

### 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 as well as concerns about fairness of operator business practices. Other key issues raised during the session related to:

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

- plain-English contract terms and conditions
- the level of availability of legal expertise to review and challenge contractual terms and conditions
- exit arrangements for transitioning from retirement village to aged care facilities and the timeliness and costs related to settling new contracts
- clarity around changes to contractual arrangements when there is a new village operator
- the practice of converting the type of units in the village (e.g. from freehold to leasehold) and the level of certainty for residents with a registered interest in the village
- the length of time that a former resident is liable for charges once the resident has moved out and the different treatment of registered versus non-registered interest holders
- clarity and transparency about a resident's obligation to pay for 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)
- information to support distinction between different types of village costs
- clarification of certain costs for property maintenance
- clarity around the calculation and role of departure fees in the ongoing maintenance of a village

### **Rights and responsibilities**

- clarity on residents' rights and responsibilities and communication of changes over time that affect these rights (e.g. conversion of agreements to leases and the use of proxy votes)
- clarity of the role of residents committees and the level of support from operators and managers for the work of residents committees
- level of communication between residents committees and operators
- communication with residents about management changes and standards when the operator of the village changes
- role of the village manager and sales manager in relation to the resale of the village premise

### **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 responsiveness and transparency of operators and the suggestion of an alternative dispute resolution mechanism before progressing to the tribunal. Key themes 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 particularly in regional areas of NSW
- level of experience and quality of support provided by Fair Trading
- level of experience and training of village managers
- an accessible external/independent authority or process to fix 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 transparency of village costs. Key themes included:

- information to support the distinctions between operator and resident costs (e.g. invoices)
- timeliness of repairs in the village
- example given of a village where residents have experienced management with an open-door policy for residents and three-monthly budget updates.

#### 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. manager work hours)
- transparency around marketing of the village and the statements by sales people and in advertisements which can be subject to disclaimers in the contract (e.g. council rates included in ongoing costs)
- transparency around marketing and number of sales within the village.

#### 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:

- suitability of building standards for aging residents
- transparency and awareness of emergency services protocol – particularly in relation to emergency exits and evacuation plans and safety training in the village
- access to information about safety inspections and reports prepared for the village
- transparency around the level of support and availability of village managers.

#### 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?’ current residents present were equally split about whether they would re-enter a retirement village given the chance again.

#### 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:

- the potential for increased education and compliance activities in the sector
- clarification of the role of the village manager.