

Rec 9/6/16

6th June 2016

The Secretary
 Legal and Social Issues Committee
 Parliament House Spring Street
 East Melbourne Vic. 3002

Retirement Housing Sector Enquiry
Attention Nina Springle MP

Dear Secretary,

Further to your letter inviting submissions re the above topic we comment as follows.

1 – Notwithstanding further comments below, we are basically very happy living here at [REDACTED] Retirement Village, it is just that we feel it could be improved and fairer.

2 – We entered into our “lease” contract after studying all the contract documents presented to us. We were advised to seek legal advice which we did, but in hindsight we consider the advice given to be very flippant and cursory.

3 - Like most people of senior years we are not up to date with the nuances and “hidden” contents of these contracts. The sheer volume and verbosity of the contracts eventually confuses and wearies one. Plain English would seem like a good idea in these circumstances. There is no potential advocate/ombudsman to defend our rights before the contracts are entered into and no apparent means of later seeking and obtaining redress and enforcement of contracts.

4 – Whilst management adheres to the letter of our contract, they themselves fail to provide all the facilities promised. Some examples follow.

5 - One example was the “village bus” for our use, which eventually after much argument and humbug, is now provided by management by engaging the local community bus to take us shopping approximately once a week. So much for our village bus trips sightseeing etc.; which has never eventuated! When addressed the subject is brushed aside by management with mutterings and threats of increased “fees” to us.

6 – Another example was our promised shop, which opened briefly but soon closed as management claimed it was not “paying its way”. There was no mention in the contract of any particular facility having to “pay its way” but all protestations were ignored and the shop ceased to be. So much for honouring management’s side of the contract!

7 – Garage doors (automatic remote controlled type) – Management insures the buildings whilst we are responsible for insuring our personal contents. It is accepted that we must pay for service and maintenance. Management have refused to pay for any damage to the doors insisting that it is not covered by their insurance. We cannot insure them as they are part of the building (verbal phone advice received on this point). We are “caught in the middle” and consider the doors are part of a building and should be insured against damage by Management.

8 – Rates – We are very disappointed with our local council (██████████) who ignored our submission for rate relief for our village. We provide and maintain roads, footpaths, street lights, stormwater drains etc. but the council charged us fully as if each unit was a stand-alone house. After much fighting and arguing the council finally reluctantly granted us a pittance of a rate relief. This must be more fairly and universally applied.

9 – Rent assistance – Some retirement villages seem to attract rent assistance whilst others do not. This anomaly is a mystery to us and to all people we have asked to date. Without going into the semantics of it all, surely it should apply to all villages or no villages.

10 – A matter of a more personal nature concerns our hot water service which leaves us with a potential financial “time bomb”

Please refer to the attached copies of correspondence between ourselves and management relating to roof mounted solar hot water services and the problems and costs associated with them. So much for solar energy savings!

Note that the management has done nothing to date to attempt to negotiate a “bulk” servicing agreement of these heaters, and further discussions have fallen on deaf ears.

We accept that we are required to service and maintain our personal facilities, but we consider in our (and many more residents here) situation that a solar powered hot water system on a roof (which we did not know about or have pointed out to us at time of purchase) is beyond the realms of reasonableness. However we appear to be stuck with this problem and will have to accept the consequences.

Yours faithfully

R.D. Glossop



H. Glossop



[REDACTED]
30th July 2014Roof Solar Hot Water ServiceAttention Mr [REDACTED]

Dear [REDACTED]

It has come to our attention that the Chromagen roof mounted solar hot water heating system to one of the units [REDACTED] in this village complex has worn out and sprung a major leak. The roof heating system has had to be replaced at a cost of approximately \$2,000-\$2,500.

We have been led to believe that the cost involved is deemed to fall to the leaseholder.

We have the same heating system on our unit and this financial "time bomb" was not pointed out to us at the time of inspection of and purchase of our unit.

The Chromagen maintenance manual recommends that the relief valves be flushed every six months, a very simple "do-it-yourself" procedure if situated at ground level. We did this many times at our previous home in Mt Waverley. How can this simple service be done to these Chromagen roof units without someone climbing onto the roof? Out of the question for residents of this village complex; exposing us to a service call and possible PTR valve replacement (\$147.00).

These solar units also require that the sacrificial anodes be replaced every 5-7 years. We have just had the anode in our unit replaced (\$222.70). The service technician assured us that the anode he replaced was not the factory fitted one (i.e. this is now the third anode in this heater in eight years. Either Chromagen's estimate of life expectancy is misleading or there is very aggressive water in this suburb.

Unit holders not having roof mounted solar heaters do not incur the above mentioned costs, and any alleged savings due to solar heating is quickly negated.

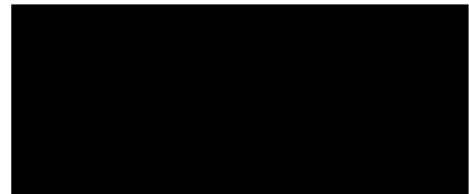
We consider that this matter should be recognised as a special situation not common to all units as a whole, and that these particular water units comprise part of the infrastructure of the building and that the replacement cost should fall to the owner, not the leaseholder.

We await your response to this matter.

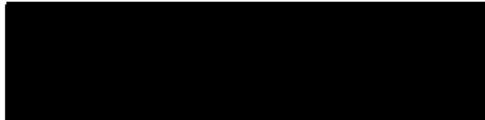
Yours faithfully

R David Glossop
[REDACTED]

Copy - [REDACTED]



*Received 22nd Sept 2014
HJ*



**Dear David,
My apologies for misinterpreting that our conversation back in early August was an insufficient response to your first letter.**

[REDACTED] in unit [REDACTED] indeed had a Chromagen installed solar hot water system which failed. I spoke with [REDACTED] daughter and offered to source an alternative hot water system for her which she declined and had Chromagen install the new hot water service. An exact replacement was not essential.

Should your hot service fail or if you have no confidence in the hot water service you have at present you are more than welcome to source an alternative for your needs.

The Chromagen installed model may not be to your liking but it has given many benefits along the way. Including solar electricity saving.

Maintenance and repair of the exterior of the building is indeed looked after by the village from monthly fees and carried out within reason as necessary. The hot water service as per our agreement is one item we ask you to maintain, repair or replace as needed.

Servicing of appliances and fittings are often overlooked with dramatic consequences. I used the garage doors as an example in the August [REDACTED] but this could be applied to many other items.

I am at present sourcing a number of alternative hot water services for residents to choose from if or when a new system is needed.

I hope we have clarified some of your queries and I am only too happy to discuss any matter at your convenience



[REDACTED]
3rd September 2014

[REDACTED]
Roof Solar Hot Water Service

[REDACTED]
Attention [REDACTED]

Dear Mr. [REDACTED]

Thank you for your e-mail response of the 25th August. Several weeks ago we had a conversation about the subject with [REDACTED] but there was definitely no agreement as far as we are concerned. We still await a written reply to our letter of 30th July 2014.

Further to our letter of 30th July 2014 on the above subject we raise further points on the matter in question.

It has come to our attention that the replacement cost of the hot water service to Unit 51 was very nearly \$3,000 (not \$2,000 - \$2,500 as our letter of 30th July). This does not include costs incurred for repairs to the building and contents which is unknown to us but one would think was not inconsiderable.

It seems obvious that in the not too distant future all these hot water systems will need replacing.

We assume that Management has an onus and a duty of care to inform and warn the effected leaseholders of the inevitable replacement costs as well as the damage possibly done to the units themselves (e.g. carpets, walls, ceilings, furniture, electrical goods etc.). Is one expected to sit at home waiting for leaks to start? It could be very unfortunate to be away from your unit for long intervals such as a weekend or holiday at the wrong time.

This onus and duty of care particularly applies to new incoming leaseholders not being made aware of inevitable damage and costs in the relatively near future.

How many solar hot water systems are there in the village complex?

For the purpose of discussion let us assume there are 30 units; management no doubt will be able to provide an exact number.

To claim that any damage to the buildings and contents will be covered by various insurances is a moot point. It could be argued by the insurance companies that this damage was destined to happen eventually and they were owed a duty of care to be warned of their inevitable costs (e.g. (say) 30 units x \$2,500 = \$75,000). This cost may be unacceptable to them (the insurance company) under the definition of an accident when the outcome is inevitable. These costs do not of course cover the costs of replacing the hot water systems, only the damage caused when they fail.

There is nothing to be achieved by pondering over the pros and cons of an obvious poor choice of hot water systems, particularly for a retirement village. It may have racked up some "Greenie Brownie Points" initially to get the village's "star" rating up, but as previously stated, it has planted a "financial time bomb" on some unfortunate leaseholders head (literally).

Has Management considered approaching Chromogen directly and negotiating a "bulk" service deal to service their units on a regular basis so as to minimise costs and perhaps extending the life of the systems?

If the answer to the above is no, and we are expected to service these roof systems ourselves, please be so kind as to point out how we can go about it short of paying Chromogen's extortionate service charges.

As Management is supposed to keep our roof gutters clean as per the Lease Agreement Clause 1.19.11 (not done in the five years we have been in our unit) would it not be reasonable, while Management is on the roof cleaning the gutters, to "blow-off" the water system under it's maintenance programme?

We await your written response to these matters as well as those raised in our earlier letter.

Yours faithfully

R David Glossop



Received 22nd Sept. 2014
RHS

Dear David,

I am writing this letter to attempt to address the concerns you put to [REDACTED] in a letter on 3/9/2014.

I am a little disappointed you couldn't come and see me personally but felt you had to address your points to [REDACTED]. My job is to manage the wellbeing of the village and I would like to think you have confidence in me to be able to solve such problems.

I can see you have enormous concerns regarding your hot water service and problems you may have in the future. I hope I have addressed these concerns in my previous letter.

You were also concerned about the repair bill to your neighbor apart from the installation cost of her new hot water service. I am unaware that there was any extra cost for [REDACTED] to pay.

We have in the village 17 units with similar hot water services to yours and I do understand your concern for the future problems which may or may not occur. There have been other different hot water service replacements over the years without damage and I hope if the time comes for the replacement of your hot water service there will be no drama as well.

I am waiting for Chromagen to respond to me in regard to a bulk servicing arrangement and an individual servicing arrangement but as yet I have heard nothing.

With regard to cleaning the gutters, we have concentrated on units under large gum trees primarily and other unlittered gutters as we see need cleaning. Gutter cleaning is a cost paid for by monthly maintenance fees and I try not to spend your money where it may not be needed rather than in a calendar cycle.

I hope this letter is sufficient to answer your questions and I would like to invite you to discuss any matter with me at your leisure.

