

14/08/2019

Dear Sir/Madam

Retirement Village Exit Entitlements and Recurrent Charges Cap

As residents of Closebourne Morpeth retirement village, we make the following Comments that we would like to see introduced to all residents of a retirement village- not just new resident entries.

On 9 July 2019 Minister for Better Regulation and Innovation, the Hon Kevin Anderson, released a Discussion Paper inviting submissions from the public as to how the Government should proceed with its announced intention to:

- introduce a 42-day limit on the length of time retirement villages can charge for general services after the departure of a resident; and
- mandate that exit entitlements be repaid within six months of a resident moving out of a retirement village in metropolitan areas and 12 months for regional areas.

These reforms were a recommendation of the Greiner Inquiry into the Retirement Village Sector in 2017 and, as an election commitment before the State Elections last March, the Government undertook to implement them.

Upon release of the Discussion Paper we have been horrified to learn there is some suggestion that the reforms may be “grandfathered” – that is, made applicable to residents of retirement villages who enter into residential contracts after the reforms come into effect. Existing residents, the ones who are suffering from the current unfair laws, would get no benefit or relief!

if “grandfathering” were allowed to happen, it would be a tragedy. The Government made an election pledge that the reforms would be implemented without one word that the voters to whom the pledge was made would be excluded from the benefits. We would not like to have been misled into thinking that there was a well-deserved and sorely needed relief measure in the offing, when there was not!

Also exit entitlements to be paid by the operator should be 6 months not 12 months as Maitland and Morpeth should be considered equivalent to a metropolitan area. Sales time would be no difference in our area to that in a metropolitan area.

We look to you to do what you can to resist any attempt to “grandfather” these reforms when they are referred to parliamentary consideration. The Government needs to honour the unambiguous undertaking it gave in this matter and your assistance will be highly valued in ensuring it happens.

Yours faithfully

Edith Anne Weston