in the accounts. A Special Resolution requires at least 21 days notice for a vote to be taken for a new s106 item.

The GCRF funding is constructed in two sections. The Act prescribes s106 expenses which must not exceed the prior year's budget plus the current CPI calculated after the March quarter's figures are released as the budget should be finalised prior to when the current year's actual CPI is known. S107 expenses are described in the Act and include those which may increase more than CPI such as wages, rates and insurance.

It is the Residents' Committee's task to check the accuracy of the figures and that all expenses are allocated against the correct accounts as well as ascertaining that the Operator has considered the most economical supply of services to the Village. Explanations for excess expenditure over budget can be required and shortages of income explored. If the Village has a Finance sub Committee, the Residents' Committee can seek the advice of this group on the fairness and accuracy of the budget and accounts as far as the information supplied by the operator allows.

While this is a complex area, if you work through the funds separately checking for accuracy and compliance with expenses being in the correct fund, the task is not too onerous.

ARQRV is able to offer advice if you have difficulty in understanding your village budget.

Purpose of the Residents Committee Support Desk

The purpose of the Residents Committee Support Desk is to assist committees in their role, that is to ensure that they understand the issues that are referred to in the Res Com Manual. Things like voting, special resolutions; constitutions, village financial compliance, how to run meetings, possible structures for sub committees etc. It is all about ensuring that committees are effective and efficient in their role.

The Support Desk does not deal with issues, disputes and concerns of residents in the village between the residents and the operator.

Individual members are encouraged to contact us direct with their concerns, we may or may not resolve the issue to the satisfaction of all residents, our client at that time is the member. Many residents in a village will complain about issues but are not prepared to act. If we are to make representation to management we have always



said that the resident must be prepared to take responsibility and be involved in the dispute. Sometimes an outcome will benefit all residents, even non-members, sometimes that encourages non-members to join, more times than not they accept what ARQRV has done but still do not join. At times when our involvement in a village impacts all residents, even in a positive way, we have received complaints that they did not ask us for us to get involved in their village and what right have we to interfere.

Some residents in a village believe that we should act on their behalf whether or not they are members, others choose not to join but are quick to run to us when they need help. ARQRV is a volunteer organisation reliant on the fees of members to operate, think RACQ / Private Health Insurance - no membership, no service. We have always been clear on the purpose of the Support Desk. Many committees join for a couple of years while they are establishing their committee processes and then choose not to renew membership, instead individual members can continue to ask questions about matters that impact on their life in the village.

I have written about the purpose of the Support Desk many times, I reiterate, **the Support Desk is about the FUNCTION of the Committee and not about dealing with issues between operator and resident.**

IMPORTANT NOTICE

If you would like to receive this printed newsletter by email rather than post, please provide your email address to our office at membership@arqrv.org.au. This printed newsletter is produced at considerable expense to the ARQRV. Your decision to receive it by email would help enormously.

What will happen for Census 2021

ABS Census field staff will contact the Manager of the retirement village between 24 May and 21 June. Together, they will get ready to ensure everyone staying at the retirement village on Census night completes a form.

This will include planning for a Census field staff officer to:

- facilitate access to the village
- supply people with forms
- collect completed forms from people
- follow up with people who have not returned or completed their form.

When visiting retirement villages, our field staff are aware of and carefully follow the Census COVID-19 Staff Incident Protocol and will follow the retirement villages' own COVID-19 requirements.

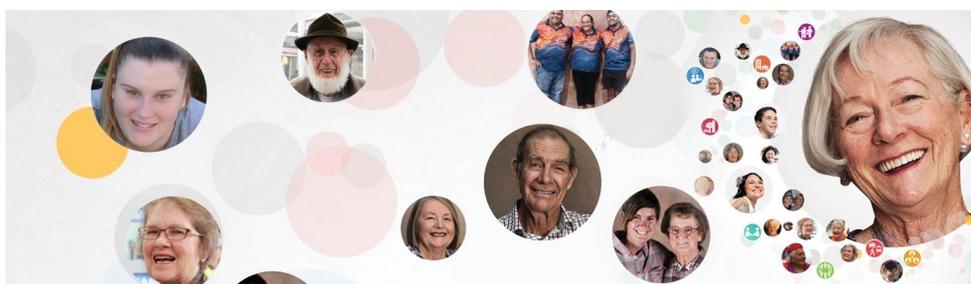
Field staff will visit each resident between 24 July and 9 August to drop off a Household Form, instruction sheet, and a reply-paid envelope. Residents have the option to complete the Census online or use the Household Form.

From 11 August, a Field Officer will make a return visit to follow up completion of the Census.

For more information about the Census, FAQs, or to get help near you, go to www.census.abs.gov.au.

If you have any questions regarding the operations in more detail or to discuss specific issues, please contact me via email garry.webster@abs.gov.au or 02 6252 5379.

We appreciate your support in ensuring that the 2021 Census will be a success.



David Wise Solicitor
Discounted advice for ARQRV members
0412 254 080 | dtwise@gmail.com
www.davidwisesolicitor.com.au
PO Box 120 Woombye QLD 4559

Contact ARQRV
GENERAL ENQUIRIES
enquiries@arqrv.org.au
Phone: 0437 906 074

MEMBERSHIP ENQUIRIES
membership@arqrv.org.au
Phone: 0429 098 417

POSTAL ADDRESS
PO Box 5057
Brendale Qld 4500

WEBSITE ADDRESS
www.arqrv.org.au



Non-member Enquiries



The help, advice and assistance that ARQRV provides to our members individually and collectively is funded entirely from membership contributions and donations.

With this in mind members will understand that the Association does not deplete their contributions, which is held in trust exclusively for their support, by providing help or advice to non-members.

A further deterrent, should we ever be inclined or tempted to so provide, is the consideration that the indemnity insurance carried by those authorised by the committee to provide this help does not extend beyond helping financial members.

In the last few months members have sought our advice or intervention in an issue of concern and in the course of so providing, we have discovered that the help was in fact being sought on behalf of a non-member. On discovery, all help is immediately terminated as financial members would, we believe, expect.

A probably unexpected consequence of their action (by the surrogate enquiring member) is that a later genuine enquiry made by them would very likely be subjected to scrutiny relating to its actually being their enquiry.

Please can we ask members not to submit enquiries on behalf of non-members and suggest that they instead encourage a non-member with an issue to join our Association?

Village Financials publication updated

The ARQRV document *Village Financials* has been updated in April 2021.

The new document is available for download and printing from the ARQRV website – arqrv.org.au.

Previous copies should be replaced with the new version. If you are unable to print a copy, please contact our office on 0429 098 417.

This publication provides background information for residents and residents committees; and also includes a practical guide for residents committees reviewing draft village budgets and financial statements.

There have been many minor improvements made throughout the document; however, of particular importance is the method a surplus or a deficit is carried forward and taken into account in adopting a general services charge budget for the following financial year (see Part 9.4).

