



Discussion Forum

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

Differences in Recurrent Charges [Levies]

Until and including July 2009 our residents were notified of the annual village budget and their recurrent charges with the formula used in their calculation. Basically that formula can be expressed as:

$RCU = (UE/TA \times UA) + PU/225$ where

RCU = Recurrent Charge for unit

UE = Budgeted Income from resident's fees based on unit size.

TA = Total floor area of all units

UA = Floor area of resident's unit

PU = Budgeted Income from resident's fees for "common" services

225 = Number of units in village.

For the last two budgets resident's have been presented with the budget and the 'Total recurrent charge per month' broken down into:

Recurrent charge per month

Garage

Carport

Storeroom

as appropriate but there is no explanation of how the 'Recurrent charge per month' is arrived at.

Observing that the Retirement Villages Regulation 2009, Part 4, Division 1, Clause 17 says in part:

17 Matters that must be dealt with in proposed annual budget

(1) For the purposes of section 112 (3) (a) of the Act, the matters that must be dealt with in a proposed annual budget are the following:

(a) the amount of recurrent charges payable by residents of the village during the year (including any expected increases in those charges in line with a fixed formula),

(b) the method by which that amount has been calculated,

I have lodged a written request with management for the "details similar to those of the 2009 Addendum to enable me to see how my recurrent charges are calculated".

Should management refuse my request would I have a case for going to the CCCT and has anyone else had a similar experience?

Further in **Clause 17 (1)** it states:

(h) if any residents of the village are paying significantly higher recurrent charges than some other residents of the village (for example, because they are receiving optional services)—the method or calculation by which expenditure is apportioned between the categories of residents concerned must be dealt with in the budget,

It may be that a 14% difference between the smallest unit and the largest unit is not considered a 'significantly higher' recurrent charge for the latter nevertheless has anyone had experience of this or have an opinion on this difference?

Mike

23rd July 2011
