

Appendix A – Retirement Housing Background paper

Retirement housing background paper

In Victoria the terms 'retirement housing' or 'retirement living' cover a myriad of housing types, far beyond the traditional retirement village model that most people are familiar with.

Unfortunately many retirement housing types receive little recognition from Government and key stakeholders causing legislative and policy gaps.

This paper will highlight the complexities found in the retirement housing sector, and the need for a thorough study/investigation into the current market in Victoria, to ensure the Government understands the retirement housing issues faced by older Victorians.

Fundamentally Victorians need strong legal protections in housing provision to enjoy tenure security and quality of life during retirement.

In 2005 Consumer Affairs Victoria (CAV) developed a Residential Accommodation Strategy (RAS) to review various forms of residential housing. Since that time, over ten years ago, the housing sector for older people has become even more complex. Industry and social housing providers have continued to provide housing options to suit an ever diversifying market. Our recommendations in this paper support the need for a similar market study/investigation that will ensure vulnerable, older residents are ultimately provided with adequate protection.

Background

During the 1950's the Australian Government passed the *Aged Persons Homes Act 1954* (APHA) which funded churches, charities and not-for-profit organisations to provide housing for older people. As a result 34,700 Independent Living Units (ILUs) were built over a 30 year period providing "affordable, independent housing for lower-income older people" (Jones et al., 2010, p26). In Victoria approximately 9000 units were built during this period. However, over time ILU stock in Victoria has reduced to roughly 6200 units (a 2004 estimate) due to the sale of housing caused by a lack of access to capital funds for refurbishment.

During the 1980's funding provided under the APHA ceased and in its wake resident-funded retirement accommodation first emerged, provided by both not-for-profit organisations and private companies. Retirement villages became the primary form of retirement housing over the next two decades, with the main appeal being the combination of independent living and on-site recreational and passive support services. Another term for this is 'service integrated housing' which refers to housing for older people that combines accommodation and services.

According to Jones, "In the Australian context the main form of service integrated housing is the retirement village. However, 'retirement village' is now an umbrella term that encompasses a range of different kinds of service integrated housing" (2010, p2).

Other forms of housing, such as pension-plus and pension-only special residential services were formed that provided higher levels of support but not direct aged care. Similarly rental villages emerged in 2000 (approximately 30 villages were built across the Eastern states of Australia including Victoria) as a response to older people on lower incomes becoming increasingly interested in service integrated housing. This model was aimed at pensioners with few assets and was developed by private companies offering tenancy arrangements that included the provision of meals and a linen service.

Another form of retirement housing, known as 'residential parks' or 'residential villages', also emerged in Victoria around the 1980's and onwards, developing from the coastal holiday lifestyle options most prevalent on the New South Wales and Queensland coasts. The term 'residential parks' emerged when people, mostly retirees, began living permanently in caravan parks where they owned a moveable dwelling but leased/rented the site on which it stood. Over time parks began to choose whether to provide mainly tourist sites or to offer permanent living. The evolution towards permanent living created the development of 'residential villages' and this form of housing began in Victoria in the late 1990's early 2000's.

Residential villages are purpose built villages for permanent living where people own their moveable dwelling and lease the site on which it stands. Villages are marketed at people over 55 years of age often offering a more affordable retirement lifestyle than retirement villages, although this is now changing significantly.

This wide range of housing now spans from independent living options through to various types of supported accommodation, offering various forms of recreation, care and assistance. There are many similarities found in housing suitable for retirees but also a great diversity based on financial arrangements and services required by residents.

Never before has the Victorian Government analysed the trends in this market to determine whether there is a need to bring them together under a common retirement housing umbrella to fill the gaps that appear across the spectrum. It is timely to address this issue and form recommendations to better protect older residents now and in the future.

References:

Jones, A., Howe, A., Tilse, C., Bartlett, H. and Stimson, B. (2010) *Service integrated housing for Australians in later life*. Australian Housing and Urban Research Institute

McNelis, S. (2004) *Independent Living Units: The Forgotten Social Housing Sector*. Australian Housing and Urban Research Institute

The following pages provide a brief description of the main retirement housing options available in Victoria.

For profit retirement villages

Current situation:

For profit retirement villages, also known as resident funded retirement villages, are managed by private companies and make up approximately 40% of the retirement village sector, containing approximately 70% of the total number of units.

Generally these villages comprise large clusters of units – 1, 2 and 3 bedroom – in a gated environment with a number of communal facilities and spaces. Ingoing contributions generally start from \$200,000 and will depend on the location, services provided and units developed.

Ongoing fees and exit fees are also paid. The most common exit fee is the Deferred Management Fee (**DMF**) which originated in this sector. The DMF was initially intended to enable retirees to purchase a unit below market value and for the village to recover upfront losses. Today though units tend to be sold at, or near, market value and agreements still have DMFs included.

Approximately 80% of retirement villages are loan/lease/license arrangements, with the remaining villages either rental or strata title agreements.

Retirement villages are covered by the *Retirement Villages Act 1986 (RVA)* but for strata title residents the *Owners Corporation Act 2006 (OCA)* is also applicable.

Key considerations:

Contracts are complex and can make it difficult for older people to understand the significant financial investment they are making when they enter a village. The RVA is vague and supports the inequitable financial model retirement villages are built upon. The RVA relies heavily on contracts to provide most of the rights and obligations of residents and managers.

Legal advice and support for residents is problematic to obtain due to a lack of affordable expertise, and the domination of industry favoured law firms, meaning many firms are unable to provide advice due to conflicts of interest. Dispute resolution is time consuming and difficult, with disputes having to be heard at the Victorian Civil and Administrative Tribunal (**VCAT**) via the Civil Claims List.

There is often tension in the practical application of the RVA in conjunction with the OCA that also causes concerns for retirement village residents.

In short “there has been no major study of the retirement village industry since 2002” (Jones et al., 2010, p35).

Recommendation:

It is recommended that a thorough market study/investigation be undertaken to better understand this sector. The investigation would consider the current state of the stock, the numbers of villages and units and a current profile of the needs and experiences of the resident population to identify priority areas for reform.

Independent Living Units (ILUs)/ Not-for-profit retirement villages

Current situation

ILUs originally developed under APHA still exist in Victoria although numbers have decreased due to not-for-profit organisations being unable to manage and maintain stock without Government subsidy.

Two models of ILUs have developed over time:

- ILUs under the *Retirement Villages Act 1986 (RVA)*, (also known as not-for-profit retirement villages) and;
- ILUs under the *Residential Tenancies Act 1997 (RTA)*.

Both models have similar characteristics, usually bedsitter or 1 bedroom units in small clusters, with very limited (if any) communal facilities and spaces. The main differences lie in the financial model utilised.

ILUs under the RVA require an ingoing contribution usually up to \$200,000 (which has increased over time), payment of ongoing fees and often also an exit fee. In the for profit villages a percentage of the ingoing (or resale/re-letting price) is taken upon exit whereas often in the not-for-profit villages the whole ingoing (or resale/re-letting) amount is taken upon exit.

ILUs under the RTA require ongoing rent to be paid.

Eligibility for entry depends on the managing organisation.

Key considerations:

ILUs under the RTA lack security of tenure although they are often provided on the premise that people can live there as long as they need to. The RTA also does not address community living aspects which are a main feature of ILUs.

ILUs under the RVA rely heavily on contracts as the RVA is vague and focuses mainly on financial investment. Day to day rights, such as repairs, maintenance and privacy are not regulated by the RVA. Dispute resolution is difficult and time consuming preventing residents from making complaints.

Legal advice and support is problematic to obtain due to a lack of affordable expertise, and the domination of industry-favoured law firms causing many firms to be unable to act due to conflicts of interest.

ILUs under the RVA make up approximately 60% of the retirement village sector, containing approximately 30% of the total number of units.

Both models contain ageing stock that is often inappropriately designed for people as they age, with managers who often have a lack of knowledge of relevant legislation and the needs of older people.

Unfortunately ILUs have “not been linked to any public policy goals” since the 1980’s (Jones et al., 2010, p27) and there has been no significant study of this housing type since approximately 2004.

Recommendation:

It is recommended that a thorough market study/investigation be undertaken to better understand this sector. The investigation would consider the current state of the stock, the numbers of villages and units and a current profile of the needs and experiences of the resident population to identify priority areas for reform.

Rental villages

Current situation:

Rental villages, operated by private companies, are targeted to aged pensioners who want a supported housing option with independent living conditions.

Historically rental villages in Victoria have been covered by the RTA and tenants pay 85% of income as rent, including 100% of Commonwealth Rent Assistance (CRA).

Units are semi-self contained, usually in clusters of 40-100, without a stove, large fridge or laundry facilities due to a portion of rent paying for the provision of meals and a linen service.

Utility and phone charges are paid for separately by the tenants.

These villages most resemble a rooming house legally, due to the lack of cooking facilities in units and the common dining room on-site.

It was estimated there were roughly 3000 residents in rental villages across Australia approximately 5 years ago. We estimate the current total number of residents would be about the same. Most rental villages in Victoria are located in regional areas and populated by a majority of people who are 80 years of age and over.

Key considerations:

The provision of services such as meals, are not regulated under the RTA or any other specific legislation and therefore the quality and quantity of food has always been a concern for residents.

Consumer law may provide protection in regard to the provision of goods and services but such general legislation is unlikely to be used by such vulnerable residents. In HAAG's experience no residents have been willing to challenge a village on this basis.

In fact most rental village residents are unwilling to challenge a village on any basis, even if their rights are straight forward and clear.

Variations of this model have now emerged where legislative coverage is even less clear. For example residents can now be owner occupiers and access a variety of services, such as packages of care, for an associated cost. Care packages appear to be unregulated and unlegislated, and the provision of housing in this scenario no longer fits the tenancy model and seems to lie outside of legislative boundaries.

Currently Ms Gayle Tierney MLC, Member for Western Victoria, is investigating this housing type in more depth due to residents' complaints from a village in her electorate. The concerns outlined above reflect broader gaps in legislative protection for vulnerable older Victorians.

Recommendation:

It is recommended that a market study/investigation be undertaken in this area to ensure that rental villages are properly legislated and regulated. Services in particular need to be regulated to ensure high standards are adhered to with managers being obligated to provide a duty of care to residents.

Caravan and residential parks and villages

Current situation:

Caravan parks have traditionally provided affordable, holiday accommodation often also allowing for permanent residency in low numbers.

Over time the industry has evolved to provide larger numbers of sites allocated for permanent residents, and in turn moveable dwellings have also evolved to reflect the interest in this type of affordable housing especially for retirees.

Purpose built villages consisting of residents who own their moveable dwellings but lease/rent the site on which it stands are called residential villages and are owned by private companies. These villages have experienced significant growth in recent years.

Currently parks are covered by the RTA under either Part 4 for more traditional, older dwellings or Part 4A for purpose built villages in more modern moveable dwellings.

Residential villages contain anywhere from 20 to 400 sites and are scattered across Victoria. Units cost from \$100,000 to \$500,000, depending on location and services provided on-site. Communal facilities are always included but at varying levels depending on the operator and the size of the village.

As well as the purchase price of the unit ongoing fees are paid during the term of occupation. Some operators are now also charging exit fees.

Key considerations:

The RTA does not provide adequate security of tenure for residents, which means operators are free to decide the level of security they will provide. Although now provided by some of the larger operators in Victoria, security of tenure is still generally scarce with a lack of consistency across the sector.

Exit fees, such as Deferred Management Fees (**DMFs**), and other village features such as communal living, are not addressed by the RTA either.

Residential villages are targeted at people over 55 years of age as an affordable retirement housing option. Unfortunately planning and building requirements do not properly consider the target population, and fee levels do not always reflect a pensioners' income affordability.

The biggest issue presented by residents relates to management attitudes and the lack of professionalism that exists in this field. There is currently no standard set for managers, and no training required for people to undertake these leading roles.

The industry in Victoria is still fairly small in comparison to other States but is steadily growing without proper legislative and regulatory protections for residents.

In line with the growth of the industry, and the need for more affordable, retirement housing options residential villages could be a very viable type of housing for older Victorians, provided legislation and regulation develops in response to changes in the sector.

Recommendation:

It is recommended that a thorough market study/investigation be undertaken to better understand this sector. The aim would be to review the related legislative and regulatory requirements and potentially move towards stand-alone legislation that protects residents appropriately.

Semi supported retirement housing options

Current situation:

The retirement housing industry is expanding and hybrid housing types are steadily emerging in an attempt to meet the demands of Victoria's ageing population.

A number of service integrated housing types exist where older people live independently with basic supports provided in conjunction with their housing.

Rental villages provide one example but alongside them also exist:

- serviced apartments,
- Supported Residential Services (SRS),
- rooming houses plus, and
- other less well known models.

All of these provide housing with the inclusion of services that contain a certain level of care, such as monitoring medication intake without directly giving it out, but not the kind covered by Commonwealth legislation governing aged care.

Key considerations:

With the increasingly popular combination of housing provision and care services concerns have emerged related to a lack of legislative coverage.

It appears that some housing types mentioned above fall outside of any legislation that imposes duty of care requirements, regulated service provision and adequate staff skills to protect vulnerable residents.

Generally people accessing service integrated housing are elderly, and by nature are more vulnerable which results in the need for supports linked to their housing. The lack of clarity around legal jurisdiction is not often noticed until well after the residence is established.

This portion of the retirement housing sector, although generally overlooked, must be considered in the overall policy picture to appreciate the true complexities that exist with retirement housing.

Recommendation:

It is recommended that a thorough market study/investigation be undertaken of this sector to ensure a well-balanced approach is taken in the development of policy and regulation relating to the spectrum of retirement housing.

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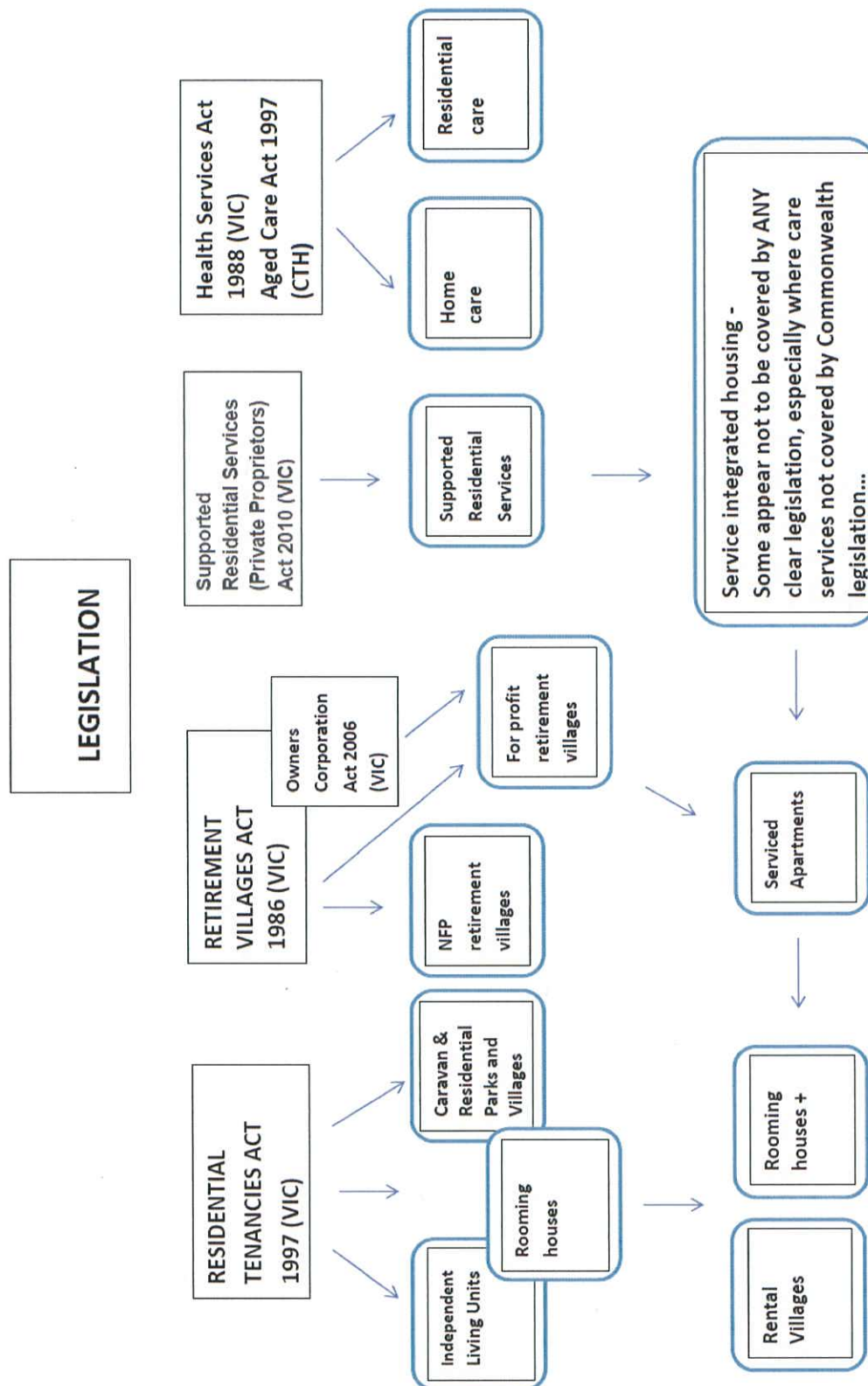
Retirement Housing Information Worker

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Appendix B – Finding a Home Booklet





HOME
at last

OLDER PERSONS' HOUSING INFORMATION
AND SUPPORT SERVICE

Finding a Home



**Housing options for
older people in Victoria**

2015



**HOME
at last**

OLDER PERSONS' HOUSING INFORMATION
AND SUPPORT SERVICE

CALL 1300 765 178



Home at Last is a service provided by Housing for the Aged Action Group Inc. and is funded by the Victorian Government Department of Health & Human Services. Home at Last is also supported by the Commonwealth Government through the National Partnership Agreement on Homelessness

HAAG welcomes all regardless of race, ethnicity, religion, sexual orientation, gender or disability



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OLDER PERSONS' HOUSING INFORMATION
AND SUPPORT SERVICE

introduction

This booklet, **Finding a Home, Housing Options for Older People in Victoria**, has been developed by the Home at Last service to assist older people to make informed decisions about their housing future.

Throughout our lives we make decisions about our housing. From leaving the family home, sharing accommodation in our youth, establishing a family home in which to bring up children or organising a myriad of other housing arrangements based on personal preference, individual circumstances and relationship choices. Similarly, housing options in older age should be just another positive life choice that we make based on our changing needs and desires.

As we age we need to ensure that our home is accessible, adaptable and well located to suit our retirement years. Affordability can also become an overriding factor as we consider how we will manage beyond our working years on a limited income or aged pension.

This booklet aims to display the available options that exist for older people in Victoria in 2015. There are now a wide range of housing providers in an ever changing landscape. Broadly the types of accommodation available include public housing, social housing and a number of government funded off-shoots such as moveable units and rooming houses. There are also a number of newly developed types of housing that are aimed at retirees such as for-profit and not-for-profit retirement villages, rental villages and residential parks.

If you need a bit more support then there are also models of housing that offer independent housing with add-on services.

However, when a person has to make these decisions it can be very confusing to understand what is offered by each type of housing, what it will cost, what laws and rules govern their management and most importantly of all, how to decide what is right for you and how to go about applying. **Finding a Home** can put you on track to help you make an informed decision.

Finally, you may also need further help in making such big decisions and require assistance applying for your housing of choice. So we also invite you to step into our one-stop-shop at **Home at Last** where we can talk to you further about housing options, help you with advice and provide support to navigate your way through the maze of decision-making and application processes that are often required.

Home at Last is here to help you during that often difficult transition period of uncertainty and ensure that, if necessary, someone is there each step along the way until you achieve a home that you can call yours for the rest of your life. **So call us on 1300 765 178.**



Home at Last

older persons housing information & support service

The **Home at Last — Older Persons Housing Information and Support Service** is funded by the Victorian Government Department of Health & Human Services (DHHS). **Home at Last** is a homelessness prevention and early intervention service for older people at risk of homelessness. It aims to help as many as 87,000 older Victorians who are currently struggling to cope in private rental housing (ABS 2011).

Home at Last aims to reduce the incidence of homelessness in our community with a two-fold strategy:

1. To assist older people to plan ahead and work towards finding a satisfying long term and secure affordable housing outcome that is appropriate as they age.
2. Assist older people at immediate risk of homelessness who have received an eviction notice or who can no longer manage to cope with high rents, substandard housing conditions or housing that is not adaptable for their needs.

Home At Last provides confidential advice and information and one-to-one support to help older people get back on their feet and on the road to long term affordable housing. So please contact **Home at Last on 1300 765 178**.





Home at Last -
you'll find a
friendly face and
all the support
you need



your housing rights

Your rights as a tenant or resident in Victoria can be a complex and difficult area to understand. While the rights and responsibilities of tenants in public and private rental housing are reasonably clear as explained in the Residential Tenancies Act, there are now so many different forms of housing for older people that it may not always be clear what laws cover various accommodation, especially with the recent expansion of housing types such as retirement villages, rental villages and service integrated housing.

While it is possible for anyone to gain an understanding of various aspects of housing and accommodation laws to better inform themselves, most individuals just want assistance when they have a particular problem with their housing, landlord or manager.

Home at Last has integrated our housing support service with support provided by our own advocates funded by Consumer Affairs Victoria to assist older people when they have a problem with their existing housing. This can include the provision of advice about housing and accommodation law, negotiating with landlords, serving legal notices where appropriate and assisting older people when they have to appear at the Victorian Civil and Administrative Tribunal (VCAT).

So if you are having any problems with your housing please give **Home at Last** a call on 1300 765 178.

Booklets regarding your rights under the Retirement Villages Act or the Residential Tenancies Act can also be obtained from Home at Last or Consumer Affairs Victoria on 1300 55 81 81.

housing options for older people

home owners

Many older people have a stable home situation where they own their home outright. However, as they age they may find there are a number of issues that arise regarding their ability to continue living in their home.

Home ownership provides the two most important benchmarks of appropriate housing for older people: Security of tenure and affordability. However, the home that was perfect for families as they have grown, may or may not be suitable for an ageing couple or single person.

Some Issues to consider:

Location – Is your home located well for you to have access to services such as shops, medical facilities, and other services? This may become a particular issue if you have been used to driving a car but may not be able to any longer.

Design – Is your home adaptable? If your mobility changed and you needed an aid like a walking frame or wheelchair, would it cost a small fortune to adapt your home to these needs?

Maintenance – Can you manage the upkeep? You may live in a 3 bedroom home with a big back yard. Are the chores of keeping your home in good condition getting you down?

Housing Costs – Can you afford the regular costs associated on a pension? Owning your home means you are responsible for all the maintenance, some of which can be very expensive. Could you afford to pay \$10,000-\$20,000 for re-painting or re-roofing your home?

The Future - Consider planning ahead and ask yourself whether you can cope in your home in the future. If you want to stay for as long as possible are there ways you can manage. For example, could you access funds if you needed to get renovations done?

private rental housing

Private rental housing is the most immediately accessible form of rental housing, if you can afford it. There is a massive shortage of affordable accommodation in this category. Older people, particularly those who have to manage on the aged pension, are forced to compete with younger people on working incomes for the lower rent housing. This means that many older people are paying more than 70% of their income in rent and relying on family and welfare organisations to survive.

The reality that there is a lack of availability of affordable and secure housing means that for periods of time some older people will be forced to live in private rental accommodation.

The golden rule of private rental housing is: Keep looking for more affordable and secure housing options during your tenancy so that you are the one who decides to vacate, not your landlord!

Some basic pointers about private rental accommodation are as follows:

- Rents are higher the closer you are to the inner metropolitan area and services.
- Payment of a bond is required. Bond up-front is usually equal to four weeks rent.
- It is standard to pay four weeks rent in advance.
- The landlord pays for repairs and they must accept the cost of 'fair wear and tear' over the time of your occupancy.
- There are no minimum housing standards so it is often a matter of 'what you see is what you get'. This can mean that a cheaper rental property may be expensive in the long term if it has poor heating, lack of insulation and is draughty.
- Make sure you know your rights: Ensure you have an accurate Condition Report, your Bond is lodged with the Residential Tenancies Bond Authority (RTBA), obtain receipts for all your rent payments and take out a lease for 6 or 12 months to ensure that you have some level of security and that your rent is frozen for a period of time.

finding private rental housing

If there are no immediate affordable housing options available then many people have to live in private rental housing for a period of time until their preferred housing option becomes available. If this is necessary then the following points are tips for finding private rental accommodation:

- Look in the 'To Let' columns of daily and local newspapers.
- Contact Real Estate Agents in your preferred area.
- Bond Assistance is available for older people on low incomes from the Office of Housing. This is an interest-free loan returnable at the end of the tenancy by the landlord. Contact **Home at Last** for information about the documentation required when you attend an interview.

Remember, **Home at Last** has a Tenancy Advice Worker who can help if you are having problems with your landlord.

Legal Rights

Private rental accommodation is covered by the Residential Tenancies Act. Booklets regarding your rights under this legislation can be obtained from Home at Last or Consumer Affairs Victoria on 1300 55 81 81.

public housing

The Office of Housing, a division of the **Department of Health & Human Services**, manages **public housing**. There is a variety of housing available for older persons. Generally it is affordable (25% of income), well designed, in good locations and can be modified if required, at no expense to the tenant. For older people on low incomes it is the preferred housing type because of its affordability and security of tenure. There is public housing specifically provided for people 55 years of age and over so it is most likely you can be housed amongst a community of people in your age group.

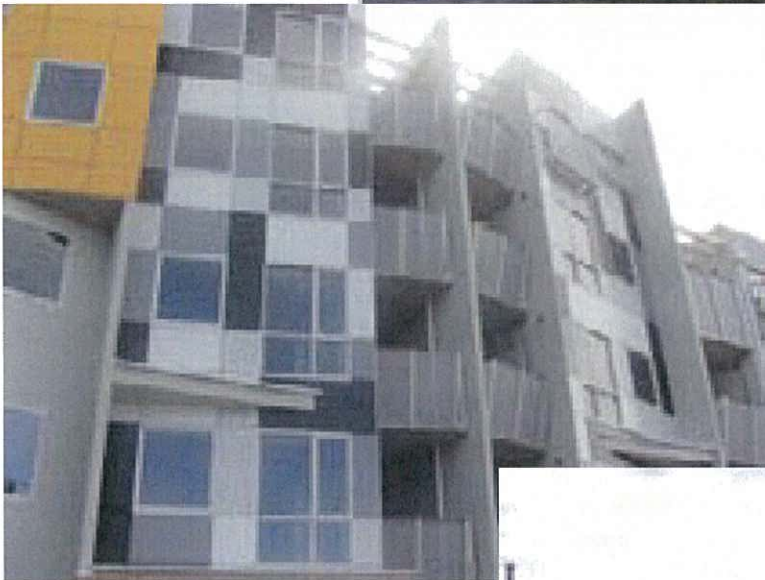
Eligibility for public housing is based on low income (automatic qualification for aged pensioners) and with assets of less than \$30,000. Assets generally include money in the bank, shares and mobile homes.

We can help you understand the difference between the types of public housing available and assist you in completing the application forms.

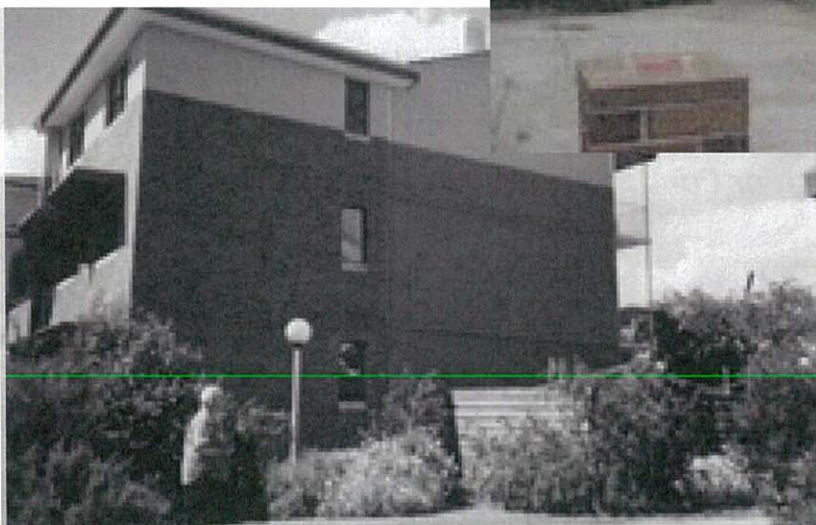
While waiting lists can be long in the Melbourne metropolitan area and regional cities in particular, it may be possible to be given priority by applying for Early Housing on the Segmented Waiting List. Please ask **Home at Last** for further information about this if this you are in this situation.

Legal Coverage

*Public rental accommodation laws are covered by the Residential Tenancies Act. Booklets regarding your rights under this legislation can be obtained from **Home at Last** or Consumer Affairs Victoria on 1300 55 81 81.*



Public housing comes in many shapes and forms. It is generally very good quality housing that is adaptable for older people as they age.



social housing

Social housing providers are private not-for-profit companies which develop, own and manage many forms of rental housing for low to middle income Victorians. This type of housing, once known as community housing, is known in Victoria as social housing and may be owned and managed by organisations called Housing Associations. These providers have an ever increasing portfolio supported by growth funding from the Victorian government.

Some of the housing owned and managed by Housing Associations are long term rental, rooming houses, transitional housing, housing co-operatives, group housing and the management of some public housing stock. Almost 5,000 properties are currently owned or leased by registered housing associations in a range of locations throughout Victoria.

A number of different funding models have been used to build or purchase social housing. For this reason rents charged may vary considerably. Some rents are based on a percentage of private rents in that particular area (called a market rent) while others charge between 25% to 30% of combined household income plus 100% of Commonwealth rent assistance. Eligibility and the process of applying for social housing can vary with each provider. If you are interested in knowing more or how to apply for social housing contact Home at Last for more details.

Legal Coverage

*Social housing accommodation is generally covered by the Residential Tenancies Act. Booklets regarding your rights under this legislation can be obtained from **Home at Last**, or Consumer Affairs Victoria on 1300 55 81 81.*



A number of new social housing developments have been built that provide a good standard of accommodation specifically designed for the needs of older people.



moveable units (granny flats)

Separate, self-contained dwellings may be rented from the Office of Housing and installed in the backyard of a friend or relative. This type of housing suits older people and their families who want to live in close proximity to each other. They are small but pleasant dwellings that have a lounge-room, kitchenette, bedroom and bathroom. A stove, heater and a hot water service are also provided. Walls and ceilings are fully insulated, and vinyl floors are fitted in the kitchen and bathroom areas with carpet in lounge and bedroom. Two bedroom units are also available for couples with demonstrated medical need.

The waiting time for Movable Units is approximately 3-6 months and all connections such as sewerage, electricity and gas are supplied at no charge by the Office of Housing.

The eligibility guidelines are the same as mainstream public housing (see the relevant section) and the rental charged is 25% of income.

The owner of the property of the main house must make the application and they hold a lease with the Office of Housing. When the Movable Unit is no longer required it is removed and either demolished or relocated to another home.

How do I apply?

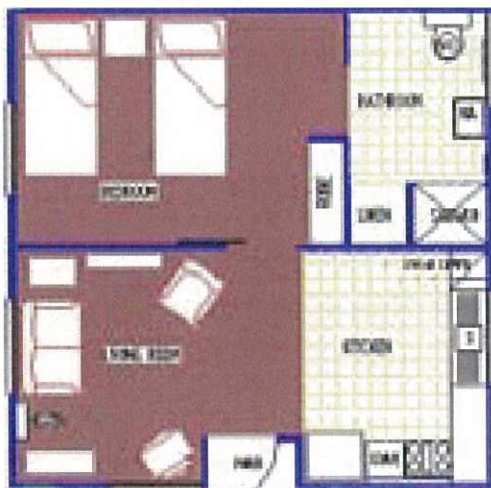
Application forms are available from any of the Department of Human Services, Housing Offices or by calling Movable Units on: (03) 9096 1269 or 1300 655 049 (local call cost).

Legal Coverage

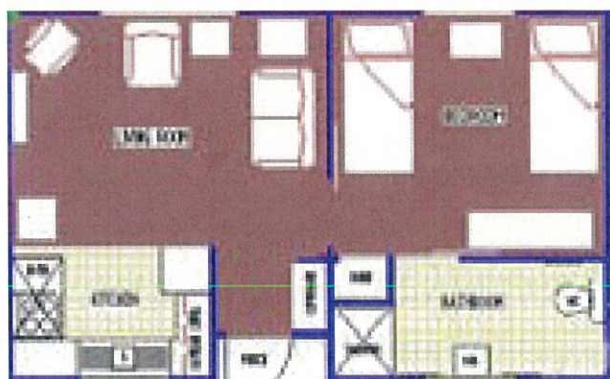
*Tenants in Movable Units are not covered by the Residential Tenancies Act and do not have strong rights under Victorian law. For more information on laws that govern living in a Movable Unit contact **Home at Last** on 1300 765 178.*



Moveable Units suit older people who want to live close to family and/or friends, but also have their own independent accommodation.



**Two designs available for
Moveable Units**



not for profit retirement villages (independent living units)

There are about 6000 not-for-profit retirement village dwellings, otherwise known as Independent Living Units (ILUs) throughout Victoria that are managed by about 350 different non-profit and charitable organisations. The RSL, service clubs like Lions, the churches and a wide range of other philanthropic organisations continue to operate this form of housing. Comprised mainly of self-contained, one bedroom and bedsitter units, they are available for single older people and couples.

These units are usually of a reasonable standard and may be in medium-rise/low-rise or in single-storey clusters. With a concentration around the inner-ring suburbs of Melbourne, they are also found scattered across the Melbourne metropolitan area and in many towns in country Victoria.

Eligibility for Independent Living Units is as varied as the number of organisations that manage them. Generally they are available for people over 60 years of age who have retired from full-time employment. The vast majority of residents are on the aged pension.

There are many variations of financial requirement to enter an ILU such as one-off donations, deferred management fees or in many cases an ingoing payment is not required where providers focus on the needs of older people on low incomes.

Home at Last has access to a comprehensive directory of the type and location of this accommodation that is maintained and updated regularly by Seniors Information Victoria (SIV). So contact **Home at Last** or SIV directly on 1300 13 50 90.

Legal Coverage

Independent Living Units may be covered by the Residential Tenancies Act or the Retirement Villages Act, depending on the village structure. Many factors can determine your rights so speak to Home at Last for information.



Due to the age of many Independent Living Units the quality of the housing can vary widely.



for-profit retirement villages

Retirement Villages have been expanding in number and type since the mid-1980's. They are an attractive form of accommodation for many older people who have substantial assets that can be converted into either a strata-title purchase or long term lease arrangement. Retirement Villages are generally provided by large companies who offer a range of services such as a community centre, swimming pool, gymnasiums and other lifestyle focused services in a semi-gated community. The accommodation is generally developed on a medium to large scale with landscaped environments and private roads.

Retirement Villages suit older people who want to live in a socially interactive environment in a 'constructed community' with people of similar interests.

The short history of retirement villages has been characterised by an unequal arrangement between a powerful business sector and individuals with little understanding of the complex legal contracts they had entered into. Even where prospective residents have sought skilled legal advice they have been captive to the terms of the contracts. Many people have been forced to accept the trade-off of an attractive lifestyle provided today, for the substantial 'back-end' costs of deferred management fees that are levied at the end of the arrangement.

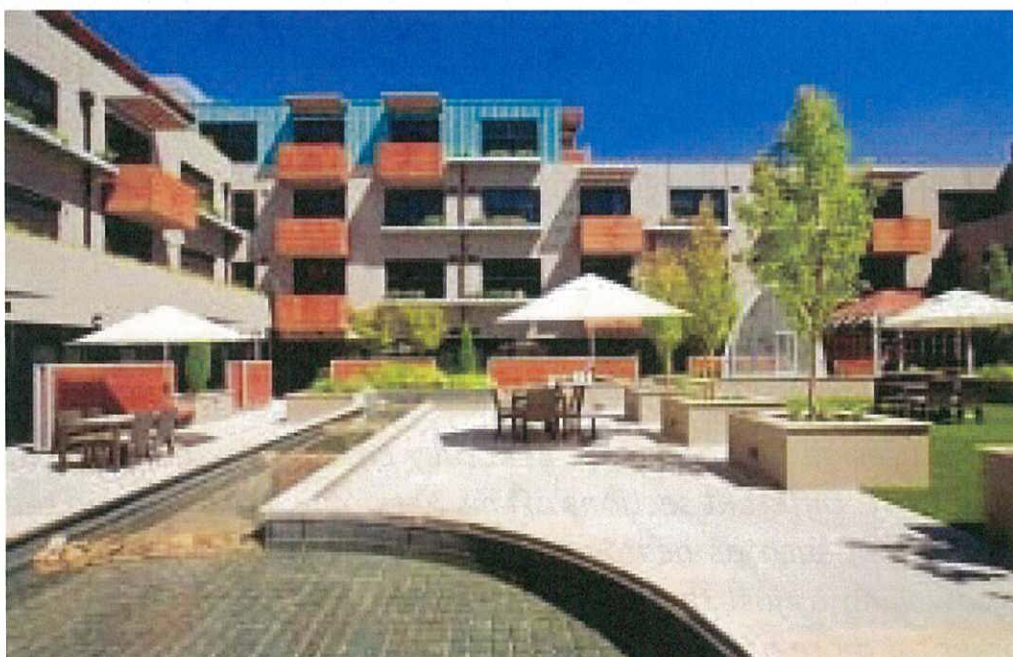
A review of the Retirement Villages Act in 2005/06 has significantly improved the process involved in resolving disputes that may arise in retirement villages. Internal dispute resolution procedures, the development of residents committees, the availability of conciliators at Consumer Affairs Victoria, and access to low cost arbitration at the Victorian Civil and Administrative Tribunal have for the first time provided avenues for dealing adequately with problems in villages.

Legal Coverage

*Retirement villages are covered under the Retirement Villages Act. Many factors within residents' contracts can determine your rights so speak to **Home at Last** for further information.*



For-profit retirement villages are lifestyle based housing developments that suit older people with assets to invest, who like to live in older persons specific communities.



caravan and residential parks

One of the fastest changing forms of accommodation for older people, there are estimated to be 10,000 permanent residents in caravan and residential parks in Victoria.

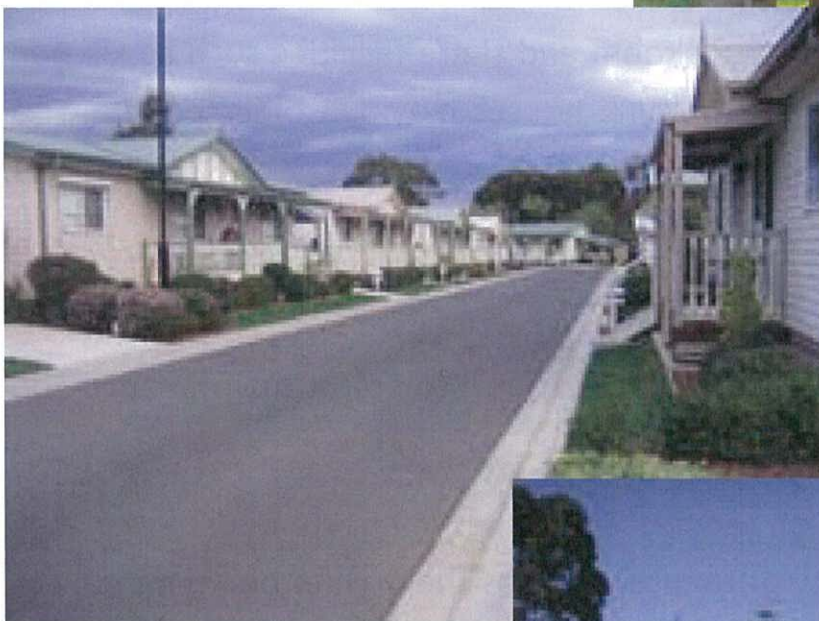
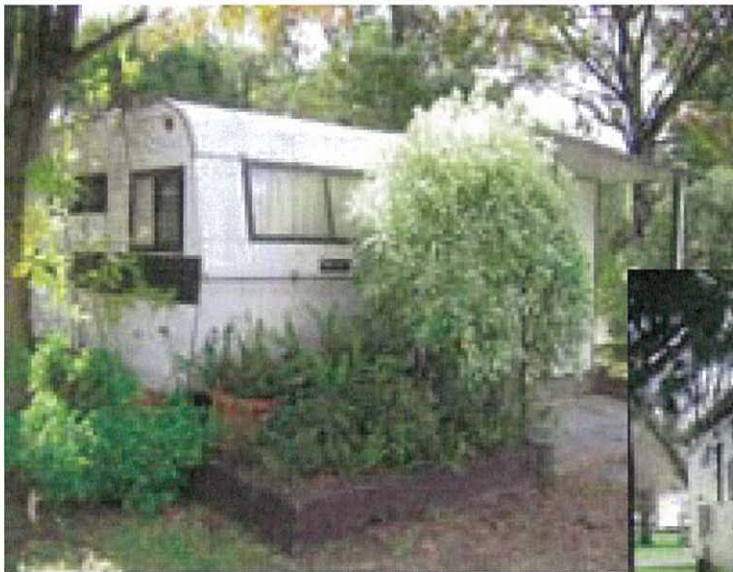
There are two main forms of this type of accommodation:

Many older people live permanently in designated areas within traditional caravan parks. Living in converted caravans or transportable homes, they provide a lower cost retirement living arrangement in a chosen lifestyle environment such as beachside or country town. Many older parks are operated on a personalised basis with the caravan park owner. Residents may pay about \$40-100,000 for a transportable home. A weekly site rental is also paid and is subject to market related rises in rents. However, few traditional caravan parks offer long term leases that might protect the resident from a sale of the land.

Secondly, purpose built residential parks have arisen as a new form of retiree accommodation in recent years. Looking like retirement villages, they may have facilities like a community centre, bowling green, bar facilities, libraries and even a mini-cinema. Current entry prices between \$100,000 to \$400,000 per dwelling. Residents are offered long-term leases of varying lengths from month to month, 1 year and up to 99 years and also pay a weekly site rental.

Legal Coverage

*Caravan and residential parks are generally covered by the Residential Tenancies Act 1997. Different sections of this Act apply depending on the type of accommodation, such as a caravan or movable dwelling, and whether you rent the dwelling or just the site. Contact **Home at Last's** Retirement Housing Worker for more assistance.*



There are a wide range of accommodation options in residential parks



rooming houses and boarding houses

There are 300 registered rooming houses in Victoria, most of which are in the inner urban areas of Melbourne.

There are two main types:

- Rooming houses funded by the Office of Housing that are managed by community-based organisations and where rents are charged in the range of 25%-30% of income.
- Private rooming houses and boarding houses that have varied physical conditions and where rents are charged on a commercial basis. In many cases standard three and four bedroom homes have been converted into rooming houses simply by establishing separate lockable rooms within the home.

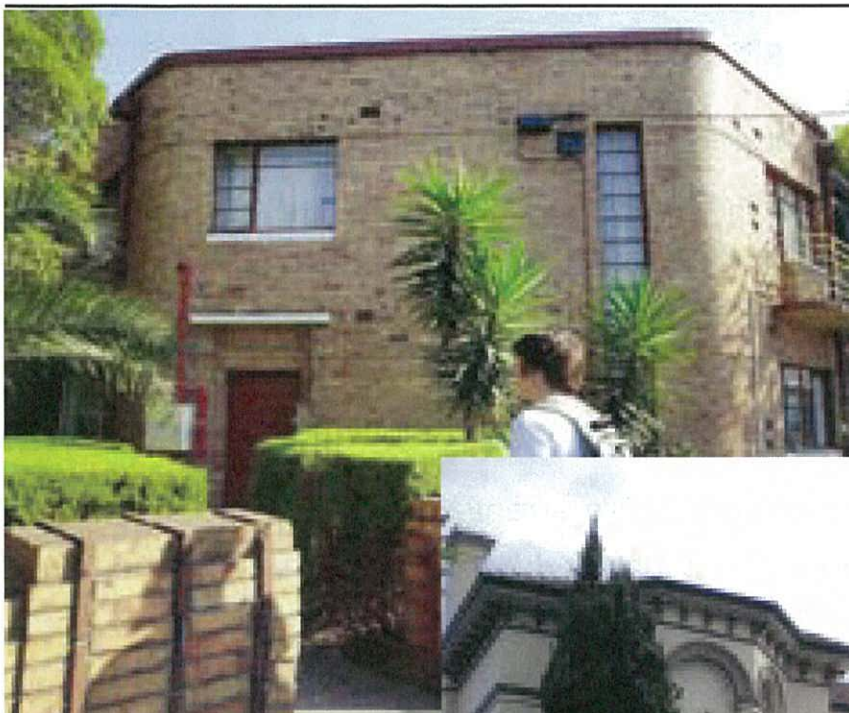
Residents generally have a single room and share facilities such as kitchen and bathroom. Well managed rooming houses may suit older people who like a semi-furnished home with little upkeep required.

If you are interested in rooming house living then consider the following points:

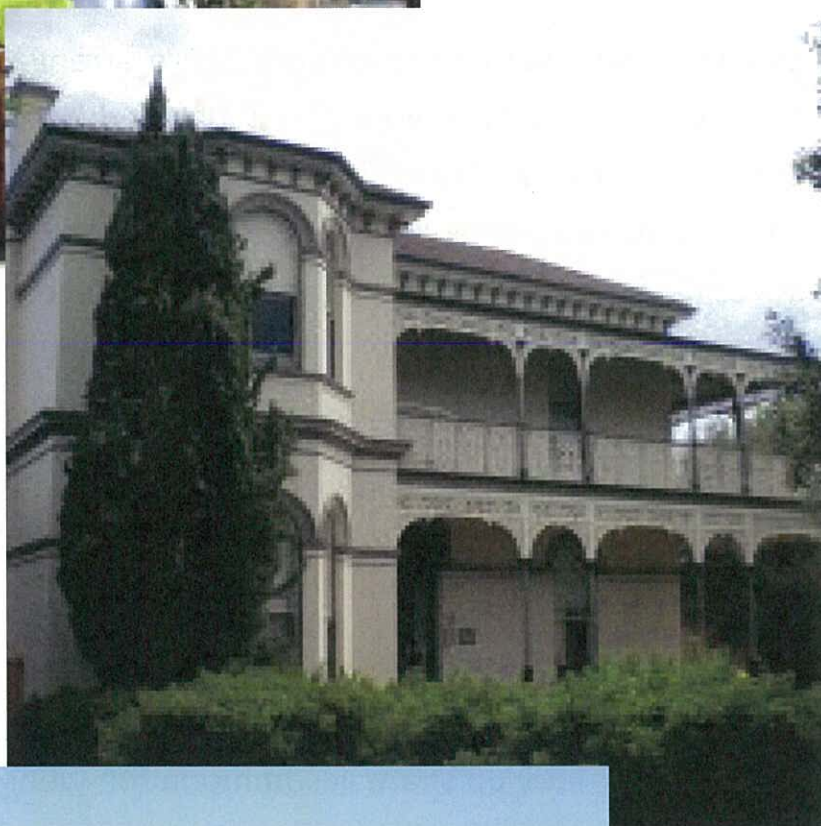
- Check whether the rent covers electricity, cleaning, maintenance and any additional service costs.
- Ask about security of tenure. The government-funded rooms may have lifetime security of tenure whereas the private boarding houses are subject to the notice provisions of the Residential Tenancies Act.
- Does it seem to be a safe environment?
- Is it registered and does it seem well managed?

Legal Coverage

*Rooming house accommodation laws are covered by the Residential Tenancies Act. Information on your rights under this legislation can be obtained from **Home at Last**, or Consumer Affairs Victoria on 1300 55 81 81.*



Rooming and boarding houses range from well run premises owned by not-for-profit organisations to dodgy rooms let by unscrupulous profit-mongers.



shared housing

You may wish to share a house for company and/or to cut costs. There are varying arrangements possible. For example, some people who own their own dwelling are looking for a renter to share their home who will pay a fair rent, or trade their costs for housework or even companionship. It is a good idea to know the sort of person you wish to share with. Ensure you meet the person and spend some time with them to assess your compatibility.

Establish the legal nature of your share arrangement. If you rent with another person and have your name included on the Tenancy Agreement you are classified as a 'co-tenant' and you share the same legal rights of occupancy as the other person. If you do not do this you are legally termed to be a 'resident' and have less rights than the tenant. So establish the level of responsibility and security of tenure you require and negotiate the terms accordingly with the person you are sharing.

Also, establish the way you wish decisions to be made with the running of the home. For example, how will bills be paid and how do you share the cleaning?

Share accommodation is advertised in daily and local newspapers. There are other programs such as Wesley HomeShare that can be contacted on 9794 3000 or look up share accommodation websites.

Legal Coverage

Share accommodation is covered by the Residential Tenancies Act. Disputes between sharing tenants are not covered by any tenancy legislation. If you have a breakdown in your relationship you need to work it out. If all else fails you can contact the Dispute Settlement Centre on 9603 8370 (Melbourne Metropolitan region) or 1800 658 528 (toll free for regional callers).

Moving in with friends/family

Many older people choose to move in with family members or friends to have access to supports and care as they age. These arrangements may be suitable for some older people but there are some issues that can arise.

Here are some things you might want to consider:

- Establish the legal nature of your agreement to ensure there is an equal distribution of rights, responsibilities and costs. Sometimes a formal agreement, even between family and friends, can be helpful so that every person involved understands the nature of the situation.
- How decisions will be made in the home in relation to bills, chores, cleaning, and other duties and expenses.
- What level of care and support you can expect to receive from your friends/family so that you can make arrangements if need be.
- How much privacy and independence you will have within the house.
- What your financial investment will be (if any) from the beginning so you retain financial stability and independence.
- Establish your security of tenure to ensure it is a sustainable long-term agreement.
- How disputes will be resolved if relationships begin to breakdown.
- Who you will be living with and whether relationships are strong and healthy from the start.
- Check if you have room to bring your pets and your belongings with you.

If you have any doubts or concerns about making this decision then seeking independent advice could help you choose what is right for you. It is important to take your time when making this decision.

Seniors Rights Victoria (SRV) can assist you if you would like to know more about the legal and social implications of this housing situation. Call Seniors Rights Victoria on 1300 368 821.

supported residential services

Supported Residential Services (SRS) provide accommodation and support for people who need assistance in everyday life such as people who are frail or have a disability. There are about 160 SRS registered with the Department of Health ranging from small facilities to larger facilities with up to 90 residents.

There are two main forms of SRSs that are often called pension-only or pension-plus. Pension-only facilities are provided for people with few assets and accommodation is often basic but homely. Pension-plus SRSs are more akin to retirement villages and require ingoing financial contributions to be paid, they may have higher weekly fees and may have considerable services and facilities.

SRSs are privately operated services. They do not receive government funding but must be registered with the State Government and are monitored to ensure they provide certain standards of personal support and accommodation.

All SRS provide some level of personal support to each resident. This may include:

- assistance with personal hygiene/showering, toileting or dressing
- provision of meals, and assistance with eating and maintaining adequate nutrition where required
- assistance or supervision in taking medication
- assistance to achieve and maintain mobility
- support to have contact with GP and other health providers, social networks, family and friends, and to participate in community activities and events.

Home at Last can provide advice and assistance for people considering living in an SRS or if you are experiencing a problem when you are living in an SRS. The Department of Health also have authorised officers who can inspect SRSs and investigate complaints from residents.

Legal Coverage

*The Department of Health and Human Services has responsibility for administration of the legislation governing SRSs under the Supported Residential Services (Private Proprietors) Act 2010. Changes to legislation from July 2012 have improved tenants' rights in SRSs. Contact the **Home at Last** Tenancy Worker on 1300 765 178 for more information, advice and support.*

not for profit rental villages — Abbeyfield

Abbeyfield Housing can be found in a number of locations around Melbourne. In appearance this type of housing looks like an extended version of a share house. Residents furnish their own bed-sitting rooms that have en-suite and tea-making facilities. All other facilities are shared. There is a guestroom for visits by friends and family. They are usually near medical facilities, shops and transport. There is considerable interaction with other residents, which may suit some people, who have been somewhat socially isolated, while privacy is also available.

Abbeyfield suits older people who are looking for a bit of extra help with their day-to-day living. A housekeeper provides two meals a day and all gas and electricity bills are included in the rental cost which is 75% of the aged pension plus, rent assistance.

Contact Abbeyfield on (03)9419 8222

Legal Coverage

*Abbeyfield Housing is defined legally as rooming house accommodation and is covered by the Residential Tenancies Act. Booklets regarding your rights under this legislation can be obtained from **Home at Last**, or Consumer Affairs Victoria on 1300 55 81 81.*



Abbeyfield Waverley (left)

Abbeyfield Dingley (right)



for-profit rental villages

For profit rental villages have some similarities to Abbeyfield Housing except that they are provided by private companies such as Sunny Cove, Village Life, Garden Villages, Cedar Creek etc. This housing is built in clusters of 40 to 100 dwellings and can be found in a number of locations, mainly outside the Melbourne Metropolitan area and in regional Victoria. Residents are provided with a semi self-contained one-bedroom unit with limited facilities such as a bar fridge and a microwave oven. Residents are provided with three meals a day that can be eaten in a dining room or taken back to their unit. Rents are charged on average at the rate of 85% of the aged pension and this also includes a linen service. Residents are responsible for paying utility charges and any telephone costs. All residents are required to claim Commonwealth Rent Assistance and must forward 100% of the subsidy to the rental village.

Some concerns have been raised from time to time about the quality of the food provided in some villages. In HAAG's experience the crucial factor is the quality and stability of on-site management. So ensure you meet the managers and ask plenty of questions about services, menus etc.

It is also important to note that, with only 15% of the aged pension available after the rent is paid, it is difficult for residents to survive in rental village accommodation unless they have some additional savings on hand. Other costs need to be factored in such as additional food of choice, toiletries, medicines, transport and recreation.

Legal Coverage

Rental Villages are generally legally defined as rooming house accommodation and are covered by the Residential Tenancies Act. For advice or booklets regarding your rights under this legislation can be obtained from HAAG, or Consumer Affairs Victoria on 1300 55 81 81.



For-profit rental villages provide cluster-type housing with added services such as meals. They are particularly located in many rural areas of Victoria.



residential aged care accommodation

Housing for the Aged Action Group's **Home at Last** service can assist anyone who lives in, or wishes to live in, independent accommodation. This refers to housing where the tenant or resident has full rights to live in their housing and do not receive personal support services, particularly aged care, that is provided as part of the accommodation service. All of the housing types described in this guide fit this criteria.

Beyond independent housing options there are a range of supported housing types that are covered by legislation that provides rights in regard to care as well as housing. Some examples include residential care or hostels and nursing homes. If you require supported or aged care accommodation then there are other organisations that can help you with your enquiries and respond to your housing needs. See list of organisations on the following page.



other organisations that can help

Seniors Information Victoria 1300 135 090

Seniors Information Victoria offers free information as an independent service, supported by the state government, on a wide range of issues

Seniors Rights Victoria 1300 368 821

Specialist legal and advocacy service for people at risk of elder abuse

Elder Rights Advocacy 1800 700 600 or 9602 3066 from mobile

Elder Rights Advocacy offers a free, confidential and independent service to older people (or their representatives) who are receiving an Australian Government subsidised aged care service in Victoria

Consumer Affairs Victoria 1300 55 81 81

Advice on a wide range of consumer and tenancy issues

Justice Connect Seniors Law 1800 606 313

Free legal advice for older people

Wintringham 03 9376 1122

Specialised welfare company that provides housing and care to elderly, frail men and women who are homeless or at risk of homelessness.

WIRE Women's Information 1300 134 130

WIRE Women's Information provides Victorian women with free and confidential support, information and referrals on any issues statewide

Gay and Lesbian Switchboard 9663 2939 (Melb) 1800 184527 (country Vic)

Telephone counselling, information and referrals

Office of the Public Advocate 1300 309 337

Established by the Victorian government to protect and promote the interests, rights and dignity of people with a disability

Victorian Aboriginal Legal Service 1800 064 865

The Victorian Aboriginal Legal Service Co-operative Limited provides legal advice and representation for the Koorie community

Housing Resource and Support Service (03) 9340 5100

Helping people with disabilities and their families to understand their choices, access the supports they need and live life to their fullest potential.

what else does housing for the aged action group do?

Housing for the Aged Action Group's philosophy is that older people should have access to safe, secure and affordable housing. This is why we operate the **Home at Last—Older Persons Housing Information & Support Service**. We also advocate that, based on their wealth of life experiences, older tenants have a right to be involved in the development of ideas, plans and decisions about their housing. To this end we are also a member based group.

We encourage anyone who would like to help our organisation campaign for more public and social housing to get in touch with us.

To promote the involvement of HAAG members there are regular general meetings held during the year, there are a number of activities, forums and community education events and you can join one of our three working groups.

Housing Justice Working Group

The working group is highlighting to governments and the general public the plight of many older people living in private rental housing and the increasing numbers of older people reaching retirement age in this predicament. This working group is campaigning for increases in secure affordable housing for older people and more suitable housing options.

Caravan, residential parks and villages

Since 2005 HAAG has campaigned for improvements to the housing conditions and rights of older people living in caravan parks, residential parks and residential villages. In 2011 HAAG achieved a major milestone with the introduction of a new section of the Residential Tenancies Act. However there is much more work that needs to be done.

Independent Living Units

Older people living in Independent Living Units in not-for-profit retirement villages are campaigning for improvements to the legislation that covers their accommodation. Unlike retirement village residents in for-profit villages, ILU residents have few rights set out in legislation. The ILU working group has so far met with government representatives and produced a report about their needs.

So contact HAAG on 03 9654 7389 and get involved!



CALL HOME AT LAST ON 1300 765 178

**Home at Last is funded by the Victorian Government
and the Commonwealth Government
through the National Partnership Agreement on Homelessness**

HAAG also gratefully acknowledges the support of

**Consumer Affairs Victoria for funding our tenancy and retirement housing
services under the Tenants Advice & Advocacy Program
*and our***

**Outreach Care and Housing services funded under the
Assistance with Care and Housing for the Aged (ACHA) Program
by the Commonwealth Department of Social Services**



Housing for the Aged Action Group

ABN: 80 348 538 001 Reg: A0017107L

Postal address: 1st Floor, Ross House

247-251 Flinders Lane, Melbourne 3000

Phone: 9654 7389 Fax: 9654 3407

Email: haag@oldertenants.org.au

Website: www.oldertenants.org.au



Call Home at Last on 1300 765 178 to talk about your housing needs or come in and speak to us. Interpreter services are available.

اتصلوا بنا على الرقم 1300 765 178 للحديث عن الاحتياجات السكنية الخاصة بكم أو تعالوا وتحدثوا معنا. خدمات الترجمة الفورية متوفرة.

Nazovite nas na 1300 765 178 da porazgovarate o svojim stambenih potrebama ili dođite lično i razgovarajte s nama. Na raspolaganju su vam usluge tumača.

Nazovite nas na 1300 765 178 da biste porazgovarali sa nama o vašim potrebama za smještajem ili navratite osobno. Dostupne su i usluge tumača.

Για να συζητήσετε τις στεγαστικές σας ανάγκες, καλέστε μας στο 1300 765 178 ή περάστε να μας μιλήσετε. Παρέχονται διερμηνείς.

Chiamaci al numero 1300 765 178 per discutere dei tuoi bisogni abitativi o vieni di persona a parlare con noi. E' a disposizione un servizio interpreti.

Јавете се на 1300 765 178 за да разговараме за вашите потреби од домување или дојдете на разговор. Ќе биде обезбеден преведувач.

请致电1300 765 178或前来我们的办公室，与我们商讨你的住房需要，我们可提供口译服务。

Zadzwoń do nas pod numer 1300 765 178, by porozmawiać na temat twoich potrzeb mieszkaniowych, lub przyjdź do nas porozmawiać. Dostępna jest pomoc tłumacza.

Вы можете поговорить с нами о ваших жилищных проблемах, позвонив по номеру 1300 765 178 или придя к нам в офис. Предоставляются услуги переводчиков.

請致電1300 765 178或前來我們的辦公室，與我們商討你的住房需要，我們可提供口譯服務。

Hãy gọi chúng tôi số 1300 765 178 để nói chuyện về nhu cầu về chỗ ở của bạn, hoặc ghé vào và nói chuyện với chúng tôi. Chúng tôi có thể sắp xếp thông dịch viên.

Appendix C – Humanitas philosophy

A summary of the Humanitas Philosophy – Happiness the Becker way

The starting point, as well as the ultimate goal of the Humanitas care philosophy is the enhancement of human happiness for clients with a physical, or somatic handicap. Cure and care are, therefore, no longer the core business. Living arrangements and a general feeling of well-being are elements of equal importance, or probably more so. In any case, cure and care should no longer be the defining factors for the atmosphere and general outlook.

Human happiness is defined by two aspects, an individual aspect (a person, though handicapped, wishes to have control over his own life) and a communal aspect (a person needs to have a sense of belonging, is in fact a herd animal). This is what the care organization needs to focus on. And if cure and care is contributing to achieve this, it would be a bonus, but in that case extra attention should be given to the possible negative side effects of a medical/hygienic approach. Should the "pain" of cure and care prove greater than the "gain", it is probably better to abandon the cure and care, and concentrate on the well-being which causes the handicaps to be forgotten and the client to "learn to live" with a chronic handicap. In this way, well-being as an alternative for cure and care can be implemented reasonably often.

With regards to the living arrangements, Humanitas, in view of the individual wish for independency, has developed the "age-proof" apartments. These apartments (minimum 72 square metres, three rooms – the social norm for building requirements in the Netherlands), may be purchased, or hired out of one's own income. Which allows the client to be a true resident, instead of just "staying" in a room belonging to an institution. Living arrangements and care should be strictly separate. In principle, the client should be able to choose a care provider, other than Humanitas. The landlord, in case of hire, might be Humanitas Housing, but could well be another housing corporation. Technically, the apartments should be designed in such a way that – even with a wheelchair – the sink (variable height sinks), the electricity cupboard, and the letterbox, are within reach, and barriers such as thresholds, narrow doorways, awkwardly opening French doors, etc, etc, are avoided.

Living arrangements, as a total living concept, do not only contribute to the individual aspect of happiness, but also to the communal aspect (the sense of "belonging"). To be a person amongst people, you need to meet people, mingle, share something: dine in the restaurant, eat apple pie, or have a drink at

The 'indoor village square' is an ideal place for mingling



To be a person amongst people, you need to meet people, go to the hairdresser, visit the animal garden or the beauty parlour



the bar, go to the hairdresser, the pedicure or the beauty parlour, visit the animal garden with the grandchildren, the sculpture garden, play bridge together, participate in volunteer work, go to the fitness for a daily work-out, or visit the reminiscence museum. You need sufficient space for this, a space which is cre-

ated by the "indoor village square" at the so-called "skirting board", on the lower level of the building.

Naturally, the old cure and care elements, such as personal care, nursing, ergo therapy, a psychologist, welfare worker, dietician, in-

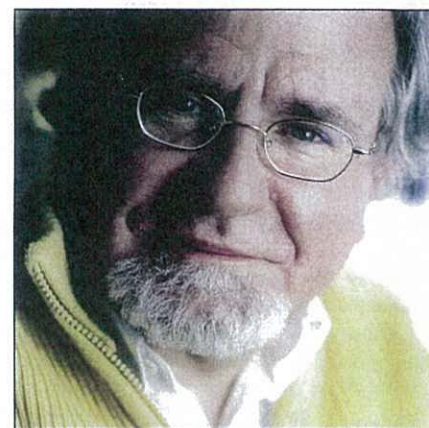


Conversation pieces cause the handicaps to be forgotten



No walking around in a white coat...

door physician, speech therapist, and activity training attendance, are important. These services are also to be found in the village square. But on no account should these elements dominate the scene: so, no walking around in a white coat, no jungle of sign posts, no abundance of rules and regulations, no typical institute furniture, no fluorescent lighting. For there is little to cure, and regulate about chronic deceases like Alzheimer's, Parkinson's, arthritis, multiple sclerosis, or total old-age asthenisation. More often than not, the attention needs to be taken away from the handicaps and it is up to the organization to focus the attention on whatever pleasantness life still has to offer, on what is in fact still



Prof.dr. H.M. Becker

possible. The ongoing pre-occupation with medical and hygienic issues, setting rules, and discussions at all levels (nurse, dietician, indoor physician, speech therapist, ergo therapist, welfare worker, psychologist etc.) on these subjects will cause a negative atmosphere into the bargain! Constant accentuation of medical issues will cause what is left of a positive image of life to disappear, and institutions for the elderly will degenerate into what Becker Sr. (96) calls: "misery islands".

Regarding the management structure, Humanitas has chosen for a model which does not endorse a top-down hierarchy, but is characterized by a collective cultural operation (Prof. Karl Weick, USA), where all involved – managers, employees, clients, volunteer workers, relatives, suppliers – need to be aware of the core-values, and act accordingly. In this way some kind of empowerment is being created in the lower layers of the organization, and it will allow for bottom-up creativity and innovation. The core-values, therefore, are of the utmost importance for a properly functioning organization. They are:

BEING IN CONTROL. Anyone, whose brains are still functioning, can decide for himself what is important to him, even if it implies matters, which are not commonly condoned.



People should regard themselves as one big family

(being drunk at the bar every day, having a shower once every three weeks, wanting to keep five cats when that is really no longer an option).

ACTIVE PARTICIPATION. Of the utmost importance and clearly disregarded in care-land. Once the basic functions (walking, making a cup of tea, keeping the finances in order, mending clothes, cooking) cease, these abilities will, before long, vanish in thin air. If one should stop walking for two months, regaining the ability will become almost impossible. So one needs, use it or lose it, to stay active. Becker senior set the limit: "to the pain-threshold". This is why Humanitas uses the slogans: "Too much care is worse than too little care", and "Do not take care of people, but take care that they take care of themselves!" Naturally, the latter has its limits, and the carer would do well to be watchful. One cannot possibly ask a patient with paralysis to wash his own toes.

EXTENDED FAMILY APPROACH. This implies that people should regard themselves as one big family, and not as "them", the handicapped, dying patients who have little awareness and few abilities, and "us", the altruistic, white-coated professionals, who after a few years of study think they know everything much better than "them". Those "them" who, as a matter of fact, have been experiential experts for over forty years and, together with their partner or extended family, know almost all there is to know about their handicaps.

The fourth core-value is the driving force and indicator. It creates the positive atmosphere and activating ambiance. The **YES-CULTURE** means that all concerned (management, employee, relative, client, volunteer worker) will have a positive attitude towards any request concerning the wish to be in control, active participation or funny ideas, questions or demands.

If the request can not be met forthright, a dialogue will be started with the requesting client. Not to argue in order to win, but to en-



The internet café is one of the means of drawing people in from outside

quire, in an open manner, which motivations prompted the request, whether there are any alternatives, and how the care organization might come to an agreement with the client in a service-rendering, positive way.

The abovementioned elements, such as real-life restaurants, also attracting public from outside and where everyone can place an order using their own money, the reminiscence museums providing topics of conversation for everyone, as well as the hairdresser, beauty parlour, the animal farm etc., are meant to enhance the positive and activating atmosphere even more. What matters is the totality of atmosphere and ambiance. The sum total of cure and care, well-being and living arrangements is an integral product, one cannot exist without the other.

On entering an establishment of the Humanitas care organization, one should as it were be taken by surprise by the exhilarat-

ing, warm, happy, activating company culture. Actually, the totality of colours, smells, sounds, artefacts, and people "going about their business", should in no way remind us of "care". Usually the care organizations are associated with hygiene, medication, rules, and mortality. These elements are, of course, ever present, but should be offered rather covertly. The mainstream should consist of the happy things in life.

One of the last on the list of elements to be mentioned, is the blending. In principle, handicaps and misery should not be clustered. Misery islands are easily created, even if it is not deliberate. Therefore, Humanitas makes an effort to blend: sick and healthy (at least one third of the residents must not have a care indication), young and old, rich and poor, native and ethnic minorities, homosexual and heterosexual. This kind of blending is extended to drawing the neighbourhood residents in from outside. The "catch" is realized by an excellent and reasonably priced restaurant, a good physiotherapist, a neighbourhood supermarket, a beauty parlour, a hairdresser, a cash point, an internet café, enough room for a large bridge club, a nursery for the whole neighbourhood, etc.

By creating an altogether happy picture, Humanitas is able to attract employment more easily, with less personnel falling off, and it is simpler to obtain a lower sick-leave rating, the relatives visit more often. Likewise, Humanitas has a magnetic appeal to volunteer workers, clients are less prone to depression, and are active participants, assisted by their partner. Clients are also helping each other, instead of calling upon the help of the rather scarce professional "hands at the bedside". All available competence is employed, including all experiential expertise and activating human characteristics. In this way all (financial) capacity is being used and expensive care demands, which are often just a cry for attention in the traditional misery islands, are prevented.



humanitas foundation

*Inventors of the yes-culture
and 'age-proof' living*

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telephone: + 31 10 461 51 00
fax: + 31 10 418 64 64
Email: info@humanitas-rt.nl
Web: www.humanitas.nu

Appendix D – Submission in response to the General Exemption Order (GEO) review



Housing for the Aged Action Group

ABN: 80 348 538 001 Reg: A0017107L

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247-251 Flinders Lane, Melbourne 3000

Admin: 9654 7389 Fax: 9654 3407

Intake: 1300 765 178

Email: haag@oldertenants.org.au

Website: www.oldertenants.org.au

3 August 2015

By email: geo@ecodev.vic.gov.au

Review of the General Exemption Order Department of Economic Development, Jobs, Transport and Resources

This submission is a response by Housing for the Aged Action Group (**HAAG**) to the issues paper considering the General Exemption Order (**GEO**) related to license exemptions granted for the transmission, supply, distribution and sale of electricity in Victoria.

This response relates specifically to the exemptions granted to caravan and residential park and village owners and operators supplying and on-selling electricity through an embedded network, and the consequent impact on long term tenants and residents.

About Housing for the Aged Action Group

HAAG is an older persons housing information and support service that assists pensioners with limited income and little, to no, assets. HAAG's services are partially funded by Consumer Affairs Victoria (**CAV**) to provide tenancy and retirement housing information and support services to vulnerable and disadvantaged older Victorians.

The funding provided by CAV enables HAAG to assist residents and site tenants living in caravan and residential parks and villages throughout Victoria. This comprises a large portion of the work undertaken by HAAG's retirement housing service.

HAAG also facilitates and supports a working group representing residents and site tenants across Victoria living in caravan and residential parks and villages. The working group was consulted for response to the GEO issues paper and their feedback is reflected throughout this submission.

Background and overview

Caravan parks have traditionally provided affordable, holiday accommodation often also allowing for permanent residency in low numbers. Over time the industry has evolved to provide larger numbers of sites allocated for permanent residents, and in turn moveable dwellings have also evolved to reflect the interest in this type of affordable housing especially for retirees.

Dwellings can be rented on a long term basis in some caravan parks, but many permanent residents own their dwelling and rent the site on which it stands. This form of housing tends to cater for those with lower income and asset levels, as the age and style of dwelling provided is priced more affordably to purchase.

Another form of retirement housing, known as 'residential parks' or 'residential villages', began to emerge in Victoria around the 1980's and onwards, developing from the coastal holiday lifestyle options most prevalent on the New South Wales and Queensland coasts. Residential parks arose when people, mostly retirees, chose to live permanently in caravan parks in dwellings they owned. Over time parks began to choose either to provide mainly tourist sites or to offer mainly permanent living. The evolution towards permanent living became more evident in Victoria in the late 1990's – early 2000's and instigated the development of 'residential villages'.

Residential villages are purpose built villages for permanent living where people own their moveable dwelling and lease the site on which it stands. Villages are marketed at people over 55 years of age often offering a more affordable retirement lifestyle than retirement villages, although this is now changing as the industry grows exponentially.

Within many caravan and residential parks and villages operators supply and sell electricity through an embedded network. The shift towards a model focused on permanent housing for pensioners, coupled with the rising cost of living, has resulted in residents expressing concerns about:

- Their lack of choice in electricity retailer,
- Their inability to access the Energy and Water Ombudsman (**EWOV**),
- The cost of supply charges,
- The difficulties encountered when there is an electrical fault or failure in the park,
- Inadequate billing information,
- Lack of notification when charges are increased,
- Meter reading processes,
- Their inability to secure solar panel benefits, and;
- The lack of information provided upon entry into the park about the embedded network system.

Comments

Key Issues – Retail Consumer protections

- 1. How would consumers benefit from amendments to the GEO to specify what consumer protections should apply to consumers in embedded networks?**
- 2. Is it appropriate for the GEO to specify consumer protections? What should these consumer protections be?**

At present neither the GEO nor the Energy Retail Code (**ERC**) specify what consumer protections apply to customers of embedded networks. In the context of parks this makes it difficult for residents to know what to expect from a park operator, for example: when bills are issued, in relation to the disclosure of pricing and in the event of hardship.

It is important that applicable consumer protections are specified and disclosed to residents in parks that utilise an embedded network. Given the Essential Services Commission (**ESC**) administers the ERC it would seem appropriate for the ESC to specify which consumer protections apply to customers of embedded networks, rather than relying on the GEO to do so.

The GEO currently states that it is a condition of the exemption to observe “all applicable provisions of the Retail Code”. If the ESC provided the details of which protections were applicable then the GEO exemption could be amended to say:

“the exempt person must observe all applicable provisions of the Retail Code specified by the Essential Services Commission, as if that person was a licensed retailer”.

The protections residents have had difficulties with in relation to their electricity arrangements, and as outlined in the ERC, are:

- billing especially frequency and billing content,
- tariff changes although for parks there only appears to be one type of tariff (which itself is the issue),
- provision of information (or lack thereof),
- complaints and dispute resolution procedures which are virtually non-existent for park residents,
- meter reading and regulating who is authorised to undertake this, and;
- hardship, essentially meaning there are no hardship policies in place to allow for residents to enter into payment plans if they are struggling to pay their charges.

Case study:

One particular caravan park operator, although not alone in this practice, provides a receipt for electricity once a bill has been paid. There is no bill

issued for payment, no meter reading provided on the bill, and no other information pertinent to the bill as outlined in the ERC, except for the cost of overall charges.

It is unclear what information he is obligated to provide so HAAG wrote to let him know he must comply with the ERC and after 6 weeks no reply has been received and bills have not been improved.

There is no clarity about his obligations and about the rights of residents to ask for more information.

All of the above protections should be made available to residents of a park with an embedded network. This information should be given to each existing resident, but more so should be made mandatory for operators to provide to prospective residents.

Classifying retail exemptions

- 3. Should the GEO be amended to specify different categories of deemed retail activities?**
- 4. If yes, what categories should apply?**
- 5. Should the Department introduce a registration system for exemptions?**
- 6. If yes, what registration categories should apply?**
- 7. What transitional arrangements (if any) should apply if the GEO creates a registration system?**

The issues paper mentions that the Australian Energy Regulator (AER) specifies various deemed and registrable classes of exemptions in the exempt selling network. One class, registrable exemption class R4, specifically mentions the sale of "metered energy in caravan parks, residential parks and manufactured home estates to residents who principally reside there".

The GEO should be amended to reflect the same types of categories to have a consistent approach to energy exemptions. This way a park resident can more easily distinguish the conditions and obligations that an operator must adhere to in order to supply and sell electricity through an embedded network.

If the current system for exemptions does not include registration and as a result the Department has very little information on the activities of embedded networks then a registration system should be introduced. To simplify the process the registration categories could reflect the GEO exemption categories.

The Department should set up the registration system and allow entities a 12 month transitional arrangement to register.

Choice of retailer

- 8. Should exempt persons be required to provide written notice to all their customers stating that customers may purchase electricity from a licensed retailer of their choice?**
- 9. Do stakeholders agree that the process of switching from an exempt seller to a licensed retailer is difficult for customers and should be improved?**
- 10. What steps should be taken to facilitate choice of retailer for customers within embedded networks?**
- 11. How can the process be improved so that it is efficient and cost effective for customers to transfer to a licensed retailer?**
- 12. Do stakeholders agree that consumers buying property off the plan should be provided with information as soon as practicable if their property will be configured as an embedded network? If yes, what information should be provided?**

The majority of residents in caravan and residential parks and villages in Victoria are not aware they can choose to remove themselves from the embedded network and find a licensed retailer to supply them electricity. Residents should definitely be told this is an option, whether they are existing residents or prospective residents.

The issue is how difficult and costly it would be to switch suppliers. The bulk of residents living in caravan and residential parks and villages in Victoria are older and therefore most likely to be pensioners. They could not afford to make the switch with the current processes in place.

One option would be to ensure a meter can be installed from a licensed retailer without having to remove the embedded network meter and that the cost is kept low by regulation, especially for residents of parks who live there permanently and especially for the majority who hold a pensioner concession card. If a resident chooses a licensed retailer the park operator should be required to allow access to the property for meter readings and should be penalised if they obstruct entry.

Currently in Victoria caravan and residential parks and villages are covered by the *Residential Tenancies Act 1997 (RTA)*. In the RTA it states that a park operator must not charge residents more than they are charged by their own supplier. The difficulty is in obtaining that information which, due to privacy, will not be given out to residents by the operators licensed retailer. Park operators do not provide that information freely either.

An alternative solution to providing a choice of retailer in an embedded network could be to make it a condition that a supplier must provide to their customers, in this case residents, a list of what they are charged by their licensed retailer as well as two other quotes for comparison. The park operator must then choose the most economical quote. It could be required on a biyearly basis so as not to make it too onerous for park operators and this would result in transparency of costs for residents.

The GEO should require that consumers buying property off the plan receive information about the embedded network and this should include consumers buying a new dwelling in a caravan or residential park and village. Although a requirement to provide information about an embedded network should be given to any person buying a property within an embedded network, whether off the plan or pre-existing. Many people are now entering into parks buying directly from residents who are looking to exit the park. This should not preclude them from receiving information that is relevant to their future living arrangement.

The information should detail:

- what an embedded network is,
- the conditions of exemptions provided,
- how choice can be exercised and the impact this might have on the customer,
- what consumer protections are applicable,
- what dispute resolution procedures are available,
- how pricing is set, and;
- how matters are enforced, including which authorities (with contact details) are responsible for the various elements of the network.

Key Issues – Networks

Obligations on exempt network operators

13. Do stakeholders note any issues in regards to the deemed category of exempt networks in the GEO?

14. Do stakeholders agree that the obligations on embedded network operators in the Electricity Distribution Code should be updated?

15. If so, what clauses should apply to embedded network operators?

The obligations on embedded network operators as outlined in the Electricity Distribution Code (**EDC**) should be updated. Of the clauses that embedded network operators are currently exempt from, the following should be made compulsory:

5.4.1(a) which outlines that an operator must make information accessible about any interruption or emergency affecting the supply of electricity. This is especially important for residents in parks who are never informed why there is a fault or failure and when supply will be restored.

9.1.2 to 9.1.6 which relate to the provision of a customer charter and what it must contain, the provision of the EDC upon request and information on the quality availability of supply.

9.1.12 which takes into account the multi-lingual needs of customers.

10.1.12 which ensures customers are told about complaints procedures and the availability of the Energy and Water Ombudsman Victoria (**EWOV**).

Most importantly EWOV should be available to customers of embedded networks. This will be addressed in more detail under dispute resolution.

Key Issues – Retail and Networks

Pricing

16. Should the pricing rule in the GEO be amended?

17. If it is amended, what form of price regulation should apply?

Currently for caravan and residential parks and villages in Victoria electricity charges are set by the ESC according to the distribution zone in which a park is situated. The ESC produces tariff tables that outline the maximum charges allowed for supply and usage.

Most residents express concern in relation to supply charges in an embedded network whereas usage charges appear to be more reasonable. When compared to supply charges outside of the park it often appears that residents are paying more and supply charges can sometimes exceed the amount residents are paying for usage.

At the top of the ESC tariff tables it states that:

“long term or permanent residents (and those with permanent sites) should discuss with their caravan park or site management whether charging to the maximum level is appropriate for their circumstances. There is no requirement to charge at the maximum level in all circumstances, especially for the Supply Charge”.

The issue is that park operators usually charge at the maximum and will not negotiate a lower charge for permanent residents. As mentioned before the RTA contains a section that does not allow park operators to charge residents more than they are charged by their licensed retailer but residents are unable to find out what those charges are.

Case study:

A residential park operator sent out bills to residents with a letter stating they had been undercharged for electricity in the previous financial year so he billed them claiming he was recouping the amount they owed him.

The ESC tariff tables show the maximum charges an operator can charge and because this operator had charged below the tariff he believed the residents owed him money. HAAG advised the residents that he did not undercharge them but just charged below the maximum and therefore he could not recoup his costs. In this circumstance it is unclear what can be done and who is correct.

There is a need to do a comparison between what park operators are charged and the charges they pass on to residents to work out what an appropriate price cap should be for long-term and permanent park residents, especially in relation to the supply charge.

Residents have also expressed that they would like to have the option of peak and off-peak charges, as they would with a licensed retailer. A majority of residents in caravan and residential parks and villages are retired pensioners and as a result are significant energy users. This is likely to be a consequence of being at home more and therefore utilising electricity for longer periods throughout the day, such as heating in the winter and air conditioning in the summer.

Residents have also noted that different distribution zones result in different levels of costs. There is a feeling amongst park residents that there should be more consistency in electricity costs and perhaps charges should be based on the type of supply, such as an embedded network in a park compared to an apartment building, as opposed to the zone.

Enforcement

18. Are the current enforcement powers of the ESC adequate to enable it to take appropriate compliance action against an exempt entity?

19. If not, what powers does the ESC require in order to take action against an exempt entity?

Currently the ESC can take administrative enforcement action against an exempt entity, whereas against a licensed entity the ESC has much stronger enforcement powers. The same enforcement powers should apply whether an entity is licensed or exempt.

The current issue is that residents in caravan and residential parks and villages do not understand what the ESC actually does and how it can assist them. This information needs to be much clearer and needs to be disclosed to all embedded network customers.

Dispute resolution – Network and Retail

20. What dispute resolution processes should apply to consumers in embedded networks?

The fact that currently customers of an exempt retailer in an embedded network do not have access to proper dispute resolution is one of the main concerns for residents buying electricity from a park operator.

The current dispute resolution pathways that are available to residents within an embedded network are unclear and unknown to most residents as this information is not provided to them.

The issues paper states that the Victorian Civil and Administrative Tribunal (**VCAT**) can be utilised to resolve disputes but the process is not clearly outlined to residents. Residents do not tend to take matters to VCAT anyway, and in fact make up only a small percentage of matters heard under the Residential Tenancies List. If this is the only dispute resolution pathway available it will deter residents from disputing matters and can encourage park operators to take advantage of this vulnerability.

The issues paper also indicates that EWOV will often refer customers to Consumer Affairs Victoria (**CAV**) if they have a dispute but no resident has ever indicated that CAV has been able to assist with matters related to electricity supply through an embedded network.

What is clearly highlighted is that dispute resolution procedures currently available for customers of embedded networks are insufficient.

Residents believe they should be entitled to access EWOV to resolve disputes. Residents are more inclined to contact an ombudsman for assistance with a matter then to take it to VCAT. It is less confronting, free and provides access to expert knowledge with an aim towards fair and equitable outcomes.

Alternative Energy Sellers

One concern mentioned by residents in relation to alternative energy sellers is in relation to installing solar panels on their park dwelling without being informed by the seller, or the park operator, that being part of an embedded network means they do not receive the direct benefits of this type of renewable energy. Where residents have installed solar panels they have also not received reductions in their charges where they thought they might due to the benefits the park operators may derive in their overall bills.

Although this does not specifically respond to the questions asked by the issues paper it highlights another problem experienced by customers of an embedded network.

Case Study:

A residential park operator decided to provide a .08 cents per kw reduction for residents who had installed solar panels before realising they could not retrieve the benefits directly. When other residents installed panels later this reduction was not offered to them, even upon their request. The reduction was given at the discretion of the operator and lacked a consistent and equitable approach.

There should be a requirement of embedded network retailers to alert customers to the implication of installing solar panels, and if customers have already done so to provide them with a reasonable reduction as surely they are receiving some benefits in their charges.

In conclusion

Through the process of this review it is the hope of many caravan and residential park and village residents that their consumer protections will be stronger, clearer and more equitable.

Access to appropriate dispute resolution procedures is vital and the provision of information to prospective and existing residents is of utmost importance.

Reasonable and appropriate charges for supply and usage are especially important to the majority of park residents who are retired pensioners choosing to live in a park permanently as a more affordable retirement housing option.

Overall the limited obligations given to embedded network operators create a huge disadvantage for customers. Customers of an embedded network are still paying for their service and they should be given the same rights as any energy customer.

Compiled by:

Shanny Gordon
Retirement Housing Information Worker
Housing for the Aged Action Group Inc.

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Appendix E – Retirement village contract example

Residential Tenancy Agreement

Residential Tenancies Act 1997 Section 26

This agreement is made on the day of

Date

9 / 11 / 15

This agreement is between

LANDLORD

Name FAIRFIELD LIONS VILLAGE

Address

Postcode 3070

ACN (if applicable)

whose agent is (if applicable)

Name TINA BLANCO

Business address 326 SEPERATION ST
NORTHCOLE

Postcode 3070

Telephone number

ACN (if applicable)

and TENANT(S)

Name of TENANT 1

Current Address

Postcode

ACN (if applicable)

Name of TENANT 2

Current Address

Postcode

Name of TENANT 3

Current Address

Postcode

Name of TENANT 4

Current Address

Postcode

1. Premises (includes items listed in the Schedule as forming part of the premises)

The landlord lets the premises known as (address)

Postcode 3070

2. Rent

The rent amount is

\$ 155-00

Date first rent payment due

23 / 11 / 15

Pay period

Weekly

Fortnightly ☒

Monthly

Day of each month (eg 15th)

Place of payment

IN COMMUNITY ROOM OR
AT A. COMMONWEALTH BANK.

3. Bond

- The TENANT must pay the bond amount specified below.
- In accordance with the Residential Tenancies Act 1997, the LANDLORD/agent must lodge the bond with the Residential Tenancies Bond Authority (RTBA) within 10 business days after receiving the bond.
- If the TENANT does not receive a bond receipt from the RTBA within 15 business days of handing over the bond money, they should telephone the RTBA on 1300 13 71 64.

Bond amount

\$ 10,000-00

Date bond payment due

9 / 11 / 15

If there is more than one TENANT and they do not contribute equally to the total bond, the amounts they each contribute must be listed here. This list is for reference only and will not be recognised by the RTBA.

Name of TENANT

Bond amount

\$ 10,000-00

\$

\$

\$

4. Period

Fixed period ☒ The period of the agreement

commences on 23 / 11 / 15

and ends on / /

unless the agreement terminates in accordance with the Residential Tenancies Act 1997, the agreement will continue as a periodic tenancy.

OR Periodic

☒ The agreement will commence on 23 / 11 / 15

and continue until terminated in accordance with the Residential Tenancies Act 1997.

5. Condition of the premises
The LANDLORD must:
 - (a) ensure that the premises are maintained in good repair, and
 - (b) If the LANDLORD owns or controls the common areas, take reasonable steps to ensure that the common areas are maintained in good repair.
6. Damage to the premises
 - (a) The TENANT must ensure that care is taken to avoid damaging the rented premises.
 - (b) The TENANT must take reasonable care to avoid damaging the premises and any common areas.
 - (c) The TENANT who becomes aware of damage to the rented premises must give notice to the LANDLORD of any damage to the premises as soon as practicable.
7. Cleanliness of the premises
 - (a) The LANDLORD must ensure that the premises are in a reasonably clean condition on the day on which it is agreed that the TENANT is to enter into occupation of the premises
 - (b) The TENANT must keep the premises in a reasonably clean condition during the period of agreement.
8. Use of premises
 - (a) The TENANT must not use or allow the premises to be used for any illegal purpose.
 - (b) The TENANT must not use or allow the premises to be used in such a manner as to cause a nuisance or cause an interference with the reasonable peace, comfort or privacy of any occupier of neighbouring premises.
9. Quiet enjoyment
The LANDLORD must take all reasonable steps to ensure that the TENANT has quiet enjoyment of the premises.
10. Assignment or sub-letting
 - (a) The TENANT must not assign or sub-let the whole or any part of the premises without the written consent of the LANDLORD. The LANDLORD's consent must not be unreasonably withheld.
 - (b) The LANDLORD must not demand or receive any fee or payment for the consent, except in respect of any fees, costs or charges incurred by the LANDLORD in relation to the preparation of a written assignment of the agreement.
11. Residential Tenancies Act 1997
 - (a) Each party must comply with the Residential Tenancies Act 1997
 - (b) For further rights and duties refer to the Residential Tenancies Act 1997.

Schedule: A. Items let with the premises (if any) B. Additional terms (if any)

This section lists any additional items and terms to this agreement. The terms listed cannot take away any of the rights and duties included in the *Residential Tenancies Act 1997*. If you need extra space, please attach a separate sheet
Both the LANDLORD and TENANT should sign and date any attachments.
Any additional terms must also comply with the Unfair Contract Terms under the *Fair Trading Act 1999*.
Contact Consumer Affairs Victoria on 1300 55 81 81 for further information.

Pets (Dogs, Cats, Birds etc) are not allowed with the exception of fish in a bowl.

Signatures

LANDLORD

Signature of LANDLORD

C. Blanco

TENANT(S)

Signature of TENANT 1

Signature of TENANT 2

Urgent repairs emergency contact name and telephone number

03.93834940 OR MOB 0418331145

Signature of TENANT 3

Signature of TENANT 4

Tenant's copy

Appendix F – Submission in response to the Aged Care Bond Rule



HOUSING FOR THE AGED ACTION GROUP INC.



Housing for the Aged Action Group

ABN: 80 348 538 001 Reg: A0017107L

Postal address: 1st Floor, Ross House

247-251 Flinders Lane, Melbourne 3000

Admin: 9654 7389 Fax: 9654 3407

Intake: 1300 765 178

Email: haag@oldertenants.org.au

Website: www.oldertenants.org.au

22 June 2015

By email: patrick.l'estrange@justice.vic.gov.au

Patrick L'Estrange

Principal Policy Advisor

Policy and Legislation

Consumer Affairs Victoria

Level 17, 121 Exhibition St,

Melbourne VIC 3000

Aged Care Bond rule

This submission is a response by Housing for the Aged Action Group (HAAG) to the request made by Jane Garrett MP, Minister for Consumer Affairs, to examine the changes made in 2014 to the aged care payment system and whether they impact on the aged care rule contained in the *Retirement Villages (Contractual Arrangements) Regulations 2006*.

HAAG would like to acknowledge that we support the submission compiled by Residents of Retirement Villages Victoria (RRVV) in conjunction with Consumer Action Law Centre (CALC) and Council on the Ageing (COTA). We are working collaboratively in preparation for the roundtable organised by Consumer Affairs Victoria (CAV) to discuss this matter further.

The basis of this submission is that the Aged Care rule should remain in place. Retirement villages are targeted at a cohort that will naturally become vulnerable as they age. The move into aged care, although only one of a number of options, will be inevitable for some and the aged care rule provides an important protection that was introduced for a reason, and continues to remain relevant.

Comments

The Property Council of Australia (PCA), with advisory firm Grant Thornton, produced a report claiming that the continued use of the aged care rule, in conjunction with changes to the aged care system, will adversely affect retirement village operators.

HAAG's responses are detailed below.

1: On page 3 of the PCA report it states “the main source of income for retirement village operators is the sale and resale of dwellings”. It goes on to say that as the main source of cash flow “ingoing contributions are used as working capital for facility administration and maintenance”.

It is alarming that residents’ ingoings are used for cash-flow purposes when it is a lump sum that should be preserved for return to residents when they leave their village. HAAG has had many complaints from residents that they fear that their ingoings are not in fact used for the purposes of village maintenance and have been diverted to other operations of businesses.

Residents pay a variety of fees and charges whilst living in a retirement village. The ongoing maintenance fees paid by residents are intended to cover the operating costs of a village. A proportion of those operating costs usually include facility administration and maintenance so it is difficult to understand why the ingoing contribution is applied in a similar way.

Residents are also charged exit fees, such as Deferred Management Fees (**DMFs**). The PCA report does not consider the DMF in the overall revenue of the village and yet it provides retirement village operators with a significant income. In fact the industry has significantly expanded this income stream by reducing time-frames for the model. For example, changing the original, standard formula based on a charge of 3% per annum over 10 years to 35% over 3 years.

Recommendations

HAAG recommends that the RVA and regulations be amended to require operators to hold ingoing contributions in trust whilst allowing them access to the interest earned as income for the village.

HAAG also recommends that each village be required to establish a sinking fund to address cash flow issues and ensure money is available for capital works in the village.

An alternative recommendation would be to utilise the interest earned on the ingoing contributions held in trust to fund a retirement villages list at the Victorian Civil and Administrative Tribunal (VCAT). This is similar to residential tenancy bonds being held in trust by the Residential Tenancies Bond Authority (RTBA) which funds the residential tenancies list at VCAT.

2: The money a resident is entitled to upon exiting a village belongs to them. It provides financial security and choice in the later stages of life, especially when a resident’s sole income is the pension. According to the Australia Institute of Health and Welfare (**AIHW**) over 70% of retirement village residents are pensioners.¹

¹ Australian Institute of Health and Welfare, *Residential Aged Care in Australia 2010-11: A statistical overview*, Canberra, 2012.

In the solutions provided in the PCA report, as to how residents should receive their early exit entitlements when moving into aged care, the suggestion is for operators to pay the Daily Accommodation Payment (**DAP**), instead of the Refundable Accommodation Deposit (**RAD**), until a dwelling is sold.

The RAD is a lump sum payment made upon entry into aged care and as the name implies is mostly refundable, less any amounts you have agreed to have deducted (similar to an ingoing contribution in a retirement village). The DAP is similar to a daily rental payment, none of which is refundable. This puts the resident at a significant financial disadvantage if the DAP payment is levied rather than the RAD.

The resident should have control over how their money is used and how their care is paid for. Having already lost a significant amount of money through exit fees charged by the retirement village it is unfair to expect residents to risk losing further financial security. Residents should not be disadvantaged and should retain their right to choose an arrangement that best suits their needs.

3: On page 5 of the PCA report the provisions available to South Australian and Tasmanian operators are mentioned, whereby operators can apply for an extension if an early payment of exit entitlement would cause financial hardship concerns.

We would consider this to be a reasonable provision as long as it was applied in a similar way as hardship provisions dealt with under the Residential Tenancies Act. VCAT considers the comparative hardship of the applicant and respondent in a case and makes a determination on that basis. This is something that would need further analysis to ensure the parameters are clear and equitable.

4: In relation to the resale of dwellings page 7 of the PCA report makes the assumption that receiving early payment of an exit entitlement will mean residents with control over the sale of their dwelling will have less incentive to sell in reasonable time.

The average cost of entry into aged care versus the average exit entitlement must be more carefully compared to understand the true impact on operators and residents. The cost of aged care will not always outweigh the exit entitlement so the resident will have incentive to secure the remainder of their money.

The true level of control that a resident has in the sale of a dwelling must also be considered in this context. Apart from the resident setting the sale price the operator controls the majority of the sale process.

A move into care will mean vacant possession of the dwelling is guaranteed. This allows the operator to begin refurbishment quickly which will mean placing the dwelling on the market as soon as is reasonably possible. This is not overly complex, as the PCA report suggests, and neither is setting the sale price for a dwelling.

A dwelling can be valued independently to ensure both parties are sufficiently happy with the price and the dwelling is likely to then be sold within a reasonable timeframe.

Recommendation

HAAG recommends that independent valuations be made mandatory for dwellings sold in retirement villages. This will ensure an equitable and timely outcome for both parties.

5: The PCA report states on page 8 that “the number of residents moving into aged care is increasing due to the ageing population”.

The population is indeed ageing and an increase of residents requiring early exit entitlements may not necessarily arise due to a lack of differentiation between low and high care under the new aged care system. In fact the increasing trend is that more people now utilise home and community care packages instead of entering residential care.

The current government policy focus is called Consumer Directed Care (CDC) where people can choose their own packages and providers. This policy direction enables high levels of home care support, even to stages of high care provision, in one’s own home.

According to the Australia Bureau of Statistics (ABS) in 2011 there were 3.1 million people in Australia aged 65 and over. Of that group the ABS counted 135,900 living in retirement villages.² This makes up approximately 4.4% of the overall population aged 65 and over. According to the Australian Institute of Health and Welfare (AIHW) only 5% of people aged 65 and over were in residential aged care during 2010-2011.³

A report published in the Health and Social Care in the Community journal states that the majority of people aged 65 and over wish to remain living in their own home, receiving community care as opposed to moving into residential aged care.⁴ It has also been shown that if retirement village residents do move into care it is usually accessed at a later age.

Retirement village design has enabled people to live longer in village environments and HAAG has case studies that support the aged care benefits of this form of housing to enable ageing-in-place. The use of home and community care also delays moves into aged care according to Aged Care Assessment Team (ACAT) data.⁵

Considering all of the above it is therefore absurd to argue that 60% of retirement village residents would move into care annually, as is quoted on page 13 of the PCA report.

² Australian Bureau of Statistics, *Where and how do Australia’s Older People Live?*, Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2071.0main+features602012-2013> (Accessed 16 June 2015).

³ Australian Institute of Health and Welfare, *Patterns in use of Aged Care 2002-03 to 2010-11*, Canberra, 2014.

⁴ Cheek, J., Ballantyne, A., Byers, L., Quan, J., *From Retirement Villages to Residential Aged Care: what older people and their families say*, Health and Social Care in the Community, pp 8-17.

⁵ Australian Institute of Health and Welfare, *Pathways in Aged Care: do people follow recommendations?*, Canberra, 2011.

6: Statements made by the PCA, about the potential insolvency that may occur for smaller operators paying RADs, is questionable and unsubstantiated.

The PCA report differentiates between small and large operators, highlighting that there are several “family run” villages that will be most affected by the aged care rule, and yet there is no evidence provided to support this. In HAAG’s experience the overwhelming structure of the sector is made up of for-profit business operators and the not-for-profit sector such as churches, charities and service clubs. ‘Family run’ villages are not well known to HAAG and it would enlighten this discussion if the industry could better demonstrate the significance of this type of operation and the detriment that change would cause.

7: We thank the PCA for opening the door to have issues considered. We highlight though that we have been given very little time to respond and prepare, whereas the PCA have put significant time and resources into producing their report. This approach is very unbalanced and we believe that if the state government is considering any changes to the aged care bond rule then a more robust analysis is required that has been offered by the Property Council.

CAV should require a more vigorous response and appropriate timeline to discuss such important matters. Due to the limited time provided for response HAAG has been unable to engage with its members to include residents’ responses in our submission.

Further, if this matter is being seriously considered by the state government then stakeholders should have the opportunity to provide CAV with issues papers on other important problems in the industry and be given the status at a similar level of discussion and consideration.

Most importantly, this type of issue should not be raised in isolation and needs to be considered in the wider context of the retirement housing sector. For example, if the government is going to consider changes to charges related to the aged care rule then this has implications for the whole suite of charges that constitute the totality of costs borne by residents in retirement villages.

There are also many other fundamental problems experienced by residents that need to be addressed such as fundamental protections for leaseholders regarding rights and procedures for privacy and repairs. HAAG has voiced over a long period of time that the *Retirement Villages Act 1986 (RVA)* needs to reflect the diversity of the sector but this has mainly gone unnoticed. The PCA report acknowledges there are differences between villages and operators but this applies to issues broader than just this rule.

Recommendations

HAAG recommends that a thorough investigation be undertaken of the sector to allow the diversity to be appropriately reflected in sector practice, legislation and regulation.

HAAG recommends that stakeholders be given sufficient time and opportunity to provide issues papers on important problems in the sector to encourage a robust discussion and review.

8: It also appears that much of the information provided in the PCA report is unsupported by valid resources. It is concerning that the lack of evidence contained in many of the claims made in the report has prompted such an immediate response from CAV. Many of the references used in the endnotes cannot be accessed and verified by other stakeholders and so provides an imprecise overview of the issue.

In conclusion

The proposal and report provided by the PCA lacks substance and evidence yet HAAG welcomes the opportunity for more robust discussion of retirement housing issues, as long as all stakeholders are given sufficient time to respond and propose other matters for consideration as well.

In the meantime ***HAAG recommends the aged care rule continue in its current form to ensure the financial security of residents is maintained.***

Written by:

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Appendix G – An example of Not-For-Profit retirement village exemptions

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residents of the hostel or nursing home at least once a year and an annual meeting be held, if a written request is received from more than 5 residents in any such hostel or nursing home;

(vii) Section 34 (4);

(viii) Section 37 (4) in relation to the by-laws set out in the residence documents lodged with the application for exemption;

Upon condition that—

- (a) the property upon which the retirement villages are situated, remains unencumbered;
- (b) the obligation to repay a refundable incoming contribution falls upon the owner of the property;
- (c) the owner of the property does not sell or part with possession of the land except to residents of the village without the prior approval of the Commissioner for Corporate Affairs;
- (d) a copy of this exemption be given to each prospective resident at the same time such residents are given the residence documents relating to a village.

Dated 28 February 1989

Responsible Minister:

ANDREW McCUTCHEON
Attorney-General

LAWRENCE A. FISHER
Clerk of the Executive Council

Retirement Villages Act 1986

SECTION 6

Declaration of Exemption

Under the powers found in section 6 of the *Retirement Villages Act 1986*, the Governor in Council, on the recommendation of the Attorney-General, declares:

all retirement villages situated on land owned by the Uniting Church in Australia Property Trust (Victoria), to be exempt villages to which the following provisions of the *Retirement Villages Act 1986* (the Act) do not apply:

1. Part 2 of the Act.

Part 3 of the Act, except for section 16 thereof;

2. Section 19 of the Act, in relation to residents moving between retirement villages, conducted by the Uniting Church in Australia Synod of Victoria, and in relation to any resident seeking admission into the villages where it is impractical to comply with the section because of the resident's urgent need for care, accommodation, or services, upon condition that the resident is provided with an opportunity to terminate all contracts relating to the village and receive a full

refund of any ingoing contribution for a period of not less than 21 days after occupancy commences.

3. Section 25.

Upon condition that any monies which would have been required to be paid into a trust account or special purpose bank account are held on deposit with a common fund conducted by the Uniting Church in Australia Property Trust (Victoria) and the provisions of section 25 are otherwise observed as if the money was held in a special purpose bank account under section 25 (5).

4. Part 5 of the Act.

5. Section 33 and 34 of the Act.

In relation to a hostel or nursing home located in a village, upon condition that the information required to be presented at the annual meeting is delivered to residents of the hostel or nursing home at least once a year and an annual meeting be held, if a written request is received from more than 5 residents in any such hostel or nursing home, and;

Upon condition:

- (a) that the property upon which the retirement villages are situated, remains unencumbered;
- (b) the obligation to repay a refundable incoming contribution falls upon the owner of the property;
- (c) the owner of the property does not sell or part with possession of the land except to residents of the village without the prior approval of the Commissioner for Corporate Affairs; and
- (d) a copy of this exemption is given to each prospective resident at the same time such residents are given the residence documents relating to the village.

Dated 28 February 1989

Responsible Minister:

ANDREW McCUTCHEON
Attorney-General

LAWRENCE A. FISHER
Clerk of the Executive Council

Water Act 1958

RURAL WATER COMMISSION OF
VICTORIA

Goulburn-Murray Irrigation District
Murray Valley Irrigation Area

Portion Excised

The Governor in Council under the provisions of section 62B (6) of the *Water Act 1958* of the excision of the lands shown by green colour on the accompanying plan (Corr. No. 88/03251)

