

1.12.2019

Re: Review of the Retirement Village ActCONTRACTS :-

We need a standard, easy to understand form with perhaps space for extra conditions applying to particular villages. At present there is bias towards the operators written in such a way that even some solicitors hired by an incoming resident cannot comprehend.

FEES :-

Legislation needs to be passed to make operators accountable.

Our village is Strata Title. The original building company of the village is now buying back units and leasing them. We have two fee charges - Owners' Corporation (responsible for all maintenance and management of common property) and the Retirement Village Operator's Fee. The Retirement Village Operator's Fee is almost double that of the Owners' Corporation Fee.

When questioned re items on the Operator's Budget, we are fobbed off with meaningless answers and told "The Owners' Corporation must account for every cent but the Retirement Village Management doesn't have to."

At present the Act states that increases greater than CPI which do not come under a Government award must be approved by the residents.

When there is an increase on a budget item above CPI we are either

a) told voting will not be allowed at this meeting

b) if we have voted in favour of another matter, we are told that vote covers everything

c) the representative of the company owning the leasehold units votes on behalf of the residents at the Retirement Village AGM and our protest of this is ignored.

When salaries are increased beyond CPI, our query as to whether this is in line with a Government award is refused to be answered.

### SALE OF UNITS

The Retirement Village Management Company have caused mental and financial hardship through their interference in the sale of units. This interference has lessened since CAV conducted an investigation into the Management's behaviour. Guide lines were established and the Manager of the Enforcement Branch of CAV [REDACTED] notified the Village Residents' Committee he was to be contacted if further interference occurred.

The ACT should be changed to clearly state exactly how much involvement a Village operator can have in the sale of a unit or lease.

### EXIT FEES:-

Each Retirement Village appears to have different "Deferred Maintenance Payments" which are paid to the Operators when a unit or lease is sold. Vendors are also charged for refurbishment of the inside of the units.

The Deferred Maintenance Payment then would appear to be for the upkeep of the buildings exterior and the grounds. However, if a village has an Owners' Corporation, they are responsible for maintenance and management of Common Property. The Operators then, therefore, have the opportunity to pocket this deferred payment.

This is an area that needs to be examined during the review of the act.

CAV and VCAT:-

On behalf of the Village Residents, the Owners' Corporation/ Residents Committee have approached CAV and VCAT on various matters.

CAV have given assistance re: Interference by the Operators in the sale of units which unfortunately was too late to stop action in at least four sales.

Generally we have found CAV and VCAT are not geared to help residents of Retirement Villages.

When we have reported several breaches of the Retirement Village Act, we have been informed that it is beyond their scope.

The review of the Retirement Village Act should give clearer directions regarding the obligations of both Village Operators and Residents.

Consumer Action Victoria should be given the power and the appropriate personnel to act on any breaches of the Retirement Village Act.

At the moment, residents of Retirement Villages have no-one to appeal to for help.

Jacqueline A. Acciaiccarelli (Mrs)  
 Chairperson of [REDACTED] Owners'  
 Corporation / Residents' Committee