Willandra Village Residents Committee Responses to Questions in Appendix 1.

1. Do you agree to a threshold of $1000 to identify the village’s major items of capital? If not, why not?
   Yes.

2. Is the ATO Commissioner’s ruling the right method to calculate the effective life of the village’s items of capital? If not, what method would be more appropriate for the industry to adopt?
   Yes. However, the depreciation method used to calculate the “effective life of the village’s items of capital” could be either the Prime Cost Method or the Diminishing Value Method; one or other of these methods to be chosen by the operator.

3. Is there any specific information that should be included or excluded from the maintenance schedule?
   No. Residents can approve or reject the costs of certain repairs and maintenance through the annual budget process. Section 2.5 Budget in the proposal highlights the budget approval by residents being critical to the successful application of the Asset Management Plan.

4. Do you have any suggestions for the format, duration and availability of the approved plan?
   The approved Asset Management Plan must be updated annually and made available to residents as part of the budget considerations.

5. Is the proposed formula to determine when an item of capital needs replacement appropriate? If not, is there another method/formula that could be used?
   No. We consider that it could be a more simple and consistent formula. Perhaps a fundamental difference between the proposed formula and a revised simpler one could now be logically agreed upon; at least for those residents who only lease a dwelling (i.e. don’t own it or the assets within or outside). Thus, residents would bear only the cost of a “grease and oil change” type of maintenance; needed to keep the asset working as the “fit for purpose” item it is supposed to be. All other costs incurred when the asset (or integral part within) ceases to work are then replacement costs that are to be paid by the operator.

Name of Organisation: Willandra Village Retirement Village Residents’ Committee
Chairperson:
Address: