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Retirement Villages Amendment Regulation
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Dear Committee Secretary

Response to the Consultation Draft: *Retirement Villages Amendment (Standard Contract) Regulation 2013*

National Seniors Australia (National Seniors) welcomes the opportunity to provide comments on the *Retirement Villages Amendment (Standard Contract) Regulation 2013* (New South Wales) Consultation Draft.

National Seniors is the largest organisation representing Australians aged 50 and older, with around 200,000 members nationally. We provide a well-informed and representative voice on behalf of older Australians and contribute to public education, debate and community consultation on issues of direct relevance to older Australians.

Overall, the Consultation Draft Standard Contract is welcomed and endorsed by National Seniors. We acknowledge the extensive and ongoing consultations that have taken place between the New South Wales Government, residents and operators of retirement villages and consumer representative groups. National Seniors believes these documents will enhance transparency and enable residents to make a more informed decision about where they will live during the next stage of their lives.

National Seniors would like to provide the following comments in response to the draft regulation.

As stated in Section 18(2) (a) and (b) within the *Retirement Villages Act 1999*, the General Inquiry Document and Disclosure Statement must:

(2) ...give a basic explanation of the residential premises, services and facilities that are available within a retirement village, and must:

- (a) be in the form prescribed by the regulations, and
- (b) contain the information prescribed by the regulations.

Furthermore, the information to be included within the General Inquiry Document and Disclosure Statement must reflect that contained within Part 1A of Schedule 1 set out within the *Retirement Villages Regulation 2009*.

On review, National Seniors notes that '*Proximity to Services*' has not been incorporated within the draft contract as specifically stated within the *Retirement Villages Regulation 2009*. Moreover, National Seniors members have expressed the importance of retirement village location to services such as general practitioners, hospitals, public transport and shopping centres. This is of particular importance due to mobility generally decreasing with age. Residing within close proximity to services is imperative to maintain independence and wellbeing in older age, particularly when a person's capacity to drive decreases.

1. Therefore, National Seniors recommends that '*Proximity to Services*' be incorporated within the final contract.

National Seniors supports the amendments made to the *Retirement Villages Act 1999* which states that operators are responsible for the replacement and repair of capital items within the retirement village including buildings, structures, plants, machinery and any other fixtures associated with the operation of the village.

2. For the purpose of clarity, National Seniors recommends that prospective residents be given a list within the contract of these capital items for which the operator is responsible and that apply to the residence being entered.
3. We also suggest the inclusion within the General Inquiry Document of the rules governing refurbishments of a village home and the condition of a home on departure.
4. Additionally, National Seniors advocates that rules governing refurbishments state that the departing resident return the village home to original condition as documented within the entry condition report. This will avoid the situation where some residents are asked to refurbish the residence to a higher standard of fittings than at the time of purchase.

National Seniors welcomes the amendments to the *Retirement Villages Act 1999* which introduces a maximum time frame of 6 months for payment of the percentage of capital gains to departing residents who are Non-Registered Interest Holders. Conversely, rules governing Registered Interest Holders do not implement a time frame and these holders will only receive capital gains refunds once a new resident enters the residence.

5. National Seniors advocates for the time frame of 6 months to be extended to Register Interest Holders within the Standard Contract.

The contract provides for an estimate of departure fees and return of capital gains upon a resident's exit from a retirement village and National Seniors supports this. The estimates provided by the operator should a resident depart after one, two, five or ten years provide certainty to a resident and allows for the consideration of inflation and market prices at varying times.

Furthermore, National Seniors is concerned that the Standard Contract and General Inquiry Document will not extend to prospective residents of either a community land or strata scheme.

6. We advocate for the mandatory inclusion of the Standard Contract and General Inquiry Document to all types of retirement village contractual relationships. This will result in increased consistency across the State and further prevent retirement village operators from altering the structure of a retirement village to avoid these contractual arrangements.

National Seniors believes that the Standard Contract and General Inquiry Document will enhance transparency and will further allow a prospective resident to consider and compare the overall cost of a lease or purchase with departure fees and capital gains. However, National Seniors advocates for the inclusion of the abovementioned recommendations within the documents.

Yours sincerely

Bernard Moloney
NSW Policy Advisory Group Chair