



**PARLIAMENT OF VICTORIA
Legislative Council
Standing Committee on Legal and Social Issues
(Legislation and References)**

INQUIRY INTO THE RETIREMENT HOUSING SECTOR

SUBMISSION

by

Residents of Harrison UnitingCare (RHUC)

THE SUBMISSION

Without Prejudice

This submission is from Residents of Harrison UnitingCare (RHUC), a group of concerned Residents from different Villages managed by UnitingCare Harrison (UCH) for the Property Trust of the Uniting Church. Details **attached**. Three copies of RHUC Minutes will show background to this Submission **also attached**.

(1) existing legislation that relates to retirement housing, in particular recommendations for reform in retirement housing to ensure it ---

(a) reflects the diversity of housing types:

A now superseded Consumer Affairs "Guide for Retirement Living" stated, "Retirement Villages are either resident-funded villages run by private operators on a commercial basis or community-auspiced villages run by organizations with purposes other than profit."

UnitingCare Harrison (UCH) manages eight Villages ranging in size from eight to forty units. UCH's core work is homelessness. A Retirement Village is not a "charity" nor is it "housing" in the social service sense. UCH must differentiate. We are self-supporting Retirees!

Dr. E. Lanyon of CAV spoke at an RRVV Conference some time ago. Answering a question she replied, "There is no such thing as a Not for Profit Village. The Owner can utilise surpluses for their own ends – can use money for cross charity work." Retirement Villages are not charity. The surplus should go back into the Villages, where it belongs. (In our group of Villages, could this affect the deficits?)

(b) includes proper consumer protections, dispute resolution procedures, fair pricing, and consistent, simplified management standards and regulations across the sector.

Proper Consumer Protections:

The Exemptions granted by the Victorian Attorney General: Exemptions were granted to UCH on 28/2/89 (Att.). They include Section 14 of the Act, "Enforcement of a resident right." Two Villages, "handed over" to UCH irregularly, were severely disadvantaged. Can this be rectified in future?

Section 25 of the Act exempts UCH from holding contributions in trust. In 2010 UCH consolidated all funds in one account (Att.). Now there is no real Audit for Village accounts; the statement they are audited is misleading (Att.). Can legislation be passed requiring Village accounts be audited separately?

WE PLEAD THE EXEMPTIONS SHOULD NOT APPLY TO RETIREMENT VILLAGES!

Retaining Concession Cardholders Rate Rebates: For Villages with both self-supporting and concession cardholders, Council and Water Rates appear in the Budget is full. At the end of the year, concession cardholders receive a cheque refunding their rebates. (See Budget, below.) **Legislation is needed to ensure this entitlement is honoured (Att.).**

Completely New Contract for Residents obliged to move from one UCH Village to Another: Is this requirement fair? Could not the old Contract stand? The new Contract is highly disadvantageous and runs to thirty-seven pages. (Att.). **Is this a point for legislation?**

A Resident moving to another Unit within a Village: If a Resident moves from an upper to a lower level when a Unit is vacant, that Resident is asked to pay the Service Fee on both until the vacant one is occupied. Either way, there is still a Unit vacant. Paying two Fees is unfair. **Is legislation appropriate?**

The Deferred Management Fee: The General Manager Housing of UCH recently claimed, "According to the Act, the DMF is ours." Because the DMF is not in the Act, Residents are suffering financially. Once, the usual time of paying the DMF was eight to ten years. Gardiner Lodge was paying 3% for 10 years to the founding Company. UCH made it the full term of residence; now varies from 5% to 15% p.a. under different conditions. There are further charges for a Sinking Fund, which is not defined in the Act. Copies of sundry Contracts are herewith marked as relevant (Att.).

Some time ago, HAAG took members of a Working Group to CAV where each one gave a short paper to senior Staff. One person spoke on the DMF (Att.). **Legislation is urgently required to define the DMF.**

Residents Committee: Residents Committee Members are elected to act on the Residents' behalf, not to rule the Residents, nor bully them. At an AGM electing a Committee, we object to Management Staff attending or being Returning Officers. Residents generally should have more input; more meetings than the AGM should be held in a year (Att.). **Can legislation for Section 36 be expanded?**

Contracts: Maroondah Retirement Village and Gardiner Lodge were not managed by a Uniting Church when "handed over." Maroondah was a Village built with money raised by the Healesville Community and a Government Grant. Among the Patrons were Arthur Caldwell, MHR, Peter Howson, MHR, A. Jarman, MHR, J. Jeff, MHR, H. W. P. Houghton, MLC, and Russell Stokes, MLA. Gardiner Lodge was founded by a Company formed for that purpose but with time the Board lost "the vision." Other Villages were managed

by the local Uniting Church. UCH has not been meticulous in honouring the old Contracts nor its own; at least seventeen versions of UCH Contracts have been issued compounding the problem (Att.). Assurance is needed from UCH that no attempt is made to enforce the latest version of a contract on holders of earlier contracts, especially on those Residents in a Village before any "hand over" to UCH.

Dispute Resolution Procedures:

There is a regular Dispute Form in place. When UCH is slow bringing a dispute to a close, it can bring more stress to those involved which is undesirable. In one instance we question if the Act has been breached at Section 38E (5) (b), where the complainant has become the offender? (Att.)

Fair Pricing:

Budgets, Deficits and Service Charge Expenditure Definitions: Herewith Budgets for Annual Reporting Meetings (ARMs) 2013, 2014 and 2015 Att. The last issue of "Service Fee Definitions" is to be read as they apply to each Village. Eg. Some have lifts, some do not. The legality of this document is queried because it introduces many new charges not appearing in Contracts. Are they all the responsibility of the Residents? Eg. The plumbing appears in Contracts as a "Covenant of the Owner" to pay. A former Financial Officer claimed that the Auditor charged \$920 for each Village. Thus the smallest paid \$115/unit and the largest \$23/unit. Incredible! The last Audit was half the usual size (Att.). Some recent ARM Minutes Att. UCH claims the right to 20% of the Service Fee but at times has taken more. RHUC and others believe the Deficits are artificial. Residents were never asked to relinquish the Rebates right. Maroondah and Gardiner are contracted to receive them (Att.). (See also above.) At a mediation meeting of UCH, RHUC and CAV, CAV endorsed the Rebates could be retained in the case of a deficit. CAV did not ask for further details, such as Contractual obligations. (Att.).

In Budget paper comments 2013/14, UCH undertook to refund the Rebates if there were a Surplus. In 2014/15, two "RHUC Villages" had a surplus but it was applied to the new Sinking Fund. Goalposts moved! Examples of UCH ARM Minutes marked as significant

Consistent, simplified management standards across the sector:

Achieving this will take years because of the variations in practice applicable. It is absolutely necessary to stop financial inequality between Resident and Operator. Residents need more legislation for protection.

(c) has a focus on dignity, respect, appropriate care and quality of life for retirees:

People age differently. Retirement does not mean loss of ability automatically. Retirees have a wealth of experience behind them. UCH Staff need training in this respect. The common cry is, "They treat us like school children." Over the years various Staff members have appeared to accept a Resident's comment, but ignored it in practice, nothing changes. Questioners have been "put down," at other times, all is well. There must be mutual respect. Some have been bullied by Staff, some suffered health wise considerably.

(2) comparable views and recommendations for reform in other Australian jurisdictions:

Herewith a copy of the Australian Capital Territory Fair Trading Act 1992 Retirement Villages Industry Code Of Practice. Also model rules for Retirement Village Residents Committees from NSW. Points of interest are highlighted.

(3) the experiences and views of residents of retirement housing and their families :

A bad experience causes a negative attitude among Residents Some are afraid to complain. They are unaware of the content of the Contract and its legal power. Others do not want to bother or "rock the boat." There are few lawyers specialising in the Retirement Villages Act. Legal advice costs money. There follows an attitude of laissez faire. See "Wesley Court Story," et al (Att.) They tell of significant stress.

(4) the option to appoint a Retirement Housing Ombudsman:

The appointment of a Retirement Village Housing Ombudsman is urgent and essential. Consumer Affairs has limited power and a visit to VCAT is an ordeal. The Operators have the advantage of money to defend themselves whereas many Residents are not affluent, some are financially stressed as costs rise. The Ombudsman would be a deterrent to unfair behaviour by the very presence of such an Office. For the well-being of the Retirees please bring this appointment to pass!

(5) the impact of local government rating on retirement housing:

Stonnington Council rates Gardiner Lodge as Church Property. The position of all UCH Villages is unknown.