



Speech by

Hon. JUDY SPENCE

MEMBER FOR MOUNT GRAVATT

Hansard 25 March 1999

MINISTERIAL STATEMENT

Retirement Villages

Hon. J. C. SPENCE (Mount Gravatt— ALP) (Minister for Aboriginal and Torres Strait Islander Policy and Minister for Women's Policy and Minister for Fair Trading) (10.03 a.m.), by leave: Today I draw to the attention of members the work of a group of people whose commitment to reform will help shape the future of Queensland's retirement villages. Last year I informed the House of the Retirement Village Working Group that I established, which comprises resident and owner representatives. Against the odds, it set out to build a new platform of consensus to carry the industry into the 21st century. Many people thought that it would fail to reach common ground on differences once regarded as intractable. However, it is now my pleasure to congratulate the working group for proving the cynics wrong.

As shown by the heads of agreement delivered to me in February, both sides have recognised an urgent need for reform and have put aside differences in order to facilitate this. The heads of agreement will be the blueprint for legislation that I intend to bring to Parliament in the form of a retirement villages Bill.

The village lifestyle is an attractive one, giving retired Queenslanders security, convenience and companionship. Unfortunately, the 11-year-old Retirement Villages Act has produced some disturbing stories. We have heard of residents virtually signing their rights away, being threatened with eviction for petty breaches of contracts, being forced to continue paying for services like laundry and meal deliveries long after they have left their village, and being unable to sell their own units. The working group has crafted a way forward that should see a significant reduction in those types of stories and optimise the benefits of village life.

The new legislation will: clearly outline village operators' obligations, including their accountability to residents; ensure prospective residents are provided with concise and relevant information before they sign residence contracts; enhance the long-term financial operation of villages; and introduce statutory rights governing the resale of residents' units. The issue of the resale of units has long been contentious and unfortunately has caused a great deal of anguish for retired Queenslanders and their families. Many members will have been made aware of this from constituent representations.

The proposed changes establish a process that is both just and practical. In contrast to the old system, residents or their estate will be able to become involved in marketing a unit if the operator cannot or will not do the job promptly. If the unit is not sold after six months, they will be able to employ an outside agent at their own expense and, subject to an independent valuation, set a realistic price.

Many of these provisions will apply to existing residents as well as people who adopt the retirement village lifestyle after legislation comes into force. The working party also bridged differences over capital replacement and maintenance spending. Capital replacement will be the responsibility of the developer or owner, who will also be responsible for a capital replacement sinking fund. Villages that now have an inadequate fund or older villages that have no fund will be granted time to build up a fund.

Other proposed changes to the legislation include the following: residents or their estate will cease paying the full ongoing service charges 90 days after they vacate the village. The charge will then be split between the operator and the resident, according to their levels of equity in the unit.

Residents or their estate will cease paying for personal services no more than 28 days after they have vacated. Advertising, commission and other charges relating to the sale of the unit will be shared, again according to equity levels. The cooling-off period on contracts will expand from seven to 14 days.

Now that the working group has proven residents and operators can come together, the Government will encourage them to continue working constructively through their differences. It is proposed to have three levels of dispute resolution. This will range from an internal dispute resolution process within the village through a mediation process, such as the alternative Dispute Resolution Centre offered by the Department of Justice, up to a binding adjudication. The working group has succeeded in constructing for Queensland retirement villages a framework for a fair and prosperous future. I now table the heads of agreement.
