

ACCC

Email: adjudication@acc.gov.au

Subject: CTM 1605921 - Lifemark Village Pty Ltd - comment

I was asked for my comments on the above by Mrs Jan Pritchett, President of the Retirement Village Residents Association. As she died suddenly on September 20 I decided to submit this on my own behalf.

I work from the circular letter dated 31st July 2014 put out by the Property Council of Australia – Lifemark Village Scheme and (copy attached) and your letter dated 4 September 2014 (Reference TRACKIT 55310).

Briefly from our own experience the Retirement Village Residents' Assoc (RVRA) has got to oppose this because this amounts to *'a minimal operational and service requirements to continuous improvement'*. This phrase appears on the letter from ACCC dated 4th September 2014.

Background

I am an interested party to this application I joined the Retirement Village Residents' Assoc in 2001 and subsequently held the position of Treasurer till 2007 took over again after 12months break in 2008 then handing over the reins and became a Committeeman until 2011 I was subsequently given a Life Membership. I have nearly 15 years experience in living in a village

Accreditation was only meant to be a 'marketing tool'. In our case we noted when we looked through the Village here originally in 1999 that they had an **RVA Accredited Logo** on the doors of the small hall. This convinced us that the Village was an up and honest entity (how naïve were we). Some two or three years later through a contact with an RVA employee I mentioned the matter to her and eventually she wrote under the RVA banner to our Management to remove the said Logos as they were no longer accredited with RVA and had not been for some years prior. In other words we were hoodwinked into believing we were entering an accredited village but we soon learnt it was not. I can see the same happening with the Trademark that it will be accidentally (on purpose) left on documents, doors and other items etc. stating that they are what they are not. It is only a marketing ploy, as stated above and another way of "ripping off" prospective/current residents. You would currently be aware of the 'glossy brochures and slick salesmen' that promote the Industry in which the residents of retirement villages pay for all aspects (including some capital maintenance) in return for a living space only, as well as growing the Operator's business.

I do not believe this certification for a trademark is going to benefit **RESIDENTS** in retirement villages anyway, nor do anything to bring (i.e. thinking residents) and Operators to closer reconciliation. It probably will only enhance the existing system i.e. "You scratch my back and I'll scratch yours" or in other words "put the fox in charge of the henhouse".

The Application covers six areas plus 4 other aspects, but **does not include the main ingredients** from a consumer's point of view in regard to a village and its financial matters. This was raised by RVRA with the Retirement Villages Association (RVA – Operators Assoc.) sometime back and RVRA indicated that accreditation **should be subject** to a Government or independent body to carry out this function. About this time the ACSA (Churches Group) had a joint deal with RVA re Accreditation however sometime later (say a year) ACSA pulled out. I can only surmise that what RVA was proposing did not meet their expectations or covered the grounds that ACSA wanted.

A giant leap for the Retirement Living industry

Yes the Operators, Owners and Developers are the only ones that will benefit. Various schemes for Accreditation were put forward by the RVA the predecessor to the Retirement Living Council and Lifemark Pty Ltd through the years and not one has benefited the residents in retirement Villages mainly in the field of finance these are still omitted.

Improved Industry Standards with a resident focus

This appears to be a misnomer. Residents may benefit, but will undoubtedly pay for it, with very little input by them

Lifestyle

Social activities – Yes most Villages have a Social Committee to run resident activities

Transport – Most villages would have some sort of Transport for shopping at local supermarkets and large malls

Resident involvement in decision making – The only resident input is generally by the Residents' Committee it has the ability to make suggestions to Management, but 90% side with Management

Support

Information - Yes this is given, but there is never any financial matters brought to the fore

Residents orientation – This is generally one-sided you residents take us to the Tribunal and win we will take you to a higher Court

Communication – Most oral communication is okay, but written communication can be very frugal and in many cases non-existent

Satisfaction – Feedback (Suggestion Box etc.) and open door policy if to succeed has to have two way communications and not be one-sided. This is often the case Management receives information and does not pass it on to residents

People/Staff

Dignity and Privacy – I would only give this a below the line indication

Performance of employees and volunteers – This is a best dependent upon Management. Manager, good supervisor this functions well. Manager, poor supervisor or not caring then this function is weak. I would state from experience that a majority of retirement villages fall into the latter category

Staff orientation – is strictly dependent solely on the owner/operator where in many villages nepotism flourishes as do 'Mates rates'

Performance Management – The system is not followed out by an independent organisation, but by themselves, who is not going to pat their back (vide comment end of submission re NCIS international). The surveys are carried out by management with residents in some villages, but generally the thinking residents are in the minority and the survey never attracts much more than 40% of residents responding. Approximately of these 90% go along with the management line. The majority of the residents are in the 75+ years category (with 80% women), who generally will not speak up or buck the system on the premise that they would not have the funds to fight a court case

People development – Staff Training is an essential in any environment these days I would think this category has multi tiered aspects and in the case will depend on either the nepotism or the outsider in numerous villages the former is the norm and is the prerogative of management – the outsider would be difficult to assess

Safety

Security – Is part of the Act and Regulations that governs the industry and management would have to comply

Signage - is an essential as many villages are a sprawling complex and without adequate signage it would make it difficult for emergency vehicles plus trades people and residents' visitors to find their way around the complex

Emergency procedures - All villages should already have plans for floods, cyclone and tsunami in their areas and have set them aside to cover any natural other type emergencies that could occur. This should be a 'must'

Disaster planning – The same comment as the one above applies

Regulations

Food and catering – This should be covered under the ANZFA (Aust & NZ Food Authority) Regulations should be compulsory in the industry, where catering is done including by Residents' Committees

Financial Management – This area is covered by the contractual matters and should be held by management

Compliance – You only have to look at the Tribunal to see that compliance is an essential and often management will ignore it, then everything falls back on the Residents' Committee. Few residents' committees will stand up to management (vide previous comments)

Occupational, Health and Safety - This is LAW – our village basically complies except for the pink batts fiasco where contractors did not. Thus all villages **should** comply

Insurance –The R.V. Act & Regulations stipulate what insurances a village **must** have and compliance is necessary

Village Policy

Dispute Resolutions – Each Village should be complying with the LAW

Resident Meetings - This section is covered by the Act and refers to the meetings that management must hold with the residents and must comply

Maintenance – The biggest ‘bug bear’ of the industry for residents – what is normal maintenance? And what is capital maintenance? Residents do not get to see financial accounts, therefore one can never be sure what one is paying for. Residents supply most of the money to grow the operator’s business they (residents) pay all expenses generally without sighting any documents supporting them.

Third Party Auditors

As stated in previous paragraph residents pay most expenses except the Audit fees and have to rely on the integrity of the Auditor to check the operator’s accounts and verify their veracity in what is a management expense and what is a village expense – this has been explained in previous comments and could be likened to the ‘fox put in charge of the hens’

Benefits to Retirement Village Operators

Independent Auditors – vide comment previous paragraph

18 months on site surveillance - Who is going to pay? Answer: The residents

Simple and more equitable cost – Once again the Act says the Operator pays, but does he?

Finally

We already know that the majority (estimated about 80% +) enter a village on the details that they see in the glossy brochure and hear from the slick person who is selling the units or telling them all sorts of good stories as to why they should enter this particular village, which they eventually learn is nowhere ‘cracked up to be as good as it was made out to be’. This generally occurs only to thinking people down the track and they start asking management questions that rarely get a satisfactory answer.

NCS International Pty Ltd an independent 3rd party is this just a ‘furphy’ to indicate an outside organization? A check on the internet now reveals that it is a marketing/business orientated organisation and would have little to offer consumers. Note the following from the website: “BSI and NCSI. BSI, the world's first National Standards Body, founding member of ISO and fourth largest global certification body has acquired NCS International Pty. Ltd.”

ACCC’s Role in Assessing

A CTM – indicates a particular standard. Who is going to follow up? Answer – “no one”. This would be similar to putting the fox in charge of the hen house.

A CTM is supposed to protect consumers? I ask the same question as in the previous sentence and get the same answer. ACCC will assess goods and services meet requirements. Here again it is only a “will” not a “shall”. How shall this protect consumers? Answer “it shall not”.

Conclusion

Despite the prophetic statements by Lifemark Pty Ltd, as far as retirement village residents are concerned there is no material benefit to them and that its approval will only add a cost burden to the amount of charges they already have to meet.



A giant leap for the retirement living industry

The retirement living industry has launched a new accreditation scheme that provides a professional quality assurance framework for villages, using the most rigorous standards.

The Lifemark Village Scheme replaces the Australian Retirement Village Accreditation Scheme (ARVA), and builds on its fine track record in accrediting many hundreds of high-quality retirement living communities across Australia.

Lifemark is geared towards continual improvement, and assists operators and villages to be more accountable and responsive to village residents, which in turn safeguards the industry against unnecessary regulatory intervention.

Improved industry standards with a resident focus

The Lifemark Village Scheme standards have been devised to ensure that all people in our communities live in ethically managed villages, and enjoy a comfortable and safe lifestyle.

Lifemark also provides a strong platform for operators to assure prospective and existing residents that they are committed to standards that go well beyond what the law requires.

The Lifemark Village Scheme has 26 standards, which align with international standards and capture the essence of high performance from a resident's perspective. The standards are divided into six categories of village performance:

- **Lifestyle:** social activities, transport, resident involvement in decision making
- **Support:** information, resident orientation, communication, satisfaction
- **People/staff:** dignity and privacy, performance of employees and volunteers, staff orientation, performance management, people development
- **Safety:** security, signage, emergency procedures, disaster planning
- **Regulations:** food and catering, financial arrangements, compliance, occupational health and safety, insurance
- **Village policy:** dispute resolution, resident meetings, maintenance

Third party auditors – greater independence

A professional accreditation body, BSI featuring NCS International, has been contracted to independently administer the Lifemark Village Scheme.

BSI is one of Australia's largest and most experienced accreditation and certification bodies. It audits dozens of schemes for a variety of industries and complex consumer-oriented businesses, including Woolworths and McDonalds, and health and human services providers.

BSI is responsible for the appointment, training and development of auditors, and all aspects of the accreditation process.

Benefits to retirement village operators

The key benefits to retirement living communities from accreditation under the Lifemark Village Scheme include:

- Independent auditors, which will give residents greater comfort as to the independent nature of assessments, screened for conflict of interest with villages (residents, managers or owners);
- The introduction of a new 18 month on-site surveillance check, the most rigorous for any industry association;
- A new, simpler and more equitable annual fee structure that takes into account the size of the village operator;
- Operators with two or more sites and centralised head office systems will be audited by a multi-site sampling and head office method, in recognition of the evolution of operational systems for many multi-village owners.

Applications for Lifemark accreditation

All queries and applications are processed by BSI. Visit their [website](#) or email marketing@ncsi.com.au for more information about the Lifemark Village Scheme.

The Lifemark Village Scheme (Scheme) is intended as a positive means of attaining and improving the quality of retirement village operations.

The Property Council of Australia ACN 008 474 422 and Lifemark Village Pty Ltd ACN 162 592 921 (including their directors, officers, employees and agents) specifically disclaims any liability for any loss or damage arising out of, or in any way connected to the Scheme.

By continuing to access the Scheme's web pages or any of the documents related to the Scheme, applying for accreditation under the Scheme, residing at a retirement village which is accredited under the Scheme or whose owner and operator is accredited under the Scheme or visiting a retirement village which is accredited under the Scheme, you indicate your acknowledgment and acceptance of this disclaimer. If you do not accept these terms and conditions, you must not engage in any of the above mentioned activities.

- [Lifemark Introduction and Q&A](#) (604Kb)
- [Lifemark Standards](#) (957Kb)
- [Lifemark Scheme Rules](#) (711Kb)

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