

WARVRA Newsletter

October 2014

Vol. 14 No. 4



WARVRA

NOTICE OF GENERAL MEETING

The next 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 14 November 2014 at 10.00 am

GUEST SPEAKER:

Changes to Aged Care

What are the Implications for Retirement Villages?

(Please read pages 5 and 6 in preparation)

BUSINESS:

President's Report

Treasurer's Report

Legislation Update

Seminars Committee Report

General Business

Members' Issues

COMMITTEE ELECTIONS

Elections for membership of the 2015-16 Committee will be held at the next meeting on 13 February 2015

Continuing Members (1 year to go)

Des Cousins (*Harbourside*)
Brian Davies (*St Ives Centro*)
Ron Hasluck (*Forest Lakes*)
Ron Lullfitz (*Mercy*)
Ian Nordeck (*St Ives, Mandurah*)
David Street (*Lady Brand*)

Retiring Members (Eligible for re-election)

Colin Edwards (*Bethanie Waters*),
Julia Lynch (*River Pines*)
Denise Nicolay (*RAAFA Erskine Grove*)
Patrick Gaffney (*Beacon Hill*)
Verelle Ward (*Parklands, Woodlands*)

Nominations close on Friday, 23 January 2015. A nomination form may be found on the website.

Western Australian Retirement Villages Residents Association Inc

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WARVRA COMMITTEE DIRECTORY 2014-15

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	Patrick Gaffney	9433 4046	phyllisgaffney@gmail.com
	Verelle Ward	9204 3402	jonver2@bigpond.com

THE QUARTER'S NEWS IN SUMMARY

- We have concluded our seminar program for this year with three successful seminars on Village Budgets and Accounts. Melissa Rosair, a Legal Policy Officer in the Dept. of Commerce introduced us to the planned new provisions for financial reporting (accounts) that will be in the new Code (now due in early 2015) and our own Denise Nicolay explained the role of residents in developing budgets (based on her long and successful experience as finance convener in her own village). Planning is now beginning for seminars next year—do you have any ideas as to what we should do? - if so, send them to Julia or Brian (email addresses above).
- Our two new Regional Groups are getting underway. Following information meetings in Busselton and Albany during August, we have recruited some local residents in each area to carry on with further planning. In the Albany Region, Monika Cull and Robin Gill have agreed to be Convener and Secretary. The first normal meeting of the Albany Regional Group was held on Wednesday 15 October 2014 at the RAAFA Amity Village with over 60 people present. President Des Cousins spoke about the legislation changes and particularly what is happening to the Code. Membership Development Officer, Ian Nordeck spoke about the roles that WARVRA plays. Many questions were answered. We have enrolled some new individual members and some new village group memberships.
Ian is now working with residents in the South West to arrange a further meeting in that region and we hope to have that in late November.
- The ARVRA (national) Annual General Meeting will take place in Sydney on Thursday 20 November 2014. New national office-bearers will be elected. President Des Cousins will be representing WA
- WARVRA contacted the Minister for Energy to complain about the recent switch by Synergy to the non-residential tariff for electricity supplied through master meters in Retirement Villages. We have received no direct reply but we understand that the tariffs have reverted to domestic tariffs.

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

The Delays Continue!!

The new Code and the final Regulations were expected to be operative from 1 October 2014

But the Minister has advised that the work is not complete and further consultation is needed
(see details below)

We now expect completion before 31 March 2015

WHAT HAS CAUSED THE LATEST DELAY

The Dept. of Commerce has indicated to us that some of the submissions they received required further consideration by them after consulting with the various parties individually.

On 3 October 2014, Des Cousins, David Street and Shelley Whitaker (our honorary solicitor) met with the Legislation Branch Manager (Gerry Milford) and two legal policy officers (Catherine Scott and Melissa Rossair). The Dept. had already met with the Property Council and ACSWA representatives.

Statement of Financial Position

The main stumbling block is that the operators do not want there to be a requirement that they must supply a "statement of financial position" as part of their reporting obligations on the village operating and reserve funds. They claim it will be too expensive to implement and that it may reveal too much of their private business.

We dispute these claims. Some operators already provide such statements and can do so without revealing their company or private affairs. Such statements are easily provided with all modern computer accounting programs.

We consider a statement of financial position is essential to reveal what funds are being held and to account for them year by year.

A summary of our subsequent submission to the Dept. of Commerce is in the next column.

Form 1

The Departmental Officers also revealed that they are reviewing Form 1 (this is the form with all the questions that have to be answered in the disclosure documents provided before a contract is signed). The new regulations (not yet completed) on the content of contracts will require much of the same information, so the Dept. is taking the opportunity to remove duplication and to update the content of the form. An exposure draft has been promised to us but has not yet been received.

WHAT DO WE WANT?

1. A budget and a statement of income and expenditure for Village operations and reserve funds with the proposed list of mandatory line items and with all necessary notes to explain complex items, any proportioning of expenses and variations from the budget will be required separately for each village.
2. A statement of financial position will be required for each village's finances. This statement of financial position should be provided in the format of the Australian Accounting Standards. We are not convinced by the reluctance of the owner bodies to oppose this requirement – it smacks of either lack of transparency or an unwillingness to have their practices revealed.
If, however, an administering body genuinely cannot provide this or needs additional time to reorganise its accounting system, then a minimum immediate obligation should be the provision of a statement of balances for the operating and reserve accounts in the same format each year and showing opening and closing balances adjusted for the outcome of operations in the accounting period and any amounts held in provisions. A boxed area in the Code could provide an example of this. The Code should also indicate that formal statements of financial position are desirable and require administering bodies to provide these within 5 years of the new/amended Code being proclaimed.
3. For administering bodies that do not provide a formal statement of financial position, there should be a requirement for them to show in some way that surplus operating funds and reserve fund balances are supported by adequate cash reserves.
4. Notes should be attached to statements of financial position in keeping with Accounting Standards including information about related party transactions.
5. The provisions in the Code relating to the treatment of surpluses on the Village operating fund should be underlined and the Department of Commerce must see that they are enforced.

CONSUMER PROTECTION ADVICE

WA TRAVEL INDUSTRY DEREGULATION

We know our members love to travel!

Here is some recent advice from the Consumer Protection Division

Western Australia's licensing system for travel agents ceased on 8 October 2014 as part of national deregulation of the industry. The Travel Compensation Fund (TCF), which travel agents had to be a member of, is only taking consumer claims in relation to travel bookings paid for before 1 July 2014 and will be wound down by late 2015.

Consumers who use a travel agent should now check whether the business has its own insolvency insurance. Consumers will need to check whether this cover also extends to intermediaries that the travel agent passes client funds on to, such as a tour operator.

Consumer-bought travel insurance policies are unlikely to provide cover in the event that a travel agent, or other intermediary, goes under. Travel insurance purchased by consumers often covers cancellation of holidays, medical expenses and the collapse of suppliers such as airlines and hotels. However, generally, travel insurance policies expressly exclude claims in relation to the insolvency of travel agents, wholesalers and cruise or tour operators.

Consumers not able to directly protect themselves through insurance should **consider paying by credit card**, or selecting 'credit' on a MasterCard or Visa debit card. Consumers who use 'credit' may be able to seek a chargeback from the card issuer/provider if the travel agent becomes insolvent. Travel agents cannot require consumers to give up their right to chargeback as a condition of sale; Consumer Protection is likely to treat this as an unfair contract term.

CONSUMER PROTECTION

The Australian Consumer Law (ACL) continues to apply to travel transactions. Under the ACL travel services must be as described or advertised and an agent must operate with an acceptable level of skill, otherwise the customer is entitled to a refund, compensation or to have the service provided again.

A new voluntary accreditation scheme called ATAS has been developed by the Australian Federation of Travel Agents and the list of travel businesses that have registered can be viewed at www.atas.com.au There is an industry Code of Conduct and dispute resolution processes are in place.

COMMUNITY EDUCATION

A national campaign called Pack Some Peace of Mind (www.packsomepeaceofmind.gov.au) is underway. Here is a summary of the consumer advice:

When looking for a travel agent, check that they:

- are accredited (for example, through the Australian Federation of Travel Agents accreditation scheme - ATAS) or have received another stamp of approval to provide specific products and services
- advertise their services and any deals clearly and accurately
- listen closely to what you want, answer your questions, make appropriate suggestions, and explain any terms and conditions.

Consider paying by credit card or by selecting 'credit' on a MasterCard or Visa debit card, as you may be able to seek a chargeback from your bank if you don't get what you paid for.

When buying from online sellers, check that:

- they have a good reputation. For example, read online reviews and comments
- their contact details, such as phone number and email address, are on their website
- the website payment page includes security features, such as a padlock symbol and address starting with 'https://'
- they display clear processes for solving problems and giving replacements and refunds.

FURTHER INFORMATION

To seek advice or complain about travel services consumer should contact the Consumer Protection advice line on 1300 30 40 54 or email consumer@commerce.wa.gov.au.





Changes to aged care



From 1 July 2014 there are some major changes for prospective residents of aged care homes and users of home care packages. Among these are improvements in how you find out about and pay for aged care accommodation charges, and significant changes to calculating what some residents and package users have to contribute to care costs. The Australian government still pays the majority of the costs of aged care but new service users or residents from 1 July 2014 may have to pay more towards those costs if you have the capacity to pay.

Choosing how you pay for your accommodation in residential care

For many years what you had to pay for aged care accommodation was often not advertised publicly by providers and could be the subject of private negotiation related to the value of your assets. Since 1 July each aged care provider has to set the maximum price of accommodation for each room or room type within their aged care homes in advance and make these prices public by publishing them and key features of the facility on the My Aged Care website as well as on their own website and in brochures.

This means that people looking for residential care can compare prices and rooms between different facilities

in their area and make a more informed choice about what kind of facility and price range they want to look at.

From 1 July consumers now have more choice and flexibility about how they pay for their accommodation, with three choices available:

- A lump sum payment called a refundable accommodation deposit (RAD) which will be returned in full when you leave (although you can charge other costs against it)
- A regular rental type payment called a daily accommodation payment (DAP) which is calculated by converting the lump sum amount using a legislated formula
- Some combination of both that best suits your financial position.

Prospective residents must agree with their provider on the accommodation price and receive a copy of this agreement before they can enter the aged care home. However you have 28 days from the day you enter care to decide on the payment method that best suits you. During this time you will pay the rental type DAP until you make your decision on how you want to pay.

It used to be the case that only residents assessed as "low care" could be asked to pay an "accommodation bond" (now a RAD) but not "high care" residents. This distinction between low care and high care has been done away with (except for respite care) - but there will be no reduction in the level of care and service any resident receives, indeed some residents may get a higher level of service from some providers.

How much will you have to pay for accommodation?

The most significant change for people entering residential aged care is the way in which their capacity to pay a contribution for their accommodation, and care, is assessed. Centrelink will undertake an assessment of income and assets and advise if an individual needs to pay, all or part of, their accommodation costs.

People who are full pensioners and who have only limited assets (currently around \$45,000 - which will not include any value for the home if a partner or dependent is still living in the home), will have their accommodation costs met fully by the Australian Government as a "supported" resident. This currently applies to about 43 per cent of residents.

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People with greater means will need to pay part of the price set by the aged care home and the government will pay some; and people with higher levels of income and / or assets will pay the full cost.

Paying for your care in aged care homes

A means test that combines both income and assets will replace the current income only test to determine care fees. This means test will be undertaken by Centrelink.

There is a basic care fee, set at 85% of the single person rate of the aged pension, to cover living costs such as power, laundry and meals. For many people, this is all they will pay. For others, Centrelink will determine if a consumer needs to pay a higher "means tested" care fee and advise the amount following the means testing.

Consumers are protected by an annual cap of \$25,000 on residential care fees and a lifetime cap of \$60,000 on all aged care fees, including any you paid for home care packages. Centrelink will let individual residents and their providers know when the caps are reached.

The treatment of the family home changed from 1 July 2014. Unless a "protected person" (spouse or dependent adult child) is living there, the home is included in the means testing but its value is capped at a maximum of \$154,500. If your spouse or another "protected person" is living in the home, it is not taken into account.

Paying for home care packages

If you receive a package of care at home, there are also changes to how what you will pay is assessed. Everyone is eligible to pay a basic charge of up to 17.5% of the pension. That is all a full pensioner can be asked to pay.

Part pensioners and non-pensioners will be asked to pay an income-tested fee calculated by Centrelink. This cannot exceed the cost of the service and is capped at \$5,000 per year for part pensioners and \$10,000 for non-pensioners after which the government pays.

How to work out your costs

The Australian Government has developed fee estimators to help consumers and their families calculate the likely costs of entering an aged care home or for home care packages.

These estimators are available through My Aged Care by phone on 1800 200 422 or on the website at www.myagedcare.gov.au

In addition, COTA encourages anyone who is considering moving into a residential aged care home to obtain appropriate financial advice to see what option works best for them.

Take advantage of modern information technology

Australian Seniors Computer Clubs Association (ASCCA) is the national peak body for seniors and technology.

Our mission is to assist clubs to educate seniors in using computer technology to enrich their lives and make them more self-reliant.

We bridge the generation gap and assist seniors to benefit the community through their collective experience and knowledge. ASCCA was formed in 1998 and is a not-for-profit company.

ASCCA supports and encourages seniors to take advantage of modern information technology to meet their individual needs and to provide challenges to become computer literate at their own pace, in a friendly non-threatening environment and to have fun while doing it.

ASCCA has become a catalyst to enthuse, encourage, empower and assist seniors to explore computer technology.

In the 21st century, information technology includes not just computers but also mobile phones, webcams, iPads, and other emerging technologies.

ASCCA undertakes projects to support IT for Seniors, and organises seminars, training sessions for the mature aged and club volunteers, workshops and similar activities.

In addition, there is an annual two day conference, open to all seniors, where many areas of information technology and communications issues of interest to seniors are covered.

ASCCA's main objectives are to:

Assist communities to establish computer clubs for seniors wherever a need exists.

- **Support and assist existing clubs grow and remain viable.**
- **Provide training for club trainers and potential trainers.**
- **Develop training resources for use by computer clubs.**
- **Provide awareness about cyber security.**
- **broaden the vision and understanding of available technology and what is possible.**
- **Help educate seniors about accessing information, government services and communications via the internet.**
- **Liaise with all levels of government regarding policy issues affecting information communication technology and seniors.**

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