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HAAG Communique
Parliamentary Inquiry into the Retirement Housing Sector
September 2017

Background- The Parliamentary Inquiry

Since its announcement in February 2016, HAAG members have been contributing to the Victorian Parliament's Inquiry into the Retirement Housing Sector. HAAG members were also involved in campaigning for the inquiry itself, so much work has gone into this area of policy development.

HAAG's extensive submissions to the inquiry were based on the work and knowledge of our ILU and CARPAV working groups over many years. Individual members and staff presented at the oral hearings, sharing their personal experiences. The Government received nearly 800 written submissions and oral testimonies over a three month period.

In March 2017, the government released the Inquiry's report, which made 15 recommendations to improve the sector.

Our Response

HAAG members as well as our partner organisations, Consumer Action Law Centre (CALC), Residents of Retirement Villages Victoria (RRVV) and Council on the Ageing (COTA) responded to the recommendations at a forum held on the 1st of May 2017. Here 140 residents came together to ensure the recommendations from the Inquiry were acted upon urgently.

After much discussion, the residents group identified the top five areas for urgent action. These are:

- An alternative dispute resolution process, such as a Retirement Housing Ombudsman
- Appropriate training for managers of retirement housing
- A process of accreditation for that all retirement housing providers
- A review of the Retirement Villages Act 1986
- Clarification of deferred management fees and clearer contracts

The Government's Response

Six months after the inquiry, on the 7th of September 2017, the government has responded to the 15 recommendations. Five of the recommendations have been supported, one not supported and the others were either 'supported in part', 'under review' or 'noted'.

Here is a summary, including direct quotes from the report, of how the government responded to the 5 recommendations that HAAG and its partner organisations strongly supported. For the full government response see:

https://www.parliament.vic.gov.au/images/stories/committees/SCLSI/Retirement_Housing/Government_Response_to_the_inquiry_into_the_retirement_housing_sector_for_tabling_September_2017_BJwHr6yz.PDF

1. An alternative dispute resolution process, such as a Retirement Housing Ombudsman

Government Response- 'Under Review'

The government report notes;

"The Review is unable to recommend the establishment of a retirement village ombudsman without considering the broader regulatory context of retirement housing generally. Any change in this area should be supported by a comprehensive cost-benefit analysis conducted with input from the industry, village residents, and advocacy groups".

HAAG is most disappointed that the Victorian Government has not committed to introducing a new alternative for low cost, timely and binding resolution of disputes in the retirement housing sector- particularly an ombudsman.

We are also concerned that part of the government's response to this issue includes the funding of our Retirement Housing Assistance and Advocacy Program.

HAAG members have long campaigned that current instruments for justice and resolution fall short of the accessible and binding instruments needed. Although we are happy to provide assistance and advocacy to vulnerable residents of retirement housing, our service in no way replaces the need for low cost independent alternative dispute resolution.

2. Appropriate training for managers of retirement housing

Government Response- 'Supported in Principal'

"The Government considers it would be beneficial for there to be a dedicated, nationally recognised qualification under the Australian Qualifications Framework (AQF) available to retirement village managers, ideally at the Certificate IV, Diploma, or Advanced Diploma level.

But

Many professional development opportunities are already available to people working in the retirement village sector, including programs offered by individual operators and industry bodies. It is not considered feasible or necessary for every training course offered to retirement village managers, or other staff, to lead to a qualification recognised under the AQF.”

The majority of HAAG’s advocacy work with individual clients would be resolved if retirement housing providers were more professional in their dealings with residents, and better aware of the laws and codes of practices available to guide their work. Despite this, the government has not supported a recommendation to mandate accredited training for providers. Expecting the retirement industry to voluntarily undertake professional development has proven unsuccessful to date, and the quality of industry-led programs is uncertain.

3. A process of accreditation for all retirement housing providers

Government Response- ‘Under Review’

“The Government is aware of existing concerns about retirement village accreditation and assessment processes. It will examine both ways to support a rigorous and professional accreditation scheme, and options for making such a scheme mandatory for all retirement villages. Options for a mandatory scheme will need to consider the implications for retirement villages and residents where a retirement village fails to achieve or maintain accreditation”.

HAAG is pleased that this recommendation is being considered, although it would like to see a more solid commitment including a timeline to beginning a process of accreditation.

4. A review of the Retirement Villages Act 1986

Government Response- ‘Supported’

‘The Government acknowledges that, in this environment, there will be a need to ensure that the legislative framework established by the Retirement Villages Act 1986 (Act) is capable of facilitating the growth and innovation of the sector, while protecting the rights of persons who live in, or intend to live in, retirement villages.

The government supports the recommendation that they review the Retirement Villages Act 1986, which is welcomed. However, timelines or any indication of movement of this issue are absent from their response. We need stronger indication that this will commence imminently.

5. Clarification of deferred management fees and clearer contracts

Government Response- ‘Under Review’

“The Act and the then, Retirement Village (Records and Notices) Regulations 2005 (R&N Regulations) were amended in 2014 to require operators to better disclose to prospective

residents the costs of entering, living in and leaving the village as part of their pre-contract disclosure obligations....

These changes have only been in place for three years, and their impact needs to be assessed. Their adequacy will form part of a future review of the Act, as contemplated in the response to recommendation 2.”

This recommendation has not been fully supported by the government, although it will be looked at as part of an overall review of the act. HAAG is very disappointed as we have made strong and urgent calls for management and control of deferred management fees, which can often be financially exploitative.

Summary

In summary, the Victorian Government has now responded to the Parliamentary Inquiry into the Retirement Housing Sector. From HAAG’s perspective the response has been weak and many of the most important recommendations from the Inquiry have been brushed aside completely. Other recommendations that the government has agreed to act upon have been given no timelines or solid commitments. HAAG members must continue to push for action on these issues if we wish to see real change.