

Retirement villages object to new rules

By Noel Towell

Chief Assembly Reporter

The ACT Government's efforts to tighten regulation of the local retirement village industry has set it on a collision course with village operators.

The industry's peak group says the Government's proposed new rules are not needed, could cause confusion among residents and owners and jeopardize the building of much-needed new retirement village beds.

Government MLA Mary Porter is consulting on legislative changes designed to offer the territory's 2500 village residents greater transparency in their contracts of occupancy and more certainty on the charges they pay after they have moved into a village.

The local industry currently operates under a code of conduct but Ms Porter wants to enact legislation that will impose legally binding requirements on retirement community owners.

The Ginninderra MLA says her consultations with retirees have shown that many residents are unhappy with the current arrangements and they want to see legally enforceable rules governing their contracts. "People are telling me that they're very pleased that I'm doing this and that the current code of practice isn't working for them," Ms Porter said.

"They don't believe its got sufficient teeth."

Ms Porter said that the main areas of concern were the transparency of contracts, prospective residents being unclear about the terms of their occupancy, particularly around fees and charges, and how much influence residents ultimately had over the running of their villages.

"People also felt that there wasn't a clear way forward to prosecute disputes and have them resolved," Ms Porter said.

But Retirement Village Association NSW and ACT regional manager Mark Eagleston said the industry already enjoyed good relationships with residents and their families and that changes from the code of practice to prescriptive legislation was neither required nor beneficial to the industry.

"Residents are overwhelmingly happy with living in retirement villages with surveys indicated a satisfaction rate of in excess of 95 per cent," Mr Eagleston said.

"We support the need for consumer protection and fair trading practices, sound contracts and good disclosure of information that provides maximum transparency to potential and existing residents, along with a strong, timely and equitable dispute resolution process for any issues that may arise."

Mr Eagleston said that his members did not believe it was appropriate to consider changes to the local regulatory regime at a time when an overhaul of the national system was being considered by the Productivity Commission.

"To have further amendments take place a short time after the introduction of any new legislation would only serve to provide more confusion to operators and residents alike," he said.

"Any issue that arises that purports to install additional costs in the development of retirement villages will see fewer villages being built to accommodate senior Australians ...

"The code of conduct which currently operates in the ACT, in the main, is meeting its objectives."

Ms Porter said she would hold more meetings with residents and industry, in an effort to resolve "contentious issues" after consultation closed on September 23.

Reply sent to The Canberra Times by Jan Pritchett

The Editor,

I was concerned to read your article "Retirement villages object to new rules".

My first concern is with this headline. It is not the Retirement Village Residents who are objecting to the proposed new legislation, but the operators and managers. Mary Porter AM MLA has arranged well attended meetings for residents and other interested people to hear about and discuss the Exposure Draft. The tabling of the Exposure Draft has been a catalyst for the Retirement Village Residents Association to start up in the ACT which has a quickly growing membership base from villages in Canberra.

Mark Eagleston's assertion that it is not appropriate to make changes to the Code is also a cause for concern. Mary Porter is correct when she states that the Code of Practice as it is at present does not protect residents from lack of transparency, unclear terms in contracts, the confusion over payment responsibilities and it does not assist them to resolve disputes.

Mark Eagleston's also asserted that he is in favour of transparency. If this is so why has he tried to silence the Retirement Village Residents Association in NSW about the problems with the NSW RV legislation by cancelling their appointment to speak to operators at the RVA NSW/ACT Conference. He also cancelled our regular meetings which have taken place over the past two years, and which were working towards a better relationship with residents and a better way of solving disputes. This cancellation was because the RVRA's members spoke on the ABC TV Stateline program about Retirement Village legislation and the need in NSW for there to be more clarity. The CEO of the RVA also appeared on the program, espousing the need for cooperation between residents and operators. Then, shortly afterwards the NSW/ACT RVA broke off all contact between the RVA and the Resident peak body. The President of the RVRA in NSW, and I, as the Secretary, appeared on this program, and was involved in the aftermath. If there is nothing for the operators to hide, why is there this secrecy and unwillingness to speak to residents?

The assertion that the legislation will prevent more villages being built was an interesting one. While-ever the operators are making large amounts of money from their investment in the industry, no legislation will stop them from increasing the numbers of villages. Figures are readily available of the interest rates offered to investors by the big operators who try to encourage participation in the RV industry by those building their wealth.

I was also interested in the assertion that there is wide spread satisfaction in the villages. Where do the figures quoted come from? If they come from a consumer survey, who commissioned this survey providing these figures? Again, in my role as Secretary of the Residents Association my phone and email run hot with pleas from residents for assistance to combat the unfair practices in villages around the state. Since the Residents Association in ACT has been operating, I also receive calls from residents in your local area.

I would like to see more information which gives a balanced view to these issues in your newspaper.

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