

Media release

8 January 2019

Minister misses the mark in attack on industry

Leading Age Services Australia (LASA), the voice of aged care, says Queensland Housing Minister Mick De Brenni has missed the mark by publicly blaming the Retirement Village industry for not alerting the Government to a loophole in its legislation.

LASA CEO Sean Rooney said the Minister's Housing and Public Works Department had called for feedback prior to Christmas on the possibility of including 'strata title' or freehold units in the mandatory 18-month buy-back by Retirement Village operators.

"The industry has been working in good faith on this reform process.

"To come out today and 'slam' retirement village operators, implying that they have been deliberately utilising a loophole, is both inaccurate and misleading.

"It does nothing for the working relationship of the industry with the Minister."

Mr Rooney said the mandated 18-month buy-back period for those operating under the Queensland Retirement Village Act 1999, commenced in December 2017, so the first 'buy-back' under this new legislation will not be required until May 2019, even if it does include strata freehold units.

"It has never been a loophole. Most Retirement Villages operate under a loan/licence arrangement where the resident 'leases' their accommodation on a 'lifetime' or 99-year lease with security of tenure. They do not 'own' the property - the operator does.

"Under a 'freehold' or 'strata model' the resident owns the property and controls the sale, including the price, notwithstanding some covenants such as the new buyer has to be of a certain age, ie, retirees over 65 (or similar) and agree to the by-laws of the village.

"It was never assumed or suggested that 'free-hold' or strata units would be included in the 18 month buy back rule.

"If passed, this legislation may have unintended consequences for residents in 'strata' or freehold communities which may be run by a 'body corporate'. The 'body corporate', via a levy to current residents, may end up having to 'buy-back' the unit of a previous owner which is still for sale after 18 months. In a small village of 60 units, with an average sale price of \$350,000, we would see all residents contributing to a levy of \$5,833 each to 'buy-back' the unit. What if there are two or three units that need to be purchased? Residents may be contributing up to \$20,000 each.

"It is disappointing that the Minister appears to have demonstrated a lack of understanding of the sector and the issue and sought to unfairly apportion blame to the industry.

"LASA encourages Minister De Brenni to work with the sector through the consultative groups his department set up in early 2018 for better outcomes for residents and the sector."

About Leading Age Services Australia (LASA)

LASA is the national peak body representing and supporting providers of age services across residential care, home care and retirement living. Our purpose is to enable a high performing, respected, and sustainable age services industry delivering accessible, affordable, quality care and services for older Australians.

We represent providers of age services of all types and sizes located across Australia's metropolitan, regional and rural areas. Consistent with the overall industry profile, 57% of our Members are not-for-profit providers, 33% are for-profit providers and 10% are government providers.

Our diverse and representative membership gives LASA the ability to speak with credibility and authority on issues of importance to older Australians and the age services industry.

Media Contact: David O'Sullivan Ph 0427 138 024 E davido@lasa.asn.au