

From: [REDACTED]
Sent: Sunday, 5 June 2016 10:47 AM
To: LSIC
Subject: Inquiry into the Retirement Housing Sector

Please find enclosed a submission requesting legislation for a differential property rate for Retirement Villages and the appointment of an Ombudsman for the industry.

Inquiry into the Retirement Housing Sector

Introduction Name: Gordon McDonald

Address: [REDACTED]

I have lived in this RETIREMENT VILLAGE (Hemsley Park) for nine years and held many positions on the Village Committees. I have set up a local Rates Justice Group which involved four Villages in Ballarat. I have given talks at several Villages and at a forum set up by the Residents of Retirement Villages Victoria (RRVV). I was requested to establish a Rates Justice Group, across the whole State, for the RRVV and looked after the Rates interests of 350 Villages which contain approx. 38,000 residents. I wrote submissions to Councils for many Villages and wrote a submission to the Minister of Local Government which, partly, resulted in the President of the RRVV being admitted to a meeting with the Minister.

After 10 forum meetings around the State, the Minister then wrote a set of guidelines for Councils which recommended that *Retirement Villages have their own Differential Rate which is less than the General Rate*. Unfortunately, many Councils adopted the attitude that guidelines are to be noted but do not compel them to make any changes. The Minister was not prepared to change the legislation to compel Councils to follow the lead proposed in the guidelines.

Body Having moved into a new Village, many Residents were not happy with the first rates notice received from Ballarat City Council. Their discontent was because we paid for the full set of Rates and we could not access the infrastructure services offered by Council. We also paid the owner of our Village to carry out this infrastructure service with our monthly levy. This means that we pay twice for the infrastructure services. The rates revenue received by Council, from a completed Village, is at least three times the revenue received from a similar area outside the Village. Council receive this revenue without the cost of supplying the infrastructure services to our Villages. The only Council services we can access are those which you can choose to use or not use, eg. Meals on wheels, library etc. Because we live on private land the Council will not maintain our roads, footpaths, street lighting, drainage, car parking areas and fire-fighting services. These are all infrastructure services which other Residents of the Municipality can access by paying the same rate in the dollar that we pay.

We have presented Council with submissions over the last eight years and they have refused our request and used unsatisfactory reasons to justify their response. These justifications suggest that we would have an unfair advantage over other residential ratepayers.

It was pointed out that this reason and the other justifications they used were at odds with the documents, about Council rates, produced by other Government Departments. This was ignored by Council who have responded by saying that they build their infrastructure up to the front corner of each rateable block. We pointed out that each block in the village was rated separately and that many blocks were up to a kilometre away from where the Cities facilities stopped. This seemed unfair and we requested a rate in the dollar which was 25% less than the General Rate. This is what the Knox City Council charge the Retirement Villages in their Municipality.

The person in Knox in charge of rates indicated, when I rang them, that this decision was made when the Council changed to using Capital Improved Value (CIV) as their system of calculating municipal rates for their residential ratepayers. They felt that this system of rating placed Retirement Villages at a disadvantage for several reasons which

included the density of housing which gave Council increased revenue without the cost of providing infrastructure services.

This seems fairer and a more equitable spread of the rate burden than what we have at the moment.

Conclusion The Minister, via the Ministerial Guidelines, shows agreement with what we feel is a common sense request for a rate in the dollar which is less than the General Rate.

We would like to see this written into legislation.

An ombudsman would be an ideal way to have a “third person”, without a pecuniary interest in the result, investigate our request.

[REDACTED]

From: [REDACTED]
Sent: Friday, 10 June 2016 11:24 AM
To: LSIC
Subject: Fwd: Inquiry into housing for the aged
Attachments: Inquiry into Housing for the Aged.docx; ATT00001.htm

Dear Sir/Madam,

Please find attached a copy of a document pointing out some shortcomings of the Retirement Village Act 1986 and some poor contract wording. To assist us with these shortcomings we need the assistance of an OMBUDSMAN. Please help us.

Your sincerely, Gordon McDonald.

Sent from my iPad

Begin forwarded message:

[REDACTED]

INQUIRY INTO HOUSING FOR THE AGEDNAME: Gordon McDonald

I have been a resident at [REDACTED] Retirement Village for nine years. During this time I have held several positions on the various Committees they have.

I did form a Committee to bring together the Residents of four Villages in Ballarat to seek rate justice from our local Council. During this time, and the time I spent as coordinator of a State wide group of villages, I was able to find out a great deal about the Retirement Village Act 1986 and the workings of many villages.

The act seems to have many “holes” and provides only a small amount of direction to Residents and Owners.

This short coming has been used by owners to create CONTRACTS which can give the Owners greater power over Residents than what could be considered reasonable. This has lead to an undercurrent in many villages of discontent and unhappiness.

I will point out one feature of the contract in our village which has caused concern and financial loss to residents. Please bear in mind that many Residents enter a Village with a particular reason and the time can be emotional for many. Even though a Resident may have the Contract checked by a lawyer they will still only have a scant understanding of the content as many of the lawyers they see have little experience of this type of contract. If a Village does satisfy the prime reason for entering then this leads to a lessening of the impact that the words of a solicitor may make.

The feature I wish to refer to only became apparent to Residents after they had moved into the village. In this case it was dealing with the fixtures and fittings in the villa that had been purchased. The owner takes no responsibility for the maintenance and/or replacement of the fixtures and fittings provided in the Villa.

The contract notes 10 items for which we have responsibility for but also contains the words “not limited to”. This means that the sentence is open ended and that the owners can add anything to the list at any time. This has happened. The list now 21 items in length and contains the words “this list is not exhaustive”. I envisage that this saga can continue with the owners taking no responsibility for the fixtures in our villa.

This seems to place an excessive amount of control in the hands of the owners and leaves the residents in a position to be financially exploited.

We require an umpire (perhaps an ombudsman) to represent us and negotiate with the owner and have them take some responsibility for their own assets.

The Department of Fair Trading in New South Wales gives a comprehensive list of the owners responsibilities concerning fixtures and fittings (goods and chattels) in Retirement Villages in their State. **Why can't Victoria have something similar. If we can have some direction given to owners then I would hope it can be made retrospective and so ensure degree of fairness to those Residents currently living in a Retirement Village.**

As this is only one aspect of one contract perhaps we need to have some way of being able to question certain aspects of many contracts.

As it stands, at the moment, the Retirement Village Act does not give sufficient protection to Residents and we need an Ombudsman to represent us when dealing with owners who have the money and lawyers at their fingertips.

PLEASE HELP.

Yours sincerely,
Gordon McDonald

A solid black rectangular redaction box covering the signature area.