



# ***COMMUNITY SUPPORT AND SERVICES COMMITTEE***

**Members present:**

Ms CP McMillan MP—Chair  
Mr SA Bennett MP (virtual)  
Dr A MacMahon MP  
Dr MA Robinson MP  
Mr PS Russo MP  
Mr RCJ Skelton MP (virtual)

**Staff present:**

Ms L Pretty—Committee Secretary  
Ms R Mills—Assistant Committee Secretary

## **PUBLIC BRIEFING—INQUIRY INTO THE HOUSING LEGISLATION AMENDMENT BILL 2022**

### **TRANSCRIPT OF PROCEEDINGS**

**MONDAY, 14 NOVEMBER 2022**

**Brisbane**

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**The committee met at 1.31 pm.**

**CHAIR:** I declare open this public briefing for the committee's consideration of the Housing Legislation Amendment Bill 2022. I would like to respectfully acknowledge the traditional custodians of the land on which we meet today and pay our respects to elders past, present and emerging. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander peoples, whose lands, winds and waters we all share.

On 27 October 2022 the Hon. Leeanne Enoch, Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts, introduced the bill into the Queensland parliament. On the same day the bill was referred to the Community Support and Services Committee for detailed consideration. The purpose of today is to assist the committee with its deliberations and the examination of the bill.

My name is Corrine McMillan. I am the member for Mansfield and the chair of the committee. With me here today are: the deputy chair of the committee, Mr Stephen Bennett, the member for Burnett, who is attending via teleconference; Dr Amy MacMahon, the member for South Brisbane, who is substituting for Mr Michael Berkman, the member for Maiwar, who is unable to attend today; Mr Peter Russo, the member for Toohey, who is a substitute for Ms Cynthia Lui, the member for Cook, who is unable to attend today; Mr Robert Skelton, the member for Nicklin, who is attending via teleconference; and Dr Mark Robinson, the member for Oodgeroo.

The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. The proceedings are being recorded by Hansard and broadcast live on the parliament's website. Media may be present and will be subject to my direction at all times. The media rules endorsed by the committee are available from committee staff if required. Those present today should note that it is possible you might be filmed or photographed during the proceedings by media and images may also appear on the parliament's website or social media pages. I ask everyone present to turn mobile phones off or to silent mode.

Only the committee and invited officers may participate in the proceedings. As parliamentary proceedings, under the standing orders any person may be excluded from the briefing at the discretion of the chair or by order of the committee. I also ask that any responses to questions taken on notice today are provided to the committee by 12 pm on Friday, 18 November 2022. The program for today has been published on committee's webpage and there are hard copies available from committee staff.

**CURTIS, Mrs Mary-Anne, Associate Director-General, Housing and Homelessness Services, Department of Communities, Housing and Digital Economy**

**POLLARD, Ms Lisa, Manager, Legislation and Reform, Housing and Homelessness Services, Department of Communities, Housing and Digital Economy**

**SAMMON, Mr Damian, Director, Legislation and Reform, Housing and Homelessness Services, Department of Communities, Housing and Digital Economy**

**WRIGHT, Ms Ange, Acting Executive Director, Strategic Policy and Legislation, Housing and Homelessness Services, Department of Communities, Housing and Digital Economy**

**CHAIR:** I welcome each and every one of you. I thank you for all that you do for some of the most vulnerable people in our state. I invite you to make an opening statement. After that, committee members will have, I am sure, many questions for you.

**Mrs Curtis:** I too would like to acknowledge the traditional owners of the land on which we meet today and pay my respects to elders past, present and emerging. I thank the committee for the opportunity to provide a briefing on the Housing Legislation Amendment Bill 2022, which amends the Brisbane

Housing Act 2003, the Housing Regulation 2015 and the Retirement Villages Act 1999. I am joined today by my colleagues from the department who will help in providing information to assist the committee in its consideration of the bill.

The Housing Act amendments in the bill deliver on the Queensland Housing Strategy 2017-2027 commitments to boost the supply of affordable and social housing and increase private-sector investment in Queensland. The bill also contributes to increasing consumer protections and reforming the legislative framework for retirement villages. It contributes to finalising reforms to retirement village financial statements as per the commitment in the Housing and Homelessness Action Plan 2021-2025, and it is action 17.

Firstly, I turn to the Housing Act and the creation of administrative advices that enable the Homes for Homes donation deed model to operate in Queensland. Homes for Homes is a not-for-profit social enterprise established by the *Big Issue* magazine. It generates funds from donations to invest in social and affordable housing. Funds are raised when a developer, homeowner or other property owner agrees to donate all or part of the sale price of a nominated property or land to Homes for Homes. Homes for Homes then allocates funds raised to third-party experienced housing providers to apply to social and affordable housing projects. Homes for Homes advises that since its launch the initiative has allocated \$1.28 million to projects, housing 96 people.

In other jurisdictions the Homes for Homes model involves a property owner signing a donation deed and granting Homes for Homes an interest in their property, which is secured by caveat. The caveat reminds the seller of their agreement to donate at the time of sale and, unless removed, remains on the title when the property is transferred. The existence of the caveat also invites the transfer of the donation agreement attached to the property to the next owner, creating an ongoing source of funding from the property for Homes for Homes. Although participation in the scheme is completely voluntary, Homes for Homes advises that the majority of purchasers of properties subject to a donation deed decide to continue with the initiative on the purchase of the property.

Homes for Homes has for some time sought to expand the initiative in Queensland. However, Queensland's land titling laws do not allow for the use of caveats in the same way as other jurisdictions. To clear the way for this initiative to expand into Queensland, the Housing Legislation Amendment Bill 2022 will amend the Housing Act to permit a non-profit organisation which is a party to a charitable donation deed to require the registrar of titles to record an administrative advice noting the existence of a charitable donation deed on a land title record. A 'non-profit organisation' is defined as an organisation registered or taken to be registered as a charity under the Collections Act 1966 and prescribed under the Housing Regulation 2015. The bill amends the Housing Regulation 2015 to prescribe Homes for Homes Ltd as non-profit organisation.

The recording of an administrative advice will not give Homes for Homes any interest in the property and does not prevent a person from registering an interest in a lot or exercising their rights under a registered interest nor prevent the releasing or surrendering of a registered interest. However, an administrative advice will serve as a reminder to make the donation at the time of sale as per the voluntarily entered donation deed and support opportunities for the transfer of donation agreements related to properties from one owner to another. In this respect, its function is similar to the caveats used in other jurisdictions. Any owner, buyer or future buyer who acquires a land title with an administrative advice recording the existence of the donation deed and who chooses not to participate can withdraw the land from the initiative and terminate the donation deed at any time at their discretion.

The amendments to the Housing Act require funds raised by Homes for Homes in Queensland to be allocated to social and affordable housing projects in Queensland by including this purpose in the definition of 'charitable donation deed'. Future funding allocations from funds raised in Queensland will be determined by a Queensland advisory group that will advise on priority housing needs and assess funding applications. The advisory group established for Queensland includes the Director of the National Housing Finance and Investment Corporation, the CEO of Q Shelter and the former CEO of Access Housing and Housing New South Wales.

I turn now to retirement villages. Retirement village residents make a significant financial investment, similar to purchasing a residential property, to move into a village and then pay ongoing fees for general services and maintenance of the village. Residents' tenure is commonly leasehold or licence, with a small percentage of freehold units. The Retirement Villages Act 1999, often referred to as the RV Act, places obligations on retirement village operators to maintain funds and prepare annual budgets for general services for village operations, maintenance and capital replacement, and quarterly and audited annual financial statements; and obtain a yearly quantity surveyor report for expected maintenance and capital replacement costs over the next 10 years. The bill will amend the

RV Act to deliver more consistent, transparent and accountable financial reporting by village operators to residents and the department. A new object in the RV Act will strengthen its purpose and commitment to financial transparency of retirement village operations and the accountability of operators to maintain public confidence in Queensland's retirement village industry.

The bill contains a new separate head of power for a regulation to prescribe the form and content of financial documents, including the presentation of information, standards or principles, operator statements or declarations and disclosure notes. For example, a regulation may require the disclosure of the accounting standards used in financial statements, budget and actual comparison amounts; or information about the allocation of shared expenses between the village and other onsite businesses—for example, a cafe or hairdresser, or corporate head office or co-located aged-care service. It may also require disclosure of an operator's related party transactions, operator liabilities to former residents, explanations for surplus and deficits and other related matters. Other amendments clarify provisions in the RV Act, including to ensure all operators meet their obligations for fixing and paying their capital replacement fund contribution annually.

The ability of residents and residents' committees to participate in the financial operations of the village will be enhanced by ensuring all residents have access to three draft budgets and the quantity surveyor reports used to prepare those budgets. Operators will also submit annual quantity surveyor reports to the department and these will be retained on the public register. There are new and amended penalty provisions to ensure a consistent and proportionate approach to offences for operator noncompliance, with requirements for budget and financial statements including any new requirements made under regulation. The regulator's communication with residents and operators will be enhanced by providing for the chief executive to make and publish guidelines about administering the RV Act, the attitude likely to be adopted on a particular matter or to help people comply with the RV Act. The guidelines do not have legal effect but are to inform industry and residents of the department's position on certain matters and compliance with the RV Act.

The RV Act amendments will commence on assent; however, the detailed financial requirements will be in the regulation. The department will consult in the near future with key stakeholders through the housing legislation consultative group on a draft amendment regulation with proposed new financial requirements under the proposed RV Act, noting its progress is subject to the passage of the bill. The regulation will be made as soon as possible after the passage of the bill. It is intended for the regulation to apply for the budgets and financial statements for the 2023-24 financial year onwards. The department will also develop financial guidance material to assist operators, especially smaller operators, to implement these changes. This is consistent with the department taking an educative and capacity-building approach to assist operators to implement new requirements.

The bill will give residents and the department a clearer line of sight over operators' financial reports to ensure that residents' money is properly spent and accounted for, that residents' ongoing fees are set correctly and that operators are contributing and accumulating the necessary funds for ongoing maintenance and capital replacement in the village. This is important because residents pay ongoing fees for general services, operation and maintenance of the village on a cost-recovery basis. Operators are responsible for contributing to the capital recovery replacement fund.

Together, the proposed act changes and amended regulation are expected to reduce complaints and disputes as budgets and financial statements will be more transparent and accountable and operators will have clearer standards and guidance. Consultation with key stakeholders representing residents, seniors, operators and legal groups has occurred and will continue to ensure the financial reporting reforms increase consumer protections and are workable across villages of different types, sizes and corporate structures.

Thank you again for the opportunity to brief the committee today. We are very happy to take questions.

**Mr BENNETT:** Thanks for that comprehensive overview. I was curious about how Homes for Homes was selected over the many other not-for-profits that operate in Queensland, noting that Homes for Homes has given to Coast2Bay and I think some other charities in Queensland in the past.

**Mr Sammon:** Homes for Homes approached the department. They had already established their donation deed system and the system they established required the use of a permissive caveat to allow the donation system to continue to new ownership of the property. They had identified that Queensland's land titling law did not permit that use of permissive caveats in that way, so Homes for Homes approached the department. It is worth noting that Homes for Homes is not a builder itself; it

merely acts as a conduit, advised and informed by a Queensland panel of experts which provides advice to Homes for Homes about how funding that is raised through their donation deed model is best applied in Queensland.

As far as the department understands, the model that Homes for Homes offers is unique to Homes for Homes. It is theoretically possible, of course, for another not-for-profit organisation that complied with the legislation to establish themselves as an organisation to gather donations using the donation deed model. It is also worth noting that Homes for Homes have invested what appears to be a pretty significant amount of work in establishing the structures and the management support they require to operate their particular model. I hope that is a helpful answer.

**Mr BENNETT:** All of these initiatives are welcomed, considering the Housing Strategy and the needs in our communities. It is good to be able to debate these innovative models.

**Mr RUSSO:** Is it fair to say that there may be other non-profit organisations that could participate in a similar scheme?

**Mr Sammon:** Any housing developer in the sense of a community housing provider would be eligible to make applications through a grant round from Homes for Homes. With the way the legislation is at the moment, the nomination of Homes for Homes in the regulation that is set out in the bill would make it that Homes for Homes would be the organisation. It is theoretically possible for another organisation that sought to replicate the Homes for Homes model to in fact do that. However, as I said before, the department would consider that to be a relatively unlikely eventuality given how much work has gone into the development of the Homes for Homes model and the fact it has been rolled out in this particular way in other jurisdictions in Australia.

**Dr ROBINSON:** You mentioned other Australian states and territories. What level of consultation has occurred in terms of other organisations in other states with similar models or this kind of model?

**Mr Sammon:** Homes for Homes have indicated that their model exists in Victoria, the ACT, New South Wales and Western Australia. The department has not consulted with other interstate governments about the Homes for Homes model. In effect, other state governments do not have a very significant role to play in facilitating the operation of Homes for Homes because their system of land titling enables that use of permissive caveats so they have not necessarily had to make a legislative change to enable Homes for Homes to operate. Due to the way our land titling system works in Queensland, to enable that model to roll out the same way here as it has in other jurisdictions, the amendment to the Housing Act to permit the use of that administrative advice was required. It is a model that can exist without state government involvement in other jurisdictions, and that in fact is largely what has happened, from what I understand.

**Dr ROBINSON:** What level of success have they had over what period of time? Excuse me if I missed something there in any detail. Can someone give us a sense of why this is an effective way to do it?

**Mr Sammon:** I think in her opening remarks the associate director-general mentioned in broad terms how much money had been raised under the Homes for Homes initiative. Homes for Homes have developed some estimates of how much they believe their system is likely to raise nationwide. I note that the submission the department provided to the committee late last week indicates that Homes for Homes have advised that they have distributed grant funding of over \$1.28 million since 2017 for 13 social housing and affordable housing projects across Australia.

**CHAIR:** I have a question in relation to the involvement of the ATO. What consultation occurred? What are the implications for sale of a principal place of residence investment? Was there any involvement with the ATO?

**Mr Sammon:** The department has not consulted with the ATO. Homes for Homes have deductible gift recipient status and that is apparent from their website. It would be a matter for any individual circumstance and the advice that they received to work out what sort of tax deductibility would apply to them. Because Homes for Homes have tax deductible status in terms of the donations, that is something that people would need to explore on their own at the point of making that donation. Different rules would apply, for example, to individuals in different circumstances.

**Dr MacMAHON:** Can I clarify some of the figures? I think the associate director-general mentioned \$2.8 million and 96 people, but Mr Sammon just mentioned \$1.28 million across the country. Is that additional funding going into administration or other areas? Could you clarify that discrepancy?

**Mrs Curtis:** I am not sure whether I misspoke at the time, but it should have been \$1.28 million. I apologise if I got my numbers back to front.

**Dr MacMAHON:** Thank you. It is not a huge amount of money. Has there been any analysis of what other mechanisms the government could be using to raise funds for public and community housing and the efficacy of a voluntary scheme?

**Mrs Curtis:** As you are aware, there are a range of things currently being considered and funded through the second housing action plan and under the Queensland Housing Strategy. There have been a number of different initiatives that the Queensland government has invested in and announced as part of that. This is one additional way of attracting increasing funds to support the increasing supply of social and affordable housing. It is part of a suite of many things that are being considered. This is one particular limb and there are a range of other things—the Housing Investment Fund, our investment in the Queensland Housing Investment Growth Initiative, Help to Home and a whole range of other initiatives that are being funded at the moment.

**CHAIR:** Mrs Curtis, we can confirm that you did say \$1.28 million.

**Mr RUSSO:** Did the department talk to any other not-for-profit organisations in regard to this arrangement?

**Mr Sammon:** No. The department did not consult with other not-for-profit organisations about this arrangement.

**Mr RUSSO:** And that would be because these people came to the department with this proposal?

**Mr Sammon:** That is right.

**Mr BENNETT:** My question has two parts in relation to the Retirement Villages Act. Were residents' associations consulted to help develop this strategy, and what are the expected impacts on people who are shopping around for residential spots in the various retirement villages? I think I read somewhere that there are hundreds of retirement villages caught up under this act. They are the two questions: were residents' associations consulted, and is there an impact on people shopping around for a retirement village for a loved one or themselves?

**Mr Sammon:** Yes, there was consultation. There is what we call the Housing Legislation Consultative Group, which is made up of industry groups; the residents group, which is called the Association of Residents of Queensland Retirement Villages; the Queensland Law Society; Council on the Ageing; and National Seniors Australia. The peak stakeholders were represented on that group and there was consultation with that group. That is described in the explanatory notes and in the submission that has been provided to the committee as well.

In terms of a particular consumer shopping around for a retirement village, the department is always interested in ensuring that potential residents have as much information as possible to find out about their choices when they make that big decision of whether to move into a retirement village. There is an existing scheme in the legislation that deals with the use of funds that are required to be kept under the legislation, that obviously will not have any impact until the legislation has been considered by the parliament and progressed through the parliamentary system. The department will keep all stakeholders advised and continue to advise as much as possible about the progress of the legislation through this process.

**CHAIR:** Would the donation deed bind inheritors of a house who may wish to sell the property as part of a distribution of a deceased estate?

**Mrs Curtis:** As we indicated at the beginning, the administrative advice can be removed from the title at any time, so the property owner or someone seeking to deal with a property can apply to have the administrative advice removed from the property title. In that way, if someone was looking to deal with the property, that could be dealt with maybe in the example you gave at that particular time. I am not sure I can give specific advice around what would happen in the case of a will or the death of a party, but that is the general premise. I might check if Damian wants to add anything to that response.

**Mr Sammon:** It is an intended part of the model that that administrative advice, in another jurisdiction that permissive caveat, goes with the title to the new owners. If somebody inherited a property, if this legislation were to be passed there would be an administrative advice noting that the owner of that property had agreed to make that donation at the point of sale. If the person who inherited that property decided they did not want to participate in that when they came to sell the property—so the donation effectively crystallises at the point of sale—they would advise Homes for Homes or the registrar of titles to have that administrative advice removed or the donation deed noted with the administrative advice removed, and that would happen under the way that the legislation has been drafted.

**CHAIR:** Would there be an administrative cost associated with that?

**Mr Sammon:** There is a small fee that the titles office charges for any such application for removal of the administrative advice. It is about \$36. That is the way the legislation is at the moment.

**Ms Pollard:** I think it is whoever lodges the form pays the fee. If you go to Homes for Homes and they lodge the form then Homes for Homes were willing to pay the fee. If the property owner lodges the form then they pay the fee if it is easier to do that.

**Dr ROBINSON:** In terms of the retirement villages changes, how do these financial accounting and reporting requirements compare with other Australian jurisdictions?

**Mrs Curtis:** That is a really good question. It is obviously always important that we look to see what we can learn from other jurisdictions. I might just consult with one of my colleagues to see if they have any information about how they do compare with other jurisdictions.

**Ms Pollard:** Basically, a lot of the requirements are general accounting requirements like comparing budget and actual expenditure. A lot of these are already done anyway by most retirement village operators. We are just looking to implement very general accounting principles. We have looked at what happens in other jurisdictions, but the legislation being amended in this bill obviously applies only to Queensland. We have done a higher level comparison—that is all I have with me at the moment—but a lot of the proposed amendments, including about accounting standards and principles, disclosure of shared or apportioned expenses, operator third-party relationships, liabilities and payments to former residents and just the guidance material that we are planning to develop and issue, do bring the Queensland Retirement Villages Act more into line with other states, particularly South Australia, New South Wales and Western Australia.

**Dr ROBINSON:** In terms of scheme operators and owners, what sort of feedback have you had from them about the mooted changes here to the Retirement Villages Act?

**Ms Pollard:** We have consulted, as Damian said, with the Housing Legislation Consultative Group in relation to the amendments in the bill. That includes industry bodies such as the Property Council of Australia, Urban Development Institute of Australia and ACCPA, Aged and Community Care Providers Association, and they generally expressed support for the policy goals of more consistent financial reporting and increased transparency. However, they noted concerns about striking the balance between consumer protections, operator obligations and obviously any concerns about increased compliance costs, especially for smaller operators. Industry groups provided similar legal and technical feedback. They have spoken with each other. The advice has assisted in clarifying provisions in the bill and we will continue to consult with them in development of the amendment regulation. Industry groups did comment on difficulties with providing feedback on the likely impacts of the bill without seeing amendments to the amendment regulation, as a lot of the detail will be in the amendment regulation. They have provided substantive feedback in relation to the amendment regulation already though which is being taken into consideration in developing it.

**Mr Sammon:** There was a draft amendment regulation developed last year and the department consulted with all the stakeholders over that. The department has been getting feedback over a number of years about the development of these reforms. Some of that feedback last year led to a pretty significant refinement of the process that is set out in this bill. That feedback has been taken on board in terms of what operators have told us and what residents and other community groups have told us in terms of the way that the legislation can best create that more standardised form of reporting.

**Mr SKELTON:** In relation to the retirement village amendments, you have talked about different people being involved in the process but can you explain the rationale behind the requirement that quantity surveyors used by retirement village operators must be members of the Australian Institute of Quantity Surveyors?

**Ms Pollard:** There is a new definition for quantity surveyors that would require them to hold a membership or fellow grade member of the Australian Institute of Quantity Surveyors. We have spoken with the AIQS and they have advised that there are approximately 308 quantity surveyors with that required level of membership across Queensland. Retirement village industry groups did not raise any issues or concerns about that when consulted on the bill. AIQS members are covered by an industry code of conduct which includes conflict-of-interest and professional standards and ongoing education requirements. We have consulted, as I said, with AIQS and they are happy to keep working with the department and with stakeholders.

**Dr MacMAHON:** Apologies for mishearing those figures earlier. I wanted to ask how you will be assessing the efficacy of this scheme, particularly it being a voluntarily scheme—will you have a figure that you are aiming to get in terms of money or a number of homeowners you want to sign up?—and

whether you have had a chance to look at other voluntary schemes that the government has run, like the Resources Community Infrastructure Fund, which, from my understanding, raised a lot less money than they had anticipated, and how to overcome some of those challenges so that this scheme can be successful.

**Mrs Curtis:** I will start with a couple of comments and then pass to Damian. Just to clarify something we mentioned earlier, the proposal here is not so much a government-led scheme. We are making the legislative amendments largely around the titling arrangements to enable a scheme like this to operate in Queensland. Obviously it is aimed to support the increase in supply of social and affordable housing which is something that we are obviously looking to do across Queensland. From that perspective it is a scheme being run by Homes for Homes, but I will pass to Damian, who may be able to add some further information.

**Mr Sammon:** I would anticipate that Homes for Homes would obviously be best placed to provide what they estimate they will be able to raise nationwide and possibly, in particular, in Queensland through the rollout of the scheme. The way it works is, because there is a bit of a time lag between signing up to the donation deed and then getting the money donated down the track, when the property changes hands, that money will build up over time. Homes for Homes are optimistic—and I believe they might have some figures to back this up—that it is a scheme that seems to stick. Once they sign up, people are happy to make that donation and then people who acquire the property are happy to retain the donation deed and the administrative advice in Queensland's case, or the permissive caveat in other jurisdictions, so that over time it builds up. It is fair to say that the amount of money at the moment being raised by the scheme is not as large as it will be down the track, but the model very much builds on itself. I suppose that is the right way to talk about it.

I would also make the point that anybody can donate to Homes for Homes—they do not have to participate in that land titling scheme; they could just ask to make a donation—and that would have the same tax deductibility as it would in any circumstances. Corporations, for example, could be asked or encouraged to make donations to Homes for Homes and developers—and this has been the experience interstate—can be encouraged, when they release a new lot of houses for sale, to include the donation deed in their contracts of sale and encourage residents to maintain them. I imagine Homes for Homes would be able to provide some information to the committee about their success in doing that to date and what they anticipate will be raised over time.

**Mr RUSSO:** In relation to the Retirement Villages Act, are the proposed changes to the financial accounting and reporting requirements consistent with other Australian jurisdictions?

**Mr Sammon:** Every state and territory has different retirement villages legislation. The starting point is always going to be a bit different. There are different financial reporting obligations in other schemes in other jurisdictions, but Queensland's legislative system is unique to Queensland, just as every other jurisdiction's legislation is unique to their own particular jurisdiction. These amendments really build on the foundations of the financial reporting structure that is set out in the act as it is and seek to bring greater uniformity and clarity to that system. The answer really is that every jurisdiction has different retirement villages legislation and so, therefore, it needs work to update and maintain that legislation according to their local circumstances.

**Ms Pollard:** It will bring the Queensland legislation more into line with other states like South Australia, Western Australia and New South Wales, but, as Damian said, the other states are also looking at their legislation and they have different priorities or might move at different rates. Most seem to be heading in the same direction.

**Mr BENNETT:** Without labouring the point on the quantity surveyor issue, I get why it would go to quantity surveyors under an institute like we are talking about, but some of the feedback we are getting is that people are not that comfortable that it is a really fair and competitive assessment process. I guess it is not only retirement villages but the manufactured homes legislation as well. With only 300 or so of these qualified people under the institute's guidelines, are we comfortable that this is going to be adhered to—the code of conduct I think we have mentioned before—and why would we not have a bit more of a competitive market for retirement villages to be able to access?

**Ms Pollard:** The quantity surveyor reports are not required under the Manufactured Homes Act. I wonder whether you might be talking about the valuations and the site rent increases in manufactured homes which operate very differently.

**Mr BENNETT:** Yes, and the market reviews as well.

**Ms Pollard:** That is not something that occurs and that is not what the quantity surveyor report is about. The quantity surveyor report really looks at the costs of capital replacement of the village assets for the coming financial year and then the following nine financial years—so over 10 years—

and the same with the maintenance of those assets for the next 10 financial years. The valuation and the site rent increase in residential parks is a very different process than what the quantity surveyor reports on and its purpose and has different experience—are different people.

**Mr Sammon:** That is right. There is contemplation in the Manufactured Homes Act to the use of valuers for site rent when there is a market rent review process, and that is quite a different scenario to retirement villages, which is about a quantity surveyor trying to identify what the costs of maintaining and replacing village capital items, for example, might be.

**Mr BENNETT:** Are we comfortable that this will be as good as it can be for the quantity surveyors? If they are only going to be assessing the capital replacement, I am wondering why a qualified quantity surveyor not linked to the institute could not be utilised.

**Mr Sammon:** The legislation as drafted seeks to provide that additional layer of assurance that is provided by a quantity surveyor being a member of a recognised industry body and all of the benefits that flow from that, including participation and membership in a code of conduct, which I believe the industry body has, and offering industry training so that the quantity surveyors who are members of that association are able to demonstrate to the community that they are serious about ensuring their work is of an appropriate standard to offer retirement villages—especially considering the residents' money that is involved and the decisions that flow from a quantity surveyor report and what must be then spent over a period of time in order to deliver on those estimations.

**Mr SKELTON:** You have already touched on this with regard to quantity surveyors, but what education or training would be provided to scheme operators to make them aware of the new accounting and reporting obligations?

**Mr Sammon:** Obviously subject to the passage of the bill, the department would implement a communication strategy to ensure that all stakeholders are well aware of the requirements under the legislation. As one of my colleagues indicated earlier, the department has been consulting with the industry group for quantity surveyors. That process can continue as the bill is considered by the committee and then by parliament. As would take place with any legislative reform process, the department will implement a communication strategy to ensure that information about the amendments and what they require of operators, residents and other players like quantity surveyors is brought to their attention.

**Ms Pollard:** The department will also be preparing some guidance material. That includes templates. They are not mandatory, but they will be available for people to use.

**Mrs Curtis:** That will certainly benefit some of the smaller operators as well who may look for some more assistance.

**Dr MacMAHON:** With regard to the donations deed being a reminder to the seller, how close is it to the sale of the property? If someone changed their mind, what would the process be?

**Mr Sammon:** In terms of changing your mind and withdrawing from the process?

**Dr MacMAHON:** Yes.

**Mr Sammon:** The amendments in the bill provide in new section 94K that the registrar of titles has recorded in an administrative advice the existence of a charitable donation deed in the register. A party to the deed can make the request. 'Party' is defined in one of the preceding sections as follows—

**party**, to a charitable donation deed, includes the successors and assigns of a party to the deed who are bound by the deed.

You obviously have to be the landowner in order to take that action to seek the removal of the donation deed being recorded on the administrative advice, so you could do that anytime. If the question is 'would people only realise this at the point of sale?', then that is possible, but that is when the conveyance happens. Presumably, the owner of the property would seek to have the administrative advice removed if they were asked to do that by the purchaser. Alternatively, the purchaser could purchase the property and then, upon receipt of the property, give instructions to their conveyancer to have that administrative advice removed. They would do that by merely contacting Homes for Homes, for example. That is a simple and straightforward way to do it, and Homes for Homes would do that.

**Dr MacMAHON:** Do you have a suggested amount that people would pledge from the sale of the home?

**Mr Sammon:** The department does not, but the Homes for Homes model is 0.1 per cent. You can see that on their website. That is the model that exists in the donation deed, and that has been rolled out in other jurisdictions.

**Mr RUSSO:** I am just interested in the retirement village amendments in relation to the maintenance reserve fund. My question is double-barrelled: would you be kind enough to explain how the maintenance reserve funds currently work, and what is the expected outcome of any amendments?

**Mr Sammon:** In the department's submission we sought to include an explanation of how the maintenance reserve fund works generally. One of the reasons we sought to include that is that it is not a straightforward thing to describe. It is something that I think is best set out over the page, if you know what I mean. It is not necessarily a simple thing to explain, but it does serve a very important purpose in the legislation in terms of ensuring there is sufficient money there and the responsibility for contributing that money is set out clearly so that people know who is going to pay for the maintenance of capital items within the village. I will ask my colleague to set out in a bit more detail why that is such an important thing for residents.

**Ms Pollard:** Basically, the maintenance reserve fund is a trust fund. It is irrevocable and it continues. The actual fund itself continues until a village closes and all former residents are paid out their exit entitlements. That is where the consumer protection element comes from. Generally speaking, residents fund the contributions to that. Residents pay for maintenance as set by the annual budget. The operator will need to contribute proportionately under certain circumstances, such as where there are unsold units. Funds are generally levied to residents on a weekly or fortnightly basis, and operators would also need to contribute under those circumstances. The contribution is calculated having regard to the annual quantity surveyor's report, which is why it is important that the quantity surveyor's report is of a high quality, that also requires a provision for a future year's maintenance. Residents also continue to make contributions to the maintenance reserve fund for a specified period after they leave the village.

**Mr BENNETT:** I am just curious about the changes. We welcome more transparency with the financial documents. Can the department explain to the committee the benefits we will see in the department having more access to financial documents and provide some explanation around the public register, please?

**Ms Pollard:** The department manages compliance of the Retirement Villages Act, so improved transparency does not just benefit the residents; it also benefits the department in being able to manage its compliance program and have improved visibility over any financial risk the village may be in or to manage compliance to make sure operators are setting aside the right amount of funds and they are charging fees to residents in accordance with the act. It also helps with intended disclosure requirements. It will help identify things like related party transactions.

**Mr Sammon:** A relatively high proportion of complaints the department receives about retirement villages is how the money is accounted for in terms of spending from the general services charge fund and the maintenance reserve fund. Because it is largely residents' money, they are obviously very interested in how it is spent. They are very interested in seeing the village maintained to an appropriate standard because that helps protect their investment and the lifestyle they have paid a lot of money to buy into. That is a bit of a summary about why these protections are so important to residents, and residents are very interested to see it. The department's role, of course, is to take complaints from residents and reach out to operators if required in order to get to the bottom of any particular complaint. Having this more transparent, consistent set of reporting about financial arrangements within villages will go some way to making that task easier for the department and provide the department with greater capacity to speak to village operators about how the money is set out in the budgets and how it is reported on.

**Mr RUSSO:** If I could just follow that up in order to understand how the operation of the proposed changes will be monitored, is it a self-reporting system to the department?

**Mr Sammon:** Are we talking about retirement villages?

**Mr RUSSO:** Yes, retirement villages.

**Mr Sammon:** The department obviously has a compliance team that is there to receive complaints from residents who believe that something might not be being done the right way in a village. The department will use the powers it has to conduct investigations. Financial reporting also works proactively. The department receives financial reports from retirement villages and can scrutinise these and conduct spot checks to ensure the money that is meant to be deposited into the relevant funds is deposited into the relevant funds. That is another way these changes will help the department perform its role of ensuring operators comply with this. I hope that answers your question.

**Mr RUSSO:** The department is really the organisation that would police this, for want of a better description?

**Mr Sammon:** Yes.

**Mr RUSSO:** There is an audit process that takes place within the department when they receive the information from—

**Ms Pollard:** I would not use the term 'audit'. Operators are already required to provide their annual financial statements to the department. That is an existing requirement. What they are not required to do that they would be if the bill passes is provide copies of the quantity surveyor reports. At the moment we receive financial statements for the capital replacement fund and maintenance reserve fund, but we have no way to interrogate that because we do not have the detailed data behind the scenes. The operators already have to get the quantity surveyor's report; it is just that the department does not get it. It just simplifies the process and makes it more transparent. By putting it on the public register it will be available to anybody so that potential residents can also have a look at the financial statements and the quantity surveyor's reports before they move in.

**Mrs Curtis:** As Lisa and Damian have flagged, we obviously respond to complaints that may come through from tenants or potential residents, but also as part of our regulatory role we do look at industry themes that might be coming through from stakeholders, obviously looking at some of the thematic type issues that might be coming through, and complaints. We look at that educative process as well with operators to make sure they are aware of their obligations and that we are providing them with the guidance they need as well in terms of that, so we do have that role within the department.

**Dr MacMAHON:** It seems that a bunch of my questions will be better answered by Homes for Homes, but the explanatory notes say that this legislation is about boosting housing supply. What accountability is there for Homes for Homes? What would stop them from building all these homes in Victoria, for example? Is there anything baked in there to ensure that accountability?

**Mr Sammon:** The amendments to the Housing Act that are in the bill set out that all funds raised by Homes for Homes in Queensland through the use of the administrative advices will be required to be spent on social and affordable housing in Queensland. It is under the definition of 'charitable donation deed', I believe. Section 94I(b)(ii) states—

the non-profit organisation agrees—

and that non-profit organisation is named in the regulation as Homes for Homes—

to use the donated proceeds only to—

- (A) provide, or assist an entity to provide, a social housing service; or
- (B) otherwise increase, or assist an entity to increase, the supply of safe, secure, appropriate and affordable housing in the State.

'In the state' obviously in that context means in this state.

**CHAIR:** It being 2.30, the time for our deliberations has come to an end.

**Mr BENNETT:** Sorry, Chair, it is very rude of me to talk over you, but before the department leaves I want to say that their report sets a new benchmark for standards at the back where they put all of the clauses, amendments and their purpose and the definitions. Maybe somewhere along the line other departments might be as comprehensive as the housing department.

**CHAIR:** There is a compliment for you at the end of the day. I know that as public servants—having been a public servant my whole career—those positives are not necessarily forthcoming regularly, so thank you, Deputy Chair, for those comments.

I thank each and every one of you again for the great work you do in supporting Queenslanders. The provision of social housing is a really important aspect of the work that we do as a government. I thank you sincerely for your time today. I note there were no questions taken on notice. We wish you a good day. That concludes our briefing. Again, on behalf of the committee I thank you for your efforts. I thank the Hansard reporters as well. A transcript of these proceedings will be available on the committee's parliamentary webpage in due course. I declare this public briefing closed.

**The committee adjourned at 2.31 pm.**