

# RRVV Newsletter

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Residents of Retirement Villages Victoria Inc.  
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**The RRVV committee sends you season's greetings and best wishes for the New Year.  
Our office will close on Monday 23 December and re-open on Monday 6 January.**



## National Retirement Living Summit

The Retirement Living Council (a division of the Property Council of Australia and the largest of three peak bodies representing the owners and operators of retirement villages) runs its National Retirement Living Summit sometime in November each year.

The 2019 Summit ran from Wednesday 20 November to Friday 23 November. The day one activity was a site tour of two inner Brisbane villages that won awards for design excellence; Aveo Newstead and St Luke's Green. On this day, as in previous years, representatives from four of the six retirement village residents associations had a short meeting with the executive team of the Retirement Living Council.

The more formal part of the conference started on the morning of day two and finished early in the afternoon on day three. In total, eleven speakers, sixteen panellists and eight moderators took to the stage.

This year, the conference theme was "raising the bar".

As in previous years, it was a good news event. According to most speakers, things are rosy in the retirement living sector and getting better, although this year there was some recognition of past sins and problems the sector has yet to address.

The Retirement Living Council is forging ahead with the implementation of its 8 Point Plan. There are two primary components of the plan that affect residents; the Code of Conduct and the Australian Retirement Villages Accreditation Scheme. The Retirement Living Council expects around 900 operators to be on board when the Code goes live early in the new year. Operators have to do

a considerable amount of work to implement the accreditation scheme, and so you can expect a ramp-up period.

There were eight speakers, seven moderators and twenty-six panellists on the stage across the two days. The standard was high, but from a residents' point of view, the highlight of the conference was a talk by Rob Fyfe, the former Chief Executive Officer of Air New Zealand titled How to Serve a Rapidly Evolving Customer Base. Let's hope Rob managed to inspire our operators to do something like what he did with Air New Zealand. His period as CEO was truly transformational.

This year, representatives from the four residents' associations attending had around 35 minutes on-stage airtime in total. Lawrie Robertson attended on behalf of RRVV and reported it was a great learning experience and that he heard comments from operators and their suppliers indicating the Summit was, from their point of view, a great success.

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## Freedom of information

Judy (not her real name) reported severe cracking in her unit to her village manager. The village manager inspected the cracks and arranged for a consulting engineer to investigate and report upon the problem. The engineer visited, examined the cracks, made measurements and searched for indications of the cause. His visit was intrusive as he moved furniture, poked around in a wardrobe and trampled on several parts of her garden. Judy did not mind. He was polite and did take care to minimise the disruption. When Judy had heard nothing after several weeks, she asked the village manager for an update. He said he had received the engineer's report and was waiting on advice from head office. Judy asked to see the report. The village manager declined saying only the owner was entitled to see the report. He added that this was because she was a tenant. Judy has a lifetime lease and does not accept she is a mere tenant.

### Does Judy have a right to see the engineers report?

Beryl (not her real name) is wholly dependent on the aged pension. The operator of her village has increased the monthly maintenance charge (better known as the service charge) every year for the past six years by more than the consumer price index, in some years by more than double the CPI. Each year, the operator claimed the increase was below the threshold that required approval by residents. Beryl is aware that the Retirement Villages Act does allow operators to increase the maintenance charge by more than the consumer price increase if the greater amount represents rates and taxes, or salaries and wages awarded by a tribunal or like body. Beryl has repeatedly asked the operator to provide her with the figures that would allow her to work out if the increase did require resident approval. Each time the operator has refused.

### Does Beryl have a right to see the figures she has requested?

Erik (not his real name) lives in a large leasehold village that spends around \$400,000 of residents money a year on major maintenance. Each year at the annual meeting required by the Retirement Villages Act the operator reports in some detail on the costs of day to day running of the village

but does not break down what it spends on major maintenance nor a breakdown of what it expects to spend the following year. Each year Erik asks for the breakdowns. Each year the operator declines.

### Does Erik have a right to the information he has requested?

Kristen (not her real name) lives in a village owned and operated by a local entrepreneur. Each year he charges the village a lump sum for services he personally delivered; services the village would otherwise have to pay a contractor to perform. Recently Kristen asked the owner to provide an itemised account of the services he performed for the 2018-2019 financial year, including how much time he spent on various functions and the rate he charged for the work. The owner declined.

### Does Kristen have a right to the information she requested?

RRVV believes the answer is yes in all four cases. Unfortunately, the Retirement Villages Act does not give residents an explicit right to access detailed information.

During the review of the Retirement Villages Act, RRVV will be advocating for a freedom of information right: a right to access information about the operations of their village on reasonable terms and with minimal exceptions. Please note, we make a distinction between an operator's business and operations of a specific village. We do not seek access to information about an operator's business.

We ask for your support. Amongst other things, we want to hear of your experiences, good and bad, trying to access village level information. Please write to our office address or email [secretary@rrvv.org.au](mailto:secretary@rrvv.org.au)

### Notes:

1. These are not isolated cases. We see multiple like cases each year.
2. Freedom of information laws allow access by the general public to data held by authorities. The emergence of freedom of information legislation was a response to increasing dissatisfaction with the secrecy surrounding policy development and decision making.

## Review of the Retirement Villages Act underway

On the 28th of October, the Victorian Government announced the long-awaited review of the Retirement Villages Act 1986 and released an Issues Paper for public comment. It also announced three public consultation meetings, one in Melbourne and two in regional cities. The review includes a deep dive into options for improved dispute resolution.

RRVV along with Housing for the Aged Action Group, Council on the Ageing and Consumer Action Law Centre met with the Minister for Consumer Affairs Victoria, Marlene Kairouz, and the then Director of Consumer Affairs Victoria, Simon Cohen, on 19 September 2018 to ask the Government to make an announcement on the Review of the Retirement Villages Act and the establishment of a retirement housing ombudsman before the coming State election. We received one firm commitment. Any review of the Retirement Villages Act would be “a root and branch review”.

The Issues Paper does not read like the start of a root and branch review. It focusses on known flaws in the current Act. It does not recognise that the assumptions underpinning the present Act are hopelessly out of date nor that the Act is one of the worst written around. Moreover, it does not look to the future other than to recognise that some recent trends such as operators offering rental contracts and providing care services in villages are likely to continue. It covers only one business model, the resident funded village model, and then without describing it. This is the dominant model today and will undoubtedly remain dominant for many years. Nevertheless, we can expect operators to press for the adoption of other models. RRVV believes Consumer Affairs Victoria should attempt to anticipate the future rather than merely react to operator pressure when it arises.

The failure to recognise that the current Act is beyond economical amendment is troubling. RRVV has long advocated for a brand new Act.

Consumer Affairs Victoria allowed just 39 days for members of the public to respond to the

issues paper. In RRVVs opinion, this was too short. We will try to persuade Consumer Affairs Victoria to organise further opportunities for residents to have a say.

RRVV expects the review to run until November 2021. If previous reviews are any guide, Consumer Affairs Victoria will seek public comment on an options paper early in 2020 and then later on draft Acts to give effect to whatever changes the Government seeks to put before Parliament.

It is vital that residents make their views known throughout the whole period of the review rather than just at times that Consumer Affairs Victoria nominates.

It is Parliament that makes the final decision on the legislation we will get. The necessary bills might not come before Parliament for two years. Nevertheless, it is essential to make our views known to politicians now and then regularly over the next two years.

Perhaps the most critical issue to address today is the root and branch review. If the process Consumer Affairs Victoria is following is not open to the possibility of a brand new Act, we have a problem. Please write to your local members today and tell them all you want for Christmas is a commitment to a root and branch review of the Retirement Villages Act. Your RLO can assist by giving you contact details for your local members.

### THANK YOU

to all 900 people who completed and returned the University of Melbourne online survey on improving consumer decision-making about retirement housing.

We appreciate your valuable input.

## **Christmas at the Beehive** **A personal reflection**



Resident bees in retirement beehives have seen it all before. How many Christmases have come and gone? Seventy? Eighty? Ninety?

Christmas is an emotional time. There are lots of happy memories and some

sorrowful thoughts as we remember those with whom we celebrated at various stages in our lives but are no longer able to share our Christmas.

Have you ever observed the parallel between our stages in life and how we experience Christmas?

As Christmas approaches the resident bees at the Beehive have been reminiscing; talking of Christmas when they were baby bees – well, perhaps a little older – maybe toddler bees. Even now they can still feel that that something in the air of their home beehive at Christmas - and it isn't just pollen.

There was excitement and lots of whispering amongst the parent bees. On Christmas morning, parents allowed young bees out of their cells much earlier than usual to find their presents. How beautiful was Christmas – all innocence and delight.

As teenager bees, the resident bees recalled, it was all a bit of a bother. Holidays – yes! Great food – yes! But loads of old uncle and aunt bees and grandparent bees came to visit, so they had to behave and be polite. Also, they had to maintain the pretence that Santa Claus was real so irritating younger siblings could believe a strange man came down the chimney and left gifts. Some of the presents were brilliant, but some of the oldies still thought teenager bees were kids and their gifts reflected that mistaken perception.

As the female resident bees (the real worker bees) discussed their past Christmases they recalled:

- All that buzzing to and from the shops - where the carols had been playing for weeks - so now

they just caused irritation rather than bringing joy and peace. And where to find a car park?

- All that buzzing to and from the shops - to buy ingredients for plum puddings, Christmas cakes, fruit mince pies. Though remember, daughter number one and nephew number three hate plum puddings and Christmas cakes – what to make for them? Extra cooking - maybe make a special cheesecake and a sponge? All the others want the traditional Christmas dinner. Have the turkey and the ham been ordered?

- All that buzzing to and from the shops - to buy presents for all the family.

- All that buzzing to and from the shops - to buy Christmas cards to write to broader family and the many friends who contact only at Christmas time. Better buy extra cards. There is always someone who sends a card even though their name fell off the Christmas card list some time ago. It takes so long to write all those cards. Is the address book up to date?

- All that buzzing around the beehive - how many are coming to stay over Christmas? How many Christmas stockings to hang from the mantelpiece or place on the end of beds?

The male bees tend to look on in wonderment as their partners begin the annual Christmas frenzy. What's all the fuss about?

The resident female bees, with a collective sigh, also remember how much they felt needed at Christmas time – how the family gathered around with their wings nearly falling off with excitement in the days leading up to the big day.

It was good to be needed. Christmas was hard work but very rewarding. Strangers smiled and said hello - there was something in the general buzzing? Happiness? Goodwill toward all bees?

Some of the resident female bees noted that when they were bringing up their families most didn't work outside the home, so at least there was time to complete all the extra Christmas tasks.

The resident bees agreed that now it was very different. They expressed sympathy for today's mothers. The same tremendous amount of buzzing is required, but most modern mother bees work outside the beehive so the extra



demands they must meet at Christmas time come at a cost. How do they do it?

The resident bee mothers, not too long ago, were still able to help out with the family Christmas. They had the time and enjoyed being useful again and often did most of the preparations for their harried adult children so their grandchildren could enjoy Christmas and the adult children could enjoy having it all without too much stress

It was worth all the effort when on Christmas Day everything went smoothly. Family reconnecting, children playing with their new toys and the food rated delicious.

Compliments came thick and fast to Grandma bee for all her work, for her plum pudding made from a secret family recipe and that delicious Christmas cake.

Again, it was good to be needed. Christmas was a little more wearing on the ageing bee body but very satisfying.

Then the next phase – the older residents of the beehive talked of how they didn't have much energy these days and how gradually their now middle-aged adult children had taken over all the Christmas tasks. "You sit down Grandma/Mum" – now it's your turn to rest and relax. We will do it all. The trick is to accept gracefully.

Christmas is still enjoyable. It delights the resident bees to sit back and see the various generations of their family enjoying their Christmas according to their stage in life. There is still a sense of achievement.

In the Beehive, this later stage in life is reflected as the staff work each year to present a special Christmas lunch usually held in the fortnight before Christmas Day. The resident bees dress up. Some wear reindeer antlers, some wear flashing Christmas messages in lights on their clothes, and some wear Christmas earrings. There is a Christmas tree in the foyer. Volunteers have decorated the tables with tinsel, holly and Christmas baubles. They all sing carols and eat Christmas fare. Goodwill to all prevails, including the Queen Bee of the retirement Beehive and the big bumblebees who make all the decisions.

A thought. At your beehive are there resident bees who have no-one with whom to share actual Christmas day, with the harried worker bees rostered on that day, because all other resident bees have been invited away to celebrate with family and friends. That could be awful. This year I have decided to organise my Christmas day, so I can spend quality time in the Beehive with my friends who have nowhere else to go.

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## Strata titled retirement villages

This article is for residents of strata-titled villages.

Strata-titled villages generate more than their fair share of the calls RRVV receives and welcomes from members.

Why is this so?

The most obvious reason is that two Acts govern the running of strata-titled villages; the Owners Corporations Act 2006 and the Retirement Villages Act 1986. Residents living in leasehold villages only have to deal with the Retirement Villages Act. Having two Acts does complicate things. When you have a governance question, to which Act do you turn? This question sits at the core of most of the calls we receive.

All strata-titled villages have an owners corporation. As the name suggests, it's a corporation the members of which are the owners of the village's lots. There may be some lot owners who are not residents. For example, the village operator may also be a lot owner because it owns the community centre or some of the units. If you are a resident lot owner, you own your villa or apartment.

The term owner can be a source of confusion. The lot owners collectively own the village. The operator does not own the village, although it may own part of the village.

More than one owners corporation can exist in a subdivision of land or buildings. In some villages, different stages of the development of the village have separate owners corporations because of different plans of subdivision for each stage.

The plan of subdivision defines the lot boundaries. Any parts of the land, buildings and airspace that are not lots on the plan of subdivision make up the common property which usually comprises the communal areas such as gardens, passages, walls, pathways, driveways, stairs, lifts, foyers and fences.

Under the Owners Corporation Act, a principal function of the owners corporation is 'to own, manage, administer, repair and maintain the common property'.

An owners corporation must also keep proper accounts that:

- are separate from the accounts of the rest of the retirement village;
- cover all income and expenditure of the owners corporation and assets and liabilities of the owners corporation; and
- provide for the making of true and fair reports of the financial situation of the owners corporation.

An owners corporation that has an approved maintenance plan (this is mandatory for most retirement villages) must keep separate accounts for its maintenance fund.

An owners corporation may appoint a person or company to be the manager of the owners corporation. The most common (but not only) arrangement in retirement villages is that the owners corporation appoints the operator or a subsidiary of the operator as the owners corporation manager and delegates certain of its powers to that company. The company then appoints the village manager as its local representative. There is some merit in having the village manager as the owners corporation manager's representative, but the arrangement does complicate most people's understanding of the village manager's role.

There is more to managing a retirement village than managing the common property. Residents typically expect their village to deliver a range of services well beyond the scope of an owners corporation. The Retirement Villages Act regulates all aspects of village management apart from the management of the common property.

The operator of the village provides the necessary additional management services under contract to the residents of the village, including a village manager and other staff as required.

A village manager who is also the local representative of the owners corporation manager has two distinct roles; village manager and the local manager of owners corporation business. As the village manager, she derives her responsibility and authority from that given to the operator by the Retirement Villages Act, the contract between the operator and residents and her employment contract with the operator. Residents have no power to direct her. As the local manager of owners corporation business, she is subject to the Owners Corporation Act and must take lawful direction from the owners corporation taking into account any delegations made to the management company and its delegations to her.

To further complicate matters, the Retirement Villages Act gives the owners corporation the powers of a residents committee; powers that the owners corporation can delegate to the owners corporation committee. The upshot is that the owners corporation committee can sit as the residents' committee. Some villages seem to think that this means the owners corporation committee runs the village. It does not. Even if all the possible powers and functions of the owners corporation were delegated to it, as mentioned above the owners corporation is only part of the picture when it comes to managing a strata-titled village. In respect of retirement village operations, the operator runs the village.

Separate Acts govern owners corporation and village finances and the Acts differ in many important details. For example, the Owners Corporation Act does not limit the owners corporation's ability to increase owners corporation fees by vote at a general meeting. On the other hand, the Retirement Villages Act does limit the operator's ability to increase the village's maintenance charge (better known as the service fee) without approval from residents.

In RRVV's experience, owners corporation committees that don't separate owners corporation agenda items from retirement village agenda items make many mistakes, some of them not trivial.

Unhelpfully, the Retirement Villages Act seems to allow the operator to convene the annual meeting of the owners corporation as the retirement village annual meeting. Combining these meetings is also the cause of many mistakes, some of them quite serious, particularly in the case where some residents are freeholders and some are leaseholders. For example, only freeholders can vote at owners corporation meetings, but both freeholders and leaseholders can vote at retirement village meetings. RRVV recommends holding separate annual meetings to make it easier to work out which Act applies and who is entitled to vote. For further information on voting at annual meetings please see the article on the subject of voting in our June newsletter.

RRVV expects the Victoria Government to present its 2019 amendments to the Owners Corporations Act and related Acts to Parliament in the coming months. Almost certainly the amendments will change the way strata-titled retirement villages operate. We will keep you posted.

Disclaimer: This article is not and should not be taken or relied upon as legal advice. It is for guidance only, and readers should seek their own legal advice if they have any concerns relating to the issues raised in this article.

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## Positions vacant

### RRVV Office Assistant

10am-2pm one day per week

RRVV invites applications for the voluntary role of Office Assistant, to attend our office in Caulfield North between 10am and 2pm one day per week.

The key responsibilities of this role are to:

- Answer telephone and email enquiries from our members
- Log details of each call in a simple Excel spreadsheet for tracking
- For each enquiry, email details to the appropriate committee member

Basic computer skills including Microsoft Word, Excel and Outlook are essential.

If you would like to contribute to RRVV in this important role, please send us your details via email to [office@rrvv.org.au](mailto:office@rrvv.org.au)

### Secretary, RRVV Committee

The RRVV committee invites nominations for the voluntary office-bearer role of Secretary.

The key responsibilities of this role are to:

- Attend monthly committee meetings, AGM and Central RLO meeting
- Prepare and distribute an agenda for each meeting
- Prepare and distribute minutes for each meeting
- Manage and track follow-up actions raised at meetings

Basic computer skills including Microsoft Word and Outlook are essential as minutes need to be taken during each of the meetings and sent via email to the meeting attendees.

If you would like to contribute to RRVV in this important role, please send us your details via email to [office@rrvv.org.au](mailto:office@rrvv.org.au)

### Newsletter Editor

RRVV invites applications for the voluntary role of editor for our quarterly newsletter.

The key responsibilities of this role are to:

- Liaise with the RRVV committee to plan newsletter content and format
- Proof-read all articles submitted for publication and provide feedback
- Submit all final newsletter content to our publisher by the agreed deadline
- Proof-read draft copy of the newsletter
- Assist RRVV office staff with newsletter distribution

Basic computer skills including Microsoft Word, Excel and Outlook are essential.

If you would like to contribute to RRVV in this important role, please send us your details via email to [office@rrvv.org.au](mailto:office@rrvv.org.au)





## Your 2019-2020 committee

### Lawrie Robertson – President

Lawrie Robertson retired eight years ago and served on his village's residents' committee for three years before joining the RRVV Committee. He has been President for two terms.

Apart from his duties as President, Lawrie assists members who request assistance, plays a part in writing RRVV's submissions to Government, lobbies politicians and lobbies owners and operators of retirement villages. He is particularly interested in strengthening residents' rights and getting the law to recognise that residents are major stakeholders in our villages.

Before retiring Lawrie worked as financial planner, director of an ASX listed company, management consultant, marketing manager of a small telecommunications company, senior lecturer in business administration, telecommunications engineer and Army officer.

### Graeme Seymour – Treasurer

Graeme has been a resident of a retirement village for six years where he is actively involved with the Residents Advisory Committee.

A retired Accountant, Graeme worked in Public Practice for 49 years, other than a 3-year stint as Chief Financial Officer for a Private Company.

Activities outside of village life include playing cricket in Veterans Cricket Victoria (Over 60's Competition) which also takes Graeme and his wife on regular overseas cricketing holidays to places such as England, Canada, Sri Lanka, India, USA, South America and Cuba. In a cricket administration role he currently act as Finance Manager for the Ringwood & District Cricket Association. Graeme's other interests include grandchildren, reading, photography and walking. He also has an active interest in Neighbourhood Watch (local & regional) together with local Community groups for the protection of the local environment.

### Charles Adams

For the past sixteen years Charles has lived in a medium-large retirement village with an active residents committee. He was instrumental in establishing and developing RRVV in 2005 and served on the committee for a number of years, contributing greatly to the establishment of our initial website and preparing and publishing many early issues of the RRVV newsletter.

Charles decided to join the committee again to assist with our submission to the Retirement Villages Act review, to enable more retirees to benefit from the improved advantages of residency. He is keen to encourage more residents to join RRVV.

### Kaye Graham

Before retiring, Kaye worked as a primary school teacher for 46 years. She and her husband moved into a new retirement village in 2008 and have been heavily involved with village life.

A member of the Genealogical Society of Victoria (GSV) for 17 years, Kaye enjoys working on databases for them. She has also been on the committee of the Combined Probus Club of Knox for the past nine years.

Kaye has been a member of the RRVV committee for one year, during which time she has contributed to establishing regional RLO meetings and assisted with administration tasks. This year Kaye will be involved in visiting several villages throughout Victoria to promote RRVV.

### Mike Turner

Before retiring, Mike worked in the IT Industry for 25 years in Sales, specialising in Database and Internet business solutions from an end user perspective.

Living in a retirement village for two years, he has a deep understanding of the issues and challenges faced each day by confused residents.

Mike has been a committee member for one year and has created more awareness of RRVV by advertising in The Senior newspaper, establishing a Regional presence in the Monash area and visiting over 20 Villages in order to gain a better insight into the Industry.

Mike has also challenged the Operator at his Village and achieved outstanding results over its Governance.

His Marketing and IT background has enabled RRVV to greatly improve its presence in the Industry and this will continue to develop with his presence on Committee.

### Jo Watkins

Jo worked in the Public Health sector for 20 years before retiring in 2005. She moved into a small retirement village in 2008.

Outside of village life Jo's interests include book club, movies, charity knitting and craft work. She is an active charity fundraiser and has worked with a dedicated group of women for three years, helping to raise \$64,000 towards the Cancer Council.

Jo has been a member of the RRVV committee for one year and has assisted with meeting organisation and administration tasks. This year she plans to learn more about the legalities of living in Retirement Village and will be involved in visiting villages to promote RRVV.

