

## **MEDIA RELEASE**

**Tuesday, 10 April 2012**

### **Retirement village contracts confusing for consumers, says consumer group**

The Consumer Action Law Centre says a case in which it is assisting an elderly retirement village resident with her dispute before the Victorian Civil and Administrative Tribunal (VCAT) demonstrates the overly complex nature of some retirement village contracts.

Consumer Action's client initially lodged her dispute with VCAT because she couldn't identify who was responsible for replacing her hot water system. However, a Deputy Registrar of the Victorian Civil and Administrative Tribunal (VCAT) rejected the case stating that it appeared that the dispute did not arise from the supply of goods or services in commerce and trade as defined in the Fair Trading Act 1999 (Vic). After seeking Consumer Action's help, the elderly resident was successful in having this decision reviewed and the Registrar was ordered to accept the client's application.

Carolyn Bond, co-CEO of Consumer Action said, "The fact that there is a dispute between a resident and the retirement village operator about who is responsible for an activity as simple as replacing a hot water system illustrates the need for greater clarity in retirement village contracts.

'We've seen contracts that are far longer than is necessary and language which would confuse the best of us—many lawyers find these contracts confusing. Other industries have been made to simplify their contracts in the past, and it's now time for retirement villages to get their act together,' said Ms Bond.

Consumer Action welcomed the work Consumer Affairs Victoria is doing with community and industry representatives, particularly around best practice in a range of key areas, but believes the industry needs to be more willing to work to simplify their contracts.

'It is well known that complex retirement village contracts can cause problems for residents. We shouldn't have to rely on a regulator's intervention, the industry needs to be proactive about simplifying contracts. With the population ageing, these issues will affect more and more Australians over the coming decade so the time to act is now,' said Ms Bond.

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**Media Contact: Gerard Brody, 0413 299 567**

**Consumer Action Law Centre**

Level 7, 459 Little Collins Street  
Melbourne Victoria 3000

Telephone 03 9670 5088  
Facsimile 03 9629 6898

[info@consumeraction.org.au](mailto:info@consumeraction.org.au)  
[www.consumeraction.org.au](http://www.consumeraction.org.au)