

From: contact@engage.vic.gov.au
Sent: Monday, 18 November 2019 3:17 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

Older Retirement Villages are now out dated and the new Villages have so many attractions for the potential buyer as they offer so many more amenities. This is now a very profitable for developers, as with housing developments there is no follow on fees once the property is sold. The prize is the exit/deferred management fees which they take the lion's share. One definition of a retirement village is that 'services' are provided. These are 100% paid for by the residents - all staff, community centre, bowling green, furnishings/fittings, appliances, plus accounting and administration fees of the operator. Retirement villages are said to offer a pleasing, resort-lifestyle. In reality it is an institutionalised existence amongst strangers often isolating residents from former contacts because there is limited parking for normal gatherings .

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

The Retirement Villages Act definitely favours the rights of manager/operators over those of residents. In cases where the village is strat titled, there is significant conflict between The Owners Corporation Act and the RV Act which should be harmonised. The recent trend by operators to change to a loan/licence contract is most disturbing. We know of a case where leaseholders were told to vacate because their building was to be demolished. Leaseholders are in a vulnerable position and this should be corrected, as it can be something the older person would not think of when signing the lease, also they would be unaware of this, as it would not be

brought to their attention. They also do not have any Owners Corporation rights for decision-making. This is not in their best interest, especially as they age and may not have the finances to move on.

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

We moved into the Retirement Village as we were finding it hard with health problems and realising we were not able to continue maintaining larger home and gardens etc. We were to asked to read several documents to sign re Strata Title Unit which we did.(not an 'incoming contribution') and the other an Agreement of Management containing a list of items provided by the Operator. Never at any stage were we told that we would be paying for all the services including staff wages. We did not realise that we would be paying on capital gains. Our solicitor did tell us that we would lose money DMF fees etc. We are now told these fees cover the lifestyle we choose, we came here mainly for security and someone on call in case of an emergency, this is not provided in the same manner anymore, someone will answer and make sure we call an ambulance. My husband has since passed away and I am finding the services are beginning to erode.

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

Village Managers are not trained to attend to every aspect of a Village. They are perhaps trained in First Aid, but their management skills leave a lot to be desired. They are nice to everyone but lacking ability to oversee property maintenance. The Operator does not worry too much as the 'Regional Manager' will sort it out. Resident Committees can be taken over by a power-hungry clique - and are not strong in their stance with the Operator- this causes tension among the Strata Title owners. The problem is, as owners who go on Owners Corporation Committee are not always conversed in the procedure of running a meeting or a Village, and cause a lot of wrong decisions. There must be strict adherence to annual elections so the these members can be removed. Their power should not approve above-CPI increases in fees. The Committee should be well trained in the laws provided in the Acts. The Operators can be held to account if residents know their rights. They are never told.

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

my contract does not require us to carpet or repaint the unit, but it would, however, take courage to defy the Operator's insistence on presenting the unit looking 'New'. Would rather sell at a cheaper price which would not be as much as what they are charging to do this. We would not lose, but the Operator would lose the money they charge us for replacements and a higher 30% deferred payment. Yes the DMF.? We have paid a monthly fee covering all admin/accounting charge each year. The Operator is not the original owner, so yes it should be a profit?? We also pay this monthly fee for 6 months or until our property is sold. The Operator is happy if it takes 6 months to sell. With the languishing sales of older Units this can take time..

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

There is only one answer! An Ombudsman.

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

Ombudsman

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

The biggest problem is the confusion of laws, regulations, rights and responsibilities, is the inevitability of the ageing process, and deterioration in our overall health, physical and mental capabilities. We want nothing but a peaceful existence. We are not going to get it if we are forced to take a role on committees and worry about how we feel trapped because our choice to move on to a more suitable form of housing is curtailed by the payment of a huge slab of money which is tied up and taken by our Operator when sold. After living in our Village for 10 years i have seen so many elderly people and their families so stressed by moving to care. At the present time these retirement village are flourishing and making huge sums of money from the elderly. Unfortunately not everyone has a loving family to help them through this problem and Operator's only concern is their welfare and the profit they can get. A couple who move in 18 months ago with early dementia and were sold an unit

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

██████

Last Name

██████

Email address

How would you like us to handle your comments?

You may publish my comments anonymously (your name will be omitted)

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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