

Queens Lake Village Pty Ltd v Queens Lake Village Residents Association

Village: Queens Lake Village Laurieton

Operator: Queens Lake Village Pty Ltd, a subsidiary company of Aevum Limited, now owned by Stockland



The Advocates: The CTTT case was conducted by a resident at the village, John Cooper (Vice President of the RVRA from August 2009 to August 2011). In the District Court appeal the Residents were represented by Peter Hill of Hill & Co Lawyers.

The Dispute: The residents voted unanimously to reject the proposed budget and proposed increase in recurrent charges because of lack of transparency in the proposed cost of Insurance and Corporate Recharge (Management Fees).

The Case History: The final hearing of the case in the CTTT resulted in the line item of "insurance", in the sum of \$23,100.00, as well as the line item of "corporate recharge", in the sum of \$28,594.00, be excluded from the budget for Queens Lake Retirement Village for the financial year 2010-2011.

Four weeks after the Order was received, a Summons was delivered to the Residents Committee Secretary advising that the matter was being appealed to the District Court citing the Queens Lake Village Residents Association as Defendants and notifying the operator's intention to claim costs. After a campaign by residents, the operator agreed not to claim costs and to assist the residents with their legal fees.

Early in 2011 there were several days of hearings in the NSW District Court before Judge Levy. Both hearings were attended by a loyal supporting group of residents from various villages who followed the case through to the end.

The Result:

Judge Levy made the following Orders:

1. The appeal by Queens Lake Village Pty Ltd is dismissed;
2. The orders made on 9 December 2010, by the Consumer, Trader and Tenancy Tribunal in proceedings, numbered RV 10/28914 and RV 10/31794, are confirmed;
3. Queens Lake Village Pty Ltd is to pay the costs of the Queens Lake Village Residents Association on the ordinary basis unless, otherwise ordered. The findings of the District Court confirm that the line items of Insurance \$23,100 and Corporate Recharge \$28,594 (a total of \$51,694) are to be removed from the 2010-11 budget.

What has been learnt from the Queens Lake Village Case?

This case has now set a precedent in law on at least the following points:

1. Residents only have to meet the cost of Insurance for the items identified in the Act.
2. In respect of budgets, residents are entitled to receive sufficient detailed information so as to enable them to make an informed decision as to the acceptance or rejection of the budget. Transparency by every operator of details of all proposed expense is now mandatory. The information must also show that the statement of proposed expenditure relates directly to services provided to the operation of this village.
3. This case could have been avoided if the operator had been more transparent with the information that was given with the budget, and had been more agreeable to communicate, negotiate and conciliate.
4. The residents did not waver in their resolve, in spite of the intimidating circumstances.

Residents can win if they stand united, and do not bow to pressure.

Note: John Cooper assisted the residents at Maybrook Manor with their CTTT case, which was based on the same grounds. Because the operator had provided more information in this case, the decision was in favour of the operator. But, this decision was made before the decision of the District Court case was known.
