



18/08/10

General Manager
Markets Branch
Australian Energy Regulator
GPO Box 520 Melbourne VIC 3001

To whom it may concern

AER Retail Exemptions

RVA Submission

The Retirement Village Association has our residents' and village operators' best interest in mind. It is our prerogative to fully support and ensure that AER's Approach to Retail Exemptions does not apply to our industry nor has a negative effect on the benefits residents are currently experiencing.

RVA

The Retirement Village Association (RVA) Ltd is Australia's peak body for the retirement village industry.

The RVA represents over 800 village and associate members nationally and plays a critical role in the ongoing growth and sustainability of the retirement village industry.

The overall industry represents approximately 160,000 residents across Australia.

With five regional offices located in Brisbane, Sydney, Melbourne, Adelaide and Perth, RVA membership consists of retirement village operators, managers, owners, developers, investors and industry specialists across Australia. As the leading industry voice, the principal objectives of the RVA are to:

- lead the building and growth of a sustainable and responsible industry;
- advocate and strengthen our relationships with local, state and federal governments to ensure the best legislative outcomes for the retirement village industry;
- encourage industry excellence and best practice through accreditation and facilitate quality improvement through an effective and relevant professional development program; and

- support and promote the benefits of retirement villages as “the preferred choice of lifestyle for senior Australians”.

Summary

In response to AER’s Approach to Retail Exemptions; we put forth the following letter of submission.

- As the peak body of the industry we are keen to ensure that the new framework/changes regarding exempt selling is not going to negatively affect the retirement industry.
- The RVA advises the AER to think about what the future holds, which is that the industry will be even more critical given the growth of 5 million people over the age of sixty-five over the next forty years. Consider that on the current penetration rate of people moving into retirement villages, Australia would require an additional 2800 villages.
- Our members are committed to models of high quality and affordable housing that can deliver flexible care that caters for people’s specific situations and circumstances. Since most Retirement Village consumers do not have an income, or often live off of their pension, they benefit from living in an environment where critical mass of consumers enables significant bulk discounts.
- This may now be referred to as service integrated housing. A recent report by the Australian Housing and Urban Research Institute (AHURI) described service integrated housing as

“...all forms of housing for people in later life where the housing provider deliberately makes available or arranges for one or more types of support and care, in conjunction with the housing provision”.
- Embedded networks allow for Retirement Villages to make an alternative option available to their residents, which is in fact competitive for consumers.
- The Retirement Village act, legislation and regulations protect residents from unfair services fees/prices and enable the ‘opt out’ choice of embedded networks at any time ensuring competition.
- Retired and vulnerable Retirement Village residents are provided with embedded networks that are less complex and easier. There are multiple benefits that residents take advantage of; there is no application process and therefore no worry about being rejected, they do not incur any connection fees and they are immediately supplied.
- The points of view of exempt sellers and residents of Retirement Villages should be taken into account so that AER can produce an accurate and fair framework for our industry.

Conclusion

The RVA does not support taking Embedded Networks away from Retirement Villages due to the direct loss in benefits and care that operators are able to provide residents through the current

framework. The RVA would also like to state their support in Network Energy's letter of submission.

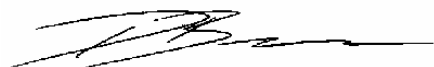
Embedded Networks should be a right for residents and retirement village operators as they provide additional competition for a disadvantaged segment of our population. The RVA strongly represents its members view on this issue and will continue to support and lobby to ensure inappropriate action is not taken.

Disclaimer

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Please contact David Bruce, National Operations Manager, on (03) 9670 2419 if you have any questions in relation to this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Bruce', with a horizontal line extending to the right.

DAVID BRUCE
National Operation Manager
Retirement Village Association Ltd