



## *Discussion Forum*

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

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### **R.V. DRAFT REGULATIONS 2009**

Posted: Wednesday, 14 October 2009 3.34pm - By **Norm**

Having just read through both the draft regulations & impact statement i find the draft regulations to be fair to both residents & operators (though the operators are not my main concern ). it more clearly defines what can or cannot be charged from recurrent fees re maintenance/ replacement of items of capital. it also removes some of the nasties from annual budgets such as,

\* **a.** Payroll tax (unless single village wage s bill reaches threshold ),a much more sensible & fair result.

\* **b.** Any flat rate management / admin.fee ( however i am still a little concerned by the wording re the meaning or interpretation that may be attached to flat rate, can the operator include the above fee at a variable rate ?,

I would be interested in others opinion on this.

Many thanks norm.

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### **Re: R.V. DRAFT REGULATIONS 2009**

Posted : Thursday, 15 October 2009 11:41 am - By **Ken**

As I understand it the only costs that can be included in recurrent charges for management fees are those costs that arise directly from the operation of each individual village. At my village the operator determines his total management cost and then distributes this across all villages on the basis of the number living units in each village. This will no longer be allowed. The previous operator charged a set fee increased by CPI, (a flat rate). This also will be prohibited. The rate that is allowed will be by its very nature variable; varying as the costs arising from the operation of each village varies.

Ken

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**Re: R.V. DRAFT REGULATIONS 2009**

Posted: Thursday, 15 October 2009 1.03pm - By **Norm**

Thanks ken,i agree that the regulations disallow the flat rate management fee and that any management fee included in annual budget must nominate the goods or services provided ,which of course would vary year to year.in my village we have been charged a flat rate m.fee no details supplied as to its use or cause,i have continually argued against this because (in our case ) a departure fee a.k.a. deferred management fees is levied on the sale of units and that to have a management fee charged annually on top of this is a blatant double dip. I am sure that our operator will attempt to introduce some form of new management fee & i look to forward what reasons they might come up with as all direct operating costs including any increases are met thru our recurrent fees , thanks again.

**Norm**

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**Re: R.V. DRAFT REGULATIONS 2009**

Posted : Friday, 16 October 2009 2.56pm - By **Ken**

Norm I agree with you absolutely and have had this argument many times - the reason for a management fee to be paid each month in our recurrent charges when we are told that we will be charged a "deferred management fee" when we vacate our units. If the management fee is truly deferred there should be no reason for the monthly charge.

During our budget negotiations, after a number of requests I did manage to get an analysis of our management fee broken down into major headings such as 'legal' 'accounting' 'HR' etc and within each of the main headings a more detailed list of the work performed that added up to the total fee. After studying it I wrote a fairly lengthy letter back to management disputing most of the charges. For instance one was 'legal advice relating to refurbishments' which I maintained should be paid for out of the deferred management fee in accordance with our Trust Deed. I'm still waiting for a reply to my letter.

**Ken**

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**Re: R.V. DRAFT REGULATIONS 2009**

Posted : Friday, 16 October 2009 3.08pm - By **Ken**

I realise that villages may use or decide not to use the model proposed annual budget but I assume in line with section 17 the information contained in the model will be required to be shown. I have a problem with the top lines showing no. of residents and rates of recurrent charges for each type of premise. In this village we have over 200 ILUs with up to 60 different rates for recurrent charges. Does this mean that each of the sixty groups has to be listed separately? It will make for a very lengthy budget paper.

**Ken**

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