

### 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 resident's contractual and other rights and obligations clear and understandable for prospective retirement village residents and their families?**

Residents raised concerns about transparency, fairness and clarity on issues relating to contracts, village budgets and accounts as well as certain rights and responsibilities of operators and residents. The following key issues were raised:

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

- easy-to-read, plain-English contracts
- assistance for residents and their families to understand the obligations and fees relevant to individual contracts
- clarity around changes to contractual arrangements when there is a new village operator
- a suitable time limit for daily charges once a resident has vacated a village
- exit arrangements for transitioning from retirement village to aged care facilities and the timeliness and costs related to settling new contracts
- up-front clarification of the impact of capital gain or loss to the resident upon exiting the village
- availability of information on the market value of retirement villages to inform sales.

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

- clear and meaningful explanation of village budgets and itemisation of village expenses
- ability of residents to appoint an auditor to increase transparency of village costs
- clarity around the calculation and role of departure fees in the ongoing maintenance of a village.

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

- clarity of the role of residents committees and the level of support from operators and managers for the work of residents committees
- the level of communication between residents committees and operators
- clarity on the role of the operator in marketing and selling vacant residences and the rights of the resident

- clarity around the setting of sales prices when transferring residences within a village
- clarity on responsibility for budget deficits.

## 2. Dispute resolution mechanisms

**The forum participants were asked: to what extent do retirement village disputes resolution mechanisms 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:

- access to more specialised legal advisors particularly in regional areas of NSW
- clearer explanation of key terms in the *Retirement Villages Act 1999* (the Act) to minimise potential disputes about matters of interpretation
- a more specialised process for advice and decision-making to resolve common retirement village disputes was suggested
- publishing the number of tribunal matters by village operators in marketing materials was given as an example of encouraging village operators to resolve issues before going to the tribunal.

## 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:

- fairness of arrangements relating to capital maintenance costs to repair items/assets that residents do not own (e.g. roads, painting of buildings)
- information to support the distinctions between operator and resident costs
- refurbishment costs relating to unoccupied village premises and recurrent charges
- 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 marketing and number of sales within the village
- depth of knowledge of sales people marketing retirement villages to prospective residents
- examples of verbal promises from sales people that are relied on and difficult to challenge when not delivered were given.

## 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?**

The main issue related to safety for residents in the case of a fire or emergency, including:

- information about village specific protocol in emergencies – particularly in relation to fire extinguishers, emergency exits and evacuation points, evacuation plans and safety training in the village
- 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.

## 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?**

The main issues raised concerned the level of experience of village managers and the flow of information 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.**

Residents raised a number of points including:

- the range of work done by village residents' committee
- clarification of the role of the village manager
- responsiveness of operators
- ability to rescind (cancel) contracts where material differences between what was promised and what was delivered and the operator does not take action within a certain timeframe
- In response to the question 'would you re-enter a retirement village?' most of the current residents present would re-enter a retirement village given the chance again.