




Speech By  
**Michael Hart**

**MEMBER FOR BURLEIGH**

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Record of Proceedings, 3 April 2019

**HEALTH AND OTHER LEGISLATION AMENDMENT BILL**

 **Mr HART** (Burleigh—LNP) (3.20 pm): I rise to add to this debate and to support the very sensible motion from the member for Kawana. I am not going to speak about the contents of the health bill. Instead, in the short time that I have I want to concentrate on the changes to the Retirement Villages Act because, after all, we are talking about a Retirement Villages Act in the middle of a health bill. It has no place in a health bill. It should be debated all by itself. Why should we have to be talking about a Retirement Villages Act here because of the incompetence of the minister for housing? In 2017, when the minister for housing put the original bill before the House, there were 50-odd amendments and he got it completely wrong. I accept that the minister may well have thought that he was including all sorts of tenure in that particular bill, but clearly the people in his department did not understand what his intention was or on some level they may be incompetent because that is not what happened here at all.

The bill revolves completely around the concept of exit entitlements. Those exit entitlements are paid to someone who has a leasehold facility available to them—they live in a retirement village and lease for a long period of time, mostly 99 years—but clearly it does not apply to freehold title. With freehold title you are entitled to sell something, you get paid for it, you hand it over and then somebody else owns it. That is the end of the story. There is no exit entitlement there at all. One would have thought that the minister would understand basic business principles, but apparently not.

There are a whole lot of problems with this. I am surprised at some of the statements of the member for Thuringowa. There are real problems with freehold title. We heard from the minister that there are about 10 facilities in Queensland that have now moved from the stage where they had an original developer put them together, they were bought by somebody, that developer has now gone and we have ended up with a group of people who reside in the retirement village who have put together a body corporate and they are the operators.

A specific example of this, and the member for Thuringowa should be aware of this because they put in a number of submissions, is Pebble Beach Freehold Retirement Community at Bribie Island. That village has 151 units that are freehold title and owned by individuals. Those people paid around \$400,000 to \$410,000 each. This is quite a big complex; there is a lot of money involved here. If this legislation goes through—and the LNP will not be supporting it—those people will be required to buy units off people who have passed away or have given a notice of termination to the operator. The people who are living in that retirement village are probably living there for a good reason. It is because they cannot afford to live anywhere else or they are in the twilight of their years and they have put all their money into this facility. Let us extrapolate it to the extreme and say that 50 of these people, for one reason or another, decide that they want to terminate their right to live in this facility. That would then mean that the other 100 people who are there have to come up with \$25 million to pay them out. How can we possibly expect the people who live in these villages to come up with that sort of money? It will be impossible.

It is all well and good for the minister to come in here and tell us that they can go off to QCAT and delay the requirement to buy these places, but how often are they going to be going back to QCAT if those dire circumstances occur? We have to understand that it very well could happen. We have now

put a great deal of sovereign risk over the top of these places. We now have people second guessing whether they, in fact, should go into a retirement village that has freehold title because they may get caught out in this instance. We now have developers wondering whether they should develop these places because they may get caught out. There are a whole lot of hairs on this. We need to be looking through this with a fine toothcomb. This deserves to be debated by itself. That is why I support the motion moved by the member for Kawana.

We supported this bill when it went through in 2017. The bill we have before us today retrospectively goes to that date. If it passes today, in the middle of May anybody whose property had not been sold in one of these freehold title villages—I remind members there are 10 of them—could be up for paying for those units in another four or five weeks time. Where are they going to find the money? If they cannot find the money they are going to have to march off to QCAT, spend money on lawyers and try to get that deferred. There will be a conga line of people going through this process.

My understanding is that at the Pebble Beach Freehold Retirement Community there are four units for sale. This could escalate very rapidly. Back in 2017 we supported this bill. I fully support the concept of people in retirement villages not having to wait for their money. I do that because this happened in my family. I had an aunt in a retirement village. She passed away, unfortunately, and for two years my parents tried to sell her place. They were hampered by the operator in that they could not advertise it for sale and they were hampered in that there were a whole lot of other units there and the value was not in the place any more. It took three or four years for that process to come to completion.

I fully support the fact that our bigger corporates should be put in a position where, after 18 months, if people have not been able to sell their unit, then absolutely they should have to pay for it. I totally agree with that. We are not talking about this here. We are talking about instances of freehold property where these people have, in good faith, gone into a retirement village, having paid hundreds of thousands of dollars, and are now being faced with having to buy their neighbour out because their neighbour has passed away, has decided that they no longer want to live there or has had to go into a higher care situation. How are they going to find the money? I keep coming back to that question.

There are many other issues with this bill apart from the fact that we should not support any of it.

**Government members** interjected.

**Mr HART:** The members seem to find it funny.

**Madam DEPUTY SPEAKER** (Ms McMillan): Order! The Speaker warned of laughter in response to a member.

**Mr HART:** As I said, I am only speaking about the Retirement Villages Act. We support the health bill, but we will not support the Retirement Villages Act amendments.

There was something important that the department said during one of the discussions with the committee. I might just read this word for word because we need the context to be right. The department said—

The department is working with these resident-operated villages to support them to understand the proposed amendments and their obligations regarding the other legislative changes arising from the 2017 amendments to the Act which are commencing progressively throughout 2019.

This is the important part—

It may be relevant for resident-operated villages—

like the Pebble Beach type situation—

to consider whether operating as a registered retirement village continues to offer the most appropriate model for the village and residents.

Basically, the department is saying, 'If you don't like it, don't be a retirement village anymore.' This no longer works for you because the government, in its insanity, has come in here and tried to change the rules around freehold title. If the people that live in those villages do not like it, maybe they should not be living in a retirement village anymore. Where will they live? This part of the bill does not deserve any support. The LNP will not be supporting it and we will be voting in favour of the member for Kawana's sensible amendment.