

The Secretary,
Legal and Social Issues Committee,
Parliament House, Spring Street,
East Melbourne, Vic. 3002.
11 June 2016

Dear Sir/Madam,

Re: Inquiry into the Retirement Housing Sector.

In the state of Victoria no standard Contract agreement exists between Village owners and residents, consequently, each establishment's management standards vary considerably.

It is very expensive to enter into lease agreements but unfortunately glossy brochures and smart sales talk do little to reveal the negative side to this style of living. We have far less rights than normal tenants.

This results in several issues.

1. The contracts are drawn up entirely in the favor of the owners with scant regard to the residents. Consequently, any disagreements between residents and management are not resolved by way of conversation as a first resort. The resident is threatened with some breach of the contract to enforce compliance, even if that section quoted is not applicable. Should a resident disagree and wish to seek resolution through an independent arbitrator, they are advised "the owner has legal services on tap." In some cases the resident is a pensioner who cannot afford their own counsel.

Normal tenants within the state of Victoria can have issues arbitrated in the Landlord Tenant's Tribunal; this process is not available to Retirement Village Residents. We are also rate-payers for a property we do not own.

2. On sale of the lease the contracts are structured in such a way the owner receives a large percentage of the sale price, this percentage which increases the longer the resident remains onsite.
There is a feeling amongst some residents they are living in a prison, as they are unable to afford the cost of relocation.
3. There is no recognised training or qualification within Australia to manage retirement villages which is apparent in the lack of interpersonal skills of village managers. Due to the age and circumstances some residents are quite intimidated by responses of management. Any unpleasant interactions further make the environment unpalatable for some residents. These managers are in charge of hundreds of elderly citizens and control an annual budget in excess of one million dollars.

To address these three points we submit:

- 1. A standard form of Agreement be legally drafted to be used by all Owners of Retirement/Lifestyle Villages
- 2. An Ombudsman should be appointed by the Victorian Government to become an independent Official to address disputes or other issues between Owners and Tenant/Lessees.
- 3. The establishment of an ongoing Tertiary training course. Any person holding a role in the management of a Retirement Village must therefore hold a qualification from that course.

Currently there are numerous issues and anomalies between Lessee/Tenants and Owners an example being, repair/replacement to installed white goods such as oven, dishwasher, air-conditioner and hot water service the Lessee/Tennant must bear the cost. When such issues are **not** mutually resolved by the Manager or Tenant an Ombudsman would in a position to make an arbitrary decision.

We believe this matter is quite important, urgent and should be addressed as soon as possible.

Signed..... Signed.....

David Josephs and Helen Josephs



Signed..... Signed.....

Leon and Judy Cousins

