

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

As a large provider of services for aged persons in Geelong, we receive feedback and information from our client group in regards to retirement housing issues, and also observe client outcomes negatively impacted by housing related stress. In response to the request for submissions for the inquiry into the retirement housing sector, please accept the following.

Many pensioners are left with very little disposable income after paying rent, and affordability is a common theme. This individual budget pressure in turn impacts on decisions pensioners make in regards to heating or cooling their home, eating healthy food, and connecting with others in their community. This in turn has a negative impact on client health outcomes.

The focus on independent living in retirement villages and caravan parks can contribute to residents experiencing social isolation, feeling vulnerable or unsafe in their homes, and not understanding their rights or their housing options.

While caravan parks are a more affordable option for some people, these settings may not be well maintained to support older people, or may not even be structured or designed to effectively support older people to reside there safely.

Understanding all the financial impacts of buying into a retirement village is problematic, and appear poorly understood by many. Further, people making a decision at this time in their lives are faced with declining or unstable health, and are particularly vulnerable to being confused by complex financial arrangements. The financial pitfalls include understanding deferred management fees, GST costs on resale, taxation expenses, maintenance fees and hidden fees. These costs can particularly impact on people who need to exit their arrangement earlier than expected due to health reasons. There are also issues to understand such as money being held by retirement village operators, ongoing maintenance costs during any sale process, and possible restrictions on use of the home or unit by other family members. These issues do not appear to be well understood by consumers.

There is significant advertising for retirement villages, caravan parks and other housing settings, using language such as 'lifestyle accommodation'. This advertising can be misleading to older people who understand 'lifestyle' to describe differing aspects are poorly connected and lack access to information to assist them to make well informed decisions that are may be binding across many years.

Suggestions

To effectively support the more vulnerable older people faced with housing decisions, targeted support to share information regarding the following could be improved

- What housing choices are available, and what factors should be considered when deciding on what is the best choice for an individual?
- Is there a simplified way to compare options such as caravan parks versus retirement villages versus private rentals etc?
- What are the processes for dispute resolution, and who can assist?

- What are the options for exiting a housing arrangement that is not working?

Given the complexity in terms of understanding the options and improving the power of consumers, a 'Trip Advisor' style platform for retirement housing options would be a useful tool.

An accreditation process for housing options could help identify how options rank in regards to independence, person-centred approaches, social connectedness, complaints management, resident engagement in decision-making, cost, mobility access, and safety.

A commitment to not-for-profit retirement village settings or consumer run villages would help provide more transparent and safer options for people who question the contractual requirements inherent with private retirement villages options.

Kind Regards,



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