

From: contact@engage.vic.gov.au
Sent: Thursday, 14 November 2019 8:46 PM
To: rvreview@justice.vic.gov.au
Subject: New Form submission on Review of the Retirement Villages Act 1986



New Form submission on Review of the Retirement Villages Act 1986

Hi rvreview@justice.vic.gov.au

There has been a submission on [Review of the Retirement Villages Act 1986](#) through Engage Victoria

A copy of the submission is provided as below:

You can also make your submission by adding comments below. This form will not save, so you may like to prepare your comments in a document.

You may fill out as many or as few of the boxes as you like.

The retirement village sector

When commenting on the retirement village sector you could cover:

- the impact of social and economic trends
- your thoughts and experience of Victoria's retirement village industry as a whole.

For more information and specific questions, see Part 1 of the issues paper or the summary [Retirement village sector and regulatory and policy framework](#).

Your comments about the retirement village sector

It is not true that:

Social Trends:

This sector is about to be overwhelmed by a "grey tsunami" as stated by the [REDACTED] [REDACTED] which represents the interests of retirement village owners and strongly entrenched these in their influential contribution to the writing of the 1986 Act. It is necessary to record the number

of residents in villages and statistically analyse to what extent these are actually strongly increasing. There are currently 30 vacancies in my retirement village, something of a record.

Economic Trends:

Nor is there any PROOF that profits from retirement villages must be set high and protected so that sufficient villages will be built to meet this alleged future demand.

Federal Government initiatives to provide home care packages are more attractive to today's retirees than entering what can be a restrictive and expensive village environment.

Historically, the Business and [REDACTED] have everted too much influence.

The regulatory and policy framework for retirement villages

You could cover:

- the effectiveness of the Act
- how retirement villages are defined
- how the retirement village industry is regulated.

For more information and specific questions, see Part 2 of the issues paper or the summary [Retirement village sector and regulatory and policy framework](#).

Your comments about the regulatory and policy framework for retirement villages

Current regulations in my retirement "Resort" (body corporate/maintenance \$8.000 p.a.) protect health and safety and respect for the buildings as they should.

But the regulatory framework does not sufficiently protect residents from staff who are unaccustomed to power - petty though it may be - and who treat residents as subjects rather than respected paying "Resort" guests. Staff who have come from a hotel background are able to maintain a more equitable balance. Regulating respect is major challenge wh

Entering a retirement village

You could cover:

- the process of entering a contract
- cooling-off periods
- the disclosures that operators are required to make
- the complexity of the contract
- financial models for living in a retirement village
- deferred management fees.

For more information and specific questions, see Part 3 of the issues paper or or the summary [Entering a retirement village](#).

Your comments about entering a retirement village

Current contracts are sufficiently clear and simply explained. Past contracts not so.

Financial regulation of profit is urgently needed. After 7 years' residence, my approved selling price of \$840,000 is reduced to an exit entitlement of \$603,000 by the entry and exit fee and 3% annual deferred management fees. All totalling 27.5% of the selling price. Hardly enough left for entry to the Aged Care residence of my choice. Owner profit does not vary according to costs of maintaining their asset. value - all owner costs are totally covered by resident fees, who additionally pay their own rates, water, electricity, phone and food costs. Owner profit therefore comes risk free. There is no regulation of the deferred management fee. Owner assets such as

swimming pools and gyms may be leased out to commercial firms which pay directly into owner accounts, undisclosed to Resident Committees.

Living in a retirement village

You could cover:

- the obligations of village operators
- how villages are governed and managed.

For more information and specific questions, see Part 4 of the issues paper or the summary [Living in a retirement village](#).

Your comments about living in a retirement village

The obligations of village operators are spelled out in minute detail covering lawn mowing, telephone provisions etc. so that nothing extra can be expected.

Dispute settlement is very much dependent on the personal philosophy of the manager in the extent to which it is pursued.

Staff bullying needs to be taken more seriously than is often the case. Many staff have had no power over others before and do not have the personal integrity to resist the temptation.

Leaving a retirement village

You could cover:

- the process of selling or re-leasing a unit
- obligations to reinstate or refurbish units
- ongoing charges after the resident leaves
- how capital gains are handled.

For more information and specific questions, see Part 5 of the issues paper or the summary [Leaving a retirement village](#).

Your comments about leaving a retirement village

Internal sales agents have significant conflict of interest when selling resident leases.. They support strategic owner policy in selling one type of property over another.

Personal enmity can mean that some properties are given no genuine sales attention. Proving such a thing is very difficult. Sales agents are a law unto themselves as they are vital in maintaining the strategic goals of the owner who will not readily off-side this staff member. Some residences are not sold for over eighteen months while identical and more expensive apartments are sold immediately. Residents may choose an outside agent but not one will accept a commission to sell in a retirement village.

Thus - there is a significant conflict between the best interests of the resident and the owner, which is not permitted according to the regulations of the [REDACTED] and Act of Government.

Dispute resolution

You could cover internal and external dispute resolution processes.

For more information and specific questions, see Part 6 of the issues paper or the summary [Dispute resolution](#).

Your comments about dispute resolution

Elected members of Resident Committees who mediate over disputes that have not been resolved by the manager - in many cases see themselves as a valued supporter of management

- rather than as a defender of residents. Many are elected to the committee because they are respected because of their good relationship with management.

It may be unfair to ask these members to pass judgment that they fear would prejudice their good relations with either of the parties. Yet a festering sense of injustice by an appellant is in nobody's best interests. Members may need instruction after their election over the central role of evidence in making decisions, with some responsibility on the chairman to apply this guidance.

The enforcement of rights and responsibilities

You could cover:

- how offences are enforced
- civil rights and remedies that residents may have access to.

For more information and specific questions, see Part 7 of the issues paper or the summary [Enforcement of the Act](#).

Your comments about the enforcement of rights and responsibilities

Resort residents are more often treated as subjects rather than respected guests.

Owner rights are spelled out in minute detail.

Responsibilities not quite so easily defined.

Any other comments

If you have any other comments, including about issues that have not been discussed in the issues paper, you can enter them into the box below.

Your comments

Having said that, running a 400 resident facility MUST require a certain level of authority and a

difficult balance to respect paying customers as well.

The higher levels of management show more mature and balanced approaches than those at the grass roots in the villages. There may be reasons why the "foot soldiers" have not progressed further up the corporate ladder, and village managers have the ambiguous task of encouraging them to go about being more mature and tolerant to residents. A difficult role .

I have read and agree to the privacy statement

Yes

Provide your name or email address to help us identify your comments if you wish to access them, make a correction, or require technical support.

First Name

Judith

Last Name

Brand

Email address

████████████████████

How would you like us to handle your comments?

You may publish my comments including my name

What best describes your interest and involvement in retirement villages?

Current or former resident

Location of retirement village (if relevant)

Metropolitan Melbourne

Year of entry into retirement village (if relevant)

Before 2014

To view all of the form's submissions, visit:

<https://engage.vic.gov.au/index.php/dashboard/reports/forms/viewDetail/2315>

Regards,

The Engage Victoria Team

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