

WARVRA Newsletter


WARVRA

PRESIDENT'S REPORT

Training Seminars

The WARVRA Training Seminars are growing in stature and reputation with two seminars being required last year to accommodate the number of volunteers – a total of 34 Members participated in the training.

As a result of these numbers, it is very pleasing to report that we have a full complement of 10 Members on the General Committee, seven on the Legislation & Advocacy Sub-Committee and nine on the Membership/Education Sub-Committee.

Having nine people available in the Membership Group allows us to form three Regional teams:

North of the River

Maureen Farrell, RAAFA Cambrai
Pat Hassett, RAAFA Cambrai
Bernie Frayne, Settlers Ridgewood

South of the River

Hans Spiegers, St Ives Murdoch
Susan Burns, Joseph Banks Canning Vale
Doug Sturrock, Regents Garden Aubin Grove

Peel/South West

Jill Cooper, St Ives Mandurah
Darrell Govan, Parkland Villas Mandurah
Ian Nordeck, St Ives Mandurah

Recently, a letter was sent to all Member Villages promoting the benefits of Education Power Point Presentations, to which has been added a new Presentation:

"A Guide to Being an Effective Residents' Committee".

We urge you to avail yourselves of these services; they are instructive and educational and will benefit all the residents of your Village.

It is a membership service, it is free - the only requirement is a cup of tea and a bikkie at the end!

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THE GENERAL MEETING

of WARVRA will be held at
Department of Mines, Industry Regulation and Safety
Exhibition Hall. Second Floor 140 William St, Perth.

FRIDAY 10th May 2019 10am

REPORTS

President - Ian Nordeck
L&A Committee - Ron Chamberlain (Vice President)
Treasurer - Corry Knappers

GUEST SPEAKER

MICHAEL HODGKINS

(Partner: Birman & Ride)

Michael will present for about 30 minutes on the general topic of **Retirement Housing Options**.

Topics covered will include:

- Staying put
- Selling and buying a home
- Retirement villages
- Granny flats
- Subdivisions
- Buying off-the-plan
- Park homes

For the remaining time he will take questions from the floor on anything in the presentation and any legal topic of interest to Seniors.

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WARVRA Committee Directory

Name	Role(s)	Phone	Mob	Email	Correspondence
* Legislation & Advocacy					
Ian Nordeck	President, Membership	08 9534 7650	-----	ianandrae@internode.on.net	57/22 Carnegie Place, Greenfields 6210
Ron Chamberlain	Vice President, Convenor, L & A*	08 9456 4598	0447 315 160	ronlyn2@bigpond.com	38/58 Canna Drive, Canning Vale 6155
Rae Nordeck	Secretary	08 9534 7650	0412 456 251	ianandrae@internode.on.net	57/22 Carnegie Place, Greenfields 6210
Cory Knappers	Treasurer	08 9550 4964	0488 059 103	corryadri@terancamews.com.au	64/140 Teranca Rd, Greenfields 6210
Ned Stokes	Assist. Convenor L & A	9433 5663	0405 545 573	geoned2@bigpond.net.au	-----
Bernie Frayne	Assist. Convenor, Membership	9305 9067	0420 837 746	bernie12221@bigpond.com	-----
Lindsay Lane	L & A	9304 5183	0421 989 625	lindsaylane1543@hotmail.com	-----
Jill Cooper	Membership	9535 1788	0408 846 030	jillandbob@sctelco.net.au	-----
Lexie Beardmore	L & A	08 9311 4319	0406 539 720	krakowsky1949@gmail.com	-----
Doug Sturrock	Membership	9498 7375	-----	dandbsturrock@iprimus.com.au	-----

Regional Committees' Directory

NAME	POSITION	PHONE	MOBILE	EMAIL	REGION
Monika Cull	Convenor	08 9843 3786	0407 691 975	monikacull@gmail.com	GREAT SOUTHERN
Ron Sparks	Co-Convenor	08 9754 2614	0427 002 614	norskraps@bigpond.com	SOUTH WEST Busselton
Dianne Wilson	Co-Convenor	08 9724 4889	-----	didiroy@hotmail.com	SOUTH WEST Bunbury
Ian Nordeck	Convenor	08 9534 7650	-----	membership@warvra.org.au	PEEL
John Lewis	Convenor	-----	0408 939 615, 0437 780 798	johnhenry@westnet.com.au	MID WEST

PRESIDENT'S REPORT cont'd from page 1

New Member Villages

We welcome three New Member Villages to WARVRA being Kingsley Retirement Village, Bethanie Gwelup and RAAFA Bullcreek which brings our total membership to approximately 17,000. A challenge has been extended to the Membership Group to increase the membership to 20,000 by the end of this year.

New Developments in Progress

WARVRA has committed to three new projects this year, namely:

Developing contacts with Politicians – This task will be the responsibility of the L & A Sub Committee, with the Coordinator being Ned Stokes.

Promoting Membership of WARVRA Associates to Village Management – this task will be the responsibility of the Membership Sub-Committee with the Coordinator being Doug Sturrock. It is most pleasing that Bethanie and Village Solutions have enrolled their Management Teams as WARVRA Associates.

Encouraging payment of Membership Fees by subscription within the Financial Budget – this task

will be part of the Membership Sub-Committee with the Coordinator being Jill Cooper.

All of these projects require preparation and training and that is currently taking place with village/member contact to commence very soon.

Retirement Living Council (part of the Property Council of Australia)

This meeting was held in Melbourne and attended by the Presidents of ARVRAs respective State bodies. The primary purpose of the meeting was to discuss the new proposal for the accreditation of villages, which will be conducted in conjunction with their new Code of Conduct.

Meeting 1 – ARVRA - All the Presidents of the respective State bodies met to discuss their State Association, membership numbers, problems and concerns.

WARVRA has the largest number of members by far, with the other States being around the 6,000 - 7,000 mark; but in fairness most of the other States have Village membership, generally with a much higher membership cost than ours, eg \$500pa.

Most of the other State organisations receive some financial help from their State Government which enables them to employ staff and rent premises.

Generally speaking, all Associations have similar problems and certainly share our concern in 'who is responsible for what in Retirement Villages'.

I found the meeting valuable but required more time to fully explore issues and I would be a supporter of having another meeting over a longer period to continue the discussions and learn from the other associations.

Meeting 2 – Retirement Living Council – this was attended by about 35 people including ARVRA members.

We were provided with the opportunity of voicing our comments and concerns in relation to the Code of Conduct and the Accreditation process, particularly in relation as to who is going to pay the cost of Accreditation.

The meeting was chaired by Tony Randello (Lend Lease) and he directed various parties to review many of our concerns and it will be interesting to see what comes of the matter.

Overall, it was a very productive meeting but we will have to wait to review the outcomes.

Meeting 3 – Retirement Living Academy – the Academy is the training arm of the RLC, operates Australia wide, and they have been charged with the responsibility of developing a Manager Training Course by July 1, 2019 – a large task.

A considerable amount of time was taken in discussing the process and many good ideas were put forward for consideration.

My impression was that those charged with the responsibility for this course now realise what a daunting task they have on their hands.

They sought leave and permission to phone us if and when required.

Legislative Review

At our last quarterly meeting with Commissioner David Hillyard and his Executive Team, the matter of the review was raised, and we were informed that the Department is working towards a commencement date in May.

Penny Lipscombe, who is managing the project, agreed to provide a report for our newsletter and that is now enclosed for your information.

Minister Quigley

Our meeting with the Minister has been brought forward to 2nd May 2019 which is pleasing.

Ian Nordeck, President, WARVRA

Legislative & Advocacy Report

The first meeting with the Commissioner for 2019, was held on Monday 26 March.

The Commissioner, David Hillyard, opened the meeting and introduced Penny Lipscombe who, as the Director of Legislation and Policy, has been in charge of the project to develop the forthcoming RV legislation. Penny spoke about the new legislation coming out in several parts, each dealing with a significant part of the legislation. She expected the first of these documents to be available in May.

A statement, from Penny Lipscombe, on the issues to be developed and feedback opportunities, is printed in this newsletter.

Some of the topics Penny mentioned which must be addressed are:

- What is a retirement village?
- How are retirement villages presented for sale?
- Improved transparency about costs and exit fees.
- The language such as deferred management fees (DMF)
- Contracts and how they are presented to potential buyers

Discussion focused on the Greiner Report and whether Consumer Protection was aware of the recent legislation in NSW regarding owners being required to pay out contracts after three month in Sydney and eighteen months in country NSW, if the unit had not been sold within that period. This matter is briefly mentioned in Penny's paper.

Several issues relating to individual villages were raised and some progress was noted.

President Ian and I met with the Member for Vasse, Libby Mettam, to discuss WARVRA issues on the RV Legislation.

Ron Chamberlain, Chair, L & A Committee

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Next Issue 19 July 2019

*All contributions should be received by
12 July 2019*

*Contact Secretary** for more information
(*See Directory at top of page 2 of this issue.)*

Proposed Reforms to the Retirement Village Legislation

I thank WARVRA for this opportunity to provide members with an overview of the second stage of the retirement villages' legislation reform flowing from the *Statutory Review of Retirement Villages Legislation Final Report, 2010* (Final Report) recommendations.

Stage 2 reforms

The Final Report made over 100 recommendations. Some 79 have been implemented in full or in part. Stage 2 reforms consist of proposals to:

- implement the outstanding Final Report recommendations; and
- address some emerging issues.

Stage 2 reforms also consider information that was not available at the time the Final Report was made and the persistence of some problems despite the Stage 1 reforms. As a result, some Final Report decisions have been reconsidered – for example, the Final Report decided against a time limit for paying exit entitlements to a former resident after they leave a village. The consultation paper considers this issue again and asks whether these should be paid within 6, 12 or 18 months.

We also looked beyond the traditional approach to classifying reforms - as being relevant to what occurs before, during and after residence, separating accommodation from amenities and services and both from management. Our view is that the same underlying problem can cause issues at each of these stages.

The consultation paper proposes remedies for the underlying problems. For example, consumers often misunderstand the purchase of the retirement village product as a residential property transaction. A better description of the transaction is the purchase of accommodation, amenities and services in a managed community.

Expressly stating this in the legislation provides a clearer foundation for getting the balance right on matters such as village budget decisions, operator obligation to resolve disputes and whether it is possible for former resident to control the “sale” of the RV product to a person who will occupy the village unit they vacate.

Stage 2 reforms proposals will be released in groups, not all at once

This significant policy work means that presenting stage 2 reform proposals has taken longer than stakeholders (and we) would like. However, we believe the delay is offset by our ability to put more relevant and targeted proposals to you.

It also means that the consultation paper is long and on occasion quite complex – it has more policy discussion and reform proposals than can be easily digested at once. Therefore, the reform proposals will be released in several thematic groups over the next 12 months or so. At present these groups are:

1. Retirement village product and price: improving consumers' ability to identify the retirement village product and its price. I discuss this group of reforms in more detail below.
2. Operator responsibilities – repayment of exit entitlements and managed communities: addressing the issues regarding the repayment of exit entitlements and ongoing responsibilities of the operator for the managed community, including for capital works, obtaining resident approval for budgets and clarifying refurbishment obligations.
3. Application of RV legislation - identifying when the retirement village legislation applies and when it does not, including options for a public database.
4. Multi-site villages, retirement village scheme termination, memorials and the statutory charge – including minimum resident notice and consultation requirements for scheme termination.
5. Village development, leasing 'off the plan' and multiple residence contracts, wait list and holding fees, village redevelopment and excision of land from a village - including minimum resident notice and consultation requirements for redevelopment and requiring SAT permission when residents object.
6. Compliance and enforcement: moving the code to the *Retirement Villages Act 1992*, improved enforcement mechanism for the code, introduction of civil pecuniary penalties, infringement notices and substantiation notices and the creation of new offences.
7. Strata and purple title –the final proposals will be determined once the new strata title regulations and community title regime have been settled. The intent is to simplify the way that legislation interacts with retirement villages' legislation.

As you can see, some of these categories are broad. Depending on stakeholder response to the first sets of proposals released, we may need to reconfigure these groups.

First set of reform proposals –Paper 1

The first set of reform proposals address the difficulties consumers currently face in correctly identifying what it is they are purchasing when they enter a retirement village and what they will pay for it. The Act's current approach - treating the 'right to occupy' a village unit as something independent from the other retirement village product components (amenities, services and management) - is artificial. It gives rise to expectations (such as 'capital gain' on the upfront payment and rights to 'sell' the 'unit') that are not consistent with actual contractual arrangements. Simply providing additional pre contract disclosure is not correcting these expectations - there needs to be a reset so that consumers have a proper framework to understand the complex arrangements they are entering into.

The proposals in Paper 1 are to:

- better distinguish the retirement village product transaction from general housing purchase, strata title arrangements and tenancy through:
 - redefining the term "retirement village" so that it more clearly reflects all the components of the retirement village product – accommodation, amenities and services in a managed community;
 - removing the remaining distinction between residence and service contracts in the legislation; and
 - prohibiting advertising with potential to mislead consumers – such as advertising 'a home' 'for sale';
- provide consumers with a better understanding that the upfront payment they make is not the RV product price and earlier, more complete information as to the full range of fees and charges the purchase involves. Options identified include:
 - requiring any advertisement stating the upfront payment to also state that there are other fees and charges;
 - requiring operators to place on their websites (and provide on request) a document equivalent to the New South Wales' Average Resident Comparison Figure; and
 - requiring any advertisement stating the upfront payment to also state what that payment would be if there were no DMF.

As you can see, the intent is to address several long-standing problems:

- confusion as to what makes a retirement village, a retirement village under the Act;
- confusion in what is being purchased that contributes to contracts being misunderstood;
- difficulty in understanding all the fees and charges early in the decision-making process;
- difficulty in being able to compare product offerings regarding price; and
- lack of understanding that the DMF is an integral part of the retirement village product price structure.

How will you find out when the paper is released?

WARVRA is a key stakeholder and we will notify the Committee directly. We have also committed to providing WARVRA and other key stakeholders with copies of the papers prior to formal public release.

As papers are released, we will be placing them on our website and making a public announcement that they are available. You can also register with us to receive a hard copy or emailed copy of the paper.

You will be able to make a submission individually, as a group of residents, as a village or through WARVRA. Family members, your legal and financial advisers, and the general public are all encouraged to contribute. We are developing a process for you to provide input electronically as well as in hard copy. There are specific questions for each reform. This will help you to understand what information we would find helpful. You are not, however, limited to answering our specific questions. If you think that other matters need to be considered, please let us know.

All the details for providing your feedback – e.g. website pages, email and street address, how you should address your correspondence so that it gets to the right place – will be provided on our website and to WARVRA when the first paper is released.

Penny Lipscombe, Director Legislation and Policy, Consumer Protection, 12 April 2019.