

# **District Council of Orroroo Carrieton**



DISTRICT COUNCIL OF  
**ORROROO/CARRIETON**  
Southern Flinders Ranges • Established 1997

## **ATTACHMENTS**

**Orroroo Lifestyle Units Advisory**

**Committee Meeting**

**Wednesday 27<sup>th</sup> March 2019**

**THE DISTRICT COUNCIL OF ORROROO CARRIETON**  
**ATTACHMENT INDEX FOR MEETING TO BE HELD WEDNESDAY 27<sup>th</sup> MARCH 2019**

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**ATTACHMENT 1**

**4.1 CONFIRMATION OF PREVIOUS COMMITTEE MEETING MINUTES**

**ATTACHMENT 2**

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VILLAGE**

# **ATTACHMENT 1**

**4.1**

## **CONFIRMATION OF PREVIOUS COMMITTEE MEETING MINUTES**

# **District Council of Orroroo Carrieton**



DISTRICT COUNCIL OF  
**ORROROO/CARRIETON**  
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## **MINUTES**

**Orroroo Lifestyle Units Advisory**

**Committee Meeting**

**Wednesday 9<sup>th</sup> January 2019**

**THE DISTRICT COUNCIL OF ORROROO CARRIETON  
MINUTES FOR AN ORDINARY MEETING OF THE ORROROO LIFESTYLE UNITS ADVISORY  
COMMITTEE HELD ON WEDNESDAY 9<sup>th</sup> JANUARY 2019 COMMENCING AT 9.57AM  
IN THE COUNCIL CHAMBERS, SECOND STREET ORROROO**

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**1: PRESENT:**

Elected Members: Chairman Cr Bowman, Cr Ford and Cr Parkyn

Officers: Ann Frick (Acting Chief Executive Officer)

**2: APOLOGIES: Nil**

**3: DECLARATION OF CONFLICT OF INTERESTS**

**Elected Members are reminded of the requirements for disclosure by Members of a conflict of interest (whether a material conflict of interest under section 73 of the Act or an actual or perceived conflict of interest under section 75 of the Act) in items listed for consideration on the Agenda.**

**Sections 74 and 75A of the Local Government Act 1999 respectively require that Elected Members declare any material conflict of interest and any actual or perceived conflict of interest and provide details of the nature of the interest to the Council prior to consideration of that item on the Agenda. In relation to an actual or perceived conflict of interest, Elected Members must also explain how they intend to deal with that interest.**

**Each Member of a Council has a duty to vote at all meetings unless exempted by legislation.**

**The major exemption being where a Member has a conflict of interest.**

No Elected members declared any conflict of interests with agenda items.

**4: CONFIRMATION OF MINUTES**

**MOTION (LU001/0119)**

**That the minutes of the Ordinary Committee Meeting held on 29<sup>th</sup> August 2018 be amended on page 21 with the departure of the residents following the two (2) motions and then be taken as read and confirmed.**

**Cr Parkyn /Cr Ford CARRIED**

**5: DEPUTATIONS AND REPRESENTATIONS – Nil**

**6: RESOLUTION – ACTION STATUS REPORT – Nil**

**7: COMMITTEE WORK PROGRAM: - Nil**

**8: ORROROO LIFESTYLE UNITS ADVISORY REPORTS**

**8.1 PROPOSED TERMINATION OF ORROROO LIFESTYLE VILLAGE**

**Officer: A/CEO**

**Ref:**

The Acting Chief Executive Officer provided an update on the progress of the proposed termination of the Orroroo Lifestyle Village. A draft letter to the Minister was circulated with the Agenda which detailed the request to terminate and the future proposal for the units.

Following consideration of the draft letter and the effects on the current residents, the Committee agreed that the termination may not be best option for the current residents as the original intention was to preserve their current tenure and rights.

**MOTION (LU002/0119)**

**That the Orroroo Lifestyle Units Advisory Committee refer the matter to the Council for further consideration.**

**Cr Ford / Cr Parkyn CARRIED**

**9: CONFIDENTIAL REPORTS: Nil**

**10: CLOSURE AND NEXT MEETING**

The Meeting was declared closed at 10.10am.

**Confirmed**

**Date:**

**Chairman: .....**

Cr Bowman

# **ATTACHMENT 2**

**8.1**

## **PROPOSED APPLICATION FOR EXEMPTION OF ORROROO LIFESTYLE VILLAGE**

**TO BE ENGROSSED ON DISTRICT COUNCIL OF ORROROO CARRIETON LETTERHEAD**

<Insert date>

Minister for Health and Wellbeing  
c/- the Office for the Ageing  
PO Box 196  
Rundle Mall SA 5000

Dear Minister

**Proposed Exemption of Retirement Village Scheme – Orroroo Lifestyle Village**

I refer to correspondence between the District Council of Orroroo Carrieton (Council), Council's legal firm (Norman Waterhouse) and the Office for the Ageing over the past 12 months.

Further to that correspondence, I now write to request that you consider the exemption of the Orroroo Lifestyle Retirement Village (Village) from the requirements of Section 57 of the Retirement Villages Act 2016 (Act).

**1. BACKGROUND OF REQUEST**

1.1 The Village comprises of four (4) independent living units. Since the Village's construction in 2012, three (3) units have been occupied. Since November 2017 only two (2) remain occupied and the Council has been unable, following extensive marketing, to identify any eligible tenants for the vacant units.

1.1.1 Through research of local markets Council understands that this issue may be largely due to increased home-services availability to elderly residents to assist them to stay in existing home for longer, such as cleaning, personal help, maintenance etc.

1.2 It is financially unsustainable for the Council to continue to operate a Village of four (4) units with a 50% vacancy rate. Currently Council operates the Village at a deficit of \$XX per annum.

1.3 Council wrote to the Minister on the 3 May 2018 requesting exemption for the Village under the Retirement Villages Act 2016. Responding advice received 6 July 2018 from the Office for the Ageing (SA Health) advised that such request was unlikely to be supported by the Minister in its current form. As a result, the request for exemption was not progressed at that time.

1.4 At the advice of the Office of the Ageing received in May 2018, Council has explored the option of voluntary termination of the Village with independent legal assistance.

Council understands that the proposal of voluntary termination of the scheme may place undue worry and concern about the security of existing resident's tenure at the Village. Feedback from residents also raises concern regarding implications of voluntary termination entitlements on the resident's pension and financial affairs.

Council remains committed to the best interests and wellbeing of the existing residents and ensuring that their arrangements are protected.

- 1.5 To this end, Council has resolved to request that the Minister approve an exemption from the requirements of s57 of the Act to enable the vacant units to be leased for residential purposes to suitable tenants and to enable all units to be available for residential leasing or sale when the two existing Village residents cease to occupy their units.

## **2. VILLAGE BACKGROUND**

### **2.1 History of the Construction of the Village**

- 2.1.1 The Village is located at Sixth Street, Orroroo, South Australia 5431.
- 2.1.2 The Village is situated on allotment 27 in Deposited Plan 47900, and being the land comprised in Certificate of Title Volume 5568 Folio 227 (Land). The Council is the registered proprietor of the Land in fee simple. A copy of a Lands Title's Office register search for the land is enclosed.
- 2.1.3 The Village was constructed by the Council in 2012. It comprises:
- 2.1.3.1 four independent living units; and
  - 2.1.3.2 no communal facilities other than a common driveway and landscaped areas.
- 2.1.4 A plan of the Village is enclosed.
- 2.1.5 Construction of the Village was completed in 2012.
- 2.1.6 No Government funds were used for the Village's establishment.
- 2.1.7 No donations of land or money were used for the Village's establishment.
- 2.1.8 Each unit within the Village comprises a self contained transportable house offering the following features:
- 2 bedrooms (with the master bedroom featuring ensuite and walk in robe);
  - living, family and meals area;
  - kitchen with dishwasher;
  - main bathroom;
  - laundry;
  - veranda;
  - under main roof car port;
  - mains water and electricity supply;
  - reverse cycle air conditioning;
  - roller binds and security screen doors;
  - rainwater tank;
  - solar hot water system; and
  - ceiling fan in main living area.

2.1.9 Council has remained the operator of the Village since its construction. There is no dedicated manager for the Village due to its size, rather the Village is managed by appropriate members of Council's staff.

## **2.2 History of occupation of the Village**

2.2.1 Since construction of the Village was completed in 2012:

2.2.1.1 Mr Malcolm Byerlee has been the only occupant of Unit 1 and remains in occupation of this Unit;

2.2.1.2 Mrs Faye Beer has been the only occupant of Unit 4 and remains in occupation of this Unit;

2.2.1.3 Mr Doug Braddock occupied Unit 2 until November 2017 when he moved to aged care at the Orroroo Hospital. His exit entitlement has been paid out and all contractual matters arising from his occupation of Unit 2 have been finalised; and

2.2.1.4 Unit 3 has never been occupied.

## **3. CURRENT RESIDENT DETAILS**

### **3.1 Current resident details**

3.1.1 There are currently two residents at the Village:

3.1.1.1 Mr Malcolm Byerlee in Unit 1; and

3.1.1.2 Mrs Faye Beer in Unit 4.

3.1.2 Units 2 and 3 are presently vacant.

### **3.2 Mr Malcolm Byerlee**

3.2.1 Mr Byerlee entered into possession of Unit 1 on 2 August 2012.

3.2.2 Mr Byerlee paid an ingoing contribution (a premium under the Retirement Villages Act 1987 in force at the time) of \$152,000.

3.2.3 A copy of Mr Byerlee's residence contract is enclosed.

3.2.4 Mr Byerlee's contact details are:

Address: Unit 1, Addison Court, 30 Fifth Street, Orroroo SA 5431.

Phone: (08) 8658 1398

Mobile: 0427 589 050

### **3.3 Mrs Faye Beer**

3.3.1 Mrs Beer entered into possession of Unit 4 on 23 September 2011.

3.3.2 Mrs Beer paid an ingoing contribution (a premium under the Retirement Villages Act 1987 in force at the time) of \$132,000.

3.3.3 A copy of Mrs Beer's residence contract is enclosed.

3.3.4 Mrs Beer's contact details are:

Address: Unit 4, Addison Court, 30 Fifth Street, Orroroo SA 5431.

Phone: (08) 8658 1171

### **3.4 Services currently provided to residents**

3.4.1 The Council currently provides garden maintenance services to residents. It is proposed that the Council would continue to be responsible for garden maintenance for all Units (with the costs to Council being taken into account when setting the rent payable under the newly exempted rental agreements).

3.4.2 Current residents presently have their own phone and electricity accounts for their units as well as a rainwater tank for their personal water use. There is an SA Water connection to the Village that is only used by the Council for watering garden areas.

3.4.3 The Council currently has an electricity account for the vacant units to ensure that those units can be viewed by perspective tenants. These accounts will be transferred to tenants if and when tenants are identified for these units.

## **4. CURRENT OPERATIONAL DETAILS FOR THE VILLAGE**

4.1 There is no current or known threatened litigation in relation to the Village.

4.2 The Council currently maintains building insurance for the Village and is a member of the Local Government Association Mutual Liability Scheme. This insurance and membership would be maintained into the future.

4.3 A copy of last three years' financial statements for the Village are enclosed. The financial statements for the Village are contained within the general financial statements for the Council's operations.

## **5. FUTURE PROPOSAL**

5.1 The Council's current intention for the Village is to retain all units for residential tenancies based on the high demand and short supply of local rental options.

5.2 The Council does not propose to carry out any division of the Land at this stage (including the creation of a community title scheme), rather it proposes to leave the Land as one allotment.

### **5.3 Proposal for existing residents**

5.3.1 For existing residents Mr Byerlee and Mrs Beer, it is proposed:

5.3.1.1 That the existing residence contract remain in place with the same conditions, maintaining their security of tenure in their Units.

5.3.1.2 Residents of the Village contribute to a capital replacement fund on termination of their residence contracts. In this regard:

(a) Mr Doug Braddock contributed \$3,375 to the capital replacement fund when he ceased to reside at the Village in 2017. The current balance of the capital replacement fund is \$3,375.

(b) Mrs Beer and Mr Byerlee will contribute to the capital replacement fund if their residence contracts are ended in accordance with the requirements of their residence contracts.

#### **5.4 Proposals for currently vacant units**

- 5.4.1 In regard to the currently vacant units 2 and 3, the Council proposes to lease these units to professional workers (for example nurses, teachers, State Government agency workers) for short terms of 6 – 12 months, to a maximum of five (5) years. Council does not propose to limit such tenancies to persons aged 55 and over, after successive failed attempts.
- 5.4.2 The Council proposes that the new residential tenancy agreements offered on Units 2 and 3 will contain provisions to ensure that the amenity currently offered to existing residents is maintained.
- 5.4.3 A copy of an example new residential tenancy agreement for units 2 and 3 is enclosed. This has been sourced from a local Property Manager, Ray White Real Estate, who has supplied the document as an example. Council will investigate the agreement further should an exemption could be granted, to ensure that it is appropriateness for the Village purposes.

#### **5.5 Screening Measures of Prospective Tenants**

- 5.5.1 A Property Manager will be engaged to market Units 2 and 3 for lease. Initial assessment and screening will be conducted by the Manager before forwarding through recommendations for Council consideration. Council will be responsible for the final approval of all tenants.
- 5.5.2 Careful and comprehensive assessment processes will ensure that the integrity of the existing tenancy mix is maintained.
- 5.5.3 Tenants will be required to undergo a Police Check and character reference checks as part the screening process.
- 5.5.4 Council has conducted research to engage a Property Manager to handle the leasing of Units 2 and 3. Initial discussion has commenced with an agent – a copy of the template documents are enclosed for the information of the Minister.

### **6. CONSULTATION WITH CURRENT RESIDENTS**

- 6.1 On Wednesday 29 August 2018, a meeting of the Orroroo Lifestyle Units Advisory Committee of the Council was convened by Council. In attendance at this meeting were a number of Council Elected Members, the Council's former Chief Executive Officer (Mr Kristen Clark), the Council's Manager of Corporate and Community Services (Ms Ann Frick) and residents Mr Byerlee and Ms Beer, along with her family member Carol Gibb. A copy of the minutes from this meeting is enclosed.
- 6.2 The Council reasonably believes that both Mr Byerlee and Ms Beer understand what is being proposed in respect of the Village. Both residents speak English as their first language and are, to the Council's knowledge and belief, of sound mind. Ms Beer has been assisted by a family members, Ms Carol Gibb, during Council's consultation on this proposal.
- 6.3 Current residents Mr Byerlee and Ms Beer have both expressed to the Council that they agree to this proposal to apply for an exemption for the Village on the basis outlined in this letter. Residents would like to see the Units occupied, and also support such an asset generating revenue for the Council to address the operating loss. Letters of support for the proposal from Mr Byerlee and Ms Beer are attached hereto.

- 6.4 Council understands that independent legal advice will need to be obtained for existing residents, which will occur at Council's expense. This will be obtained as part of the exemption process and copies will be supplied to the Office to ensure transparency and that the views and interests of the residents have been thoroughly considered.

Thank you in anticipation of your consideration of the Council's request. If you require any further information, please do not hesitate to contact Ann Frick at the Council Office on 8658 1260 or [ann.frick@orreroo.sa.gov.au](mailto:ann.frick@orreroo.sa.gov.au).

Yours faithfully

Dylan Strong  
**Chief Executive Officer**

**Enclosures:**

1. Lands Title's Office register search for the Land
2. Plan of the Village
3. Copy of Mr Byerlee's residence contract
4. Copy of Mrs Beer's residence contract
5. Copy of the last three years' financial statements for the Village
6. Example residential tenancy agreement for vacant units (supplied by Ray White Real Estate)
7. A copy of the minutes from the meeting of the Orreroo Lifestyle Units Advisory Committee of the Council on Wednesday 29 August 2018
8. Letters of support from current residents
9. Rental property demand support letters