



## **President's Report to the 2023 RRVV Annual Meeting**

This meeting's purpose is to report to you what RRVV and your committee achieved during the 2022-2023 financial year. Towards the end of the meeting, the current committee will stand down, and you will elect office bearers and committee members for the coming committee year.

RRVV's main activities are ensuring you are aware of your rights as residents and customers and helping you solve the problems that arise from living in a retirement village. We also promote retirement village living and advocate for reform of operator practices and the Retirement Villages Act. We want everybody in retirement villages to age well.

Over the years, RRVV has commissioned survey research to pick up trends in resident satisfaction. These large-scale surveys yielded helpful information but also produced inconsistent results. The answers to the structured questions seemed at odds with and more positive than the write-in comments. More recently, we have conducted short online surveys on specific topics. The analysis software we use for these short surveys allows us to directly compare the answers to structured questions with related write-in comments. These comparisons confirmed the inconsistencies we had long suspected.

During the 2022-2023 year, we adopted a different approach. At village meetings, we asked attendees four questions:

1. Why did you choose a retirement village rather than staying put or another alternative?
2. Why did you choose this village?
3. Has this village met your expectations?
4. Have you had any problems?

The animated discussion around these questions yielded valuable insights. Increasingly, residents see their villages as communities more than land, buildings and services.

Overall, the answers suggest villages meet our expectations, mainly because they allow us to live a satisfying stage-of-life-appropriate community lifestyle. There are exceptions, and there are a few villages that are toxic.

Most residents who reported overall satisfaction with their villages also identified specific areas of dissatisfaction. The most common were maintenance, management attitude and management competence. Many residents find village life satisfying despite significant dissatisfaction with management.

Our commitment to promoting retirement living remains strong, but we have serious concerns about the bottom end of the sector. We see cleaning up the bottom end as urgent and are pressing the government to act.

At our last annual meeting, I spoke enthusiastically about the government's draft bill to amend the Retirement Villages Act released just two days earlier. At last, I felt our years of work had produced something tangible. My enthusiasm was premature.

The bill shifts the power balance between residents and operators in our favour and gives us free external dispute resolution. It also increases the number and size of penalties for operators who breach the reformed Act. Nevertheless, after reviewing the bill in detail, we found the draft reformed Act it creates unfit for its intended purpose.

The guiding principles are weak and largely disconnected from the rest of the draft Act.

The bill proposes a new retirement village definition, which positions villages as places rather than communities. It continues the folly of making a lump sum payment part of the definition. Why? How a resident pays to secure the right to live in a village does not change its nature.

Resolving this is important as the number of prospective residents who want to make periodic payments is growing.

The draft Act is internally inconsistent and much of its language is unclear, particularly in the village financial management sections. For example, it is still unclear who pays for what and from what source of money (i.e., from residents' pockets, service fees, a maintenance reserve fund or the corporate bank account). Where the law is unclear, residents suffer more than proprietors and operators.

The draft Act gives us more accessible external dispute resolution but leaves internal dispute resolution, mainly as it is, hopelessly conflicted because most of us find ourselves complaining to the person we are complaining about.

Earlier in the review process, the government considered and rejected our request for mandatory management training, including in dispute resolution. We countered by asserting that we had a right to competent management in much the same way as all citizens have a right to qualified medical practitioners, electricians, or other service providers from safety-related callings. The draft Act does not address the management competence problem.

We also asked the government to recognise that, across Victoria, residents have made unsecured loans to proprietors totalling around ten billion dollars. We are stakeholders in our villages. Many of the approximately 470 borrowers are at significant risk of default. We argue that, as lenders, we deserve regular independent and detailed solvency reports. The government has not responded.

There are other troubling omissions. For example, there is nothing on:

1. Residents' rights when a proprietor wants to redevelop or close a village.
2. Association village residents' rights.
3. Residents' rights on a change of a proprietor or operator.
4. Protections for prospective residents against inappropriate selling.



When our interests aligned, RRVV collaborated with the Property Council of Australia, the main peak body representing operators, in making submissions to the review team. When our interests differed, we tried to persuade them that looking after their customers was in their best interests. When we could not, we went our own way.

RRVV stayed connected with various State politicians interested in retirement living reform throughout the year, irrespective of their party affiliations. We noticed an increase in residents lobbying their local state members. Three living in labor-held electorates managed to secure a meeting with the minister of the day. We encourage you all to make friends with your local state politicians of both houses of parliament. You might not get a meeting with the minister but you will make an impression. We will need many friends in Parliament when it debates the amending bill.

During the year, a few residents applied to VCAT seeking resolution of disputes with their operators. Two resolved their disagreements on confidential terms. The remainder's cases are ongoing. All but one of the applicants commenced action without consulting a solicitor or RRVV. We think this is unwise. RRVV cannot give legal advice. Nevertheless, we can sometimes point you in the right direction and support you through the VCAT process. Please call us if you are thinking of applying to VCAT.

A substantial proportion of retirement villages are adjuncts to residential aged care facilities. Many operators of these villages use accounting software set up for their residential aged care facilities, software that cannot produce the reports the Retirement Villages Act requires. This and related management practices disadvantage their retirement village residents. We assist residents in several villages seeking to persuade their operators to comply with their reporting obligations.



Last Monday, Victorian Premier Jacinta Allan announced new ministerial appointments. Consumer Affairs has a new minister, the Honourable. Gabrielle Williams MP. Please email her congratulations and tell her one thing you want in the reformed Act.

I thank my overstretched fellow committee members Graeme Seymour, Helen Betros, Pauline Niels, Charles Adams and Kaye Graham for their valuable contributions. I also thank Neal Robertson, who served early in the financial year but later resigned for personal reasons.

We thank the small army of Resident Liaison Officers who represent RRVV in their villages and without whom we could not function. Likewise, we thank the volunteers who stuff envelopes, help with projects, and critically review our submissions, newsletter articles and emerging ideas.

We thank Karin Veiser, our Office Manager, for her wisdom, efficiency and outstanding administrative support.

Julie King has tirelessly supported RRVV at the Retirement Villages Act Review's Stakeholder Reference Group and related meetings. She has also generously contributed her public policy and legal skills. We thank her.

I thank you for your attention and continued support.