Retirement Villages….

Australia's population is ageing and in general people are living longer.

Moving to a retirement village is a major decision that has far reaching effects. As a lifestyle decision it is important that prospective residents carefully consider all the information involved with making such a move.

Retirement villages that are operated under State Government regulation are those defined as such under the respective Acts.
Tasmania is the only State that has no retirement village legislation or Code of Conduct.

The Retirement Village Act is a protection act that regulates the operation of all retirement villages, private and non-profit.
In NSW in the late 1990's the Act and the Code forced the industry to clean up its own backyard in respect to resales, full disclosure, complexity of contracts, manufactured home parks etc.

Historically the not for profit sector, which comprised church and charitable organizations and the 'friendly society' movement, has been providing housing and care for seniors since the 1800's.

Of the estimated 2500 retirement villages in Australia that are operated in accordance with the States legislation, the many of them are run by church, charitable and community organizations.
The first privately operated 'resident funded' village was built in Sydney in 1975.

There are more than 200 private villages in Australia, valued at an estimated $3 billion, which were built without federal capital or recurrent funding.
According to the industry's peak body, the Retirement Villages Assoc. Aust. (RVAA) "there's a village to suit every budget and taste".

In the state of Western Australia, The Retirement Villages Act (1992) requires, under section 83, a review after its first year of operation and thereafter every 5 years. The first review was conducted in 1995 and a number of recommendations were implemented.
A Retirement Villages Reference Group began meeting in January 1999 and in July 1999 it finalised a discussion paper which was distributed for comment in August 1999….24 submissions were received!

The Reference Group consists of representatives from Aged and Community Services WA, Commonwealth Dept. of Health and Ageing, Retirement Villages Assoc. of WA, Retirement Complexes Residents Assoc., Consumers Assoc. of WA, Dept. of Community Services (Seniors Interests) and the Referee of the Retirement Villages Disputes Tribunal. The DOCP Policy Officer chairs the reference group.

In South Australia the retirement villages are regulated under the Retirement Villages Act 1987 and the Retirement Village Regulations 2002.
It is recommended that you seek family, friends, legal and financial advise prior to making a decision about moving into a retirement village.

The 'Act' in South Aust. defines a Retirement Village as one that is established for retired persons and their spouses under which;

- Residential units are occupied under a lease or license; or
- The right to occupation is conferred by ownership of shares; or
- Residential units are purchased from the administering authority, subject to a right of option of repurchase; or
- Residential units are purchased by prospective residents on conditions restricting the subsequent disposal.

It does not include a scheme where residents <u>do not</u> pay a premium for admission as resident.

The S.A. 'Act' is designed to ensure that:

- The rights and obligations of both residents and management are made clear;
- Administering authorities cannot make harsh or unconscionable rules about what residents can do;
- Administering authorities **must provide residents with details of contracts, rules and amount of premiums to be repaid if a resident leaves.**
- Administering authorities must provide residents with audited financial statements about the village's running costs at least once a year.
- Residents have the right to form a Residents' Committee; and
- the Residential Tenancies Tribunal has the power to settle disputes between residents and administrating authorities, but not disputes between residents.

The Retirement Village Association (RVA) of Australia provides an accreditation scheme for retirement villages. It stipulates the criteria villages must meet and also lists accredited villages, state by state.

Village Property Developers use different forms of tenure and are listed below. Some villages also use varying forms of tenure for distinct components, thereby making it very confusing.
Anyone considering 'buying' into a village should consult their own solicitor and fully understand the tenure arrangement at the village of their choice.
Do not sign any documentation until you are aware completely, and even then **ask if there is a "cooling off" period**.

As at 30th June 2001, the RVA nationally had a turnover of approximately $780k generating a surplus of close to $40k.
Projections to the end of the 2005 financial year anticipate a significantly higher turnover and comfortable surpluses being achieved.

Retirement villages are regulated by most state governments, and aim to ensure your rights of tenure are secure.
The Fair Trading or Consumer Affairs Departments in most states is the place to enquire should any problems arise.

Retirement villages may be built in a cluster of individual, detached; semi detached and attached units as well as blocks of rooms. Not all types of accommodation are available at all villages.
When considering a change of lifestyle be sure to obtain the full detail of villages that might suit your criteria and personal needs.
Also, enquire about the prospect of moving from independent accommodation to supported or partly supported.

Main Types of Retirement Village Accomodation.

Resident Funded Units; (Life Lease)

These are sold at market value. (*In some cases this is hard to determine*)
The resident **does not own** the unit but purchases a loan/licence agreement which in effect gives the administration of the village an interest free loan on one hand, and the resident a licence to reside in the village on the other.

On leaving the village the administration will usually retain a percentage on the sale of the price. (*Check this condition prior to agreement to purchase*).
Prospective residents should ensure they have a full understanding of the way the refund is calculated and any other costs that might be included, including remuneration for improvements made to the unit.

A regular maintenance fee is paid to cover the services offered by the village, and individual residents are responsible for household expenses including telephone, electricity, and insurance.

The dwelling cannot be willed or transferred to non-residents.

Donation and Bond Units.

These are offered by some non-profit and community organizations.
The organization requests a donation on entry in exchange for the right to occupy the unit.
Sometimes the organization refunds a portion of the donation when the resident leaves the unit.
These financial arrangements need to be understood when negotiating the conditions of entry.
The resident will also usually be required to pay a regular fee towards the maintenance of the unit and the village and its facilities.

Rental Units.
These are offered by some church and community retirement organizations specifically for older people who do not own their homes or have limited means. A low rental is charged, however an assets test is usually required and there is often a waiting list for accommodation.

Entry contributions to Retirement Villages. (Centrelink)
The Entry contribution is the amount that is required to be paid to gain entry to the retirement village and it may include loans, donations and fees. The treatment of an entry contribution depends on whether it is greater than the extra allowable amount (EAA). The EAA is the difference between the homeowner and non-homeowner allowable assets thresholds. From 1 July 2002 the EAA is $104,000.

- If the entry contribution is greater than the EAA, the person/couple will be regarded as a homeowner and the entry contribution will be an exempt asset.
- If the entry contribution is not more than the EAA, the person/couple will be regarded as a non-homeowner and the entry contribution will be an assessable asset.
- Rent Assistance may be payable to non-homeowners.

Source; Centrelink 2002

A mandatory requirement, under the Retirement Villages Act, is that each village must issue certain detailed information about how it operates.

For example this includes:
- a list of fees and services;
- a copy of the village rules and budget;

and a document called 'Schedule A' - or similar, which are answers to commonly asked questions about visitors, pets, public transport, fixtures and fittings, settlement of disputes, refund entitlements and the experience of management in running retirement villages.

Although the Acts are somewhat similar, this information would vary from State to State.

The consumer watchdogs in each State (The Department of Fair Trading, Office of Consumer Affairs and so on) recommend that prospective residents "think carefully" about their personal needs before making what been described as "one of the most critical moves a person can make in later life."

Here a checklist how to approach making the move to a retirement village:

Questions to ask, and contemplate;

- Discuss your decision with those close to you.

- Discuss your intentions with your **'Independent'** solicitor and don't sign any legal documents - contracts or agreements - until they have been examined him or her.
- Should you not gain title to the property, how do you determine value without Titles office records being available?
- Is there a residents committee? (If so, check with chairperson)
- Check whether the style of village will suit your lifestyle, your religion, and social activities.
- Check whether the village will be suitable if you become disabled and need a wheelchair.
- Is there adequate parking for your car, and those of visitors.
- Is there noticeable noise by traffic, trains, schools etc.
- Check whether there will be nursing care and emergency help available.
- Is there adequate security and lighting available?
- Check carefully that you can afford to make the move and sustain your existence in a village.
- Make certain that you understand and accept the refund arrangements; also have your solicitor explain this facet of the contract/agreement to you.

<u>Financial Questions;</u>

- If you are buying a retirement village unit or apartment, what part is refundable upon your death or if you move within the village or away from the village?
- How much will you have to pay in maintenance and service charges? What other charges can be imposed?
- Does your financial situation allow for future increases in these fees and unplanned expenses.
- Can you borrow money against the property?
- Will you have enough money left to maintain the quality of life you are enjoying now?
- What costs will be involved when you leave the village?
- What rights do you have in determining the sale price of the unit?

<u>Legal Questions</u>;

- Do you fully understand what the proposed residence contract means and what your rights and responsibilities will be?
- It is advisable to consult a lawyer who can explain the legal implications of the contract with you and is independent.
- How will you be affected if the retirement village is sold?
- What cooling off period do you have after signing the contract should you change your mind?
- Is there a settling in period during which time you can change your mind and move out? What costs are involved if you decide to leave?

These questions come from many sources and cover most of the important issues:

- Can I include a villa (in your Village) in my will? **(L)**
  Yes, but only in terms of the net proceeds from its sale. Your villa cannot be rented by your executor/s nor can it be lived in by a person who does not hold the lease or title. The villa will be resold with the proceeds divided between the nominated beneficiaries.

- What is the mindset of the residents? Remember, you want companionship and the scope to make new friends.
- Is nursing and medical care available nearby?
- If it's a resident-funded village what are the costs if you want to get out, such as transaction costs and capital loss if there's a slump in the market?
- How long does it take to get your money?
- Can you influence design and furnishing if you are buying off the plan?
- What are your rights and obligations? The village has obligations before you take up occupancy, and continuing obligations after you've taken occupancy.
- Does the village have a registered trustee who will ensure that the refund is paid and that my financial rights are safeguarded at all times? In some villages the trustee is a person/organisation appointed under a Trust Deed to provide some supervision particularly in respect of financial dealings between the village and residents. In a privately operated village, if they are linked to the owner/manager this can be a bad sign.
- What restrictions apply to me on the use of the unit/apartment and the village facilities? For example, can someone else live with me? Can I have visitors stay overnight? What arrangements are there for car parking?
- What type of public, private or village transport is there, and when it available to residents?
- If the unit/apartment is already constructed do I have an unrestricted right to alter existing fittings, fixtures, or add new fitting and fixtures?
- Do I have to supply a medical certificate or a report to certify my ability to live independently?
- Will the village meet my meeds in the foreseeable future?
- Will I be able to afford the initial contribution and the ongoing fees?
- Will I be able to afford increases in ongoing fees or maintenance charges?
- Is there a deferred fee or other charges when I leave?
- Will I be able to share in any capital gain on the unit/apartment when I leave? (Refer 'Legal Titles', below)
- What determines the resale price of my unit/apartment?
- How is the village managed?
- Is there a residents' committee? What part does it play in the administration of the village?

- What are the arrangements for maintenance of units, community facilities and grounds? This is particularly important if you are buying into a leasehold or strata village.

Material in this article was obtained from the Office for the Ageing and Seniors Information Service in SA, but is relevant in other States.

It might be advisable, to number the above suggestions in order of concern?

Legal titles - know the difference

When it comes down to making the final decision of which village will meet your expectations a lot is going to depend on how well you understand your rights of ownership.

It's already been stated, and it is worth repeating, that when you buy into a retirement village you are also buying services - not brick and mortar.
It simply boils down to the fact that you are buying a way of life, and not an investment*, unless you hold the Title.*

The legal framework governing the industry consists of the Retirement Villages Act and in NSW, the Act and another document called Retirement Villages Regulation 2000, which is the old Retirement Village Code of Practice.

Retirement villages fall into four main categories, according to the type of title they offer:

- Loan/licence;
- Leasehold or loan/lease;
- Strata title;
- Company title.

"The rights and obligations that attach to each type of title vary considerably," says a leading industry lawyer. "And there are also hybrid versions in some villages, so it pays to understand the difference."

About seventy percent of the villages in Australia operate under loan/licence and leasehold arrangements.

So called purpose-built housing for Over 55s, with minimal or no care support offered by 'marginal' developers, are sold under strata title, which is prevalent in the home unit industry.

In NSW, these developments, built under the contentious SEPP 5 arrangement, are shooting up like daisies in Sydney's northern suburbs.

Here's a brief form-guide on each arrangement:

- **Loan/licence** gives you the licence to occupy a unit/apartment/villa in exchange for an initial payment by way of donation or interest free loan. The licence agreement does not confer any proprietary right over the dwelling - the developer/sponsor retains ownership of village property. Also, the arrangements vary for refund of the initial payment.

- **Leasehold (loan/licence)** allows you to obtain a long-term (99 year/199 year) registered lease of the unit/apartment/villa. An initial payment or lease purchase monies are paid, which are refundable from the proceeds of the resale, less any deferred fees and so on. Leasehold mainly applied to private, resident-funded villages; and if a village is sold or goes into liquidation, you can have some confidence in the rights to continue to reside in the complex.

- **Strata Title** gives you freehold title to the unit/apartment/villa. Generally, restrictions are placed on the title to facilitate the orderly operations of the village and resale procedures. **You will probably get all the capital gain. In other words, there's an asset there and you have the security that you wouldn't have if you were tied to another arrangement.**

- Company title is based on the Home Unit Company Title. A company, in which you purchase shares at market value, owns the village and the shares give you the right to occupy the premises.

- Rental Arrangements are available in a number of villages.

A Point to Consider!;…….*It has been suggested….*

"Relatives of the deceased allege the "management company" will not permit others to gain commission for selling the property. Dangerous practises such as these, if the allegations are true, could produce the lowest price, creating unfair market practises, adversarial to the beneficiaries' interest.

The same agents and agencies appear in a number of cases to be in control of all selling arrangements"

Independent Legal advice: Don't sign any documentation without it!

Buying into a village is a complex matter. But that's not the real problem.

The only stumbling block is if you don't approach it the right way legally at the start, and understand the ramifications of the documents you are signing, there is bound to be some nasty surprises down the track.

The contract contains numerous complex provisions on such matters as the ownership scheme, deferred payments, service charges, levies, share of capital gain and the rights of refund to the property or estate on death or sale of the unit, apartment or villa.

Consumer safeguards

There are bona fide safeguards for you and your family to take advantage of if there is some problem in the village that can't be sorted out by the Residents' Committee or management.

Operators of government-regulated villages have to comply with the same set of legislative rules - or face the consequences.

In some States the legislation is more strictly applied than in others. In Tasmania, there's no retirement villages legislation at all.

The government consumer watchdogs administer the Retirement Villages Acts in each State. In NSW, it's the Department of Fair Trading, the Office of Consumer Affairs in Queensland and the equivalent agencies in the other States.

There is also a Strata Act in each State that deals with retirement housing, which is subject to a strata scheme; and in most States there is a Residential Tribunal Act, or similar, which sets out the process by which disputes between residents and operators are resolved.

For dispute resolution there are State-based aged care rights advocacy services to refer to.

Accreditation "plays a vital role"

The private resident-funded village industry introduced a national accreditation scheme in 1996. It is an industry-regulated system, which is all about the assurance of a high standard of accommodation, care and security.

While accreditation cannot create quality, it does play a vital role in determining whether a village has accepted and is carrying out its commitments to residents.

The RVAA points out that accreditation is not a process to determine ratings or rankings, or to reward orders of merit.

The areas covered in evaluating a village for accreditation include: qualification and training of staff, residents' involvement in decision-making processes, maintenance, legal documentation, emergency services, provision of meals and security.

On the other side of the coin the mission of the not-for-profit village operators is to respond to the changing needs of a rapidly ageing Australian society by creating a more positive and secure future for older people.

For some idea what's available contact these groups:

- New South Wales - Rosecorp, Mirvac, Lend Lease.
- Victoria - Gandel Group, Australian Retirement Community, Zig Inge Group, Delfin Group.
- Queensland - Australian Retirement Homes, Co-operative Retirement Services.
- South Australia - St Ives Group, Delfin Group.
- Western Australia - Fini Group.

These organisations have developed 'retirement' and 'lifestyle' communities in all States

<u>What is the Act?</u>

On the whole, **the Act** is a protection Act that regulates the operation of retirement villages, particularly as to security of tenure and termination of contracts. It also sets out the particular rights and obligations of residents and operators, and establishes mechanisms "for the resolution of certain disputes between residents and operators."

Most States also have a **Code of Practice**, which is concerned with disclosure provisions, resident involvement in management, contract documentation, village rules, financial management of villages and so on.

The administration of the legislation - the Act and the Code - is the responsibility of the Department of Fair Trading in each State.

Focus on residents, families and carers.

The care available in good-quality, continuing-care villages offer everything except acute hospital care treatment or special rehabilitation facilities - that goes for non-profit as well as private, resident-funded villages.

But at the latter the services and facilities are totally funded by contributions from residents on a user pay basis.

Which housing option to choose?

- Levels of accommodation: Self-care, independent living, serviced apartments (assisted living).
- The inspection: take your time; ask a lot of questions.
- The questions: financial and legal.
- Documentation, contracts: let you solicitor advise you.
- Legal titles and agreements: how they vary.
- Taking the plunge: Selling the family home, making the move.

People approaching older age would be wise to give their future accommodation some serious thought…. Some years before they are ready to make a move.

Village	Loan/Lic. Value [House/ Unit]	Loan/ Lease/ 99 yrs or Shares	Rental/ Service/ Levy p/w	Strata Title	Capital Apprec.	Cap. Gains Sharing	Water/ Rates	Other*
A*	$70,000 $130,000		$82	No	Yes		No	*Non brick
B	$90,000+		$27- $41	Yes Strata			$1000~	
C	$90,000~		$140	Yes Strata			$1000~	
D	$109,000 $200,000		$25	No	No			AAS#
E			85% of pension	No	No			
F	$209,000+	Yes		Yes	Yes			
G	$150,000 $170,000	No		No	Yes	Yes	No	
H	N/A	$83,000 $227,000	$81 p/p	No				
I	N/A	Yes	$60- $130	No	Exit fees apply			
J	N/A	Yes	$27- $41		No			
K	$160,000+	No	30% of Pension (couple)	No	No	No	N/A	Member-ship costs etc
L	$98,000 $414,000	Yes	No	Yes	?	?		D.M.F.#

Assisted Access Scheme
Deferred Management Fee

- The Price/Value varies according to land development costs in different areas of Aust.
  As a matter of interest…in one village (D) the price (Entry) equates from between $1579 m2 to $1841m2 that includes dwelling and land development costs.

- Loan/Lease/Shares are largely unexplained and confusing to Seniors (Elderly)
  The Shareholding can usually be 'on sold' to another and under the direction of the management.

- Rental/Service/Levy is apportioned to the individuals within the complex.

- Title may not be given to the individual, therefore upon your *departure*, ownership will revert to the management.

- Capital Appreciation may only apply if you are on the Title.

- Capital Gains sharing may not apply to the individuals.

- Rates/Water phone etc, are generally the responsibility of the individuals, not complex management.

- It is highly advisable to seek professional assistance in determining your 'rights' as in many cases your capital may 'run out' in your lifetime.

- For many seniors and retirees the 'fine print' is difficult to comprehend and 'engineered' for the future of the complex *long after your gone!*

- Amenities vary widely and should be evaluated according to the individual requirements.

  "Deferred Fees" is a term used to define those funds deducted by Village Management at the time of settlement of the sale or the re-occupancy of the villa or apartment.

  As the term implies, these funds are a deferred recovery of part of the costs associated within the initial establishment costs of the village and its infrastructure, an offset against discounted purchase arrangements, and a return on investment to the village owner for their original outlay. Quite often, some part of the deferred fees is set aside as a contribution to a "sinking fund" which is used to ensure the long-term maintenance of the village and its community facilities.

  As a general rule, the calculation of the fee will be a defined percentage multiplied by the number of years of residency (limited to a maximum), applied to your entry cost and/or your successors entry cost to your villa or apartment. When calculated this may include participation in capital appreciation.

See below for Examples.

Resident's Entry Contribution- Growth Option for Independent Living Units. (G)

Entry Contribution is a cash contribution. During the term of your life lease, you are credited with all of the growth in the value of the life lease, which mirrors the growth on the value of the property, currently 5% approx. at compounded growth.

At the end of your life lease, deductions are made from the sale price of a new lease comprising of a Deferred Facility Fee, and refurbishment of the house (if applicable).

The Deferred Facilities Fee is calculated as a percentage of the New Lease Loan paid at the following rates;

1. At the rate of 7.5% for any period of occupancy not exceeding 2 years.
2. At the rate of 2.75% for each of the next 8 years of occupancy after the first two years of occupancy, calculated on a daily basis.
3. At the rate of 0.7% for each year of occupancy after the first 10 years of occupancy calculated on a daily basis.

Seek INDEPENDENT legal advise before signing anything!

Resident's sale entitlement for Independent Living units.

[EXIT Fee]

Period of Shareholding	Resident's return
1 yr or less	91.0% of the resale price
1 yr but less than 2 yrs	82% of the resale price
2 yrs but less than 3 yrs	75.5% of the resale price
3 yrs but less than 4 yrs	69.0% of the resale price
4 yrs but less than 5 yrs	62.5% of the resale price
5 years or more	61.0% of the resale price

The EXIT Fee is based on the 'Agreed' Resale Value of your unit or apartment and the length of your stay in the village. A substantial portion of the Exit fees is dedicated to the future upkeep of the village.

The Entry and Exit Fees above are an example and may not apply to all Villages.

Another example, based on Life Lease Agreements; (D)

Life Lease agreements can be concluded at anytime, where upon deferred management fees payable, are calculated at 2.5% pa (expires after year 12) of the capital improved life lease value. A refurbishment fee and new life lease fee, each equal to 1.75% of the new life capped value, would also become payable. *[Capped at 30% - Balance to occupier/estate after costs]*

Further example of DMF….Deferred Management Fees…at termination! **(L)**

Leasehold Title	Leasehold Title	Strata Title	Strata Title
Purch.to Sale	% of Sell.Price	Purch to Sell	% of Sell Price
1 yr or part	5%	1 yr	2.5%
2 yrs "	7.5%	2 yrs	5%
3 yrs "	10%	3 yrs	7.5%
4 yrs	12.5%	4 yrs	10%
5 yrs	15%	5 yrs	12.5%
6 yrs	17.5%	6 yrs	15%
7 yrs	20%	7 yrs	17.5%
8 yrs	22.5%	8 yrs	20%
More than 8 Yrs	25%	9 yrs	22.5%
		10 yrs or more	25%

NB…A point to check…make sure that the lawyer you engage is not compromised by 'conflict of interest' in the Retirement Village.

Terminology and further explanations;

TENURE - THE RESIDENT AS A HOUSEHOLDER

Why are there several types of ownership?

"Tenure" is used to describe the different legal bases for various forms of occupation or ownership rights.

All forms of tenure are controlled by specific legislation in each State which ensures your tenure rights are secure.

Different villages use different legal forms of tenure such as strata title ownership, leasehold estates, licences to occupy or company share arrangements with related residency entitlements.

All ownership arrangements will include provisions for the ongoing management o the village. This ensures that the character of the village you have chosen cannot be changed without the approval of the residents.

The quality of life you enjoy at the village is part of what you are securing! It also contributes to the future value of your villa.

It is acceptable for a village to have different types of tenure for different types of accommodation.

You should consult your solicitor to ensure you fully understand the particular tenure arrangement at the village of your choice.

How is the resale price of our villa or apartment determined and is there any restrictions on who may buy it?

As with all residential property, "resale" or "occupancy" prices are determined by 'market forces'. But it is reassuring to realise how many additional benefits add value to the resale potential of your villa. These include sound management and the preservation of attractive and relevant services and amenities designed to enhance retirement living.

It is to preserve the integrity of this concept that most villages stipulate residents must have reached an age of at least 55 years.

Another feature of village life is that management will either take responsibility for, or will assist you or your estate in the resale process. The terms of any repayment due to you or your estate will vary from village to village, and will usually depend upon resale or re-occupancy payment at settlement.

MANAGEMENT ACCOUNTABILITY

What does the maintenance charge cover?

The regular maintenance or "outgoings" charge payable fortnightly or at some other interval covers the running costs of the entire village. These may include the upkeep of the village facilities, the staff working for the common good such as attending to the call buttons, gardeners/handymen, receptionists and cleaners. All statutory charges such as council, water and sewerage rates arising from common areas are paid from the maintenance fee. So are Council, water and sewerage rates in relation to your private accommodation may also be included in the maintenance charge at some villages. If not, they will be payable directly by you.

How is the maintenance charge determined and can it increase?

The basis of calculating the maintenance charge is fully explained in the residency agreement.

Once the charge has been sent it is usually reviewed annually, and if necessary increased in line with increases in the village outgoings.

Any annual increases will be fully justified, as villages are most careful to keep fees to an affordable level.

When planning the budget for the year ahead, village management consults with residents through their representatives on the village committee. The degree of involvement and influence which residents have in management decisions depends on the type of tenure, on the management practices at that village and on the regulations in each State which govern such matters, including Fee increases. This is a subject to raise when talking to village residents and management during your visit.

Long Term Maintenance Fund (Sinking Fund);

A fund usually set up for budgeted, unplanned expenses or long term maintenance, eg, external painting etc.

How does government legislation protect the rights of village residents?

Retirement Village legislation has been enacted in every mainland State, which reflects the collective input of village residents, community groups and the retirement village industry.

While the legislation is not uniform it addresses a range of common issues. You should discuss with your (Independent) solicitor the specific provisions in your State. These issues may include residents' financial interests, from the regulation of service fees to the details of termination arrangements, the relationship between the owner, resident and manager including the methods of dispute resolution and the right of residents to a voice in management.

Legislation sets clear standards for the supply of information to residents at every stage of their contact with village life, from the earliest public advertising and disclosure of details about the village through to the supply of a clear explanation for calculating settlement deductions and refunds.

Member villages understand the legislation of their State and must ensure their absolute compliance as a prerequisite of Accreditation.

What is Village Accreditation?

Village Accreditation is the Association's formal method of assessing that member villages meet its high standards of excellence in customer satisfaction. It is a national scheme and we expect all stages of the process to be completed by the end of 1997.

Once accredited, villages can display a certificate to show that they have been scrutinised by the independent accreditation committee in their State and have achieved the high standards of management and service to residents set by the national body.

Accreditation is a pre-requisite for membership of the RVAA and will give you confidence in your choice of village.

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Regulations are only effective if they are supervised, policed and prosecutions delivered. Over the years seniors have been subjected to incorrect financial decisions that have affected their lives for years following.

*Your best advice is to seek **Independent** legal opinion before entering agreements of a financial nature.*

Remember that your income as a senior is generally 'set' and therefore you have little scope for extra income.

Recently the Minister for Ageing, Kevin Andrews visited residents of a retirement village as part of a fact-finding mission on issues facing seniors. The topics covered by the Minister of Ageing were retirement income and savings, mature age workforce and aged care.

We look forward to the Ministers report!

(This compilation is based on information from various sources, notably Council on the Ageing (COTA), also the Early Planning for Retirement Association (EPRA), the Retirement Villages Association of Australia (RVAA) and government consumer agencies in NSW, Queensland and Victoria. The Money Magazine, RECA, About Seniors.com, and various other contributors.)

31 Dec '02
Current Age Pension rates =$358.40 each per couple per fortnight.
" Mature Age allowance = $338.10 each per couple per fortnight.

This paper has been prepared in the interests of Seniors generally, and not for any person or group…….Richard D Holmes (WA)…. January 2003
http://au.geocities.com/senior_matters_senior