

Applewood Property & Infrastructure Committee

5, Grandview Boulevard, Doncaster , Victoria, 3108

Minutes for meeting on Friday 25th August 2023 at 10.30 am. Private Dining Room,
Community Centre

Present: Dave Mullen, Peter Sage, Grahme Bond (Guest) and Mike Reece.

Apologies: Bob Slater, Col Gosbell, Rod Sinclair & Brian Morris

Members met to discuss and draft a response to the Applewood Refurbishment Process paper prepared by John Smrk, Village Manager and issues regarding the Insurance Policy. Grahme Bond was invited to participate to comment upon his paper on the topic.

Applewood Refurbishment Process

Members commented positively on the Applewood Refurbishment Process paper forwarded by John Smrk, Village Manager. However, it was felt that some items required further clarification and others had not been covered. Members also read the valuable comments prepared by Col Gosbell and thanked him for his efforts.

It was agreed that the Committee would draft a response and forward it to the ARC for submission to the ARD. The attached document covers the various issues raised during discussions above.

Insurance

Members thanked Grahme Bond for his attendance and the paper he wrote raising issues about insurance; specifically how the provisions of the ARD insurance policy are applied in respect of claims pertaining to items that are deemed to be Fixtures and Fittings.

Members referred to the ARD Agreement to grant a residence and Management Contract (Agreement) and noted that clause 19.3 The Owner will not procure insurance for the contents of the Resident's Premises could be interpreted to mean that residents must include fixtures and fittings in Home contents policy. However, it was agreed that this not the case by reference to the Insurance Guide 2022-3 - Final Draft

Property

The ARD policy covers all real and personal property of every kind and description (except as specifically excluded) belonging to the Insured (ARD) or for which the Insured is responsible or has assumed responsibility prior to the occurrence of any damage, including all such property in which the Insured may acquire an insurable interest during the Period of Insurance. Examples of this include fixed floor coverings, light fittings (supplied by ARD), dishwashers, microwaves, fixed air conditions, wall ovens, stoves &

hotplates, kitchen cupboards, bath, shower screen, basins.

Members however remain concerned that claims for damage caused to Fixtures and Fittings such as floor coverings damaged by water ingress from an upper property are not being settled under the policy, and refuted on the grounds that under 17.1 of the Agreement:

The Resident must keep and maintain the Resident's Premises, including the Fixtures, Fittings and Furnishings, clean, tidy and in good repair and condition at the Resident's cost.

The ARD is understood to be interpreting this clause to mean that any damage caused by a third party such as from a leak in an upper residence as the responsibility of the resident of the lower premises. The ARD then expects that the resident must then make a claim against their neighbor or their own insurance.

Members contend that this provision refers to damage caused by the resident, not external causes and/or by fair wear and tear.

Members also appreciate that the ARD insurance policy has an excess of \$2500 per claim. Members also understand that where the claim does not exceed the excess or results in a small claim, that would be taken to account upon policy renewal, that the amount can be charged to the Capital Replacement Fund. This policy is in the interests of all residents to keep premiums as low as practical.

Members fully support Grahme Bond's initiative to remove any inference that clause 17.1 of the Agreement is other than for fair wear and tear or damage by the resident.

Agreement

During discussion members also raised concerns that the current Agreement is poorly drafted and should be reviewed. It is understood that ARD is waiting on the outcome of the recent review of the Retirement Villages Act 1986 before taking action.

The meeting closed around 12.15 pm.

Mike Reece, Chair

Attachment: ARC letter to J Smrk re Refurbishment Process.