

# Newsletter

Issue No. 71 September 2023

## Contents

In support of age diversity in retirement villages	p1
Notice of RRVV's 2023-24 annual meeting	p2
The RRVV committee needs you	p3
RRVV lunch event	p3
Don't mess with old people	p4
Calculating your adjusted maintenance charge for 2023-2024	p5
Interview with a politically active member	p6
From the beehive	p7
RRVV annual financial report summary	p8

## In support of age diversity in retirement villages

Retirement villages would be boring communities if everybody were from the same generation, socio-economic group, or ethnicity.

Villages with a diverse population tend to be more vibrant, self-sufficient and nurturing. Moreover, there is evidence that living in a diverse community slows cognitive decline and increases longevity.

You would think retirement villages would be the last communities where age discrimination would raise its ugly head. Not so.

So, why do some operators deny diversity is a positive factor in retirement village life?

In recent months, RRVV has heard from members whose operators seek to impose a higher minimum entry age than the fifty-five years set by the Retirement Villages Act.

RRVV doubts the genuineness of the stated reasons for seeking to lift the minimum age. For

example, one operator wanting to raise the age to seventy-five suggests that in a village where the average age is approaching the mid-eighties, residents younger than seventy-five might not fit in.

The residents actively disagree. They want more people younger than seventy-five to enter. Younger residents are willing and capable volunteers and contribute generously to village life. The residents point out that when the average age is in the eighties, it is hard to find enough residents willing to serve on residents' and social committees.

Ironically, one of the operators proposing a higher minimum entry age acknowledges that doing so will require village staff to increase their participation in organising community activities and events. This operator does not disclose that an increased staff workload will likely increase service fees.

Why might operators prefer older people?

Recently, many operators have introduced deferred management fees that increase the impost on residents who leave in the first five years. Residents who stay only a few years are more profitable than those who stay longer. The benefits of a short turnover are clear.

Similarly, some operators now are approved in-home aged care providers. The more people who need in-home aged care in their villages, the higher the potential profit.

RRVV needs more information on the extent of age discrimination in Victorian villages. If your operator openly discriminates or you suspect hidden discrimination, please let us know by emailing [office@rrvv.org.au](mailto:office@rrvv.org.au), leaving a message through the service desk on our website (you need to log in) or calling 9015 8402.

# Notice of Annual General Meeting to be held on Monday, 9 October 2023

## Format

RRVV will hold a Zoom-only meeting because the cost of a suitable venue for a physical or hybrid session is prohibitive. Instead, for an opportunity to meet in person, please see the separate notice in this newsletter for a lunch event “Making the Best Use of our Australian Consumer Law Rights”, on Tuesday, 24 October 2023.

## Registration

Please copy the following link into your browser (you can also find it at [www.rrvv.org.au](http://www.rrvv.org.au)):

<https://us02web.zoom.us/join/9tZcufuuhri0oEtyjMF2v1104i10F9Qu6X7Jh>

## Times

Log in: from 10:00 AM

Meeting starts: at 10:30 AM

## Agenda

1. Open and welcome
2. Confirmation of registration and apologies
3. Minutes of the previous annual general meeting held on 10 October 2022 (available at [www.rrvv.org.au](http://www.rrvv.org.au))
4. Presentation of the annual report
5. Presentation of the Treasurer's report
6. Approval of the Association's annual financial statements (see September newsletter)
7. Approval of proposed membership fees for the 2024-2025 financial year:
  - a. Single members \$20 (no change)
  - b. Joint members \$25 (no change)
  - c. Lifetime membership
    - i. Single members \$150 (no change)
    - ii. Joint members \$200 (no change)
  - d. Whole of village membership \$15 per built residence (no change)
8. Election of President, Vice President, Secretary, and Treasurer
9. Election of five general committee members
10. Meeting close

## RSVP

Please see the Zoom registration details above. Early registration is encouraged.

## Helping people who do not have a computer or do not use Zoom

Please invite your neighbours to join you to attend the meeting online.

## Annual financial report

For a summary report, see the back of this newsletter.

For the full report see [www.rrvv.org.au](http://www.rrvv.org.au)

## The RRVV Committee needs you

The term of all RRVV committee members ends at each Annual General Meeting. Serving committee members are eligible to stand for re-election.

The committee has been under strength for almost seven years. We need more committee members to support and expand our services to RRVV members and strengthen our influence with governments and retirement village operators.

The role of committee members extends well beyond the committee room. Each of us has a job. The rules of the Association require four officeholders:

1. President - (currently Lawrie Robertson)
2. Vice President - (currently vacant)
3. Secretary - (currently vacant)
4. Treasurer - (currently Graeme Seymour)

The rules also provide for up to five ordinary committee members. The jobs available to ordinary members include government relations, industry relations, village liaison, membership growth, newsletter production and more. Yes, there are more jobs than committee members.

The committee performs much of its work online and via email, so computer skills are essential.

The committee meets for up to two hours on the second Tuesday of each month, either by Zoom or at RRVV's registered office in Caulfield North. Usually, we have lunch together in the boardroom after a physical meeting. Access to the office by public transport is good.

The committee's work is gratifying. Please nominate today if you believe in the cause and feel you can contribute. If you know someone who is suitable for RRVV, please nominate that person.

We have inserted a nomination form in this newsletter. Please mail completed forms to RRVV, PO Box 2402, Caulfield Junction 3161 or email to [office@rrvv.org.au](mailto:office@rrvv.org.au).

## RRVV lunch event

### Making the best use of our Australian Consumer Law Rights

Do you ever feel village owners and operators have the upper hand? That you can't win an argument?

Most residents think the Retirement Villages Act is all we have, and it's not much help. A better knowledge of our consumer rights could be just what we need to tip the balance in our favour.

This event is open to RRVV members and guests. Please invite your neighbours. The number of places is capped, so book early to avoid disappointment.

### Our speaker

**Jessica Kinnear**

Special Counsel, Moores.

Jessica specialises in law relevant to retirement villages and is an outstanding residents' rights advocate.

### The details

**When:** Tuesday, 24th October at 12 noon.

**Where:** The Royal Melbourne Hotel,  
629 Bourke Street Melbourne  
Exit Southern Cross Station to  
Spencer Street at Bourke Street.  
Walk 180 metres along the right-hand side of Bourke Street.

### Tickets

\$25 per person (includes a 2-course lunch and soft drinks)

### Event Booking

Please book at:

<https://www.trybooking.com/CLBGM>

(this link can also be found at [www.rrvv.org.au](http://www.rrvv.org.au))

You could ask a computer-literate neighbour to help or call 9015 8402.

### Special dietary requirements

Please let us know if you follow a gluten-free, vegan, or vegetarian diet when you book.

## Don't mess with old people!

In May 2023, one of our members settled a long-running case with a village operator for \$935,000. The terms are confidential except for the details revealed in this article.

This article is the story of an RRVV member who challenged the financial practices of a village operator in the face of legal and personal challenges. It warns operators who think old people have no fight left in them to think again.

Around four years ago, our member pointed out their operator was charging a service fee higher than the amount permitted by law and asked for a refund.

The dispute could not be settled, and our member filed a claim with the Victorian Civil and Administrative Tribunal (VCAT). By this time, COVID was again spreading, and VCAT was only holding hearings via ZOOM. VCAT's case backlog was growing.

At the first hearing, the VCAT presiding member ruled that the resident had not made out the case adequately but provided an opportunity to present a fuller case at another hearing in six months.

Our member asked us for assistance at this point. During our early discussions, we learned our member was also concerned, amongst other things, the operator was charging the village a fixed proportion of various head office overheads.

At the second hearing, the VCAT member accepted the amended points of claim and ordered the parties to attend a compulsory conference. This order introduced another six month delay.

The parties did not settle at the compulsory conference, and the operator's barrister argued that part of the claim was invalid. The VCAT member set a date for a case hearing, and gave our member leave to submit an amended claim.

By this time, our member was feeling the strain but managed to file the amended points of claim before the deadline.

Just before the operator's deadline for filing its points of defence, it approached our member with an offer to discuss a settlement. This approach reinvigorated our member.

Here the resident included even further issues. It was contended that –

1. The operator had used the village's major maintenance fund to pay for unit renovation costs which were the operator's responsibility. The fund was some \$400,000 in deficit.
2. The operator used village staff to renovate those units for resale. The responsibility to pay those wages fell directly on the operator, not the residents.
3. The operator included in resident fees the operator's cost for legal services incurred in this matter, some \$45,000.
4. The operator levied across all residents' costs where some residents had a direct contractual obligation to pay those costs.
5. The operator failed to provide sufficient information in their financial reporting. This is contrary to s34.3b of the Act and prevents residents satisfactorily identifying valid or invalid charges levied on them.
6. Contrary to s38.2, the operator levied a maintenance charge greater than the CPI calculated adjusted maintenance charge without the authority of the residents under s38.4.
7. The operator used simple averages and percentages plus a mixture of village and aged care costs when calculating the 'management and administrative' services charges levied on the village residents.

The parties settled the matter on the following terms.

1. At its cost, bring the major maintenance fund back to zero from a negative \$400,000.
2. The operator committed to paying unit renovation costs, including staff wages, for those units where the resident did not have a contractual obligation to do so.
3. Maintenance and replacement costs plus staff costs to be levied against residents with a direct contractual obligation to pay those costs when not choosing a private contractor.



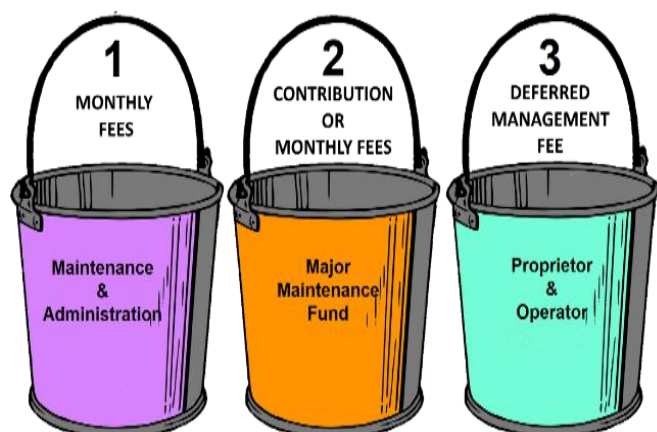
4. The operator is to refund the cost of their some \$45,000.00 in legal fees, and to adjust the village financial report to reflect that.
5. The operator committed to using the s38 and s38AA statutory methodology to set service fees.
6. The operator committed to using the most accurate methodology to calculate charges for village management and administrative services.
7. The operator committed to providing financial reports and budgets in line with the provisions of s34.3b.
8. The operator committed to spending, some \$500,000.00 on capital improvements to the village. The residents have the controlling vote on which project.

Whilst the resident surrendered their individual monetary claim, they achieved a broader benefit for all village residents in the short and long term.

The case discussed above shows how important it is that members have an understanding of what happens to their fees, where this money goes, for what purpose, and who it belongs to until spent.

RRVV promotes a three-bucket model for this understanding. Bucket 1 for maintenance and administration fees which is resident money. Bucket 2 for Long Term Maintenance which is resident money. Bucket 3 is operator money which is derived from the deferred management fees and profits.

The three-bucket model:



## Calculating your new adjusted maintenance charge using the year to 30 June 2023 CPI increase

The adjusted maintenance charge is the highest service fee an operator can impose without approval from village residents or the village residents' committee.

Section 38(5) of the Retirement Villages Act (the Act) provides an exception. Please see our June 2023 newsletter for an explanation of this exception.

In our June 2023 newsletter, we explained how to calculate your village's adjusted maintenance charge by increasing the service fee for the first full budget year of its existence to account for inflation since then using the year to 31 March Consumer Price Index (CPI) data.

We provide the year to 30 June 2023 CPI data below. If your village uses the June financial year as your CPI year, you can calculate your new adjusted maintenance charge.

Quarter	Melbourne CPI
21 September	120.1
21 December	121.4
22 March	124.2
22 June	126.4
Total 2021-2022	492.1
22 September	129.0
22 December	131.1
23 March	132.7
23 June	133.5
Total 2022-2023	526.3

Source: Australian Bureau of Statistics 6401.00 released 26 July 2023.

The index numbers total for the year ending 30 June 2023 (526.3) is higher than the corresponding numbers for the year to 30 June 2022 (492.1) by 6.95%.

So, the adjusted maintenance charge for villages using the year to 30 June CPI increases by 6.95%.

## Interview with a politically active member

### Marta's story

**RRVV:** Please tell us something about yourself.

**Marta:** I am a late-seventies wife, mother and grandmother and former secretary. I have lived in this village for twelve years.

**RRVV:** What prompted you to start advocating for people who live in retirement villages?

**Marta:** When I entered this village, RRVV was campaigning to reduce our Council rates. I thought this a worthwhile cause and joined the campaign by organising the villages in our area to lobby the local Council for reduced rates. The representatives from the other villages and I worked hard for about three years. We did not get a rate reduction, but we did get some financial support from the Council.

**RRVV:** Then what did you do?

**Marta:** The Parliament of Victoria decided to hold an inquiry into retirement villages. RRVV asked its members to make a submission, and I thought, why not. While my husband and I have always been happy in this village, we believe some of our operators' practices are dodgy. I knew what I wanted to tell the Parliamentary committee conducting the Inquiry but was unsure how to convey my message. With a couple of friends, I consulted my local member, who I had got to know quite well, and received helpful advice. We put in a joint submission. I also put in a separate submission. The Inquiry held public hearings. I attended as many as possible and got to know a couple of the politicians on the committee. I found them interesting people.

**RRVV:** That was seven years ago. Have you been active since then?

**Marta:** Yes. I have a list of friendly politicians' email addresses and regularly drop them a line expressing my views on current issues affecting retirement villages and asking them questions. I also have email addresses for every member of the Parliament of Victoria. In the run-up to the last two elections, I put my views to the major parties and asked them to include certain matters in their policy platforms.

I have also made submissions to the Minister for Consumer Affairs and the team reviewing the Retirement Villages Act.

**RRVV:** Where to from here?

**Marta:** During the worst COVID crisis, I relied entirely on email. I think it's now time for face-to-face meetings with friendly politicians, whatever their colours. There are a few things I don't like about the draft of the amended Retirement Villages Act, so I will be discussing these issues with them and asking them to intervene.

**RRVV:** What advice do you have for our members who are reluctant to try influencing their local politicians?

**Marta:** First, don't be afraid of politicians. Most want to make a difference and welcome ideas from voters. Second, ask what you can do to help them. Third, be clear about what you want them to do. They respond best when you deliver your message as a human story. Fourth, make friends with the staff of the politician's electorate office. They are the people who manage the boss's diary and just might be able to fit you in ahead of someone else. Fifth, keep it simple. Focus on one issue at a time and summarise your message in dot points. Sixth, don't forget the members of the upper house, particularly the independents and those representing minor parties. If, when the Bill amending the Retirement Villages Act reaches Parliament, and we want changes to it, the push we need will most likely come from non-government members in the upper house.

**RRVV:** Have you any more comments

**Marta:** Yes. One of our biggest problems in bringing about change is that the people who make decisions that affect our lives don't understand what it's like to be old. How could they? We have been their age, but they have never been our age.

One way to help politicians understand is to invite them to your village to meet several residents or ask and take questions at a residents' meeting.

*Note: Marta is a pseudonym. We have altered some story details to preserve our interviewee's privacy.*



## From the Beehive

How often do you take time to identify your bee expectations for an important decision you have to make?

Did I identify my bee expectations of living in a retirement beehive when I was looking to downsize from my family beehive home? No.

After making a decision, you often realise something you assumed would be or happen doesn't be or happen.

So, in the rearview mirror, what were my expectations of moving into The Beehive:

- That I would be secure.  
➤ *Tick*
- That I would find my unit attractive.  
➤ *Tick*
- That management would respect my life experience.  
➤ *No*
- That I could afford the rising monthly costs.  
➤ *Just*
- That I could feel free and independent.  
➤ *No*
- That I could contribute to all decisions that affected me.  
➤ *No*
- That the Really Big Bumble Bees would fully honour my contract.  
➤ *No*
- That the other resident bees would welcome me.  
➤ *Mostly*
- That there would be no stress living with strangers.  
➤ *No*

These days retirement beehives are very big business. The Really Big Bumble Bees who build, own and operate retirement beehives gather huge mounds of pollen.

Really Big Bumble Bees don't live in bee retirement hives. They have no idea how an ageing bee wants to live. They have no idea what an ageing bee feels like or needs.

Really Big Bumble Bees are usually still vigorous, climbing the corporate ladder, wanting to accumulate vats of honey, and competing to be the Best Big Bumble Bee in the Business.

Wise and experienced ageing bees living in retirement beehives have done all that. They no longer buzz in the working world. They no longer strive to be the wealthiest bee in their peer group.

Ageing bees have achieved their life goals or have come to terms with not doing so. In their retirement years, they look for a mature, quiet, fulfilling, healthy, safe, autonomous, mildly stimulating, shared bee community lifestyle.

I once asked a group of youngish, retired bees what their ideal bee retirement hive would look like. They said it would be attractive but homely. The staff would be warm, welcoming, and caring. It would have a garden and a communal gathering room. It would have a simple café providing real coffee. It would be a cosy and safe beehive that would guarantee a roof over their heads for the rest of their lives.

There was a time when bee retirement hives were modest establishments built to reflect the bee community's lifestyle. Their owners priced them within reach of most bees' capacity to buy a cell. They were buzzing bee communities.

Retirement beehives have changed. They are bigger and often on several levels; they have smaller gardens; they often have residential aged care beehives on the same block; they are modern with sharp edges and complicated, computer-driven dishwashers and ovens.

Working bees on aged bee pensions would struggle now to buy into these new slick bee retirement hives. It would seem the Really Big Bumble Bees are slowly discouraging retired worker bees who have only moderate mounds of honey in reserve, from living in the modern version of a bee retirement village by making them so modern, so clinical, and so expensive.

Does your retirement beehive meet your expectations? If so, keep buzzing happily. However, if it doesn't, please speak up. Life is so short to put up with poorly run retirement beehives.

# Residents of Retirement Villages Victoria Inc

ABN 20 341 655 161

## INCOME AND EXPENDITURE STATEMENT

For the year ended 30 June 2023

	2023	2022
	\$	\$
<b>INCOME</b>		
Advertising	-	869
Donations	870	3,536
Sale proceeds - Committee Handbooks	10	30
Sundry income	-	1
Transfer from Legal Support Reserve	-	2,420
Membership fees	48,345	48,385
Interest received	875	369
	<u>50,100</u>	<u>55,609</u>
<b>EXPENDITURE</b>		
Administration Expenses	44,126	48,416
Amortisation - Office system development costs	8,218	1,958
Committee Expenses	728	3,789
Depreciation - Office equipment	1,048	1,279
Forums & Presentations	2,251	1,520
Legal Services	-	2,420
Newsletter Costs	14,380	15,288
Rents	6,411	6,156
Website & Internet Costs	424	2,974
	<u>77,587</u>	<u>83,800</u>
<b>DEFICIT FROM ORDINARY ACTIVITIES</b>	<u>(27,487)</u>	<u>(28,191)</u>
Accumulated surplus at the beginning of the financial year	<u>79,856</u>	<u>108,046</u>
<b>ACCUMULATED SURPLUS CARRIED FORWARD</b>	<u>52,369</u>	<u>79,856</u>

# Residents of Retirement Villages Victoria Inc

ABN 20 341 655 161

## STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2023

	2023	2022
	\$	\$
<b>CURRENT ASSETS</b>		
Receivables	4,230	210
Cash assets	62,797	95,965
Other assets	500	500
	<u>67,527</u>	<u>96,675</u>
<b>TOTAL CURRENT ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	256	1,304
Intangible assets	14,428	21,492
	<u>14,684</u>	<u>22,795</u>
<b>TOTAL NON-CURRENT ASSETS</b>		
<b>TOTAL ASSETS</b>	<u>82,212</u>	<u>119,470</u>
<b>CURRENT LIABILITIES</b>		
Payables	8,913	18,684
	<u>8,913</u>	<u>18,684</u>
<b>TOTAL CURRENT LIABILITIES</b>		
<b>TOTAL LIABILITIES</b>	<u>8,913</u>	<u>18,684</u>
<b>NET ASSETS</b>	<u>73,299</u>	<u>100,786</u>
<b>EQUITY</b>		
Reserves	20,930	20,930
Accumulated surplus	52,369	79,856
	<u>73,299</u>	<u>100,786</u>
<b>TOTAL EQUITY</b>		



Supporting retirement village residents

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