



5 July 2016

The Legal and Social Issues Committee
Victorian Parliament

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

Dear Committee,

Inquiry into the Retirement Housing Sector

Stockland is one of the largest owners of retirement villages in Victoria. We have 29 villages across the State, which are home to over 3,000 residents. We are a top three operator and developer of retirement villages across the country, with some 70 villages across Australia.

Stockland is a member of the Property Council of Australia and supports the submission made by them (**PCA Submission**).

We would like to highlight a few points that we consider important for the committee to consider when assessing the reforms necessary in relation to retirement villages in Victoria. Further details are set out in the PCA Submission.

1 Retirement village residents are satisfied with their decision to enter a village

An overwhelming majority of residents in retirement villages in Victoria are satisfied and, if they had their time over, would make the same decision to move into their retirement village. This is supported by the results of our annual residents surveys with many of our residents telling us that they wished they had made the move earlier.

2 There is a low level of complaints and further regulation will not necessarily improve this

Relative to similar asset classes, the industry experiences a low level of complaints. As a large national retirement village operator, it is our experience that there is little correlation between the level of retirement village regulation that exists in a particular state or territory and the number of complaints made by residents.

3 Pricing is market driven, designed to be affordable and well disclosed

Whilst we are one of the largest operators in Victoria, we house less than 15% of the residents that live in a retirement village in Victoria. The industry consists of a significant number of for profit and not for profit operators. There is little doubt that a competitive market exists. Therefore, prices charged by retirement village owners and operators are market driven.

It is important in assessing the fairness of pricing of retirement village accommodation to have regard to the financial terms or arrangements that apply, as a whole. The financial arrangements that apply are in many instances designed to provide affordable accommodation whilst optimising the accommodation, facilities and services available to residents.

Recent reform in Victoria, which has seen the introduction of a Fact Sheet and more comprehensive Disclosure Statement, has been directed at improving a prospective resident's ability to compare villages before they make a decision to enter a retirement



village. Whilst it was Stockland's practice to clearly disclose the financial arrangements upfront, the recent reforms have ensured that this information is provided by all operators in a clear and consistent form.

4 An Advocate service rather than an Ombudsman would be more appropriate

An Ombudsman service is typically used in industries that have broader participation. It is costly to set up and maintain such a service. The nature and frequency of disputes in relation to retirement villages does not justify the introduction of such a service.

If reform of the dispute resolution procedures for retirement villages in Victoria are considered necessary, an Advocate service similar to the Retirement Village Advocate in South Australia would be a better alternative. This service would provide a level of representation for residents that they often need in order to seek an appropriate resolution. More detail on this Advocate model can be found in the Property Council submission.

5 Councils ought to be incentivised to rate retirement villages differentially

The introduction of the Retirement Village Land rate category as a class of land category to be considered for differential rate purposes was a clear step in the right direction, and acknowledges the reduced demand that residents of retirement villages place on local government services. Residents already pay for on-site services and infrastructure maintenance through their village levies. We encourage the Government to incentivise Councils to apply a differential rate to retirement village residents to remove the unfair financial burden placed on them.

The retirement living sector plays an important part in housing older Australians and relieving the burden placed on governments in funding costs associated with the health and care of an ageing population. Any reform to the laws regulating the sector ought to be done so as to allow for the continued growth of the sector.

Appointment of a Retirement Living Minister

In addition to the above, we encourage the Government to consider appointing a Retirement Village Minister to foster the retirement housing sector. A new approach to encouraging and managing retirement housing is required to ensure that into the future retirees have adequate choice of housing and receive appropriate services, support and care. The appointment of a Retirement Village Minister is the best way to achieve this.

We would welcome the opportunity to discuss the above matters further with the Committee. The contact for you is Amy Menere, National Manager Government Relations or [REDACTED] or amy.menere@stockland.com.au

Yours faithfully,

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Stephen Bull
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Stockland