



Retirement housing in Victoria

Working together - resident protections and industry viability

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“The security provided by safe, affordable and fair housing is critical to the welfare of older Victorians.”

On 8 June 2017, 24 representatives from resident advocacy groups, universities, industry, ombudsman schemes, government agencies and regulators met in Melbourne at an Experts' Forum to discuss the future of retirement housing regulation in Victoria. We were also joined by academics and advocates from interstate jurisdictions.

The Experts' Forum followed the Victorian Parliamentary Inquiry into the retirement housing sector, which released its final report on 7 March 2017. The Inquiry received 766 submissions and heard from 90 witnesses. The vast majority of evidence was received from residents.

The retirement housing sector encompasses a range of housing types. More than 45,000 Victorians live in retirement villages, but there are other types of retirement housing including residential parks, rental villages and Independent Living Units.

The message to the Inquiry was clear: residents expect change. While many residents generally enjoy life in their choice of retirement housing, many are also frustrated by a system they see as geared in favour of operators. Some feel that instead of prioritising residents, operators are more concerned about satisfying shareholders.

Residents gave evidence to the Inquiry about what they see as unjustifiable exit fees, complex contracts and poor dispute resolution.

The Experts' Forum was convened to consider three key issues arising from the Inquiry's final report:

- Reviewing the Retirement Villages Act 1986 (Vic) (the Act) – Recommendation 2
- Regulating exit fees – Recommendations 7 to 9
- Improving dispute resolution – Recommendation 15



There are significant risks to residents and industry if our retirement housing regulatory framework is not improved.

An evidence-based, root-and-branch review of the Act could significantly improve resident protections, and enhance the reputation and viability of the industry. Key principles that should inform the review include safe and quality accommodation for 'ageing in place', encouraging sector innovation and growth while protecting residents, and implementing a robust regulatory framework that focusses on fair outcomes for residents. A successful review of the Act would result in fit-for-purpose legislation that is transparent, consistent and readily understood, and result in fewer disputes. Residents would be able to easily compare a range of retirement housing options and understand their rights and obligations. Disputes with operators would be dealt with quickly, fairly and cheaply. The review should form part of a broader retirement housing strategy for older Victorians, and ensure consistent regulation

across different types of retirement housing.

The real costs of living in retirement housing should be clear to residents and their families at the time of purchase. One of the most common areas of dispute is exit fees. Exit fees are often calculated on the sale price of a property, which makes it difficult for residents to calculate their liabilities. Some residents and their families feel that exit fees can be unfairly applied, and can be difficult to understand. Exit fees should be regulated so they are not unfairly applied.

To improve dispute resolution, we recommend an ombudsman-like dispute resolution body and an enhanced advocacy service be established. The advocacy service would provide legal advice and support to retirement housing residents to minimise escalation of disputes. Where disputes were unable to be resolved internally, they would be taken to the ombudsman for a binding, low-cost and prompt resolution. An ombudsman would also identify and report on systemic issues.



“As our population ages, we will need a robust regulatory framework that provides security for residents, and enhances confidence in the industry.”

More information?

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