



Speech by

Howard Hobbs

MEMBER FOR WARREGO

Hansard Thursday, 29 November 2012

TRANSPORT, HOUSING AND LOCAL GOVERNMENT COMMITTEE

Report

 **Mr HOBBS** (Warrego—LNP) (9.59 am): I lay upon the table of the House the Transport, Housing and Local Government Committee's report No. 13, *Review of the Retirement Villages Act 1999*.

Tabled paper: Transport, Housing and Local Government Committee: Report No. 13—Review of the Retirement Villages Act 1999 [1780].

This inquiry was referred by the Assembly on 2 August 2012 and required us to consider fair trading practice protections for residents; restrictions and provisions that affect the affordability of retirement village living; the certainty, accountability and transparency residents have with regard to their financial obligations; retirement village closures; clarity of the rights and obligations of residents and operators; best practice standards and accreditation; innovation and expansion of the retirement village industry; resident involvement in decisions that affect their financial obligations; and the dispute resolution process. We have examined each of these matters and made 37 recommendations. I will now highlight some of the key issues and recommendations made by the committee.

Issues regarding the public information document, the PID, were identified by residents, academics, operators and peak organisations. There was general agreement that this document needs to be amended to make sure that residents receive timely, appropriate and clear information about their future living arrangements. We heard that this document can be difficult to obtain from operators and is often provided without enough time for residents to properly consider it before signing a residence contract. This also makes comparison of villages difficult for prospective residents and means that many people are entering retirement villages without being fully aware of their rights and their obligations.

Given an objective of the act is to facilitate the disclosure of information and that one of our terms of reference was to consider whether residents are provided with appropriate material to make informed decisions, the committee unanimously agreed that a new PID should be developed. We recommend that the revised PID should improve the layout of information; reduce the length and complexity of the document; be simplified, for example, through removing unnecessary repetition; provide all information in plain English as far as possible; and include key terms and considerations for residents. We also recommend that PIDs be placed on retirement village websites and that PIDs be provided to prospective residents at least 10 business days before a residence contract is signed, before an application for a right to reside is completed and before any funds are paid to an operator.

The exit fee model was also identified as a key issue. We were told that the model can be restrictive; that the calculation of exit fees is inconsistent, complicated, poorly explained in many contracts and is difficult for residents to understand; that the payment of exit entitlements can take a very long time, sometimes impacting on the future living arrangements of residents; and that additional financial models are needed to meet the changing needs of our ageing population. To assist residents make informed decisions, we believe that increased clarity is required about how their exit entitlement is calculated. This would assist prospective residents to compare villages and would prevent many of the disputes from

arising when a resident leaves a village. As such, we have recommended that residence contracts include the detailed formula that will be used to calculate an exit fee and that the act be amended to prescribe a standard form contract. We agree that additional financial models should be considered. The current one-size-fits-all approach is reducing confidence in the industry at a time when the demand for retirement living options is increasing.

We have recommended that the act be amended to include principles to guide the interactions and relationships between residents, their families and operators of retirement villages. These include residents' and operators' rights to freedom from harassment and intimidation and residents' right to peace, comfort and quiet enjoyment. Through establishing these fundamental principles, it is our hope that many of the issues we heard about will be prevented in future. We have also recommended the development of a number of fact sheets to explain key information in plain English, or a relevant community language. This includes fact sheets about fair trading practice protections, the charging of fees to residents when operators sell rights to reside in retirement villages and obligations about the reinstatement of retirement village units. We recommend that these fact sheets be published on the department's website as a way to translate important provisions of the act and other relevant legislation for the benefit of residents, their families, operators and other professionals.

We hope that the many recommendations we have made will help to guide the retirement village industry to better meet the needs of current and future residents and operators for many years to come. I want to thank committee members for their careful consideration of the issues raised during the inquiry and for their continued commitment to each of our portfolio areas. I also thank the secretariat on behalf of the committee for its ongoing support. I commend the report to the House.