



June 2018

Government Response to the Inquiry into the NSW Retirement Village Sector Report

The Government welcomes the public release of the Inquiry into the NSW Retirement Village Sector Report (the Greiner Review Report), delivered to the Government on 15 December 2017.

The Government would like to thank Ms Kathryn Greiner AO for her work in leading the Inquiry, and the members of the public and residents, operators and other stakeholders who contributed to the Inquiry.

The Government is committed to NSW leading the nation in safeguarding the rights of retirement village residents and being tough on those who take advantage of our seniors. Accordingly, the NSW Government supports the findings and recommendations in the Greiner Review Report.

The Greiner Review Report is the final component of the Government's four-point plan for retirement villages, announced in July 2017, which included:

1. Revising the *Retirement Villages Regulation 2009*;
2. Introducing an online calculator to help consumers understand the costs of retirement village living;
3. Undertaking compliance and education operations targeting NSW retirement villages;
and
4. Launching an Inquiry to examine the retirement village sector in NSW.

Ms Greiner was appointed by the Government in July 2017 to lead the Inquiry. Ms Greiner was tasked with examining the fairness and transparency of business practices of the retirement village sector, and to consider opportunities to improve administrative and operational practices of Fair Trading, the industry regulator.



The Inquiry was conducted from August to December 2017, and included extensive consultation with the public, key stakeholders in the retirement village sector, as well as targeted consultation with other jurisdictions and industry experts.

The Greiner Review Report outlines a range of key findings and makes 17 recommendations to improve the legislative framework for retirement villages and the operational practices of both the industry and the regulator.

While the Greiner Review Report identified a range of issues that require consideration both immediately and in the long term, it is important to recognise that the Greiner Review Report also identified a large number of positive experiences by residents, managers, operators and the industry at large, who requested minor changes only and are otherwise satisfied with their time in the village.

The Greiner Review Report found that the operation of the retirement village sector could be improved in three key areas:

- **Increasing transparency of exit fees and contracts** - the Greiner Review Report concluded that improvements to marketing practices, increased transparency of costs and the exit process, and greater clarity around tenure arrangements would enhance consumer decision-making and improve consumer outcomes.
- **Clarifying the funding arrangements for ongoing maintenance costs which are shared between residents and operators** - the Greiner Review Report concluded that improvements could be made to assist residents distinguish charges for which the operator is responsible.
- **Providing more support when disputes arise (and reducing the potential for disputes to arise)** - the Greiner Review Report concluded improved options for dispute resolution would improve the experience of residents.

In addition to these, the Greiner Review Report concluded that improvements in the requirements for industry reporting and data collection would improve Fair Trading's oversight of the sector and that industry best practises could be more consistently applied



across the sector in areas such as staff training, safety protocols and provision of information.

To implement the Greiner Review Report, the Government will make reforms to afford greater protections to consumers, and to ensure that retirement villages remain a viable accommodation option for seniors. These reforms will aim to:

Increase transparency in the sector by reviewing and developing disclosure documents and mechanisms for consumers

- The Government recognises the need for greater transparency at each pivotal point of retirement village living - when entering, living in and leaving a retirement village. A range of actions will be considered, including a full review to ensure that there is clear and timely disclosure material and consumer information to increase transparency and build consumer awareness within the sector.

Provide increased consumer certainty around key costs and charges

- The Government will review a range of measures to assist consumers gain certainty of costs throughout their residence in a retirement village. Consideration will be given to options that set clearer cost expectations for consumers and better align operator and resident interests.

Enhance accountability of operators and the sector to improve village living

- The Government will consider new measures to keep residents informed of key village information and hold operators accountable in demonstrating appropriate conduct.

Improve the effectiveness of dispute resolution processes and outcomes

- The Government supports increasing the effectiveness of dispute resolution processes and outcomes through reviewing options for intermediary dispute resolution models to improve outcomes for residents and operators.

Strengthening Fair Trading's oversight of the sector

- The Government will undertake a comprehensive review of existing powers and penalties under the Act to strengthen and enforce compliance within the sector.



To give effect to the Greiner Review Report, the Government will take immediate action on some measures, and begin a more detailed examination of measures that have potential to have a greater impact on the sector. In considering how best to progress the recommendations, the Government recognises that change is most effective when it is guided by advice from the industry, resident bodies, residents themselves, and the public. The Government will consult on any significant reform proposals as they are developed in the future.

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