



Tasmanian Association for Residents of
Retirement Villages

TARRV: Your Voice in Retirement

Website: <https://www.tarrv.org.au>

NEWSLETTER No.7

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EDITOR: Jon Hosford

From the President

A warm spring sun-shining welcome to our TARRV members.

For many of you, November will be a very important and busy month in your village as most, if not all, retirement villages will be having their AGM at which the village operator will be presenting their audited annual financial reports, coupled with the newly legislated formula for calculating the CPI increase in recurrent fees.

The calculation for the CPI increase amount, using the quarter ending 30th September 2024 will utilise the legislated calculation: CPI increase amount = **A – B**

B

Quarter	Dec 2023	March 2024	June 2024	Sept 2024	Average
CPI number	136.8	138.1	138.3	136.8	137.5= A

Quarter	Dec 2022	March 2023	June 2023	Sept 2023	Average
CPI number	132.4	134.0	134.6	135.8	134.2 = B

Thus, the CPI increase is 2.46% and is used to apply to last year's recurrent fee to compute the new CPI adjusted recurrent fee.

One of the items that may increase the recurrent fee beyond the above computed fee could include the increased cost of insurance, but **not** the total cost of the insurance, rather only the increase above the previous

amount. An example might be that last year's cost of insurance was say \$65,000 and this was included in last year's recurrent fee. The new cost is \$80,000, an increase of \$15,000 and the CPI increased amount is say $\$65,000 + \text{CPI of } 2.46\% = \$66,599$ so the increase over the CPI amount is $\$80,000 - \$66,690 = \$13,401$.

It is appreciated that this is rather complicated but I am confident that there will be one or more persons in each village who will be sufficiently able to analyse the operator's budget.

Matters concerning the insurance of retirement villages and any excess chosen by the village operator have been brought to the attention of TARRV.

Section 20.(1) of the Retirement Villages Act states: "*The operator of a retirement village must insure the village and keep it insured to its full replacement value in accordance with this section.*" It then sets out the items that must be insured.

The Act does not currently make reference to any insurance excess that may be negotiated between the village operator and the insurer. In practice, an insurance excess serves to reduce the size of the premium to be paid.

The cost of the insurance premium is included in the recurrent charge, so also could an appropriately computed amount be included to fund a village reserve insurance fund.

If a resident is required to pay any of the excess on an insurance claim, **the amount attributable to the resident must be reasonable**, using the legal concept of the term 'reasonable' and, the "reasonable" test should apply along the lines of "what would be a reasonable applicable insurance excess in an average villa/apartment if it was owned by the resident".

It is important that prospective residents are provided with the operator's insurance details as part of the legislated financial requirements and, regrettably, village residents currently have no say in the size of the insurance excess, in most cases residents were also not provided with any financial information regarding an insurance excess at the time of entry to a village.

What can only be described as a concerning change has been observed in one operator's villages. Traditionally, operators have maintained a waiting list of persons interested in becoming residents in the village and as a villa or apartment became available, expressions of interest would be

requested from several at “the top of the list”, together with the details of the requisite ingoing contribution. One operator has decided to nominate an ingoing contribution and invite expressions of interest from each of those in the ‘selected’ group for expressions of interest for an ingoing contribution **above** the nominated amount. In addition, the members of the ‘group’ are unknown to each other, so this looks like a “silent auction”. It is noted that this is strictly forbidden under the Residential Tenancy Act where it states at Clause 16B “(1) *The owner of residential premises – (a) must not advertise the premises for rent, or offer the premises for rent, at a price that is not a fixed price; and*

(b) must not invite a prospective tenant to make an offer to become a tenant of the premises at a price higher than a fixed price advertised or offered by the owner.”

It is acknowledged that the Residential Tenancy Act does not apply to retirement villages, but a similar restriction could form part of the Retirement villages Act and the above-mentioned operator should reconsider their decision to undertake the “silent auction” process. It is not illegal, but it appears to be both unethical and immoral, something inappropriate in any ‘faith based’ organisation operating not-for-profit retirement villages.

Happily, TARRV has been invited by Consumer Building and Occupational Services, the Tasmanian Government agency responsible for the regulation of consumer affairs, to provide input regarding the content of the Retirement Villages Regulations. The members of the TARRV committee have already begun a planned series of workshops to investigate what regulatory changes and/or additions we see ought to be made. We are researching regulations in the other States to assist us in our investigations. We are busily working on this project as all submissions are to be provided to CBOS by 18th November.

I am delighted to advise that an online meeting of the presidents of each Australian State residents’ organisation has been kindly arranged by the President of the NSW Retirement Village Resident’s Association (RVRA). The meeting will take place in mid to late November. One of the avenues of interest will be the potential for uniform Commonwealth legislation.

Ian Green (President)

Survey splashes our shock shower secrets

How we're wasting water by staying in too long, article by Elise Kaine

Tasmanians love long showers, with new feedback gathered by TasWater showing more than half of us are in there longer than recommended.

More than 3000 people responded to TasWater over the last four months through surveys, one-on-one interviews and directly to staff at events through the *Water, it's Tasmania's thing! engagement campaign*.

TasWater head of communications and engagement Callan Paske said they had uncovered some “fascinating” results from the campaign, including 57 per cent of respondents indicating they have longer showers than the three-to-four minutes recommended.

“The response has been excellent – it’s really pleasing for us to see Tasmanians actively wanting to influence the future of water and sewerage services in Tasmania,” Mr Paske said.

About 3 per cent of the respondents admitted to having longer than 10-minute showers daily.

A modern water-saving shower head uses about nine litres of water per minute, and an older style can use as much as 19 litres a minute.

A shower lasting between five and 15 minutes can use anywhere between 45 and 285 litres of water.

Households who cut three to four minutes off their shower times could save at least \$160 a year in power on average for a family of four.

Mr Paske said the community feedback through the surveys found that, apart from lowering bill prices, the top priority for TasWater customers was protecting and enhancing waterways and catchments.

The next phase of the customer engagement strategy will involve a community panel to discuss the feedback collected through the engagement process to date.

Recruitment is now under way, with a paid opportunity to attend a seven-day panel to test the priorities gathered through other feedback rounds.

“We are hoping to recruit a wide selection of Tasmanians to be a part of this panel,” Mr Paske said.

He said the priorities that have been uncovered through other phases of the engagement process would be tested by the panel and the panel would then make independent recommendations back to TasWater on behalf of Tasmanians. elise.kaine@news.com.au

NUMBER DROP

57 Percentage of Tasmanians said they took longer than the recommended length for a shower

3 Percentage who said they took longer than 10- minute showers

19 Percentage who said they take less than five showers per week

9 Litres per minute with modern shower head

19 Litres per minute with older style shower head

The Devil in the Detail- Retirement Village Contracts

Retirement villages are home to more than 250,000 older Australians, drawn by polished marketing that promises independent living in a safe community environment.

Many complaints centre on the fees charged when residents leave, which often include an exit fee and the cost of refurbishing the villa.

Dozens of current and former residents, their children, lawyers, former staff, real estate agents, academics and an auditor specialising in retirement villages claim that most residents don't understand what they are signing and go backwards financially when they leave.

TARRV strongly advises prospective residents of retirement villages to gain legal advice on their contract before signing a contract for a residence in a

retirement village. It also strongly advises prospective residents to share the contract with family members prior to entering the contract.

Many of us in residence within retirement villages regret not seeking legal advice before entering a contract, only to find that fees have escalated beyond budgeted levels with little redress recourse available to the residents.

One of the industry's biggest drivers of revenue is exit fees.

In Tasmania, very few of the current operators have used exit fees in contracts until recent years, as refurbishment of a villa upon exit is contained within the “Licence Contribution” which in most cases in Tasmania is an Ingoing contribution from which a “Deferred Management Fee” is retained by the Operator; a specified percentage of the amount paid upon entry for a specified number of years. This usually secures the resident a lifetime of occupancy.

Fees charged upon exit of a residency upon death, through exit to an Aged Care facility, or a voluntary exit, are usually limited to the Licence Contribution together with a period of notice of vacation after which recurrent maintenance fees cease. The balance of money paid upon entry, together with any applicable capital gain under the contract is payable within 6 months of vacation or within 21 days of the villa being reoccupied.

Some states have placed a limit on how long a retirement village can continue to charge fees after some villages were found to be charging sellers for up to four years. In Tasmania the current law specifies clearly the terms of repayment.

A feature of most retirement villages is that the operators sell the properties and set the selling price, which can be convenient for the seller as real estate agents sometimes shun selling retirement village homes due to the complexity of the process.

TARRV is committed to represent its members in maintaining fair interpretation of the current law and seeking clear and fair interpretation of future changes. There is much work to be done in ensuring that current operators understand and comply with the current law, and much work within regulation to ensure that cases in dispute are treated justly by the arbitrator.

TARRV is also seeking regular compliance checks of operators by the arbitrator in Tasmania (Currently CBOS).

If you are interested in viewing a recently broadcast segment by the ABC on the industry, it is available here.

Copy and paste the link below into your web browser:

<https://www.abc.net.au/news/2024-09-30/retirement-villages-accused-of-gouging-older-australians/104407150>

TARRV Membership

TARRV membership for 2024-2025 currently stands at 496 with 86 members opting to take Life membership. We are grateful for the continued support residents are giving to TARRV. There are still villages we have not contacted individually. TARRV is happy to offer a speaker at residents' meetings to summarise the benefits of becoming a member. Please encourage residents within your village, and friends in other villages, to support our work for the benefit of residents across the State, by maintaining their membership and encouraging new residents to take out TARRV membership.

The Green Thing

Checking out at the supermarket, the young cashier suggested to an older woman that she should bring her own shopping bags because plastic bags weren't good for the environment.

The woman apologized and explained, "We didn't have this green thing back in my earlier days."

The cashier responded, "That's our problem today. Your generation did not care enough to save our environment for future generations."

She was right — our generation didn't have the green thing in its day. Back then, we returned milk bottles, cordial bottles and beer bottles to the shop.

The shop sent them back to the plant to be washed and sterilized and refilled, so it could use the same bottles over and over. So they really were recycled.



We refilled writing pens with ink instead of buying a new pen, and we replaced the razor blades in a razor instead of throwing away the whole razor just because the blade got dull.

But we didn't have the green thing back in our day.

We walked up stairs, because we didn't have an escalator in every shop and office building. We walked to the grocery shop and didn't climb into a 300-horsepower machine every time we had to go two blocks.

But she was right. We didn't have the green thing in our day.

Back then, we washed the baby's nappies because we didn't have the throw-away kind. We dried clothes on a line, not in an energy gobbling machine burning up 240 volts — wind and solar power really did dry our clothes back in our early days. Kids got hand-me-down clothes from their brothers or sisters, not always brand-new clothing.

But that young lady is right. We didn't have the green thing back in our day.

Back then, we had one TV or radio in the house — not a TV in every room. And the TV had a small screen the size of a handkerchief — remember them? — not a screen the size of the country.

In the kitchen, we blended and stirred by hand because we didn't have electric machines to do everything for us. When we packaged a fragile item to send in the post, we used wadded up old newspapers to cushion it, not Styrofoam or plastic bubble wrap.

Back then, we didn't fire up an engine and burn gasoline just to cut the lawn. We used a push mower that ran on human power. We exercised by working so we didn't need to go to a health club to run on treadmills that operate on electricity.

But she's right. We didn't have the green thing back then.

We drank water from a fountain or a tap when we were thirsty instead of demanding a plastic bottle flown in from another country. We accepted that a lot of food was seasonal and didn't expect it to be flown in from other parts of the world thousands of kilometres away.

We actually cooked food that didn't come out of a packet, tin or plastic wrap and we could even wash our own vegetables and chop our own salad. But we didn't have the green thing back then.



Back then, people took the tram or a bus, and kids rode their bikes to school or walked instead of turning their mothers into a 24-hour taxi service. We had one power-point in a room, not an entire bank of sockets to power a dozen appliances. And we didn't need a computerized gadget to receive a signal beamed from satellites in space in order to find the nearest pizza joint.

But isn't it sad the current generation laments how wasteful we old folks were just because we didn't have the green thing back then?

Please forward this on to another selfish old person who needs a lesson in conservation from a smart-ass young person.

We don't like being old in the first place, so it doesn't take much to annoy

us... Especially from a tattooed, multiple pierced smart-alec who can't work out the change without the cash register telling them how much.



TARRV Meetings:

Committee will meet on November 13th 2024 and December 11th, 2024.

A General Meeting is planned for Wednesday, February 12th 2025.

We shall advise the details of the venues and the time of the meeting in the New Year.

If you have any concerns or business you would like Committee to address, please write to secretary@tarrv.org.au