

WARVRA Newsletter

January 2015

Vol. 15 No. 1



WARVRA

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Association will be held at the Piney Lakes Environmental Education Centre, Leach Highway, Winthrop
(The entry to the centre is on the south side of Leach Highway between Murdoch Drive and Winthrop Drive)

FRIDAY 13 February 2015 at 10.00 am

BUSINESS:

President's Report
Treasurer's Report
Legislation Update
Seminars Committee Report
Election of Committee Members
General Business
Members' Issues

GUEST SPEAKER

**Retiring Secretary, Denise Nicolay, will share some reflections on
"Being a WARVRA volunteer"**

COMMITTEE ELECTIONS

Elections for membership of the 2015-16 Committee are due at the meeting on 13 February 2015
Ron Lullfitz has resigned from the committee, so there are 5 vacancies to be filled.

In accordance with the Constitution, it is reported that the following nominations have been received:

Colin Edwards (*Bethanie Waters*), **Julia Lynch** (*River Pines*), **Verelle Ward** (*Parklands, Woodlands*)
Len Rathmann (*St Ives, Murdoch*) and **Arthur McCarthy** (*Meath Mews, Trigg*)

As the number of nominations received does not exceed the number of vacancies
on the Committee, no ballot will be necessary.

Western Australian Retirement Villages Residents Association Inc

ABN 31 565 412 127

PO Box 7896 Cloisters Square WA 6850

warvra.org.au warvra@gmail.com 0448 812 888

WARVRA COMMITTEE DIRECTORY 2014-15

President	Des Cousins	9407 7849	dcousins@iimetro.com.au
Vice President	Colin Edwards	0427 247 514	talworth40@gmail.com
Secretary	Denise Nicolay	9586 4288	nicolay@westnet.com.au
Treasurer/Membership	Ron Hasluck	9456 1991	rhasluck@bigpond.net.au
Membership Development	Ian Nordeck	9534 7650	ianandrae@internode.on.net
COTA Representative	Ron Lullfitz	9388 8645	lullfitz@myway.com
Legislation Convener	David Street	9586 1667	davenwen@multiline.com.au
Seminars Co-Convener	Julia Lynch	9350 6872	julialynch@westnet.com.au
Seminars Co-Convener	Brian Davies	9387 3832	brilee5@optusnet.com.au
	Patrick Gaffney	9433 4046	phyllisgaffney@gmail.com
	Verelle Ward	9204 3402	jonver2@bigpond.com

THE QUARTER'S NEWS IN SUMMARY

- At the end of last year, membership figures were: 212 Individual Members and 73 Village Groups (representing 6,196 residential units). Our goal is to have every resident covered so we still have a way to go. If you would like a member of the Committee to be a guest speaker in your village, please ask—warvra@gmail.com
- The seminars for this year have been planned and the dates are advertised on the back page. For this year's members seminars, we have decided to do a refresher course on the main topics covered over the last three years and to use our Committee members as presenters:

<i>Forming a Residents Association/Committee</i>	David Street and Colin Edwards
<i>Disputes and Complaints</i>	Brian Davies
<i>Budgets and Accounts (tips on the new Code)</i>	Des Cousins
<i>Exit Fees and Permanently Vacating Procedures</i>	Colin Edwards and Ian Nordeck

- Ian Nordeck is still working on the formal establishment of the new South West Regional Group. Residents in that area that would like to help are asked to contact him—phone and email details above.
- The Property Council's Retirement Living Committee is running a training seminar for Village Managers on 31 March 2015 on "Effective Communication" - one of the sessions is on working with Residents Committees and Denise Nicolay will be a presenter on behalf of WARVRA. Check that your Manager is attending! We are really pleased that after years of prodding, the owner groups are finally acting on training for managers.

VILLAGE GROUP MEMBERSHIP

Numbers are strength! We need more members to be credible!

Why not join WARVRA as a Village Group Member?

Just \$2 per year per village residence

Contact Ian Nordeck (9534 7650) to arrange a presentation in your village

WARVRA ACTIVITIES

LEGISLATION REPORT

WHERE ARE WE UP TO?

In December 2014, the Dept. of Commerce sent out its responses to the submissions made by WARVRA and the industry bodies to the drafts of the new Code and the Regulations arising from Section 14A of the amended Act. As well, the Department released a draft of the new Form 1 (that's the form that has all the questions to be answered by a Village Manager and given to prospective residents before the contract is signed).

The stakeholders were given to 16 January 2015 to comment on these Departmental policy positions. Our Legislation Committee met a few days before Christmas and prepared its responses. David Street and Des Cousins presented them to the Department in a meeting on 6 January 2015. At that time, the Department had had no response from either of the industry bodies.

The Department officers confirmed that it is the government's strong intention to have the new Code and the Regulations gazetted in time for them to become operative on 1 April 2015. If there are any major objections from industry to the new Form 1, the Department will withdraw it rather than delay the new Code.

WHAT ARE CURRENT ISSUES OF CONCERN

The Department's policy responses were very acceptable to us. In particular, the Department dismissed the submissions from the industry groups about "statements of financial position" and will persist in requiring these statements. We had proposed a transitional period of up to 5 years for operators who were having difficulty with providing such statements and the Department accepted this but limited it to a one year transition.

Industry bodies have expressed some concern about being subject to possible exclusion from residents meetings when a special resolution is being considered. We have proposed some re-drafting to meet their concerns but to retain the right of a residents meeting, when it has heard from the operator, to decide to vote without the operator representatives being in the room.

Industry bodies are also seeking to limit their obligation to respond to resident requests for information, suggesting that only residents committees need be responded to. We maintain that the resident, as the contracting party, always has the right to information direct. The Department supports our view.

There are two matters on which we are not happy: there are still provisions for the village operating fund to meet marketing and advertising expenses—we consistently maintain that is an owner expense and should not be paid by the residents.

We have also requested an additional finance reporting requirement for related party transactions—so that operators must report their relationship with any contractor used in the Village (that is, either ownership or partnership with a company or a personal relationship between the owner or senior executives with builders or contractors).

The Department has agreed to add this matter to the issues for Bill 2.

COUNCIL RATES

HISTORY

For some time, a number of villages have been concerned at the lack of any concession in Council rates when the Village (that is, the residents) pay for many services which in a normal suburban street would be met from the Council rates—such as road construction and maintenance, footpaths, street trees, drainage, street lighting, street cleaning and possibly others.

The matter was brought to our attention with a request for common action about a year ago. As one of the first villages to raise the matter with us was in the Mandurah area, it was decided to use that village as an example. David Street, with his many contacts in the Mandurah region, took up the issue on our behalf.

Our first contact was with the Valuer-General's Office to see if a discount could be applied to the valuation on retirement village residences. Long periods of inaction and discussions with officers followed. Finally the Valuer-General made a formal reply and stated that his legal authority (under his controlling legislation) only permitted him to value the property for rating purposes and he had no authority to discount the values. He recommended that we contact the local council which does have the power to discount rates (it's called "differential rating").

David had some discussions with the Council about this matter but they were not interested in acting—hardly surprising as it would have been a reduction in their rate income.

Other enquiries and discussions have led us to the conclusion that the only ways any rate reduction or discount will be achieved is by state government action, either in legislation or regulations.

So we are inviting all our members, both individually or as Residents Committees/Associations to begin a letter writing to local members of Parliament.

Your letter should point out the main facts that are in this article:

- Retirement Villages, that is, residents provide and pay for many services within the village that Councils provide for non-village residents.
- Mention some or all of these services.
- Ask is it fair for Village Residents to be asked to effectively pay twice?

Then ask your member to take the matter up with the relevant minister on your behalf and ask that you be advised what the Minister and the Government are doing to meeting your concerns.

You can obtain the email address or phone number of your local member on page 390 of the Business and Government phone directory.

WARVRA ACTIVITIES

Exit Fees

There is probably no issue more talked about when anyone is considering entering a retirement village than exit fees and probably no issue less understood. We receive calls constantly from residents and residents' families seeking clarification or complaining about the unexpectedly high sums that are being held back at the time of sale/transfer for the benefit of the village owner.

Our meetings with the Department of Commerce in recent times have given us some indications that there would be an openness on their part to consider placing some restrictions or limitations on these fees. But no one has come up with a way to do that which cannot be challenged as an undue interference in a commercial arrangement freely entered into.

We think our best ways forward involve three approaches:

1. We need to identify the **add-ons** that are being applied to the advertised fees. These include sales fees, refurbishment fees, legal fees, specific reserve fees etc. Often these "add-ons" are simply a way of increasing the basic fees and are not really a fee for a service performed and costed.
2. We are aware that some villages have introduced "stepped fees" - that is fees that are not the same for every year of village residence and usually require the resident to pay a loaded fee for the early years of village residence. Or to pay a lower fee per year after, say, ten years.
3. There should be some common standard across the industry—a certain annual percentage for a certain number of years. For a long period this was commonly 2 or 3 per cent over a 10 year period. We think there needs to be some standard so that fairness can be tested.

What do you know?

What do you think?

Send you comments to warvra@gmail.com

2015 SEMINARS PROGRAM

Please keep this program for future reference

FORUM FOR PROSPECTIVE RESIDENTS

Thursday 17 September 2015

10.00 am at Piney Lakes

MEMBER SEMINARS

Thursday 7 May 2015 at Golden Bay

Thursday 21 May 2015 at Piney Lakes

Thursday 4 June 2015 at McDonald Park, Padbury

All at 10 am Repeat Program