

### Summary of the consultation session

The purpose of this consultation session was for the Inquiry Chair, Kathryn Greiner to hear directly from residents, their families and members of the community about their experience with retirement village living.

This is a summary of the issues raised during consultation by residents and others in response to the topics set out in the Inquiry's terms of reference. It does not reflect the views of the NSW Government and does not represent a full transcript of each forum. The order of the topics follows the structure of the session on the day.

#### **1. Costs, contracts, rights and responsibilities**

**The forum participants were asked: based on your experience, are retirement village costs, fees and charges and residents' contractual rights and obligations clear and understandable for prospective retirement village residents?**

Issues raised mainly related to transparency and fairness around fees and charges on departure. Other key issues raised during the session related to:

##### **The transparency of contracts**

- plain-English contract terms and conditions (a comparison to the insurance industry was made)
- the level of availability of legal expertise to review and challenge contractual terms and conditions
- clarity around the impact of changes to new contractual arrangements when compared with the former contract
- a suitable time limit for daily charges once a resident has vacated a village
- availability of information on the market value of retirement villages to inform sales
- transparency around refurbishment costs.

##### **Village budgets and accounts**

- access to information about the operation of the village and ongoing fees (e.g. recurrent charges, Capital Works Fund expenditure)
- transparency of costs to support recurrent charges paid by residents (e.g. corporate recharge formulas)
- information to support distinction between different types of village costs
- the ability of residents to appoint an independent auditor to increase transparency of finances
- clarity around the calculation and role of departure fees in the ongoing maintenance of a village.

##### **Rights and responsibilities**

- level of communication between Residents Committees and operators

- level of communication with residents about management changes and standards when the operator of the village changes
- role of the resident in relation to the resale of the village premise (e.g. to market the property)
- clarity in contracts on insurance arrangements for units (e.g. bushfire prone areas)
- responsibility of operator to maintain service levels when supplier operations change or end.

## 2. Dispute resolution mechanisms

**The forum participants were asked: to what extent do retirement village disputes resolution processes deliver just, quick and cost effective outcomes for residents and operators?**

The issues raised by residents generally related to the quality of legal advice and the suggestion of an alternative dispute resolution mechanism before progressing to the tribunal. Key issues included:

- responsiveness of management to requests for information
- transparency around the resolution of disputes within the village relating to residents and operators
- clearer explanation of key terms in the *Retirement Villages Act 1999* (the Act) to minimise potential disputes about matters of interpretation
- access to more specialised legal advisors
- responsiveness of Fair Trading to provide support to residents to fix disputes
- level of service and quality provided by Fair Trading in supporting residents
- the cost and time involved to ensure compliance with a Tribunal decision once it has been made
- support for residents when attending the tribunal
- a more specialised process for advice and decision-making to resolve common retirement village disputes was suggested.

## 3. Funding for village maintenance and upgrades

**The forum participants were asked: do you have concerns relating to the protections and fair arrangements with respect to building defects and the levy of fees for maintenance of retirement villages?**

The issues raised mainly related to the fairness and transparency of costs relating to maintenance and capital works and the sharing of responsibility between residents and operators, including:

- example given of a village where residents are given the opportunity to review the budget and bring to management's attention any concerns
- clarity around when capital items should be repaired or replaced, for example the suggestion of an asset register and maintenance schedule was made
- information to support the distinctions between operator and resident costs
- costs related to insurance, utilities, painting and external works
- level of input from residents on contractor appointment
- timeliness of repairs in the village.

#### 4. Marketing activities

**The forum participants were asked: based on your experience of marketing activities in the sector, are you satisfied marketing activities are being conducted honestly, transparently and fairly?**

Residents raised a number of issues including:

- transparency around the provision of village-specific management and facility services (e.g. medical staff, villages buses and manager work hours)
- transparency around marketing and number of sales within the village
- depth of knowledge of sales people marketing retirement villages to prospective residents
- marketing of village features (demographic, lifestyle) and building standards
- marketing of 'premium' services and facilities and level of maintenance over time
- one new resident gave the example of extensive re-development of her village and it not being disclosed when she moved in a year ago.

#### 5. Safety and security in retirement villages

**The forum participants were asked: based on your experience, is the built environment of retirement villages maintained and operated in a manner which is safe for residents?**

Residents raised concerns about the safety of residents in the case of a fire or emergency including:

- it was noted that the safety and security of a village complex is a key reason for residents to move in and security is particularly important in villages that also have aged care services
- suitability of building standards for aging residents (example of public halls given)
- consistency of visitor entry rules in retirement villages
- clarity around responsibility for costs to address safety issues (e.g. tree pruning or removal)
- transparency and awareness of emergency services protocol – particularly in relation to emergency exits and evacuation plans and safety training in the village.

#### 6. General operation of villages

**The forum participants were asked: in your experience, to what extent are retirement villages generally being operated honestly, diligently and fairly?**

In response to the question 'would you re-enter a retirement village?' most of the residents present would re-enter a retirement village given the chance again.

Other issues raised concerned the level of experience of village managers and the flow of information and support between operators, managers, Residents Committees and residents.

#### 7. General feedback on the sector

**The forum participants were asked for general feedback on the sector, including opportunities for improvement and what is working well.**

A number of general issues were raised including:

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- the potential for increased education and compliance activities in the sector
- the range of work done by village Residents Committee
- clarification of the role of the village manager
- responsiveness of operators.