

16 August 2019

Retirement Village Exit Entitlements Discussion Paper  
Regulatory Policy, Better Regulation Division  
Department of Customer Service  
2-24 Rawson Place  
HAYMARKET NSW 2000

Dear Sir/Madam,

The NSW Government has requested feedback on the discussion paper on proposed reforms to exit entitlements and a cap on recurrent charges; we thank the NSW Government for this opportunity and for the consultative approach.

As a member of The Property Council Australia, Australian Unity has contributed and supports the feedback provided on the proposed reforms provided in the detailed submission by The Property Council Australia.

Australian Unity supports a buyback policy in NSW that effectively balances important protections afforded to residents and ensures a viable retirement living sector in NSW to meet the housing needs of seniors and give them choice in the way in which they participate.

While we support a buyback policy, we oppose the proposed reforms, as we hold grave concerns that NSW Government policy of a six-month buyback for metropolitan and 12 months for regional areas will:

- Significantly reduce access to capital and debt that results in a withdrawal of investment in seniors housing, both current and new, by all size of operators;
- Reduce choice of contract for the incoming resident;
- Force smaller operators into liquidation; and
- Decrease the values of the dwelling impacting both the operator and residents.

As detailed in The Property Council submission, a policy which achieves government's goals and ensures the adverse impacts of the proposed reforms is avoided is:

- Introducing protections for residents moving to aged care by implementing an Aged Care Rule, similar to that which applies in South Australia.
- A safety net mechanism which requires the resident to be paid their exit entitlement after 18 months (from vacant possession). This should not apply to owner residents.

- For new residents, every operator must offer at least one contract option that includes:
  - for residents who live in a village in the Sydney metropolitan area, a requirement for the resident to be paid their exit entitlements at 6 months (from vacant possession)
  - for residents who live in a village in a regional area, a requirement for the resident to be paid their exit entitlements at 12 months (from vacant possession)
- A reduction in the period for which a resident is required to contribute to recurrent charges to a maximum period of 6 months after departure.

The policy solution suggested above demonstrates the strong commitment of industry to find solutions which give residents and families' certainty on departure as well as ensuring the continued viability of the sector.

Please refer to the detailed submission from The Property Council, which outlines the Property Council of Australia's proposed policy and issues raised in the Discussion Paper.

Yours Sincerely,

**Beverly Smith**  
**Executive General Manager Residential Communities**  
**Independent & Assisted Living**