

7th August, 2019

Ms Jo Haylen, MP
Member for Summer Hill
299-301 Marrickville Road
MARRICKVILLE NSW 2204

Dear Ms Haylen,

Re: Retirement Village Exit and Recurrent Charges Cap

As a retirement village resident, I am seeking your help.

On 9th July, 2019, the 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 in March 2019, the Government undertook to implement them.

Upon the release of the Discussion Paper we were horrified to learn there is a suggestion that the reforms might be “grandfathered” – that is, applicable only to retirement village residents who enter into a retirement village after the reforms come into effect. That is, existing residents – the ones who are suffering from the current unfair laws – would get no benefit or relief!

Ms Haylen, if “grandfathering” were allowed to happen, it would be a tragedy, for at least 2 reasons, as follows:

1. 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; and
2. “Pre-reform” residents would be in an even worse position than they are now. How would this happen? Because it would be in the commercial interest of Operators of Retirement Villages to sell residences to which the reforms do apply, in preference to the residences to which the reforms do not apply. Why? By selling a “post-reform” residence in preference to a “pre-reform” residence, an Operator would (a) avoid paying the general services fees after 42 days elapse and (b) not be forced to repay exit entitlements within the mandated 6/12 months. This outcome would be completely contrary to the intent of the Greiner Inquiry’s recommendations, the opposite of the Government’s election commitment, and completely unfair!

We urge you to do what you can to resist any attempt to “grandfather” these reforms when they are referred to you for 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.