

RRVV Newsletter

Issue No 54 June 2019

Residents of Retirement Villages Victoria Inc.
Registered Publication No. P.P. 100018833
Reg No. 0048146R ABN 20341655161

P.O.Box 2402
Caulfield Junction 3161

Phone: **03 9015 8402**

Office hours - **10:00 to 2:00**
Monday to Friday

president@rrvv.org.au

treasurer@rrvv.org.au

office@rrvv.org.au

Web: www.rrvv.org.au

2019 Leaders' Summit Bigger every year

DCM Media, a small Sydney based publishing company focussed on retirement living and aged care, has presented the Leaders Summit every year since 2014. Each year there are more delegates than the previous year.

DCM Media held its 2019 conference at the Hyatt Regency hotel in Sydney on the 21st and 22nd of March. There were 53 speakers and around 600 attendees. For roughly a third of the time, delegates split into three streams; retirement living, residential aged care, and home care.

The retirement living stream covered both traditional retirement communities and the rapidly growing alternative, landlease communities.

RRVV looks for trends in the retirement living sector's commitment to its customers, year on year. Some of the operators' presentations did demonstrate an enlightened approach to understanding and serving their customers. James Kelly, Managing Director of Melbourne based Lifestyle Communities, a landlease community developer and operator, spoke of his program of customer journey analysis and other management aspects of his company. His personal commitment to his customers was obvious.

Tony Randello, the Managing Director of Lendlease Retirement Living, spoke of the process of market testing of three new contracts the business has introduced. Interestingly, the more traditional deferred management fee contract seems more popular than any of the

three new contracts. Lendlease now offers four contracts. RRVV is not convinced that this level of choice makes prospective residents' decision making easier.

Perhaps the most resident focused of all the presentations was from Dr Peter Wilton of the University of California, Berkley. He spoke of the power of reframing to reinvigorate businesses. A village operator that adopted Peter Wilton's reframing approach would likely become much more customer-centric.

Some of the other speakers did demonstrate something of the focus on residents that RRVV advocates. Nevertheless, the progressives are still in the minority. After stripping away superficial references to residents, it's evident that most of the speakers were 'old school'. The year on year trend? Some improvement but a long way to go.

Lawrie Robertson attended the Summit as a guest of DCM Media.

Contents

2019 Leaders' Summit.....	p1
Regional RLO Meeting & Agenda.....	p2
Subscription Renewal.....	p2
Increase in Service Fees.....	p3
Nominating for the RRVV Committee.....	p4
From the Beehive.....	p5
Voting at Elections and Meetings.....	p6

**Regional RLO meeting –
City of Monash and surrounds**

RRVV invites Residents’ Liaison Officers (RLOs) from all villages in the City of Monash and surrounding areas to a regional RLO meeting. We also ask you to bring a friend from your village. RLOs from other areas are welcome.

RRVV is calling this meeting to allow RLOs from Monash and surrounding areas to attend a meeting at a convenient location rather than trekking into the city. We will focus on local issues.

Please put the following in your diary.

Date and time: Thursday 1st August at 10:30 am

Location: Community Centre,
Highvale Retirement Village
42-60 Capital Ave, Glen Waverley

Directions:

- By car - Park at Capital Reserve, Capital Avenue, Glen Waverley.
- By bus - Route 742 from Eastland to Chadstone via Glen Waverley Station, alight at Capital Avenue.
- By train - Glen Waverley Station, then Bus 742, alight at Capital Avenue.

Agenda:

- 10:30 Morning tea
 - 11:00 Open and welcome
Mike Turner, Regional RLO – Monash & surrounds
 - 11:05 RRVV Committee report
Lawrie Robertson, President, RRVV Committee
 - 11:15 How RRVV with your help can improve residents’ lives
Lawrie Robertson
 - 11:30 More members the key to increasing RRVV’s effectiveness
Mike Turner
 - 12:00 Guidebook to help RLO’s reach out to residents of their villages
Margaret Pridham
 - 12:15 Questions and Answers *All*
 - 12:30 Lunch *All*
- RSVP to office@rrvv.org.au by Fri 26 July. Please advise us if you have special dietary requirements (e.g. vegetarian, vegan, or gluten free).

**Subscription Renewal for the
2019-2020 Financial Year**

Annual RRVV subscriptions for the 2018-2019 financial year expire on 30 June 2019. You will find a renewal form inserted in this newsletter if your village is not covered by our whole of village subscription plan.

The renewal form explains the payment options on offer, including the credit card payment facility on our website (www.rrvv.org.au) under the tab Join RRVV. Please quote your member number if you have one. If you have already paid your subscription for the 2019-2020 financial year or you have lifetime membership, please ignore this reminder. Of course, you may use

any of the payment options to make a donation. Donations make up a significant proportion of our income, and we welcome them.

If you are paying by direct deposit to our Bendigo Bank Account, please ensure when making the deposit that you provide us with your surname and village name if you can’t quote your member number. Please abbreviate your village name if necessary to fit within the limited space available.

Subscription renewal time is a good time to remind our members of some of the services and support we offer.

Calls and emails to our information line (03) 9015 8402 and office@rrvv.org.au are running at a higher rate than last financial year, in part

because we now have people standing by four hours a day 5 days of the week to take your calls.

Most callers seek basic information but over a third ask for assistance in resolving a dispute. In most cases, we can assist members in dispute with their operator by giving advice on the process, highlighting the relevant clauses in their contract and pointing out useful provisions of the Retirement Villages Act or the Owners Corporations Act. In some cases, we're able to take a more active role. For example, a few members appoint an RRVV committee member to act as their representative at a mediation conference. More and more, we are helping residents take their case to a higher level in the operator's organisation than the village manager, in many cases with the support of that manager. As always, inadequate legislation and lack of action by Consumer Affairs Victoria (sometimes due to inadequate powers and sometimes inadequate resources) hampers our efforts. Nevertheless, most members who seek our support get a satisfactory result.

Visits to our website (www.rrvv.org.au) vary from month to month but show an increasing trend year on year. There is lots of useful information on the website, and we recommend you check it from time to time.

Email usage is growing amongst our members, and we now provide regular news updates and notifications of upcoming events to members who register their email address with us. To subscribe to our email service, go to www.rrvv.org.au and click on the lime green button at the bottom of the "Contact Us" page.

Our lobbying activities continue unabated with a primary focus on persuading the government to legislate for a retirement housing ombudsman.

We expect the government will soon announce the long-awaited root and branch review of the Retirement Villages Act 1986. We have been preparing for this review for over a year.

We continue to lobby the owners and operators peak bodies on specific issues that you, our

members, have brought to our attention. The Victorian committee of the Retirement Living Council (the largest of the peak bodies), has formed a subcommittee to focus on engagement with other organisations, particularly RRVV. This is a pleasing development.

We also continue to press our case with individual operators.

RRVV looks forward to your continued support.

Increase in service fees for 2019-2020 financial year

It's that time of year again when operators' of retirement villages propose service fees (described as maintenance charges in the Retirement Villages Act 1986 (Act)) for the coming financial year.

Section 38AA of the Act determines the extent to which operators may increase fees without the approval of residents. It does this by reference to the annual increase in the all groups Consumer Price Index (CPI) for Melbourne published by the Australian Bureau of Statistics (ABS).

Any increases above the consumer price index increase, without approval of residents, can only be made by reference to Section 38(5) of the Act.

The relevant CPI increase for the year under review is determined by dividing the sum of the index numbers for each of the quarters in the current financial year by the sum of the index numbers for each of the quarters in the previous financial year.

The Australian Bureau of Statistics does not release the June quarter CPI figures until mid-July so most operators use the index numbers for the year ending 31 March. This enables introduction of the new fees from the beginning of the following financial year.

Below is a table showing all the relevant index numbers for the years ending 31 March 2018 and 2019 to use to help you calculate your

village’s threshold fee increase for the financial year commencing 1st July 2019.

You can find a sample calculation demonstrating how Section 38(5) works on our website at www.rrvv.org.au

Quarter	Melbourne CPI
June 18	113.8
Sept. 18	114.0
Dec 18	114.6
Mar 19	114.7
Total	457.1
Jun 17	111.0
Sept. 17	111.5
Dec. 17	112.3
Mar 18	113.3
Total	448.1

Source: Australian Bureau of Statistics 6401.0 released 24 April 2019

The total of the index numbers for the year to 31 March 2019 (457.1) is 2.00% higher than the corresponding numbers for the year to 31 March 2018 (448.1). Therefore, Village operators are entitled to increase residents’ fees by this percentage from 1st July 2019. If the operator wishes to increase fees by more than the 2%, then residents must approve such increase either in the form of a majority vote at a residents meeting or a resolution of the residents committee.

As described above, Section 38(5) of the Act does permit operators to increase service fees by more than the above 2% without residents’ approval but only where that increase is caused by increases in:

- a. Rates, taxes or charges in respect of retirement village land or the use of a retirement village land levied under an Act or subordinate instrument; or
- b. Salaries or wages paid in accordance with an award made by a Commission, Tribunal, Board or other body under-
 - (i) An Act other than this Act: or
 - (ii) A Commonwealth Act – if the salaries or wages are paid to a manager or a person employed in connection with the retirement village.

Nominating for the RRVV committee

Early in September each year RRVV invites written nomination for all committee positions for the coming 12 months. Our rules also allow nominations from the floor at our Annual General Meeting.

A contested election is rare. One of the reasons for this is that few members have a good understanding of what our committee does, how it does its job and the time commitment required.

For the last three years, RRVV has offered members interested in nominating or filling a casual vacancy the opportunity to attend three committee meetings as an observer and full access to committee documents and emails. Some members who accept this offer conclude that the work of the committee member is not for them. Happily, most express an interest in continued involvement.

Our Association rules allow us to have up to nine committee members:

- President
- Vice President
- Secretary
- Treasurer
- Five ordinary members.

Each committee member has more than one job. In addition to jobs of the office bearers, these include:

- Member support
- Residents’ committee support
- Membership
- Resident Liaison Officer coordination
- Newsletter
- Website
- Government relations

- Industry relations
- Policy
- Research
- IT systems support
- IT systems development
- Administration

The committee meets monthly in the city except for the last meeting of each quarter when we meet at our Caulfield office. Nevertheless, much of the committee's work is done on line and by email between meetings. Anyone who has used a PC for work should find most of our IT systems user-friendly.

Committee members typically find the work highly rewarding, particularly the jobs with a high level of member contact.

If you are interested in observing the work of the RRVV committee, please get in touch by calling 9015 8402, emailing office@rrvv.org.au or go to the Contact Us tab on www.rrvv.org.au.

From the Beehive



Bees are busy creatures – mostly highly motivated and highly organised.

Their beehives are individual communities with a Queen Bee in command. The ordinary bees have no say in which bee will be their Queen though when she

is born her queenly attributes are immediately obvious:

- she is big
- she is demanding
- she is privileged
- she doesn't do any work
- she just lays eggs

Not a bad job description?

It is the worker bees who complete all the routine tasks of caring for baby bees, feeding and

cleaning them, guarding the beehive, gathering food, and maintaining the beehive.

Now a retirement beehive is somewhat similar, but it is a separate community from all the other regular beehives. The Queen Bee of an individual retirement beehive has much power. She organises everything. She is in charge of all the worker bees in the beehive. She often makes decisions without consulting the resident bees.

From what I can see, if a retirement beehive is to be a good place to live, it needs a residents' committee with the talent and strength to curb the Queen's authoritarian tendencies while maintaining a healthy working relationship with her.

Some residents of a retirement beehive are in the twilight of their lives, and, all they want is someone to look after them. They don't want to be bothered. Other capable retired bees who have worked hard and contributed a lot to their previous communities now prefer the quiet life. Understandably, they can be reluctant to join a bee residents' committee.

Without a residents' committee, however, it's hard to have coherent resident input into the decisions that shape life in a retirement beehive.

Some retirement bees do miss their working life, are happy to join the residents' committee, seek to learn what their fellow resident bees want and to act as a bridge between the resident bees and the Queen Bee. The disinterested resident bees are happy to hand over this responsibility to the residents' committee.

Then in some retirement beehives, a rot sets in. Committee bees become hooked on the power. They enjoy being a member of an exclusive club and actively discourage new members from joining. Their sense of importance becomes exaggerated. They begin to find the input from other resident bees a nuisance. They lessen their consultation with ordinary retired bees and make decisions that suit themselves rather than the hive. They also cosy up to the Queen and thus lose their independence.

This rot can cause a severe community illness. Little groups of resident bees are seen unhappily buzzing together discussing their frustration with the situation. Other resident bees know something is wrong, but don't always know what to do about it?

What can you do if your village suffers from the rot? Elect a fresh committee.

Often when an election is called to select members of the residents' committee for another year, the voters stick with the committee members they know.

Some times the old committee actively lobbies for maintenance of the status quo. After all, who amongst them wants new members on the committee? New members might:

- ask questions
- set goals
- actively consult
- stand their ground
- advocate
- listen
- discuss
- comfort
- share information
- work as a team

In other words "rock the boat". Wonderful.

The election season will soon be upon us at the Beehive, and yes, we have the rot. I wonder if that new younger bee who moved in a couple of years ago will accept my nomination. I wonder if my fellow residents will vote wisely.

Voting at elections and meetings of residents

Voting at residents' meetings is governed by the Retirement Villages Act 1986. There are additional provisions (see below) which apply to villages which are strata-titled and have an owners corporation.

Three questions are frequently asked of RRVV on voting rights at meetings of residents:

- a. When is voting 'one-residence-one-vote', when is voting 'one-resident-one vote', and when may residents elect to use one or the other?
- b. At what meetings may I lodge a proxy vote?
- c. What are the rules for determining if a meeting has passed a resolution?

The answers depend on the situation and the resolutions of the residents of the village.

Annual meetings of residents

The annual meeting is a meeting of residents convened under Section 33 of the Retirement Villages Act 1986.

A section 33 annual meeting is the meeting called by the manager at which:

- a. The owner presents a written statement on refunds of in-going contributions that fell due during the year and on any material matter that might prevent the owner from meeting its debts as they fall due.
- b. The manager presents financial statements for the year and details of major works, planned expenditures on goods and services, proposed increases in maintenance charges for the coming year, and any proposed levies.

On what does the Act stipulate residents get to vote?

- a. Dispensing with the auditing requirements of section 34(4) of the Act (by special resolution after due notice)
- b. A special levy
- c. A maintenance charge greater than the adjusted maintenance charge

It is in the manager's discretion to put other matters to a vote.

Section 3(2) of the Act stipulates that voting at annual meetings is one-residence-one-vote. If the residents of a residence cannot agree, the resident named first in the contract has the vote.

Section 36A of the Act stipulates that residents have the right to appoint proxies for the annual meeting of the village.

A resolution passes if a majority of residences voting, vote for it, except:

- a. In the case of a special resolution, which passes if at least 75% of the residences voting vote for it.
- b. In the case of a section 38(4) resolution to increase the maintenance charge by more than the consumer price index (plus adjustments for government increases in rates, taxes and wage rates), which passes if a majority of residences attending the meeting vote for it.

Other meetings of residents

Section 36(6) of the Retirement Villages Act provides that the residents' committee (including an owners corporation committee when sitting as a residents' committee) may call a meeting of all the residents living at the retirement village. The Act is silent on voting at these meetings, so it is reasonable to assume that residents may elect to use either one-residence-one-vote or one-resident-one-vote for ordinary resolutions. Each resident has a vote on special resolutions considered outside of a section 33 annual meeting. Section 36A of the Act does not give residents the right to a proxy vote at these meetings. Nevertheless, it is open to the resident body to pass a resolution giving residents the right to appoint proxies for the meeting.

Except in the case of a special resolution, a residents' meeting may decide on the majority required for an ordinary resolution (i.e. a majority of those voting, a majority of those attending or a majority of all residents).

Section 3 of the Act provides that a special resolution must have the support of a majority of not less than three-quarters of the residents actually living in the village at the time and voting at a meeting properly convened for the purpose.

Electing a residents' committee

Section 36 of the Act provides that in the case of a retirement village where there is no owners

corporation, the residents may elect a residents' committee, and may remove a committee member by special resolution of residents. The best advice available to RRVV suggests voting to elect a residents' committee is one-resident-one-vote. Other than for the election and the requirement that a special resolution requires the support of at least 75% of those residents voting, the voting rules and procedures are in the discretion of the residents of the village.

Voting at residents' committee meetings

Section 36(4) of the Act provides that the residents' committee procedure (including the procedure of an owners corporation committee when sitting as a residents' committee) is in its discretion. Accordingly, it can determine committee voting rules except that it is bound by section 36A to accept proxy votes.

Making, changing and revoking by-laws

Section 37 of the Act requires that a by-law does not take effect unless or until approved by a special resolution of the residents living in the village. The voting rules of the meeting type at which the proposer of the resolution presents the special resolution apply. For example, for a resolution presented at an ordinary meeting of residents, voting is one-resident-one-vote.

Voting at owners corporations meetings

The Owners Corporations Act 2006 regulates, amongst other things, decision making about the management of the common property where a village has an owners corporation.

Frequently asked questions

There are three questions frequently asked of RRVV on voting rights at owners corporations meetings:

- a. When is voting one lot- one vote and when is voting one lot entitlement-one vote?
- b. What are the rules for voting at an owners corporation committee meeting?
- c. At what meetings may I lodge a proxy vote?
- d. What are the rules for determining if a meeting has passed a resolution?

Owners corporations meetings

There is one vote for each lot, and matters other than matters requiring special resolutions and unanimous resolutions are determined by a simple majority, except where a lot owner requires a poll based on one vote per lot entitlement (see sections 91 and 92(3) of the Act).

A special resolution passes if residents cast votes equal or greater than 75% of the total of the lots or vote lot entitlements equal to or greater than 75% of the total of the lot entitlements in its favour (see section 96 of the Act).

A unanimous resolution passes if residents cast votes equal to 100% of the total of the lots or vote lot entitlements equal to 100% of the total of the lot entitlements in its favour (see section 95 of the Owners Corporations Act)

The chairperson may only have a casting vote if he or she is a lot owner and the vote is tied. If the vote is tied and the chair does not exercise a casting vote, the resolution fails (see section 93 of the Act). Voting in a poll must be by written vote (see section 92(4).

Voting is not restricted to meetings. An owners corporation may conduct a ballot by post, or by telephone, facsimile, the internet or other electronic communication (see sections 90 and 84 of the Act).

It is important to distinguish between the annual meeting of the owners corporation and the annual meeting of residents convened under Section 33 of the Retirement Villages Act 1986. Consumer Affairs Victoria advises that the section 33 annual meeting should be held separately from the annual meeting of the owners corporation even if the village separates the two meetings by only a few minutes. For information on voting at a Retirement Villages Act annual meeting, please read the material under the heading Annual meeting of residents in Part A of this article

Owners corporations committee meetings

The quorum for a meeting of a committee is at

least half of the members of the committee (see section 112 (1).

A resolution of a committee must be made:

- a. by ballot;
- b. by a show of hands or in another prescribed manner (see section 112(2) of the Owners Corporations Act.

Each member participating in a meeting is entitled to one vote (see section 112(3) of the Owners Corporations Act).

Proxies

A lot owner may authorise a person in writing to act as proxy for any of the following:

- a. to attend, speak or vote on the lot owners behalf at a meeting of the owners corporation
- b. to vote on the lot owners behalf at a ballot
- c. to represent the lot owner on the committee of the owners corporation (see section 87(1) of the Owners' Corporations Act).

Voting at residents' committee meetings

Section 36(8) of the Retirement Villages Act Act provides that an owners corporation committee has the powers of a residents' committee. Section 38(4) of the Retirement Villages Act provides that the residents' committee procedure is in its discretion so it can determine committee voting rules except that it is bound by section 36A to accept proxy votes.

Notes:

1. This article does not contain legal advice. It is a summary of the main provisions of the relevant Acts. For the full detail, please see the Acts. Please consult a solicitor before taking any action.

2. RRVV expects the government to pass the proposed 2019 amendments to the Owners Corporations Act 2006 towards the end of 2019. The proposed amendments do change some voting rules. You can find the amendments as currently proposed at the Public consultations and reviews section of the Consumer Affairs Victoria website