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17 June 2016

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

Dear Secretary,

### **Submission – Living in a Retirement Village**

I moved into [REDACTED] in [REDACTED] in October 2011 after what I thought was exhaustive pre-purchase research. In many ways, the village is just what I expected it to be. I moved to [REDACTED] to be close to my family and that has worked out even better than I expected. Nevertheless, not everything has gone smoothly.

One of the first things I noticed was the attitude of village management and staff. Outwardly friendly, there was something about the way they talked to me that made me uncomfortable. Eventually, I worked it out. I was a stereotype rather than a thinking, capable, adult. The management and staff attitudes assumed I was at least fifteen years older than my birth certificate attested and much less capable than I had been just weeks before! Paradoxically, on occasions, the staff talked to me as a parent talking to a child. Some of the 'from the management' notices that appeared in my mailbox were of the same tone. It had never occurred to me the staff of a retirement village would be so insensitive towards their customers.

I also had a sense of being controlled rather than served. This feeling was especially evident in January 2013. A wind storm blew over a large tree outside our unit blocking a regularly used footpath and a gate. The village ground staff erected barricades across the path on either side of the fallen tree's foliage. After a few days without further activity, a small group of residents armed with pruning saws and secateurs easily cut back enough of the foliage to clear the footpath. Just as we were cleaning up, three ground staff workers turned up, not with their tools and an offer to help but with a message from the Village Manager. In a scolding tone, the ringleader told us to desist because it was unsafe for us to work inside the barricades. What rot! Despite the fact that the path was now clear and safe to use, they insisted on keeping the barricades in place until contractors came and removed the remainder of the tree. The path remained blocked for another week at significant inconvenience to residents living in the immediate vicinity.

Under the terms of our residence contract, the village's long-term maintenance fund pays for certain items of management. Soon after we moved in it became clear that there was a problem with the spouting at the back of our unit. During heavy rain, water flowed over the top of the spouting at a low point, back through the eaves and down the outside of a large window. It seemed to me that the cause was a construction fault. Similarly, during heavy rain, the courtyard filled with water because

of a blocked drain. After almost a year and several reminders, village management arranged for contractors to attend to each problem. Neither fixed the problem. A further year later and after many more reminders management finally dealt with the problems. The contractors reported both were the result of poor workmanship by the builder 16 years earlier.

Village management draws on two pools of money to run the village. In both cases, residents are the sole source of the funds. If management spends the money wisely, the operator does not make a higher profit. Likewise, if management wastes money, the operator does not make a lower profit. After a while, it became apparent to me that under this arrangement, management was not greatly concerned about getting the best value for the money spent.

Our village has a number of mature trees. Every so often it becomes necessary to remove one. Until a little over a year ago, management published a monthly report on money spent from the long-term maintenance fund. I noticed that arborist services were high but had no basis for judging if the village was paying too much. However, I did see in one report, a payment of \$940 for removal of what I knew to be a large shrub and a job for a gardener rather than an arborist. A local gardening contractor quoted me \$250 for cutting down the shrub as described, digging out the roots and removing the rubbish. I also noticed that the annual bill for hedge trimming dropped from \$18,000 to \$7,000 after agitation by a group of residents. These two items stood out. However, I suspect there are many more instances of less noticeable over spending.

These examples raise two issues that trouble me. Firstly, the manager no longer publishes a monthly report on long-term maintenance fund spending, so as residents we have no idea how our money is spent. I suspect this is because there is no obligation, apart from the moral one, to be open about the management of our financial affairs. Secondly, management appears to be less than prudent in spending our money. Again, I suspect this is because there is no sanction for poor performance, and residents cannot easily express dissatisfaction by packing up and moving out.

Around six months ago management let a contract to have the exterior of village buildings painted at a cost of a little over half a million dollars. I expected that the operator, a subsidiary of a giant property company, would know to manage a contract of this size. I was wrong. It was a shambles, amongst other things, because of a failure to coordinate the work with other maintenance work.

Should I have known about these problems and weaknesses before I bought? Of course, but how? I believe that Government has a role in protecting retirement village residents from operator complacency and exploitation. I would like to see three improvements:

1. Proactive Government oversight of the industry
2. Licencing and mandatory training for village managers
3. Greatly improved resident access information

You may publish my submission.

Yours faithfully,

Anne Robinson