



Property Council of Australia
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Manager
Cyclone Reinsurance Pool Taskforce
The Treasury
Langton Crescent
PARKES ACT 2600

By Email: ReinsurancePool@treasury.gov.au

Dear Sir/Madam,

We write to applaud the Australian Government's decision to improve insurance affordability in Northern Queensland and to specifically request that retirement villages be given access to the \$10 billion reinsurance pool that is soon to be available to privately-owned homes, strata corporations and small businesses.

Retirement villages provide a unique residential model for residents – most of whom are fixed-income pensioners. In accordance with Queensland Government legislation, insurance premiums and any excesses paid in relation to the retirement village, or its use, are funded through fees paid directly by these residents.

It is noted that one of the objectives of this current consultation process is to minimise any adverse or unintended impacts arising from the establishment of the reinsurance pool. For this reason, it is important to ensure retirement villages are specifically included in the eligibility criteria for the reinsurance pool.

The Retirement Living Council (RLC) is the national leadership group of the retirement living sector, championing policies and advocacy objectives that deliver more senior Australian's age-friendly homes and services in retirement communities.

The Association of Residents of Queensland Retirement Villages is a registered charity organisation that retains focus on consumer protection for all residents in retirement villages by lobbying government and industry groups.

The RLC and the Association of Residents of Queensland Retirement Villages urge careful consideration to ensure that retirement villages and residents are not unintentionally excluded from eligibility to the reinsurance pool.



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Due to the unique model of retirement villages, they are not classified as traditional residential, strata or small-business models. The main difference is that the tenure and legislated fee arrangements for residents are different to those that exist for general residential homeowners and renters.

Insurance premium increases have had a dramatic impact on retirement village budgets, directly impacting residents and their cost of living. A number of retirement village operators have reported insurance premium increases up to 100% over the past three financial years.

Access to the reinsurance pool will relieve financial pressure on residents and help ensure the ongoing attractiveness and viability of purpose-built age-friendly communities in Northern Australia.

If you have any queries, please do not hesitate to contact [REDACTED] on [REDACTED] or [REDACTED]

Yours faithfully,

Ben Myers
Executive Director – Retirement Living
Property Council of Australia

Judy Mayfield
President, Association of Residents of
Queensland Retirement Villages



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Consultation Questions

4. Are there any difficulties which may arise from including home building, home contents, or residential strata policies in the reinsurance pool and how should the scope of this coverage be clarified?

The scope of this coverage should be extended to retirement villages. There are some difficulties that may arise from the insurance schemes that many village operators have.

Usually on a village-by-village basis there are agreements in place between the operator and the residents as to who pays for insurance on certain contents, facilities and homes. Effectively though, this insurance is paid for by residents through the General Service Charge, which is a cost-recovery fee paid for services supplied by an operator to residents.

To avoid unintentionally excluding retirement village residents from the reinsurance pool, there needs to be specific consideration of the complex insurance arrangements in place. We are happy, on request, to provide case studies from operators to demonstrate how these insurance models work.

7. Are there any difficulties which may arise from including mixed-use strata title policies in the reinsurance pool and how should the scope of this coverage be clarified?

Retirement villages have mixed-use facilities. Some villages have registered businesses that offer services and facilities to residents. Examples being hairdressers and cafes.

The villages themselves have a varied mix of facilities available to residents from community centres, bowling greens, pools and cinemas. These need to be considered in the scope of this coverage. The Retirement Living Council can provide industry data on the variety and volume of these facilities on request.