



5 July 2016

The Secretary
Legal and Social Issues Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

By email: LSIC@parliament.vic.gov.au

Dear Sir / Madam,

INQUIRY INTO RETIREMENT HOUSING SECTOR

Lendlease owns or manages 78 retirement villages in Australia and New Zealand and provides accommodation for over 18,000 residents. In Australia, we own or manage sites in Victoria, New South Wales, Queensland, South Australia and Western Australia, with a total investment of circa \$1.5b. Our investment in retirement villages in Victoria is close to \$500m with accommodation provided to some 5000 residents in 26 retirement villages.

Lendlease fully supports the submission made by the Property Council of Australia in relation to the Inquiry and endorses the recommendations made in the submission.

Lendlease makes the following further points.

Existing legislation

We believe the amendments to the Retirement Villages legislation in 2014 has significantly improved consumer protection across the sector. The two tiered disclosure regime provide potential residents with clear and consistent pre-commitment access to information, and allow easy comparison between different villages and operators. This has ensured potential residents made informed decisions over the choices available to them, with fair pricing determined by competitive market forces within the industry.

The standard form contract with mandatory terms and prescribed provisions further simplifies conditions of entry, exit and occupation in a village and sets out clearly the rights and obligations of residents and operators.

In our opinion the existing Victorian Retirement Villages legislation provides a fair balance between consumer protection and maintaining a viable industry and does not require any further major reform.

Management standards

As the leading owner and operator of retirement villages in Australia, Lendlease prides itself in providing the highest standard of management across its villages. It has a senior leadership team with collectively 60 years of experience in the industry and employs over 1,000 staff to ensure it is a well-resourced, efficient and fully supported service provider.



We consult extensively with residents' committees to ensure we understand the needs of our residents and address any concerns raised. Like many operators, we conduct annual residents' survey to obtain feedback on any areas of improvement required and implement appropriate measures as needed.

We believe the current Lifemark Accreditation provides potential residents a good benchmark for comparison of villages across different standards including lifestyle, support, staff, safety, regulations and village policy. Further, the disclosure documents and an inspection of the village records (eg. minutes of residents annual general meeting) together with information about vacancy levels and an inspection/s of the village will provide any prospective resident with valuable insight into a village and the management standards of the village. A well operated and maintained village will speak for itself.

In our opinion, the industry will self-regulate by competitive forces to maintain management standards. We do not believe any further regulations or reform is required to address management standards in retirement village.

Retirement Housing Ombudsman

Lendlease strongly believes the current dispute resolution options for retirement village residents sufficiently provides for residents' grievances to be addressed. An Ombudsman will increase the costs of operations and will ultimately impose a further costs burden on residents. It is not a viable solution for the size of the problem – the industry and disputes by consumers in the industry is not sufficiently widespread to warrant the implementation of an Ombudsman process. An advocate, similar to the Retirement Village Advocate in South Australia will most effectively address the issue and provide an appropriate level of representation for residents.

We strongly urge the Committee to give due consideration to the submissions made by the Property Council and to ensure that its findings provide a fair balance between the interests of the retirement village operator and residents to ensure a viable industry for the benefit of all parties.

If you have any queries, please do not hesitate to contact the writer on (02) 9236 6558.

Yours faithfully,

Tony Randello

Head of Mergers and Acquisitions, Lendlease Retirement Living