

Housing Legislation Amendment Bill 2022

Submission No: 6
Submitted by: Australian Institute of Quantity Surveyors
Publication: Making the submission and your name public
Attachments: No attachment

Submitter Comments:

The Australian Institute of Quantity Surveyors (AIQS) supports the provisions included in the Housing Legislation Amendment Bill 2000. The AIQS is aware of the lack of transparency and accountability (through complaints being raised by retirement village residents) associated with the financial operations of retirement villages, particularly those aspects impacting retirement village residents. This is common in virtually all jurisdictions across Australia. It is essential that both retirement village operators and their residents are aware how the Capital Replacement Fund and the annual Maintenance Reserve Fund are developed and what those funds can and cannot be used for. There is also a need to provide (in plain english) the difference between capital items and maintenance. Once the Bill is passed, the AIQS proposes to work with the Department of Communities and Housing to establish a guide for quantity surveyors, that will be freely available to retirement village operators and retirement village residents, explaining the Quantity Surveyors role and providing transparency around how Capital Replacement Funds are developed, what the funds can be used for and the difference between capital items and assets to which maintenance funding should be applied. The AIQS also suggests that further explanation is required for those asset which are of a capital nature in their entirety but parts of which may require maintenance. Other items which would assist with financial transparency & accountability include; explanations around Remaining Useful Life vs Technical Obsolescence of each asset, identification of priority maintenance and the reason why some items such as external painting in coastal areas may be required more frequently than in other geographic locations, and defining what residents are and are not responsible for. This will also include prescriptive rules for Quantity Surveyors to ensure they are providing professional and transparent reports. Any breach of which may put the Quantity Surveyor in breach of the AIQS Code of Conduct and Guidance Notes and subject the member to the AIQS Complaints and Disciplinary procedures.