

# **Review of the Retirement Villages Act 1986**

## **Submission by Les Scobie, retirement village resident since 2007**

Before moving to examine the Victorian Retirement Villages Act 1986 it is important that all parties are aware of the following primary facts when it comes to Retirement Villages.

- 1. 72% of retirement villages are owned by 'for-profit' operators. The days of the 'benevolent' operator discounting the entry cost by the amount of the 'deferred fee' are well past.**
- 2. 74% of retirement village residents do not occupy their units on a freehold basis, merely granted a lease or licence to occupy.**
- 3. Retirees often pay a price commensurate with an outright purchase price for a similar unit within the general community without ever gaining ownership.**
- 4. Contractually residents have all the financial responsibilities of 'property ownership' like maintenance costs, renovation costs, selling costs, administration costs.**
- 5. Contractually in the order of only 1 in 2 residents have the financial rewards of 'property ownership' such as capital gain. Where granted however the retiree may not be entitled to 100% of any capital gain, it may be shared with the operator. The retiree also becomes proportionally responsible for any capital loss.**
- 6. Contractually residents can lose up to 45% of their in-going payment in a so named 'deferred fee' without ever gaining an opportunity of ownership.**

The following statement by [REDACTED], [REDACTED], sums up the retirement village industry succinctly. It amplifies the financial impact on the capital base of both the occupants and subsequently their families.

***“Families need to be aware that what we are talking about here is the transfer of inter-generational wealth, not to families, but into the pockets of large multinationals. Shame about elderly people not having enough money for aged care”***

The Federal government is yet to fully realise the enormous negative financial impact this industry has on the capacity of retirement village residents to fund their own in-home care or residential aged care.

One is also reminded at this point of the words of Barack Obama -

***“If the people cannot trust their government to do the job for which it exists – to protect them and to promote their common welfare – all else is lost”***

It is difficult to understand the obsession of both this and previous governments that the retirement village industry must be granted by statute an environment to 'facilitate growth and innovation'. It is a role of government to provide an environment for commerce to operate, but is it the role of government to protect industries as in this case a 72% 'for profit' industry? To single out the predominantly commercial retirement village industry for legislative support as prescribed by the current Minister for Consumer Affairs Marlene Kairouz must be questioned. This support via statute comes at the direct financial and social cost of Victorian retirees.

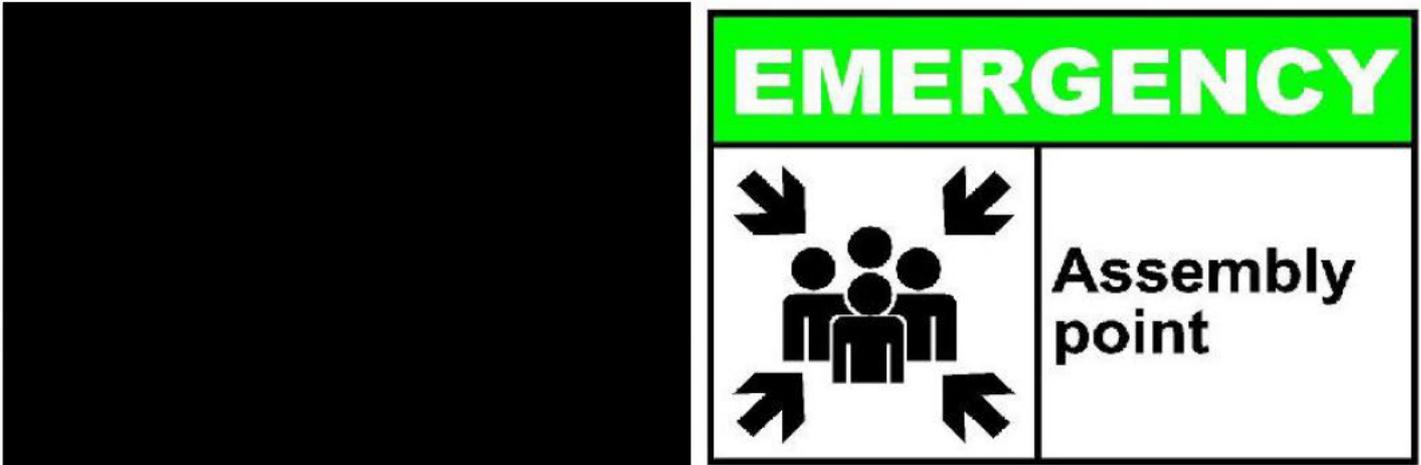
My submission to the following individual aspects of the Retirement Villages Act - Les Scobie.

**The regulatory and policy framework (Part 2)**  
**Application and scope of the Retirement Villages Act 1986**

41. What role, if any, should retirement village operators have in ensuring the safety and welfare of their residents, taking into account a resident's right to autonomy and privacy? Response -

**ACTION REQUIRED - LEGISLATIVE AMENDMENT -**

**Legislative amendment to include a mandated emergency evacuation plan and assembly point along the lines of the NSW legislation.**



- NSW*  
**RETIREMENT VILLAGES ACT 1999 - SECT 58A**  
*Operator to provide safe premises*
- 58A Operator to provide safe premises**
- (1) The operator of a retirement village must ensure that the village generally is reasonably safe.*
- (2) In particular, the operator must:*
- (a) ensure that an emergency plan is prepared for the retirement village, and*
  - (b) ensure that the emergency plan is maintained so that it remains effective, and*
  - (b1) take reasonable steps to ensure that all residents and staff are familiar with the emergency plan, and*
  - (c) undertake a safety inspection at least once each calendar year, and make a safety inspection report on the findings of any such inspection, and*
  - (d) ensure that residents are:*
    - (i) notified in writing when a safety inspection is undertaken, and*
    - (ii) given access to the safety inspection report if they request it, and*
  - (e) take such other action as the regulations may require to ensure that the village generally is reasonably safe.*

Personal details 'not for publication'.

Submission by -

