

29 April 2017



*The voice of aged care*

Retirement Villages (Contractual Arrangements) Regulations  
Policy and Corporate Services  
Consumer Affairs Victoria

Email: [cav.consultations@justice.vic.gov.au](mailto:cav.consultations@justice.vic.gov.au)

Dear Sir/Madam

### **Re: Retirement Villages (Contractual Arrangements) Regulations**

Leading Age Services Australia (LASA), as the peak national body for the aged care industry, in Australia, welcomes the opportunity to provide considered comments on the proposed changes to the Retirement Villages (Contractual Arrangements) Regulations 2017.

LASA notes the existing Regulations covering retirement villages in Victoria will be 'sunsetting' on 31 July this year, and the current industry/public consultation process is part of a broader commitment by the Victorian Government to regulation review and reform. As a general principle, LASA supports regular, open, rigorous and transparent review of government regulations to ensure they continue to be 'fit for purpose'.

The Regulatory Impact Statement (RIS) issued as part of the industry/public consultation process identifies (at Table E.1) three potential options for a new regulatory framework. To cover contractual arrangements operating in retirement villages in Victoria.

In broad terms: Option 1 involves continuing to allow residents of retirement villages to fund their residency through either a Daily Accommodation Payment (DAP) or a Refundable Accommodation Deposit (RAD);. Option 2 would embrace Option 1 (maintaining both the DAP or RAD approaches) but with grandfathering provisions for those using the RAD approach; while Option 3 would be based solely on a DAP approach.

LASA has consulted intensively with our Members in developing this response. Taken as a whole, our Members are comfortable with either Option 2 or Option 3 (smaller operators of retirement villages were inclined to favour Option 3, while larger operators were inclined to favour Option 2, although 'either could live with the other Option').

However, Members expressed concern at the reference (at page xiii of the RIS) to the prospect of Consumer Affairs Victoria (CAV) monitoring the effectiveness of the new arrangements through "*random audits on retirement villages conducted by CAV*". Members regard such random audits as an additional compliance burden and cost impost on their business operations. Members also observed shortcomings in the RIS with regards to value, associated costs and the 'case for change' for the implementation of random audits.

If there is a policy intention within the Victorian Government to proceed with a new audit regime, then the RIS should be revised and reissued with a full and proper assessment and robust evaluation of the costs and benefits (including any additional burden placed on the retirement village industry). This should also be accompanied by an appropriate industry consultation process.

Should you wish to discuss any aspect of this correspondence, or indeed any other aspect of the RIS and related materials, please do not hesitate to contact Ms Jo Thomason, our Principal Advisor – Retirement Living and Seniors Housing ([jot@lasa.asn.au](mailto:jot@lasa.asn.au)).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Rooney', written in a cursive style.

Sean Rooney  
Chief Executive Officer