

Our Reference: A9396930



**MORNINGTON  
PENINSULA**  
*Shire*

6 December 2019

Retirement Villages Act Review  
Consumer Affairs Victoria  
rvreview@justice.vic.gov.au

Dear Retirement Villages Act Review team

### **Retirement Villages Act Review Issues Paper – Submission from Mornington Peninsula Shire**

Thank you for the opportunity to make a submission in respect of the Retirement Villages Act Review Issues Paper. This submission has been made at officer level, given the limited time for submissions did not allow for the matter to be considered at an Ordinary meeting of Council. However, it builds on advice provided by the Council's Triple A (affordable, appropriate and available) Housing Committee. The matters raised are without prejudice to any future resolutions of Council about this matter.

Under the Local Government Act 1989, a Council has a role which includes advocating the interests of the local community to other communities and governments. The following background information shows the Mornington Peninsula's strong interest in advocating on behalf of its retirement village community.

The Peninsula has a range of retirement housing including retirement villages, caravan parks, residential villages, subdivisions marketed to older people and private dwellings. Consumer Affairs Victoria's public register indicates that there are 14 retirement villages on the Peninsula. The largest of these has over 700 units.

The 2016 census showed people who are aged 50 and over comprised 44.8% of the Peninsula's population compared with 30.9% for Greater Melbourne. For people aged 55 years or more by households income quartile, on the Peninsula there were 7.7% more in the lowest two income quartiles compared to Greater Melbourne. The gross Median individual weekly incomes for people aged 65 years or more was \$466 for the Peninsula and \$673 for metropolitan Melbourne. Source ABS and [www.greaterdandenong.com/document/18464/statistical-data-for-victorian-communities](http://www.greaterdandenong.com/document/18464/statistical-data-for-victorian-communities)

Based on the above, it is concluded that the Mornington Peninsula, compared with Greater Melbourne, has proportionally more older people and they are also proportionally poorer. It is possible that a significant proportion of people living in retirement villages may already be living in housing stress and fearful of rising costs of living in those villages. It is understood that some residents are departing retirement villages, despite the costs of doing so, in order to protect their future standard of living and remaining assets.

Key matters for advocacy in relation to the review of the *Retirement Villages Act 1986* are:

#### **The regulatory and policy framework (Part 2)**

- There should be a commonality and consistency of protection and standards across Owners Corporations, residential parks and retirement villages. This should include protections being extended to any future “retirement-like villages” that maybe set up for other age segments of the market (e.g. middle age families).
- As far as practicable, there should be a seamless interface between the following related legislation. Any unintended implications should be avoided, grey areas clarified and, where appropriate, common definitions employed. The need for amendments to other related legislation and the VPPs should be considered.
  - Retirement Villages Act 1986
  - Planning and Environment Act 1987 including the Victoria Planning Provisions.
  - Equal Opportunity Act 2010
  - Owners Corporations Act
  - Residential Tenancies Act
- In terms of application and scope, consideration should be given to aligning the provisions of the following Acts and their regulations so that prospective residents may expect, so far as practicable; firstly, information to be delivered in familiar, easy to digest, comparable formats and secondly, the application of best practice, standardised procedures.
  - Residential Tenancies Act (particularly Part 4A relating to residential villages)
  - Retirement Villages Act 1986
  - Owners Corporation Act 2006
  - The requirement for registration of retirement villages should be retained with consideration to identifying the tenure of the units (e.g. are any rental, strata title, or lease).

### **Entering a retirement village (Part 3)**

- There should be improved protection for dependent or immediate family members (e.g. partners) who are under 55 years of age to live in a retirement village, where appropriate and compatible.
- When advertising the ‘price’ of a retirement village unit, there should there be a requirement to include a reference to any deferred management fees and other departure fees and charges.

### **Living in a retirement village (Part 4)**

- Whole of life asset maintenance planning with greater clarity about standards to minimise disputes relating to when and if infrastructure should be repaired or replaced and at whose cost.
- Residents’ Committees should be protected with a legislative definition of their powers and include inclusion of all residents no matter their type of tenure within the retirement village.
- Managers of retirement villages should be suitably qualified.
- The balance of power between operators and residents should be reviewed with a view to closing any loopholes that could be unfairly exploited by any unscrupulous operators.

### **Leaving a retirement village (Part 5)**

- In reviewing both the balance of power and the regulations around ingoing contributions, fees and charges it is recommended that the welfare of residents be given greater

consideration but not to the extent that good operators would feel pushed to leave the industry.

- Special consideration should be given to the situation of where two generations or partners are living together but not all might be on the original lease and whether, in the case of the original leasee(s) departing, the remaining resident of the dwelling (assuming rights of inheritance) not having to face a new approval or unreasonable fees to remain in the dwelling.

**Dispute resolution (Part 6)**

- The dispute resolution process should be improved with a first step within the retirement village with the operator and then with a potential role for the residents' committee for some type of disputes. Ultimately there should be an option for a quick, free or very low cost access to an Ombudsman with appropriate binding power.

For more information, please contact [REDACTED]  
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Yours sincerely

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Jenny Van Riel  
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