



April 12, 2021

Retirement Villages Act Review
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To whom It May Concern

Review of the Retirement Villages Act

The Old Colonists' Association of Victoria is pleased to submit to the Retirement Villages Act Review 1986.

It is a timely review given the current nationwide focus on older people and aged care and the start of the UN International Decade of Healthy Ageing. Retirement villages certainly have an important part to play in assisting older people to age well, healthily and can be a great contributor to quality of life.

The Old Colonists' Association of Victoria (OCAV) is a leading not-for-profit retirement village provider offering a continuum of care from independent living, assisted living and aged care in Victoria. Our four retirement villages in Berwick, Euroa, North Fitzroy and St Helena are home to 500 older Victorians in need. The OCAV was established in 1869 by Victorian founding fathers including George Selth Coppin, a Member of Parliament and philanthropist.

Our response to the Review highlights an important differentiation between OCAV and other retirement villages, both for profit and for purpose. Coppin was particularly concerned that poorer colonists were provided with housing. Our mission continues his vision of providing housing and appropriate support (a variation on Housing First) to older Victorians in need.

With kind regards

Phillip Wohlers
CEO

Our response in general:

The reform options seem very much focused on the Deferred Management Fee /commercial model. Any reform emerging from this Review must cater for a broad range of contractual arrangements and differing financial and operational models.

It is also important to differentiate between Aged Care and Retirement Living. Aged Care is a different model altogether where accreditation (according to a set of legal standards and Quality Improvement measures) and continuous improvement is vital to the welfare of older people who are unable to live independently. Retirement Living is focused on independent living – even for those living in assisted living. More discussion and consideration needs to happen regarding retirement village accreditation.

What does the RV Act need to include to support well-functioning retirement villages?

We concur that the current scope of the Act is narrow and excludes or does not acknowledge some forms of retirement housing. The RV Act should outline both the types of housing and residential options inside and outside its scope. The purpose of the Act also needs to be more clearly defined and what it covers and does not.

We support a rights-based framework with one crucial caveat. There needs to be greater clarity around resident rights **and resident responsibilities**.

What information should be provided to prospective and current residents and when?

We believe that disclosure obligations are easily resolved by a requirement to having relevant information on the retirement village's website. Clear signposting to this information will be essential. We also note that while it is an operator's responsibility to make this information easily available, it is also the prospective resident's responsibility to ensure they take the time to understand the information and raise queries.

Payment options

Defining what a DMF which not necessarily clarify much, in our view.

In OCAV's case, our financial model allows for 51% of our residents to be homeless or at risk of homelessness, and with limited financial assets. A comparison of costs between OCAV and other for purpose organisations would be difficult because of the different financial models.

However, we do agree that education is much needed not only about payment options but also about costs involved once living in a retirement village. There should be no surprises once a prospective resident has signed a contract.

We do not believe that annual contract check-ups should be mandatory; they should only apply to DMF contracts in any cases for the reasons listed above.

Contract complexity

We admire the hope that contracts should be written in plain English. This will never happen in a legal contract. However, fact sheets about financial and operational aspects of each retirement village should be made available in plain English and in languages other than English where necessary.

The Act, or supporting information, should encourage operators to hold information sessions for prospective residents so that they can learn and ask questions directly. This should be additional to any waitlist or pre-screening interviews.

We support a requirement that prospective residents should seek legal advice. However, we stress that there needs to be an advisory body for people who have little or no assets. This could be handled by Seniors Rights Victoria, or a community legal service.

Maintenance charges

We agree that the Act should be amended to set out who bears the responsibility for maintenance throughout the village, and who pays for what.

We are unclear about what the Options Paper means by “greater resident oversight of maintenance.” This needs further explanation.

Supported and informed choices

We do not concur with extending the cooling-off period and introducing a settling-in period. This is offering an additional layer of protection that does not exist in the residential housing market. We refer to points made earlier – that education and information pre-signing a contract are paramount.

How can protections for exiting retirement village residents be strengthened?

In OCAV’s case, people with assets pay a once-off incoming donation to the organisation. This covers a continuum of care from independent to assisted living and onto aged care if they so choose. There is **no** exit donation. This is clearly explained and understood.

OCAV continues to charge maintenance until a dwelling is cleared.

Any changes to the Retirement Village Act should reflect the many ways that retirement villages operate. Again, a clear purpose and set of rights and responsibilities should go a long way to protect both residents and operators.

Condition reports

Requirements for condition reports should only be required where the exiting resident is responsible for renovation costs.

Mandatory repayment

There should be a requirement to repay where the unit has not re-sold within a specified timeframe. Residents moving into aged care usually fund their RAD from the sale of their home/RV unit. Not being able to access these funds and therefore not paying the RAD for an extended time can be quite costly. Recommendations laid out in the 2021 Royal Commission into Aged Care Quality and Safety should alleviate or resolve these issues.

Dispute resolution

Residents' committees are an important part of any retirement village. Whether they should be involved in an individual internal dispute is moot. Many such committees are not impartial. We refer to Option 16 about clarifying residents' committee powers and functions, arrangements for resident participation.

If the external dispute resolution process is to be altered, then we believe this should be handled by an appropriately equipped service, such as the proposed Industry Ombudsman (Option 19).

Code of conduct

We support a code of conduct but it should be developed with thorough consultation on content and implementation. Leaving it to individual peak organisations to consult is inadequate.

We refer to the development of the visitor guidelines/ code of conduct for aged care during COVID-19 which were only finally supported after an improved consultation process was put in place.

It is also important to note that any Code of Conduct should be impartial, in other words not to favour the resident over the operator or vice versa.

Resident committees

In addition to the points made above, we do not believe that prescribing tenure is appropriate. There are often challenges around recruiting new members and there is wisdom in having some members who have had longer tenures to provide guidance and understanding. Succession planning, however, is important.

Staff accreditation

Mandatory police checks should be introduced for all staff, as they are in aged care.

Professional development and training is already embedded in many retirement villages. For example, in dementia training and dignity with risk.

We believe that a retirement village operator should be able to recruit specialist skills where needed- for instance an Enrolled Nurse to support assisted living residents or a social worker to support all residents. These workers abide by their relevant mandatory professional PD requirements in any case.

We also note that the relatively small number of retirement village managers makes the development of a mandatory qualification inefficient. Further, who should develop and deliver such a qualification, and who would bear the costs?

Village accreditation

We caution any move towards mandatory accreditation due to the cost and practicality of such a scheme. This is in part because retirement villages have different practices and offer different accommodation options. Any movement towards accreditation needs to have a clear purpose and principles attached.

We note, however, that the Australian Retirement Village Accreditation Scheme (ARVAS) - a new voluntary industry accreditation scheme for retirement villages and seniors housing – has been established by the industry groups Property Council of Australia (PCA) and Leading Age Services Australia (LASA), and began operating in October 2019.

ARVAS includes seven quality standards that retirement villages must meet. The ARVAS standards are designed to work directly with the industry's voluntary Retirement Living Code of Conduct.

Licensing could also be used to improve the quality and standards of retirement villages, with a licensing authority established to independently assess performance against standards and deny an operating licence to operators who fail to meet the required standards denied an operating licence. Similar schemes are in place for Estate Agents and Rooming House Operators.

We support (as outlined above) a voluntary Code of Conduct and note that there are already 571 retirement communities across Australia signed up to it. Consideration should be given to including the Code of Conduct in the regulatory frameworks for retirement villages, as is currently the situation in South Australia.