



Speech by

Mark McArdle

MEMBER FOR CALOUNDRA

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RETIREMENT VILLAGES, CONTRACTS; DOMESTIC VIOLENCE

Mr McARDLE (Caloundra—Lib) (10.19 pm): In October 2003 Muriel and Ernie Thompson signed a document in which they paid \$145,000 and obtained what the document refers to as 'a licence to reside' in a retirement village in Caloundra. Mr and Mrs Thompson are both retired and Mrs Thompson walks with the aid of a walker. In 2006 they sold their interest for, I understand, \$210,000. From that amount they are going to receive a net figure of \$125,625.93. The Thompsons have had a number of sums deducted from the sale price. Those sums are all capital gain as a consequence of the sale; \$13,050 for the yearly fee charged for occupying the dwelling based on three per cent of the initial purchase price—in this case a fee of \$4,350 per annum; and \$6,324.07 for the cost of what is termed 'outstanding fees and charges'. The contract that they signed allowed these amounts to be deducted. Leaving aside the issue of the capital gain, the net result is a reduction in their initial capital by some \$24,500 with accompanying loss of future purchasing power. Whether or not they signed a legally enforceable document is now academic, but what is not academic is that the conditions contained in the contract were significantly biased against them. We need to understand that more of us will be living longer than ever before. Undoubtedly our ability to meet our day-to-day expenses will depend on the capacity to maintain a capital base. The Thompsons' capital base has been significantly and seriously eroded as a consequence of the terms of this contract.

Unfortunately, there are many varieties of this form of contract throughout Queensland and we need to do something about it. We need legislation to protect people who sign this type of document, including a simplified method of resolving disputes. Unfortunately, quite often people do not obtain legal advice on the terms of contracts before they sign as they feel that the fee they will be charged is too excessive. What people do not understand is that the fee may save them 10 times that amount and more. Irrespective, we need legislation to protect people such as the Thompsons and many other people now moving into retirement and entering into similar contracts. As I said, more people are living longer than ever before. Elder law is going to become a major area in the years to come and the process of protection needs to start today.

On a second unrelated issue, the issue of domestic violence continues to haunt our society and it is tending to break up more families, couples and children than at any other time in our society's history. The real concern with domestic violence is the long-term impact that it has upon the children who witness it or are subject to domestic violence themselves. Everybody in this House tonight is acutely aware of the impact of domestic violence and sees it on a regular basis. Domestic violence must be eradicated from our society.