



Discussion Forum

The comments and opinions expressed herein do not necessarily reflect those of the Retirement Village Residents Association (RVRA) or its Members.

Operator not paying recurrent charge for new units.

The relevant sections of the Act would be:

Section 112 Financial Management of Retirement Villages

(7) The residents of a retirement village may consent to not being supplied with a proposed annual budget if, in the year in which the consent is given, the total amount of the recurrent charges that are to be collected for the year does not exceed \$50,000 or such other amount as may be prescribed by the regulations

(8) If the residents of a retirement village consent to not being supplied with a proposed annual budget under this section, subsections (1)–(6) and sections 113–117 do not apply in respect of the retirement village while the consent remains in force.

(9) Consent given under subsection (7) remains in force until such time as:

- (a) the consent is revoked by a resolution of the residents of the village, or
- (b) the total of the recurrent charges to be collected for a financial year to which the consent relates exceeds \$50,000 or such other amount as may be prescribed by the regulations.

The crux of the matter here is that for the budget not to be presented, the residents **MUST CONSENT**. It sounds as if there has been no consent in this case of the residents.

The issue of the payment of recurrent charges for the new units – if the units are for sale they must be ready for occupation in which case the operator is responsible until they are sold. If they are not yet for sale, this would need to be checked with Fair Trading for a ruling.

The relevant section of the Act is:

Division 4 – Recurrent charges

103 Operator to pay certain recurrent charges

(1) The operator of a retirement village must pay, in relation to any new residential premises in the village, an amount equivalent to the recurrent charges for general services payable under a village contract in respect of comparable (or the most nearly comparable) premises in the village.

(2) In this section, "**new residential premises**" means residential premises that are not and have never been the subject of a village contract.