

Diane Pritchett



22nd May, 2016

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

Re: Inquiry into the Retirement Sector Housing

My name is Diane Pritchett and I have been a resident in the [REDACTED] for three years. I purchased a strata title villa at the age of 66 because I have mobility issues and thought that the support mechanisms around a retirement village would be comforting and relieve my family on a day to day basis. I also valued the social interaction a village resident can avail themselves of as much or as little as one likes.

Eighteen months ago, our village ownership was sold to [REDACTED] or an affiliated company and at the same time [REDACTED] introduced their new management contract for all new residents called the [REDACTED]. A new manager was employed, a new sales manager was brought in and village life was affected.

Our village satisfaction fell from a consistent high of around 96% to around 68% within 12 months with the emphasis being on a lack of compassion, care and empathy. The catch cry from management is that this is an independent living village and residents need to live independently and look to family where needs arise.

It may take a while to adjust to new management style but the newly introduced management contracts, the [REDACTED] are unconscionable and were introduced with disdain.

I am going to be pressured heavily to sell my villa on a leasehold contract when I would prefer to sell strata title. Several known experiences would indicate even dishonesty is being used to achieve a leasehold sale. The "spin" applied in sales can be so overwhelming to retiring persons. In addition, these deals are done with [REDACTED] not having to pay anything. The new leaseholder pays the old owner of the villa and the title goes to the [REDACTED] company. Where can we go for fair dealings?

A new resident will have to pay 35% of their purchase price as a deferred management fee should they decide to leave the village after only 3 years. These days, there is no discount when purchasing in a retirement village and the village is budgeted to pay its own way as well as pay the company for any outside company support to the tune of 12% of fees. A deferred management fee of this proportion and in this time frame is outrageous. Where can we go for fair treatment?

The finances in the village are quite opaque. With a service agreement budgeted to receive \$834,000 approximately, 55% goes to staff costs and outside administration, 14% goes to administering the Owners Corporation and only 0.004% to residents activities (enjoyment). These figures and the management of the Owners Corporation figures are given as a statement of income and expense with not one method of accountability.

My agreement says that the owner is responsible for the capital maintenance of the communal facilities within their building but [REDACTED] has introduced an "MRF" fund to pay for small capital repairs and/or other expenses at their discretion. A capital expenditure case has to be put for any capital expense within the village that is not an owner's corporation expense. When you are vying for funds with 75 other villages it is easy to be overlooked.

Then we get onto care and empathy. I do not need much care at the moment, but I do offer to transport my next door neighbour up to the main building for various activities and appointments because she no longer feels comfortable about asking for the buggy to come and get her. We have been told the buggy is for sales use and only if totally convenient will it be available for resident's transport and then not if they need help to board the buggy. Resident's will be left on the floor till the ambulance arrives if they fall and cannot get up themselves. A minimal amount of assistance will be given and family will be called. Our emergency call- buttons contact an third-party organisation who arrange for whatever assistance the resident needs. Where is the care and support in that!!

One might well ask why would you go into a retirement village if this is going to be the normal situation. What am I paying for with my \$525 per month maintenance fee. Why should I still have to rely on my family for every little need. That was not the expectation sold to me!! But I have nowhere to go to seek redress for myself and other residents.

The final result is, if all these issues become untenable, no one will want to buy my villa strata title or leasehold and I will have to continue to pay maintenance until I can sell. They have you at a complete disadvantage.

The retiring public who would like communal living with supporting management need an ombudsman to help determine what is fair and maybe even legal. They need a strong voice to speak up against injustices and put wrongs right without fear.

[REDACTED]

Diane Pritchett
[REDACTED]