

The Secretary
 Legal and Social Issues Committee
 Parliament House, Spring Street
 EAST MELBOURNE. VIC. 3002
 June 22nd 2016

My name is Robert Harrison and my wife and I are residents and lot owners of [REDACTED] situated at [REDACTED].

This Village is a self funded strata title village established approx 23 years ago consisting of 128 Independent Living Units and 36 Serviced Apartments all of which are on Strata Titles and available for sale to incoming residents only. We also have a Community Hall, Swimming Pool & Bowling Green, the Village is secured by a locked gate at one vehicle entrance and an electrically operated gate at the other each evening.

In our nine years here [REDACTED] has been managed and controlled (successively) by three Management Companies (a) [REDACTED], [REDACTED] all of whom have "Deferred Management Fees" as a contract condition.

Extract from Lend Lease website in respect to [REDACTED] (as at June 11th 2016) regarding Quality System Accreditation

n.b. Prior to March 20th, 2016 This statement said accreditation was enabled through the Retirement Villages Association but has been changed between then and now to refer to Property Council of Australia, the PCA absorbed the RVA and became the sponsor for Lifemark enabling Lend Lease Head office to become accredited in July 2014 at which time this statement should have been corrected.

This is why we believe it's vital that all our villages are accredited and are run in accordance with the Retirement Villages Act in each respective State.

In earning accreditation, villages have to demonstrate that residents are actively represented in village affairs, they are kept informed about village operations (including finances), their dignity, privacy and confidentiality is respected, and they are informed of the availability, range and cost of services offered.

In addition, the village needs to encourage residents to access a range of activities and become involved in the wider community, treat residents equitably and with respect, and ensure a dispute resolution mechanism is in place.

Accreditation encourages us to regularly evaluate our performance and strive for continuous improvement, ultimately contributing much more to your happiness and security.

During my working life at Dulux Aust/ Nippon Denso and Draeger I acted mainly as a Purchasing/ Distribution Manager but due to the need to achieve accreditation at Draeger, to meet federal Government rules very necessary if we were to do business with the Federal Government, I was given the task of implementing a recognised Quality System, based on Continuous Improvement, across the whole Australian company which involved interviewing all Managers, writing procedures, creating job descriptions and training records, etc.

In other words ensure that our statements were matched to a guaranteed outcome or objective (Say what you do & Do what you say). To achieve accreditation the system needed to pass audits by Quality Assurance Services in all States and additionally be approved by Department of Defence (Navy) and the Therapeutic Goods Association in some States.

I was given the Quality Systems task because of experience gained at Nippon Denso, a Toyota Group company, particularly because of an understanding Kaizen. (See below)

Kaizen or Continuous Improvement: - Developed by Toyota as a very useful management technique for preventing waste and solving problems of all kinds by harnessing the intelligence, wisdom and skills of all staff members which is mandated as the unconditional core activity of all present day Quality Management Systems.

The Japanese word "**KAIZEN**" means improvement, improvements without spending much money, involving everyone from managers to workers, and using much common sense.

The philosophy of Kaizen encourages **small** improvements day after day, **continuously**. The key aspect of Kaizen is that it is an on-going, never-ending improvement process. It's a **soft and gradual** method opposed to more usual western habits to scrap everything and start with new.

When we decided to move to a village we chose [REDACTED] because they were accredited (to the RVA) which meant they practised continuous improvement and therefore were likely to apply the principle of continual improvement which typically leads to:

- Employing a consistent organisation-wide approach to continual improvement of the organization's performance which tends to unify all process's of the organisation..
- Providing people with training in the methods and tools of continual improvement.
- Making continual improvement of products, processes and systems an objective for every individual in the organisation.
- Establishing goals to guide, and measures to track, continual improvement. recognising and acknowledging improvements.

On our arrival in 2008 we found the then Manager, [REDACTED], a former Bank Manager, to be very responsive and effective in handling residents needs, he was followed by [REDACTED], a Civil Engineer who was also very responsive and used his skills very effectively to obtain e.g. free Ceiling Insulation and free Solar Panels, plus a install new Boundary Fence.

When [REDACTED] retired we found our [REDACTED] recommended replacement Manager to be much less skilled than the previous Managers and in need of a lot of training and support, we expected this training to be supplied by his (off site) [REDACTED].

In my experience effective Continuous Improvement training does raise awareness & skill up all staff, including Managers, I expected a change over time.

However our current Manager has continued to struggle, often seems to avoid responsibility by delegating most quality issues to a very experienced staff member, and continues to do so to this day.

On August 13th 2013 I reported to [REDACTED] that the Manager had acted in a bully boy manner to me when , as acting COM Chairman, I had made suggestions for that days community meeting. However, when the meeting was held the Manager had included my suggestions on his report.

In a subsequent meeting with [REDACTED], after similar poor behaviour she had agreed to develop an improvement plan for him. If this plan was ever implemented it never changed performance as he went on to bully four other residents, while under pressure to perform. During the course of RVA accreditation I never saw any evidence that C.I. was implemented in this Village

When BSI International were announced as the responsible auditing partner for the Lifemark Village scheme I was encouraged in the belief that "the" British Standards company would see that all aspects of the Standard were implemented, accordingly, drawing on my knowledge and experience as an Internal Quality System Auditor so I wrote to the LL retirement Village Director, [REDACTED], in July 2014 to say that our Manager was badly under trained and the Village seriously under prepared for a System Audit, which we would fail. I received a reply saying that [REDACTED], then Operations Manager would advise. [REDACTED] did respond to say [REDACTED] would receive training and all would be well. Our Manager has not changed his ways or attempted to train staff in "Kaizen" techniques.

██████████ was the LL representative on the team at the Property Council of Australia establishing the Lifemark standard in Australia, he is now is now retired.

The LL Head office achieved accreditation on August 25th 2014.

Following a report that the entire LL Retirement Division (78 villages) would be automatically accredited if Head Office and four Villages passed an audit by BSI, I can agree with this system if LL had internal auditors and their reports were available as objective evidence that a the Q.A system described in LL documents was fully implemented and working. I appreciate the intention is for BSI to survey a number of villages each year on 18 month cycles

I wrote to ██████████ again in April 2015 to say our Manager had not improved and if a BSI Auditor arrived we would fail an audit. This time he answered that ██████████, Head of Village Management will be in touch with me as soon as possible, again no contact from ██████████ and no obvious improvement in our Manager so nothing has changed

E.g. At the time the annual Village Lifestyle survey results had been received, in block graph form, These survey asks for a response of "Poor/ Fair/ Good/ or Excellent" to 28 questions which are converted into numbers for reporting purposes

The Manager, verbally presenting this report to a community meeting pointed to a result where the score was greater than 80%, ignoring a group five "red" results scoring Poor or Fair answers from approximately 19 residents, these "red" results, in Q.A. terms, are "opportunities for improvement" so the meeting asked the Manager to present an improvement plan aimed at achieving 80% or greater for each question to the next quarterly meeting. Nothing has been received and Management failures persist.

- e.g. Electronic Security gate failed and other manual left open for two days without any advice to anybody,
- Eight week delay in repair of Solar Panels, so we took control of the work and got a completed fix in three weeks
- After seeing two field mice in a Village fence advised every unit to obtain talon baits, this product is quite dangerous and any "kills" need to be collected before the local Cats find them. There was no warning issued with this notice.
- We have several other instances, out of date documents, etc which have been reported to ██████████ but I am unable to see "who" if anyone oversees or drives the Q.A system at Lend lease although the main Lend Lease company presents itself as quality organisation
- Recently this comment has been included in the brochure offering a ILU for sale: -
 ██████████ *is accredited, so you can rest assured it is managed to the highest of standards"*

This statement is open to numerous interpretations by the general public and really is not supported by any objective evidence..

Finally, given that my three requests to Management asking for our Village Manager to be adequately trained to deliver a quality performance have been ignored it would seem our Village needs the protection of an Ombudsman with the authority and reporting powers similar to the Energy & Water Ombudsman, which in time will change the culture of the Retirement Village Industry.

Robert. Frederick. Harrison

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