

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 clarity of contracts and fairness around ongoing and departure fees. Other key issues raised during the session related to:

The transparency of contracts

- plain-English and standard contract terms and conditions
- meaningful explanations of the nature and extent of the rights and interests created by different forms of contracts
- the impact of changing property market valuations on departure fees and the level of understanding of the potential for capital loss on exiting the village
- transparency about refurbishment costs
- several residents raised issues relating to obtaining legal advice to review and dispute contracts including the complexity of the contract, the required level of specialist expertise, and the cost to engage a legal expert.

Village budgets and accounts

- access to information about the operation of the village and ongoing fees
- transparency of costs to support recurrent charges paid by residents
- 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
- a resident gave the example of a new operator repeatedly referring to a strata retirement village's owners corporation as the "residents committee" and subsequent confusion about the body's rights and responsibilities

- 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 resident in relation to the resale of the village premise (e.g. to market the property)
- timeliness of refurbishment undertaken by the operator
- example was given of a village with multiple vacant units and only one tradesperson undertaking refurbishment

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?

Key themes included:

- clarity around the role of residents committees in dispute resolution processes
- one resident suggested that residents committees could be improved by introducing rules similar to incorporated associations
- 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
- responsiveness of management to requests for information
- available support systems within the village to deal with disputes between management and the resident
- level of service and quality provided by Fair Trading in supporting residents
- 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?

Key themes included:

- clarity around when capital items should be repaired or replaced (guidelines for reasonable life-time or depreciation of capital items)
- fairness and transparency of arrangements relating to capital maintenance costs to repair items/assets that residents do not own (e.g. roads, lifts and painting of buildings)
- level of input from residents on contractor appointment
- clarity around responsibility to remedy defective design and construction in villages
- 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:

- depth of knowledge of sales people marketing retirement villages to prospective residents
- marketing of village features (e.g. demographic and lifestyle)
- example was given of a village which was advertised as wheelchair accessible but did not meet the expected standards

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 (suggestion that villages should be designed to support accessibility modifications for aging residents)
- consistency of entry protocols for tradespeople in retirement villages
- transparency and awareness of emergency services protocol – particularly in relation to emergency exits and evacuation plans for residents with poor mobility
- transparency around the level of support, training 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 of the current residents present would re-enter a retirement village given the chance again.

The main issues raised concerned the level of experience of village managers, the adequacy of complaints case management by managers and operators 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.

A number of general issues were raised including the suggestion for an annual provision of information about the value of properties in a village and the potential for increased education and compliance activities in the sector.