

From: [Inquiry into the Retirement Housing Sector POV eSubmission Form](#)
To: [LSIC](#)
Subject: New Submission to Inquiry into the Retirement Housing Sector
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Inquiry Name: Inquiry into the Retirement Housing Sector

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[REDACTED]

[REDACTED]

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SUBMISSION CONTENT:

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I am a Resident living in a retirement village I have also been a Committee member on the Residents Association the following are some of the things we have had to deal with over the years at this village.

- Owner putting its Marketing Objectives over the wants and needs of the Residents residing in the village causing hardship to pensioner on fixed income.
- Owner refusing to do what it is required to do under the Contract to support Residents to maintain quiet enjoyment of their home
- Owner using passive aggressive pressure to force change
- Owner Bullying the Committee and Residents to force change in employees
- Owner not attending to defects in the building
- Owner taking advantage of Residents at End of Lease

The problem with the retirement industry is there is no one identity that residents, who are normally on limited financial means, can address these blatant and discriminating tactics to without engaging expensive lawyers.

With a projected aging community there is an urgent need to have a Commissioner or preferably an Ombudsman to adjudicate on these and other industry matters.

I would also like to understand how a Corporation can take advantage of Pensioner Rebate for Water and Council Rates, Pensioners on Fixed Incomes these dollars could be better spent on giving pensioners a fair go.

Examples

Surrender of Lease issues

I am a resident living in a Retirement Village and I wanted to make a comment of my concern when it is time for me to surrender the lease and I support the following statement and Support an Ombudsmen into the industry. The problems associated with this component of retirement village contracts can only be described as horrendous. The only party to dictate terms as to what is required by the outgoing resident to refurbish the unit is the owner.

I wish to draw your attention to a paragraph of all 31 different contracts in my village....." The lessor must then as soon as practicable give to the Lessee a copy of the inspection report referred to in clause 5.6.(a). The Lessee may, within a period of 14 days after receiving the inspection report, object by notice in

writing to the Lessor, to the cost (BUT NOT THE CONTENT) of the measures detailed in the inspection report"

In 2012 it was announced at a meeting of the residents that as units became vacant they would be upgraded, the residents would still pay for the refurbishment, but [REDACTED] would pay the extra for the upgrade.

On all occasions the owner has attempted to get the resident or the estate to, pull out and replace the kitchen and all white goods totally, as well as all the bedroom built in wardrobes, the bathroom and floor tiles to be replaced, new shower screen, removal of the bath and to disconnect the floor heating and pay to have new air-conditioning installed. Under no circumstances could this be considered as refurbishment, as the only legal obligation of the outgoing resident is to return the unit as far as practical to its original condition?

The problem with the retirement industry is there is no one identity that residents, who are normally on limited financial means, can address these blatant and discriminating tactics to without engaging expensive lawyers.

With a projected aging community there is an urgent need to have a Commissioner or preferably an Ombudsman to adjudicate on these and other industry matters.

Permanent Member issue

The residents feel that a Resident Committee should only have the residents as members. The Owner is forcing further control by trying to have permanent members (Permanent member allows the Owner to have 3 votes on a Committee, no decisions can be made without their attendance due to the lack of a quorum) on these Committees. In the past they have used underhanded tactics to gain control of these Committees to advance their corporate objective. In many instances it has been a conflict of interest. Due to the Owners lack of detail the Permanent Members lapsed and instead of meeting with the Committee of Management in an open transparent manner they tried to force change and lie as to the rational as to why there needed to have a Special General meeting to update their records. The Committee had to go over the member's records to establish who the Permanent Members were and seek legal advice as to what action they could take. The legal advice over the years has stated that the Owner has plenty of control and does not need to interfere with a Resident Committee which leads the residents to the conclusion that they are just wanting to further their corporate objectives without the checks and balances the Committee's provide.

Defects and Asset replacements

The Chairman of the Committee of Management has always insisted that the residents of this village are Lease Holders and not Freehold Owners, and as such, are not responsible for the infrastructure that was not built correctly. It is the owner's responsibility to do their due diligence when they buy an asset but they also buy the liability that goes with it.

To attempt to get resident's to pay for the deficiencies in the asset they bought is morally and we believe legally wrong, but without resorting to expensive legal action justice will not be served. The resident's will always be at a disadvantage without Government intervention by changing the Retirement Village Act. It is respectfully suggested that a low cost Tribunal be established so residents may have their grievances heard.

Owner using passive aggressive pressure to force change

We are an externally managed retirement village managed by the Residents Association.

The Owner makes no secret of its' intentions to internalise all externally managed villages and the continued attempts by the Owners representatives to coerce the Village Manager to encourage internalisation is nothing short of attempts to undermine the Association and could be seen as bullying the Village Manager.

The Residents' Association has successfully managed the Village for 15 years. We are a very financial Village and our management rates in the national top percentile within the portfolio. We have a reputation, with an external risk assessment company of being one of the best managed villages in their scope.

The Owner's attempts to encourage internalisation through the Village Manager include enquiries of the manager's opinions, statements to the manager including words to the effect of "...if you want to internalise, just let me know, I'll help you..." ultimately trying to put the onus of the idea upon the manager.

More recently, it appears the tact has changed and the plan of attack is by omission. In the past all Village Managers were regularly required to attend head office for workshops designed to keep managers informed of changes, process, procedures etc. In the last 18 months to two years, this has changed, and external Village Managers are not invited to these workshops, occasionally receiving a brief email, and ultimately hindering the manager's ability to effectively manage certain areas of the job due to lack of information from the Owner.

The push seems to be coming from the Owner from all sections of the business. When dealing with the legal team when residents are in the process of moving into a care facility, the process has, on occasion been hindered by the delay in receiving important information from the Owner. When asked if the information can be passed on via the Village Manager's email address the response is in the negative, stating it is a conflict of interest and it would be different if the manager was an employee of the Owner.

Owner refusing to act in a timely manner to defuse a situation in the village as they are required to do under the contract.

Our Village is managed by the Residents Association, hence the existence of a Service Agreement or Management Contract, with the Owner, the Association and the Resident as parties to the document.

Enforcing the Owner's Promises section of this document has been a challenge over the years, with ██████████ being the third owner in the sixteen years of the Village. The challenges have existed with all three owners, several of which have resulted in lengthy drawn out processes and costly legal fees borne by the Resident Association.

In more recent times the Association has needed to engage legal representation for issues that could easily have been resolved with the support of the Owners, who simply sit on the sidelines waiting to see what happens.

24/7 Nursing

Rule 5.5 of the Association promises states that the Association must use its best endeavours to ensure that the emergency call centre is manned 24/7 a day by a nurse or nurses. The contract only requires nursing services to be provided during normal working hours, historically 9am until 5pm Monday to Friday. However, the Owners were insisting of 24/7 coverage.

The Association sought alternative measures and decided that INS could provide 24 hour coverage at a reasonable cost to the residents to ensure that the contract, as it was written, was adhered to.

The Owner opposed this decision and it wasn't until the Association engaged a solicitor that they agreed that this was a viable alternative.

The implementation proved to be successful and the Owner agreed that this was the best fit for the Village.

Had the Association been able to access an Ombudsman, the expenses incurred during the previous years would have been avoided when 24/7 on-site nursing was provided. The Association would have saved many thousands of dollars and alleviated a great deal of stress to the residents.

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File1:

File2:

File3: