

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
- the level of availability of legal expertise to review and challenge contractual terms and conditions
- assistance for residents and their families to understand individual contractual obligations and fees
- disclosure of the potential for capital losses when exiting the village and the financial impact to residents
- clarifying expectations of retirement village living for prospective residents
- responsiveness of new operators to questions regarding legacy contracts
- a prospective resident gave an example of a request for a non-refundable voluntary donation.

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)
- the ability of residents to appoint an independent auditor as a way to increase transparency of finances
- information to support distinction between different types of village costs
- clarification of certain costs for property maintenance costs (e.g. painting)

- clarification of the system of accounting to be used for the particular village (the example of the village budget being based on actual cost rather than an accrual system was given).

Rights and responsibilities

- 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
- level of communication between operators and village managers
- role of the resident in relation to the resale of the village premise (e.g. to market the property)
- communication with residents about management changes and standards when the operator of the village changes.

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 managers. Key themes included:

- responsiveness of management to requests for information
- clearer explanation of key terms in the *Retirement Villages Act 1999* (the Act) to minimise potential disputes about matters of interpretation
- transparency around the resolution of disputes within the village relating to residents and operators
- responsiveness of Fair Trading to provide support to residents to resolve disputes
- an accessible external/independent authority or process to resolve 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:

- clarification of responsibility for external painting
- clarity around when capital items should be repaired or replaced (guidelines for reasonable life-time or depreciation of capital items)
- level of input from residents on contractor appointment.

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?

A number of issues were raised by residents, including:

- transparency around the provision of village-specific management and facility services (e.g. medical staff)
- marketing of village features (demographic, lifestyle) and building standards
- marketing of 'premium' services and facilities and level of maintenance over time.

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:

- transparency and awareness of emergency services protocol – particularly in relation to emergency exits and evacuation points
- an example of management working with the village residents committee to create a DVD and instruction material to educate new and current residents of the village about evacuation plans and safety training was provided
- access to information about safety inspections and reports prepared for the village
- timeliness to rectify safety issues (e.g. defective exit signs)
- age appropriateness of village facilities
- transparency around the level 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?' most residents indicated they would choose to re-enter a retirement village 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 to limit resident exposure to capital losses
- the potential for increased education and compliance activities in the sector
- the opportunity for additional support to be provided to prospective residents for example by making more information available to prospective residents including clarity about the transition from retirement villages to aged care.