

HOUSE OF ASSEMBLY
TUESDAY 24TH MAY
RETIREMENT VILLAGES BILL

Second Reading

Adjourned debate on second reading (resumed on motion).

Mr PEDERICK (Hammond) (15:34): I rise to continue my remarks about the Retirement Villages Bill 2016. Before the adjournment, I was speaking about all the villages in my electorate that provide such great service for people who want to access and use them—and they come from far and wide. I must say that my mother-in-law has just moved into a village. She wanted to scale down a bit and found a lovely place, so I commend her for that.

There are a couple of things I want to talk about in regard to clause 26 of the bill, that is, statutory buyback and retrospectivity. I really do respect residents' rights to have access to their money if they want to leave the licence in regard to occupying a residence in a retirement village, but there is another factor that needs to be taken into account. I know that the minister initially was going to go with a 12-month statutory buyback provision; that has been pushed out to 18 months. The government seemed to think that that will protect everyone involved.

The one fear I have—and just remember what I said earlier; I do not want this to be used out of context—is that we need to protect residents' rights, but we also need to protect the ability to house residents in future decades. This is where I think there is a real issue with the statutory buyback provision, especially in regional areas and certainly right throughout the state. In regional areas, the problem with trying to get investment in anything, whether it is retirement villages or someone purchasing a business, is that generally you need to have a higher rate of equity just because you are, as a matter of fact, in a regional area. A rate as high as 60 per cent could be required by most of the banks, and that is a lot of equity to have in a business.

For someone who has many properties in a retirement village, who has had to borrow to have 60 per cent equity, they have made a large investment. As discussed earlier by the members for Morphett and Heysen, if all of a sudden this provision goes through unamended a lot of people may decide to exit, and if, for whatever reason, they cannot have their licensed properties sold off, all of a sudden the operator is put in the position where he or she has to buy the licence for those dwellings. In effect, that is making it 160 per cent equity in those dwellings. In my mind, none of that adds up. If the minister can convince me that it adds up, that is fine, but in my mind I cannot see how it will add up.

The issue for me—and I have heard especially from small operators of retirement villages—is that they could very easily fall over and go out of business. So, yes, I absolutely respect the fact that people in our retirement villages have rights, and they have to have their exit rights, but if we do not get

this part of the legislation right we will not have enough retirement villages in the future, and I believe that to be a fact.

Some of us in this place are over 55 and some of us are heading that way, which is the criterion to go into these places, so as we all get older we are going to need many more of these villages in the future. I have had retired farmers from my area go into these places, and I mentioned one in here before. He was a farmer from Coomandook and I thought, 'He'll never stay there. He'll never enjoy it. He'll be scooting back to the farm, checking out what the boys are doing with the cropping or checking the sheep, and that sort of thing.'

I could not have been further from the truth. Yes, he may have done that a few times, but at the end of the day he found a lifestyle in that village. With a friend of his, an auctioneer from one of the major firms, I think they almost run the show—or I think they think they run the show—and that is great. They have great facilities, great social facilities, eight ball and a big hall. It is great for camaraderie, especially for people who are heading into their twilight years.

But something else that is noticeable in Murray Bridge and Goolwa, and I have certainly picked it up in Murray Bridge, is that many people from further down in the South-East, all the way to Mount Gambier, who do not want to move into a city retirement village complex will come to Murray Bridge. They are within an hour of the city and, hopefully, it will not be not too long before we get a Metro ticketed bus service.

We will just keep working on that because that is what we really need to invigorate Murray Bridge not just for our elderly people but for our students, our young and our people who commute to work in Adelaide, even the ones who commute from Adelaide to Murray Bridge; either way, it will be a great boon for the town and the area. There are many people who will come that far knowing that they are within striking distance of Adelaide and the specialist health care they may need into the future, but they still want to have that ambience of the country life and so that is as far as they will come to get close to the city.

In my mind, we need to get this right on both sides of the ledger. We need to have it absolutely correct so that people in our retirement villages can have a comfortable lifestyle and can get out with decent equity at the end, whether it is them or, sadly, on their passing, whether it is the family, and get the right outcomes when the licence to occupy is ceased in one shape or form. We also have to make sure that we can secure that investment into the future because sometime in the future I do not want to be the—I was going to say 'little old grey man', but I am a grey man now—

The DEPUTY SPEAKER: You're not little—

Mr PEDERICK: I am not little, fair enough—

The DEPUTY SPEAKER: —or old.

Mr PEDERICK: —or old. Thank you, Madam Deputy Speaker. Flattery will get you everywhere. I do not want to be the person who said, 'Well, we didn't have enough debate or take this through committee long enough to get the right outcomes and now I can't get access to that retirement village that I wanted.'

I welcome debate on the bill and look forward to the committee stage to see if we can flesh out some answers, certainly in regard to clause 26. The other cause for concern I had was the retrospectivity that would come straight into that so that for people who have signed legal contracts essentially those contracts become null and void because of that clause. We need to get it right for everyone. We need to get it right for current residents, for immediate future residents and for those residents of the middle and longer term future who will need these facilities. They do a great job for health and wellbeing. The community facilities in these retirement villages are just fantastic. I welcome future debate on the bill.