

21 May 2016

The Secretary,
 Legal and Social Issues Committee,
 Department of the Legislative Council,
 Parliament House, Spring Street,
 EAST MELBOURNE. 3002.

Dear Secretary,

**Submission for Inquiry into Retirement Housing
 Necessity for appointment of Ombudsman for Retirement Villages/Housing**

It is with great hope that I add my voice to the courageous residents of retirement villages/ housing who have forwarded their requests for justice and change to you.

In February 2014 I purchased a modest 2 bedroom, 13 year old unit at the [REDACTED]. The village has 159 strata title units consisting of bedsitters, 1,2,3, & 4 bedroom units. There is a large Community Centre, Post Office/village office shop, and 2 rooms which can be utilized by a chiropodist, hairdresser etc. The village is 34 years old and owned by the current owner for 25 years.

I am aged 65, a widow of 5 years with chronic health conditions and no family support in [REDACTED]. It seemed a good solution to buy into a village to provide security; maintenance and garden work would no longer be a concern and I anticipated joining in various activities in the community centre and making new friends. This is the purported "lifestyle component" which is included in the purchase price of your unit. In addition residents pay a monthly maintenance fee of \$316.00 which enables this village to be fully self-funded by the residents.

Further, when a resident leaves the village or dies, deferred fees are payable on the sale of the unit by the resident and/or the estate to the owner as follows:-

- Capital gain share – 50%
- Deferred management fee at 2.5% for each year to a maximum of 30% of sale price
- Capital improvement fee 0.5% for each year to a maximum of 6% of sale price
- Administration fee 1.5% of sale price for services rendered by the company re: co-coordinating with cleaners and workmen in carrying out necessary refurbishment or repair works to achieve a maximum sale price. **This was not done when I purchased my unit.**
- Payment of monthly maintenance fees until such time as settlement is effected on the sale of your unit. The average sale time is 8 months.
- **In all, the payment of the additional cost for the "lifestyle component" the monthly fees and all the deferred fees collectively (as outlined above) comprise of hundreds of dollars per week which are payable for the services namely, the use and enjoyment of the Centre and common property plus the management of the village pursuant to the Management Agreement.** [REDACTED]

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My issue is with management/owners and the lack of transparency and application of my rights as a resident pursuant to agreements made at the time of purchase. You are advised:

1. All outside maintenance of the unit will be done and paid by the owners' corporation fees.
Stipulation as to what in fact is covered by this ambiguous statement and a time frame for the work to be done should be compulsory.
 (No maintenance has been carried out to my unit in over 15 years. No re-painting, replacement of outside light fittings which were corroded, replacement of trellis between my unit and the unit next door, spraying of spiders and cockroaches, pressure cleaning of concrete paths, repair to clothesline etc. It has been necessary for me to attend to most of these maintenance issues at my own cost.)
2. Garden maintenance carried out for you and the request form is to be left at office.
Garden maintenance should be clearly defined as when you move into the village, what is done by garden maintenance and what they deem to be "private" is vague & confusing.
3. The Centre is in the process of being upgraded
Residents should be provided with a plan for the refurbishment of the Centre and the time-line for the work to be done in accordance with the Owners Corporation Act .
4. Maintenance, cleaning, heating/cooling in the Centre is provided for residents comfort.
 This year the provision of air-conditioning was definitely limited to save on cost during the hottest summer on record.
Residents have a right to the provision of maintenance, cleaning, heating/cooling in the Centre for their comfort. This primarily is the huge cost paid by residents as "deferred fees".

Within 3 months of living here it was obvious the garden and general maintenance was inadequate. Most requests I submitted were deemed "private" so I employed a contractor to carry out the work.

I had the front and rear gardens replanted, dripper systems installed, back allocated area paved and artificial turf laid over the small front lawn. This was a significant expense which I had not anticipated. Without having this work carried out I could not maintain the garden area due to my spinal disabilities.

Participating in social events at the Centre and assisting in light cleaning duties relevant to different functions showed the standard of cleaning in the Centre, toilets, commercial kitchen and outside public toilets near the post office/shop was inadequate. Over time, I made several complaints to the Village Manager about this. There was almost no improvement over many months, particularly concerning wet areas and toilet cleaning.

I contracted a severe coughing virus three times and influenza twice making a total illness period of 18 weeks in 21 months. This was abnormal as I had not contracted any viruses from the time of our move to [REDACTED] in 2002.

In July 2015 I insisted the cleaner be made to clean the Centre and toilets hygienically and informed the Manager I believed the lack of hygiene was impacting on my well-being and that of all residents. This commenced a 9 month "dispute" between me, management and the owners' corporation committee (which supported management). As I maintained my resolve, management had the cleaning of the centre improved in December 2015. By May 2016, after considerable effort on my part, management also agreed to meet most of my other demands. These included the provision of new higher toilets to replace the existing 34 year old ones, a flick tap on the wash basin in the Centre and increased cleaning hours.

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During this dispute period, I endured abuse, bullying, intimidation, stress, and anxiety from management, staff and in particular several members of the owners' corporation committee who employed "schoolyard bully tactics". I stopped attending functions at the Centre from early December. In the following 6 month period of very limited attendance at the centre, I **have not** contracted any further viruses notwithstanding I have attended many social functions outside the village and visit my friends at their units and vice versa. I shop regularly and usually have medical/health professional appointments on a fortnightly basis.

My experience of "village life" has not been a fulfilling one other than I have made some lovely friendships. I calculated the cost of selling and moving however like most other pensioners who move into a village environment, once you buy in, it is uneconomic to sell and re-purchase in the general market. Management is aware of this fact. The cost of taking a matter like this to VCAT is very expensive and out of the reach for most residents.

I believe the appointment of an Ombudsman would give residents who have serious issues with management/owners a right of redress to ensure compliance of their rights as contained in the documentation executed at the time they purchased their unit. This relates to the "lifestyle component", maintenance of the outside of their unit, garden maintenance and the use, comfort and enjoyment of the Centre and other facilities together with management of the village. It would also assist to balance the power between management/owners and residents as recourse would be accessible to residents for non-compliance issues.

Thank you for your undertaking and I look forward to the outcome of this much needed Inquiry.

Yours sincerely,

A black rectangular redaction box covering the signature of Patricia Elliott.

PATRICIA ELLIOTT