

I welcome the opportunity to make a submission to the Productivity Commission Inquiry into 'Caring for Older Australians'. I write as one who had a mother in a church run retirement village, later parents-in-law in a retirement village owned by a corporation. Now my husband and I are having to deal with the consequences of a situation I outline below.

First, I endorse the comments of the *Retirement Village Residents Association* (RVRA) that the retirement village is a wonderful model for living for people as they age. Our three parents were reluctant to enter the villages but found care, stimulation and companionship there. However, today I would advise friends against buying into retirement villages until the lack of protection currently afforded residents is rectified.

My mother's experience – in a church owned and run Village - exemplified the RVRA's reference to the beginnings of the industry in 'the charitable work of organizations such as churches', in contrast to today's reality of the elderly being a 'demographic', a target whose 'wealth' is to be tapped by private entrepreneurs and corporations – my in-laws' experience. They bought into a village (call it Village B) operating under the strata scheme. It looked much like my mother's village (Village A), had the same kind of facilities and services, and the standard of care was similar in both places. Both were in modest hostel accommodation. The crucial difference was that Village B was ostensibly 'run' by an Owners Executive Committee (OEC), as is legally the case with strata plans.

We ourselves are apartment-dwellers, members of the OEC and sub-committees of our strata. We know all too well that the responsibility is time-consuming, and that decisions to be made are complex and sometimes difficult. Yet the elderly people who come to live in a Retirement Village of the hostel type *precisely because* they no longer want the responsibility, or are no longer capable, of maintaining themselves and their homes have (usually without realizing it, and with no previous experience of strata living) been given the task of managing something much larger and more complicated than a family home,

When my father-in-law went to an Annual General Meeting he was prodded by a staff member to 'put up your hand, Ted' when they were trying to elect an Executive Committee. Ted was duly 'elected'. He was almost blind (and couldn't read very well anyway); almost totally deaf; and over 90 years of age. With others of similar capacity on the OEC, 'decision-making' would have been a farce.

I must admit we took little interest in the governance of the village while my father-in-law was alive. Finding appropriate accommodation for them was urgent, it was their choice, and we had no problem with their and our relations with the

operator. It was only after they both died and we could not sell his unit that we had to look more closely, to find a situation that we could not have anticipated:

- there was no sinking fund to speak of;
- rates and levies (increasingly, special levies) continue to be charged, with a departure fee yet to come;
- the building was probably defective to begin with and has deteriorated to the point where demolition may be the best option – supposing that agreement could be reached among owners on such a decision.

Now we, along with other ‘beneficiary (!) owners’ (that is, children of deceased residents, now getting old ourselves) are trying to find a solution that will involve balancing our needs against those of today’s residents who still occupy about half the hostel units (the rest cannot be sold given the condition of the property).

We had assumed, along with many of those who enter retirement villages, that traditional notions of care and protection for the aged still apply. What they and we failed to appreciate is that corporations ensure that all risk in the enterprise is transferred onto residents’ shoulders, and all profits go to the operators/corporate owners. Governments have effectively abandoned the vulnerable elderly to the marketplace without putting proper safeguards in place.

I strongly endorse two suggestions put forward by the RVRA:

- 1) That the Federal government assume overall responsibility for retirement villages, hostels and nursing homes. These living arrangements form a continuum and there is typically transition from one to the other; no wonder there is confusion.

This assumption of responsibility would entail scrutiny of the governance of villages, with proper procedures in place to provide guidance and information to residents. Our little Landcare group has to submit an annual financial statement to the NSW Department of Fair Trading, with fines if we are more than a month late. Yet the Department seems to exercise no scrutiny of the affairs of Villages that affect people’s lives much more significantly.

- 2) That there be standard contracts for each type of financial arrangement for accommodation. Even in the same Village, residents’ contracts can differ from one another – a cynical suggestion being that this is to minimize the potential for class actions.

I support the RVRA’s conclusion that the retirement village ‘industry’ is in desperate need of restructure and reform, and fervently hope that this Inquiry will lead to the necessary reforms being effected.