

**ECONOMICS AND INDUSTRY STANDING COMMITTEE**

*Tenth Report — “Karrinyup Lakes Lifestyle Village”*

**MR R.C. KUCERA (Yokine)** [10.07 am]: I present for tabling—it is a rather large volume—the tenth report of the Economics and Industry Standing Committee, entitled “Karrinyup Lakes Lifestyle Village”, and the accompanying relevant documentation and submissions.

[See papers 3993 and 3994.]

**Mr R.C. KUCERA:** I wish to speak to the report. As a result of a debate that was initiated in this house by Katie Hodson-Thomas, the member for Carine, the Economics and Industry Standing Committee undertook an inquiry into the activities of Karrinyup Lakes Lifestyle Village—for brevity I will refer to it as KLLV. The village is located in the northern suburb of Gwelup and is being developed by a company known as Moss Glades Pty Ltd and its two principals, Eion Martin and Leonard Whyman.

I am pleased today to see a number of residents of the village in the public gallery. I will make a few broad comments, because the report speaks for itself. There are 67 findings, and the findings are grouped essentially into three categories. The first category deals with the planning, development and building of this village. The second category of findings deals with the management of the village and the involvement of management and residents over a period of nine years since this process started, and four to five years that residents have been occupying the village. Also involved were a number of government agencies, including the Department of Consumer and Employment Protection; the Department for Planning and Infrastructure; local government through the City of Stirling; the Minister for Local Government; and the Minister for Planning and Infrastructure. It also deals with the difficulties that have been encountered with the State Administrative Tribunal. At the end of the day, the residents have had to use the State Administrative Tribunal, at great expense to themselves. As the report points out, in the future that should be unnecessary.

The final part of the report deals very much with the broader issue of retirement villages. Although it was not specifically in our terms of reference, we felt it necessary as a committee to deal with the future of this industry and what governments should do to ensure the viability of the industry and that confidence is retained in it. In saying that, I will touch on the broader issue of retirement or lifestyle villages. In the report, when we refer to lifestyle and retirement villages, essentially we are talking about retirement villages that are governed by this state’s act, which was brought in by this government in 1992; that is, the Retirement Villages Act 1992, referred to as the RVA. A number of other pieces of legislation also assist in this area. It is mainly legislation that deals with planning, approvals, the construction of buildings etc. However, that again is included in the report. I am mindful of the time I have to speak.

During the past two decades, the pattern of living for many Australians, particularly those over the age of 60 years, has changed quite dramatically. More and more older people are now moving out of the classic suburban setting, where they have an individual lifestyle and an individual home, and into places that are known as retirement or lifestyle villages. They are generally and classically either a small suburb or a walled village that has a number of services linked to it, such as clubhouses, medical services, retail shops and the like, and access to other areas. Essentially, they are combined, enclosed, cooperative villages, which really can exist only through a sense of communal cooperation. They all have a common theme. They are secure, serviced communities—where people are essentially able to age in place, if one likes—that are brought and held together by common needs and common expectations, and are administered by the cooperative efforts of the residents and the management. That is a classic example. In fact, I have been a board member of a number of these kinds of villages over many years. I know that normal disagreements occur, and there are some residents who are a bit over the top and there are some managers who cannot quite get it right. However, generally, when cooperation is in place the systems work pretty well, and it is somewhat unusual for government agencies, for instance, to have to step in to deal with issues.

Although there are various residency models for these retirement villages, including, but not limited to, strata title, purple title, lease for life and trust deed, the general model nowadays is a lease-for-life model under which the residents pay an ingoing fee for the right to occupancy. They also pay a week-to-week, month-to-month or year-to-year service and maintenance fee. The ingoing fee is generally equivalent to the value of the house and the land that it occupies. The village land and buildings usually remain the property of the developing entity.

In the past 20 years, the industry has changed dramatically. Previously, these kinds of villages were generally looked upon as being for people who did not have enough money to remain in their own residences. However, the industry has changed. Now a large number of commercial operations, not-for-profit organisations and church organisations are building lifestyle villages on a lease-for-life basis. They are well provisioned and well built. They are quite expensive. Since the inception of this village some nine years ago, the ingoing fees have ranged

between \$300 000 and \$500 000. A portion of that fee will be retained. If people want to move out, they are given the current value of their residence under the lease-for-life arrangements. If there is a change in the value—if it goes up or goes down—that is reflected in what the person receives, minus an agreed amount appropriated by the administrator for the sale of the lease.

This is very different from the situation in a normal suburban environment, where there are individual houses, there is a title to each house, and people generally live on an individual basis. Under those circumstances, there is no requirement, obviously, to develop other than the normal relationship that people have with their neighbours. However, in a lifestyle or retirement village, a cooperative or communal environment is absolutely necessary. In fact, it is expected. It must be actively nurtured and pursued to make the whole concept work. Without that, in most instances it will not work. We had many submissions from the Retirement Village Association and lifestyle villages. In most instances, as I said, apart from minor day-to-day differences, the model works very well by providing a balance between the management and the residents.

The Retirement Villages Act sets out a very clear way forward for these organisations to exist, including the establishment of residents committees and proper reporting conditions for finances. The act provides a whole way of doing this and creating a communal atmosphere. It is a good piece of legislation. However, the committee has made some recommendations for changes to be made and about penalties. Quite frankly, any penalties for breaches of the act are quite minimal.

Let us move on to deal with the Karrinyup Lakes Lifestyle Village. It was first planned in 1999, almost a decade ago, for lot 36 Gribble Road, Gwelup, in the City of Stirling. I must say from the outset that this report is a chronicle of how not to undertake and manage a retirement village. The committee was amazed and exasperated by evidence it heard. I think we went through the entire range of emotions when we received the submissions from the residents, the management and virtually everybody who has dealt with this issue. Specifically, evidence to the inquiry from all respondents, including the developers themselves, clearly indicates that since day one—the very first day when the planning applications went in—Moss Glades, which is the developing company, had shown a disregard for planning, approval and building requirements during the application process, the approvals process and the subsequent village construction. Unfortunately, this situation was compounded by what can only be described as a very unfortunate appeal ruling given by the then Minister for Planning, Hon Graham Kierath, MLA. I will not go into detail. It is well spelt out in the report. Essentially, a condition that the minister set on the appeal process allowed the developers to appeal *carte blanche* every single little item that came up during the construction process.

Construction has been plagued by delays, noncompliance, constant variations, plan changes or the simple ignoring of planned constructions, their alignment on the blocks and a host of other requirements. This has affected not just the residents; this has affected the properties that abut the development and the wider Gwelup community.

I will move on quickly to the promotion and sale of the residences. This started about four or five years ago. There is a specific timetable, but I will not go into that in detail. The promotion and sale of residences suffered a similar fate. Throughout the sale and promotion—it continues to this day—constant variations, constant changes and constant challenges were experienced by the joint selling agents and prospective residents alike. The pattern continued once residents moved in, with services not being provided as promised and common facilities not being constructed. In fact, the major common facility is still not built. It is still just a concrete pad—nearly four to five years down the track since the first residents moved in. There have been nonexistent financial reporting processes, although they are required under the act; different fee arrangements for each resident as they moved in, depending on who sold the residence to them; controversy over the validity of the lease; and a host of other relatively minor issues. Many of the issues are very minor, which might prompt people to ask why we are putting them before Parliament as part of the inquiry. Most of the people who have gone to live at this village to have their little bit of communal paradise are over the age of 60 or 65. Many see it as their last residence, which they have retired to and put their money into so that they can age gracefully and with dignity. Much of the evidence put before us showed that that dignity had been taken away. In many instances, people felt intimidated and were physically threatened. What sort of retirement village accommodates residents who have taken out violence restraining orders against the principals of the village? To use a well-coined phrase in this house, the committee members were gobsmacked at some of the evidence put before them. It sounds as though I am a little emotive, but, as I said, having been involved in the management of these kinds of villages and understanding the foibles and difficulties of dealing with older residents, I could not believe what came before me in many instances.

Collectively, all these issues have built up to a climate of total mistrust and resulted in a total breakdown in relations between the residents and the management of this particular lifestyle village. I thank very much the Minister for Police and Emergency Services for answering promptly a letter I sent to him during the committee inquiry. I will refer to this quickly so that the residents here will be assured. One of the concerns brought to the

attention of the committee was that the planning processes and lack of construction had precluded emergency services from gaining access to the village. It is incredibly important to people as they age that they have access to fire services and other common services such as an ambulance service. I am happy to say that Fire and Emergency Services Authority officers have assessed the Karrinyup Lakes Lifestyle Village and they say that the internal roads of the village—incidentally, many are not yet finished—are of such a standard that a fire appliance and other emergency vehicles would be able to access the village in the case of an emergency. I thank the minister for his prompt action and reply on that matter.

The issues of disagreement between the residents and the management were further exacerbated by Mr Martin, one of the principals. His attitude towards almost all those who gave evidence, and which was experienced firsthand by the committee during hearings, is simply totally unsuited to the management of such an establishment. It is inevitable in closed communities that there will be squabbles and disagreements between residents and managers. This is especially so when residents have come from a very independent lifestyle. The residents we spoke to are no different from any of us; they are independent people who have come from a background of being used to doing their own thing and getting what they want, but they are quite prepared to function within a cooperative lifestyle. However, it is a lifestyle that must be nurtured. I will thank you later, Mr Acting Speaker (Mr A.P. O’Gorman), for your efforts in sitting in on the hearings so that they could take place. Karrinyup Lakes Lifestyle Village is no different, but, unfortunately, as the key contact between the management and residents, Mr Martin presents as a person who has very limited understanding of even the basic principles of managing a retirement village. In fact, he admitted so in his evidence. I asked him what experience he had in managing a village of this type and he said, “Absolutely none at all”. I do not think anything is more clear than that. Neither he nor his partner, Mr Whyman, seemed to grasp that there are inherent conflicts in being the owner, the developer and the manager of a lifestyle village. That is not to say that it cannot be managed; of course it can be managed. However, special skills are needed to manage those particular conflicts. Frankly—I say this as chair of the committee—Mr Martin presented to me as a bully, lacking even a modicum of the negotiation and management skills essential to the creation of an appropriate environment within which some of the most vulnerable members of our community have chosen to live. I say that, having listened in a closed hearing to an elderly woman who was clearly disturbed by having to give evidence and clearly disturbed by the actions of the principals towards her within the village where she had been physically threatened by Mr Martin.

I will let the report speak for itself. Other members want to speak on this matter. With regard to all the planning and building requirements, throughout this saga Moss Glades has either ignored the Fair Trading (Retirement Villages Code) Regulations or complied with them only when the Department of Consumer and Employment Protection stepped in, when residents initiated legal action or, more latterly, when our inquiry prompted Moss Glades to do so. Unfortunately, despite prolonged efforts by DOCEP, prosecution and intervention by the City of Stirling and legal action currently before the State Administrative Tribunal, Moss Glades has made no attempt to solve what has become a festering sore. I urge the minister responsible for DOCEP to step in immediately and arrange for a team within DOCEP to concentrate on this village, to get rid of these issues once and for all. The real tragedy in all this is that the village itself has the potential to be one of the best located in the region. The buildings themselves, once completed, appear to be well built with quality fittings that the residents themselves speak highly of. The committee is at a loss to understand why the management has continued to steer a course that can eventually lead only to the devaluing of its investment. Both the zoning and embedded memorial on the land preclude this from being anything other than a retirement village. In saying that, I can assure the residents that they are protected. I could say much more, but I need to spend the last few minutes of my time offering some thanks.

At the end of the report we formulated a blueprint that supports, in part, the proposals being considered by DOCEP. We have indicated a way forward for the village in terms of immediacy and we have suggested some major changes that will assist the Retirement Village Association. I thank, firstly, Katie Hodson-Thomas, the member for Carine, for being the one person in this whole sorry mess who has championed the issue on behalf of the residents of KLLV. As members of Parliament, there are times when we think we can make a difference. I say quite clearly to the member for Carine that, in this instance, I think she has made an enormous difference and I applaud her for it. The committee also acknowledges the invaluable contribution of the Retirement Village Association. In particular, it has offered to mentor the KLLV management through the process of revitalisation and possible accreditation as a proper retirement village. I sincerely hope the principals listen to that and adopt it. I thank also my fellow committee members. We have had a very short time frame in which to conduct and report on a difficult matter as a matter of urgency. I thank Dr Judy Edwards, the member for Maylands; Mr Michael Murray, the member for Collie-Wellington; Mr Grant Woodhams, the member for Greenough, who went to great lengths to attend the hearings; and you, Mr Acting Speaker, for assisting the committee. I realise my time has run out, but I need to record my thanks to a few more people. I single out for special mention Mr Tony Simpson, the member for Serpentine-Jarrahdale, who attended every meeting and hearing. Without his efforts we could not have met the time frames. Finally, I commend the outstanding efforts of the committee executive: Dr Loraine

Abernethie, principal research officer, and Miss Vanessa Beckingham, the research officer. This has been a difficult and complex inquiry. They approached it with enormous enthusiasm and displayed a very real commitment to ensure that everyone who wished to could present their story. Their combined and individual commitment, persistence, patience and professionalism provided a model for excellence in government. The contents of this report are evidence of exactly that. I thank, finally, the residents. There is a lovely poem by Dylan Thomas, which reads —

Do not go gentle into that good night,  
Old age should burn and rave at close of day;  
Rage, rage against the dying of the light.

They have done just that. It continues —

Though wise men at their end know dark is right,  
Because their words have forked no lightning they  
Do not go gentle into that good night.

Thank you, residents, for bringing this issue to this house.

**MR A.J. SIMPSON (Serpentine-Jarrahdale)** [10.28 am]: I too rise to speak as a committee member on the Economics and Industry Standing Committee inquiry into the Karrinyup Lakes Lifestyle Village. So that I do not forget at the end of my remarks, I firstly thank my fellow members of the committee. I thank the chairman of the standing committee, the member for Yokine. I must say that his years of experience as a member of the police force came in handy during the hearings. I thank the deputy chair of the committee, the member for Greenough; the member for Maylands; the member for Collie-Wellington; and you, Mr Acting Speaker, who helped us out at the hearings. I give special thanks to our research officers, Dr Loraine Abernethie and Vanessa Beckingham. Their commitment and tireless work are very much shown here today in this sizeable report. I congratulate them and thank them very much for their hard work.

This inquiry was very interesting. I think the emotional side to it, as the committee chairman acknowledged, was hard to take at times as people spoke about their concerns. I will speak to the report as a way of staying on track. The committee identified a number of areas that need to be looked at, and I hope this report gives the residents of the village a way forward.

In chapter 1 we refer to retirement villages legislation and the background to where we are at today. The member for Yokine touched on the fact that this matter has been going on since 1998 or 1999—that is, 10 years—so it has been a long process. The list of events is 20 pages long, including every statement on the places to which people have taken their problems.

In chapter 2 we comment on the planning process, the development process and the building approval process. There were some major issues relating to buildings without licences and the road structure within the village. Again highlighting the problem with the planning process, an appeal that goes to the minister's office is passed on to the local government, which has a way of working around that process. That process needs to be looked at.

Chapter 3 refers to the sales and marketing process, and this is where a lot of wrong information was provided. We identify in the report that in the marketing of the village, the real estate or marketing agencies have changed three times in the past five to six years. There were issues with one marketing company that offered different parts of the lease to different people. The levy the residents paid differed in some leases. The leases themselves very much identified issues in the legal process. The disclosure parts of some leases were in handwriting and some had changes that were not uniform. As the member for Yokine pointed out, these are leases for life.

Chapter 5 is devoted to the proposed clubhouse, which seems to be the bone of contention for a lot of residents in the village. There was a concrete slab there that was to turn into a clubhouse. The plan started off as a single-storey clubhouse and then became a double-storey clubhouse. Today the residents do not have a starting date, let alone a completion date. The report devotes a whole chapter to this one issue, as it was such a huge issue for the residents.

In chapter 6 we touch on financial matters. Standard annual budgets, quarterly statements and so forth were not forthcoming. A reserve fund was set up but there are doubts about that process. Every chapter of the report—this chapter is a classic example—indicates that the guidelines for running a retirement village were not followed. Most retirement villages and even organisations and local clubs must produce annual reports and financial statements.

As the member for Yokine said, in chapter 7 we touch on service, repairs and maintenance. This chapter, along with chapter 8, refers to the management and its communication with residents. I realise that there will be

problems to be worked through for anyone managing any type of village and that obviously sometimes people will not always agree on how to do things. However, we looked at the problems that came to us as a committee—I looked at them a couple of times with you, Mr Acting Speaker (Mr A.P. O’Gorman)—and saw that some of the problems were very simple and could have been easily fixed. The houses in the village were brand-new and a lot of stuff was under warranty. All it needed was for management to hop on the phone and ring somebody to fix the problem; however, that did not happen. For what reason I do not know.

The member for Yokine referred to the managing agency, which is identified in chapter 9. The report refers to the skills and capacity needed to manage the village, and I do not believe that the current owner, Moss Glades, has the credentials to manage this type of village.

I will finish quickly on the process of government intervention. There is a lot in the report about the Department of Consumer and Employment Protection, the local government and the State Administrative Tribunal. There are a lot of issues in the report about the government having looked at but not having followed through on the matter. There have been letters written back to the residents saying that they had to do this and that, but nobody came back to them and asked whether the matters had been followed up. It is probably a case of government agencies being toothless tigers—they say everything but do not actually bite. I think that is why a lot of these matters got out of control.

Also in chapter 10 the report identifies a way forward and considers some legislative framework and regulation for the village. That would be a really good thing to have, and I hope now that this report has finally been tabled that these people can actually move forward. I must admit that I do feel very sorry for the people involved in this matter. I feel that they are actually trapped and cannot get out of the process. I have to feel sorry for them. You, Mr Acting Speaker, and I know that if we were in the same situation, we could just sell our houses and move on. However, it is not that easy for the residents of the village when they have a lease for life. The person managing the property is the person they must sell the home back to; therefore, they have a constant process of having to deal with one person and one person only. That has been a very bad process for these people.

I hope that we can move forward with this report; I really do. The people at the Karrinyup Lakes Lifestyle Village deserve a lot more. The member for Yokine finished his speech with a little quote that I think is very true.

**DR J.M. EDWARDS (Maylands)** [10.35 am]: I too rise to commend this report to members. One of my favourite sayings in Parliament is quite an old saying; that is, that the personal is political. In this particular case this report details some very serious complaints that have had a grave impact on the lives of many seniors. The complaints led to an inquiry by the state Parliament and I believe the report details all the events that the residents have gone through. However, the report then makes recommendations at a number of different levels for the residents, for government departments, for the management of the lifestyle village, and then for legislative changes so that, hopefully, what the people in the public gallery have been subjected to does not happen to any other senior in Western Australia. I hope through this report that the excellent work of our chairman, the member for Yokine, can give the affected residents a stronger voice to get these issues tackled.

This issue is really something that should concern us all. At the beginning of the report we go through some statistics. At the moment, according to the 2004 census, 15 per cent of the population is aged 65 years and over. However, by the year 2051, 26 to 28 per cent of the population will be in that seniors age group. Indeed, by 2100, 27 to 31 per cent of the population will be seniors. We refer in this report to how important it is to us all that people have the lifestyle they deserve in their senior years and that they are able to age gracefully and with great dignity. The residents of the village have been denied that opportunity.

This report has 67 findings. I want to read out some of them to give members an idea of what we have been dealing with. Finding 1, which is incredibly powerful, states —

Residents expressed fear and anxiety about possible repercussions of giving evidence to this Inquiry.

That is alarming. People should not feel fearful about coming to Parliament to express their issues when the system has been clearly unable to provide them with the answers that they need. The report goes through the ways in which the system failed these people. For all the best reasons, people tried to mediate a way forward, but ultimately that did not work for the residents and they needed to come to Parliament.

I commend the member for Carine, who took up this matter on behalf of her constituents, who raised it in Parliament and who managed to get a parliamentary inquiry. Now I believe that the committee has come up with a report that shows a way forward in the short term, the medium term and the long term.

Finding 2 states —

It is apparent that Moss Glades Pty Ltd provided ambiguous or misleading information in its planning appeal to the Minister.

There are very serious findings in this report. Finding 10 states —

Moss Glades Pty Ltd deposited lease premiums into an operating account rather than a dedicated account held in trust and in doing so may have placed residents' monies at risk.

I point out to the residents that there are other issues in the report that we looked at very carefully and I believe that we can offer residents a measure of reassurance.

Finding 14 states —

The Department of Consumer and Employment Protection has strong grounds for believing the Karrinyup Lakes Lifestyle Village leases are now valid.

That is incredibly important. I could not believe—and it was one of the things that kept coming back to me as I went through this report—the vulnerable position in which some of these people found themselves.

Finding 13 states that —

There is strong evidence to suggest that the original leases for Karrinyup Lakes Lifestyle Village were not valid and thus placed residents' funds at risk.

Fortunately, we have been given an assurance that addresses that finding. However, for the residents, their children and their relatives this has indeed been a horrendous episode.

In chapter 7, "Services, Repairs and Maintenance", the committee found also that —

Moss Glades Pty Ltd has not fulfilled its obligations in relation to the provision of an interim transport service . . .

As the member for Yokine previously said, in isolation these complaints are fairly minor and, at some level, perhaps a little petty; for example, does Parliament really need to know about a leaking shower? In this instance the Parliament does need to know because complaint after complaint has been made by elderly people. From my former experience as a medical doctor, I know that water on the floor from a leaking shower can cause a senior person to fall and break a hip, an injury that, if not properly managed—as happened in the case of my grandmother—means that death will follow very shortly. These issues have not received the attention they deserve and we need to look into them. In this instance, the committee has been able to look at these quite minor issues in the broader context and make some statewide recommendations that I hope will improve the quality of life for all Western Australian seniors.

Other failed services and maintenance issues are listed in chapter 7 of the report, including the committee's concern about the capacity of emergency services to gain access to the village when needed.

The committee examined the issue of village management. Like the member for Yokine, I spent 10 years on the board of management of an institution that had a residential component. We all know that management is not easy. However, the committee stated at finding 53 that —

The developers have failed to demonstrate to the Committee their skills and capacities to manage a retirement village.

Sadly, the committee found also in a matter the residents complained about that —

It has been clearly demonstrated to the Committee that Mr Martin used bullying and other inappropriate behaviour toward residents of Karrinyup Lakes Lifestyle Village.

Indeed, at finding 57, the committee stated that —

It is not appropriate for Mr Martin to be involved in the management of the Karrinyup Lakes Lifestyle Village.

The report lays these findings out in some detail. What hit me most was the amount of distress caused to residents at a time in their lives when they deserve to age gracefully and to have great dignity in their day-to-day dealings with people. We have made 34 recommendations ranging from how things are managed in the village now to better management in the future; and from better engagement with government departments to changes in both the code and the relevant legislation. It is disturbing that we list in some detail breaches of both the Local Government Act and the retirement villages' code that we know have occurred. I hope the government, when determining a way forward, will consider in detail the changes the committee recommends.

I conclude by thanking the chair, the member for Yokine, for his excellent work; the member for Serpentine-Jarrahdale for his diligence; and my fellow committee members. I also thank you, Mr Acting Speaker (Mr A.P. O’Gorman), for joining the committee and to some extent taking up my role because of my commitment to another committee that met at exactly the same time as the Economics and Industry Standing Committee. As such, I could not get to as many hearings as I wanted. I also thank our research staff: Dr Loraine Abernethie, for her excellent work as principal research officer, and Vanessa Beckingham for her effort as well. I also want to thank the residents of Karrinyup Lakes Lifestyle Village. A number of residents chose to give their evidence in closed session, reflecting their level of intimidation. However, other residents grouped together as a cohesive force and told us exactly what is going on at the village. To all the residents, I say well done for persisting with this matter. A decade’s worth of documentation in this report shows the length of time that some people have had to put up with what has been an awful situation. However, the residents took the matter up with their local member, the member for Carine, engaged Parliament, and now have a report that will, I hope, deliver a way forward.

**MR G. WOODHAMS (Greenough)** [10.45 am]: In commending to the house the Economics and Industry Standing Committee’s report about the inquiry into the Karrinyup Lakes Lifestyle Village, I first acknowledge the work done by our principal research officer, Dr Loraine Abernethie. At all times, Dr Abernethie kept me involved in this inquiry. As you would know Mr Acting Speaker (Mr A.P. O’Gorman), it is somewhat of a challenge for regional members to get to all the committee meetings. The committee chair, the member for Yokine, has already pointed out the limited time frame available to work on this report. I was not always able to get to committee meetings but particularly want to place on record my appreciation of our principal research officer’s work. Dr Loraine Abernethie has at all times kept me posted on every development. I also want to acknowledge the work done by our research officer, Ms Vanessa Beckingham, who helped produce a quite remarkable document in a very short time frame.

I urge all members in the house to read this document. Many of us should take a very strong interest in this subject and in what this report indicates about the management practices at one particular retirement village; namely, the Karrinyup Lakes Lifestyle Village. In a few years, many of us may confront a similar situation in which we, or members of our families, are contemplating moving into a retirement village. One does not have to go too far in the city or in Greenough, the area from which I come, to see a lot of advertising and publicity about the advantages of living in a retirement village. Although this report is about the Karrinyup Lakes Lifestyle Village, I believe many other retirement villages in Western Australia have issues associated with inappropriate management behaviour and inappropriate dealings with people living in those villages. This report contains a lesson for all of us because the report is not only about the Karrinyup Lakes Lifestyle Village, but also about the whole community. The Economics and Industry Standing Committee comprises members from both sides of the house, including you, Mr Acting Speaker, and yet no-one carried a political cloak. A very personal and deep interest in the outcome and a concern for the welfare of many of the people sitting in the public gallery today drove committee members. People make a decision to go into a retirement or lifestyle village because everything they research and find out prior to entering the place indicates that it is where they want to be. However, after finally settling in, they find a range of circumstances and a management process and style that are the exact opposite to everything they want for themselves and anybody associated with them.

I commend the report of the Economics and Industry Standing Committee to the house in full knowledge that many such reports are shelved only to gather dust. I urge every member in this place to be concerned about the contents of this report because they may find people in their own electorates in very similar circumstances to those mentioned in the report. Members also may find themselves in a place such as this one day in the future. We should not endorse in any way the management style that has been in operation at the Karrinyup Lakes Lifestyle Village.

I would particularly like to thank the member for Carine for bringing this issue to the attention of the house, because I know that she has a personal interest in outcomes for the people of her electorate. Above and beyond that, it is her compassion and deep sense of injustice that have really brought this matter to the attention of this place. It is marvellous that we have been able to deal with it in this Parliament, because we have been able to make a number of recommendations and highlight a number of points that are pertinent to this place, to Karrinyup Lakes Lifestyle Village, and to every retirement village in Western Australia. The Department of Consumer and Employment Protection should have ongoing concerns about what has been revealed in this report.

I have mentioned regional concerns. There are members in this place who have come to me to mention that this report reflects not only what has happened in this particular instance, but also developments in other places that are quite similar. My involvement with retirement villages is quite minimal; I have certainly known residents of retirement villages. I no longer have any immediate family resident in retirement villages. The members of my family who previously lived in retirement villages now dwell in another village a long way from this place. May

their God be with them in those places. My experience of retirement villages was a very personal thing. One gets to know only what is happening in a particular unit, or perhaps in a couple of units where one might go for a cup of tea with the people next door. My experience was very positive. My experience of the past couple of months as a result of having the opportunity to interview Mr Martin, the self-described manager of Karrinyup Lakes Lifestyle Village, was an incredible revelation of total arrogance, ignorance and a complete lack of interest in the people living in this lifestyle village. He really had only a very personal interest in gathering as much money as he possibly could from the residents of the village. This was an absolute revelation to me, because in common with many people in this place, I assumed that villages such as these function quite happily. If there is a leaking shower, it will be resolved. However, in this place it was not; it was ignored and the people were bullied.

I acknowledge, as do other members of the committee, the tireless work commitment of the member for Serpentine-Jarrahdale, because he enabled us to meet the deadlines for this report. The member for Serpentine-Jarrahdale highlighted the fact that these people went to Karrinyup Lakes Lifestyle Village of their own free will—presumably goodwill—only to find themselves trapped there by the gatekeeper, Mr Martin, who was in old-fashioned terms an absolute bully.

I recommend that every member in this place read the report. Every member in this place will find that there are issues in retirement villages, lifestyle villages or however they might be described—they will become more popular and will be advertised more as our communities grow—that might disturb them. They should be interested in these issues on behalf of the people who live in these villages and they should become more involved with them, as the member for Carine has. In talking to this report, I commend the work of my fellow committee men and women for their personal interest and for becoming involved. I commend this report to the house.

**MS K. HODSON-THOMAS (Carine)** [10.54 am] — by leave: Firstly, I thank the Minister for Consumer Protection and the Minister for Planning and Infrastructure, who agreed to send this matter to the Economics and Industry Standing Committee for investigation after I moved a motion in this place on 12 March. I also thank all members of the standing committee for their investigation and inquiry into this matter. I take the opportunity to thank the dedicated research team of Dr Loraine Abernethie and Ms Vanessa Beckingham. I make these comments not only from my perspective but also for and on behalf of my constituents and the residents of Karrinyup Lakes Lifestyle Village. Yet again, I have failed to acknowledge the residents who have taken the trouble to come to Parliament from Karrinyup Lakes Lifestyle Village. I welcome them; I had them highlighted in my notes with my yellow highlighter, but I still missed it! I welcome them; it is lovely to see them here. I make some of these comments for and on behalf of the residents of Karrinyup Lakes Lifestyle Village, with whom I have had an ongoing relationship for some time as a consequence of what has been going on in this lifestyle village. When I moved this motion in Parliament on 12 March, I talked about the notion of lifestyle villages; it conjures in one's mind a vision of utopia. As members of the committee have come to realise during the inquiry, this is definitely not utopia for these residents; it should be, but it is not.

I will also make some comments about the dedication and hard work of the chairman and his committee members. Residents have conveyed to me that they felt very comforted by the chairman and his committee team during the investigations, and by the fact that they were heard personally by the committee. I acknowledge Dr Loraine Abernethie who, I understand, has worked tirelessly on this report. When I say “tirelessly”, I understand that she has worked on weekends and after hours. As members of the standing committee know, we are very fortunate to have a dedicated team of researchers who always manage to make us look good! Our tasks as members of Parliament are so varied that we cannot focus singly on the inquiry at hand. I thank the researchers. The report is a testament to the inquiry and the dedication of the team. There are some 289 pages, 10 chapters, nine appendices, 67 findings and 34 recommendations. As I am not a member of the committee, I have not had a great deal of time to read the report, but I will certainly peruse it. I am encouraged to hear members say that every member in this place should read this report, and I urge all members to read it. I have had first-hand experiences with members of my community of what goes on in places such as this. It is not about us or members of our families ending up in retirement villages; it should be about ensuring that anyone of that age is looked after and provided with a fair and just environment when they have invested large sums of money. These are very fair-minded individuals. They tried very hard to mediate with the developers over a long period. As members have heard, they have been bullied and intimidated and have lived in fear. Until they sought my assistance they had hit brick walls at every turn. I am really encouraged by the fact that as a result of bringing the motion to the Parliament, one of our standing committees has investigated the matter in a bipartisan way. I thank the member for Yokine, the member for Serpentine-Jarrahdale, the member for Maylands, the member for Greenough and the member for Joondalup. I have worked with the member for Joondalup on another standing committee and I know how he operates.

**Mr M.W. Trenorden:** As a member of this place, a lot of people come to me about this sort of issue. My problem is that when I send these people to the State Administrative Tribunal, it is just not interested in the



plight of these people. What has the committee report done about that? SAT is close to useless for people in aged care and strata-title accommodation.

**Ms K. HODSON-THOMAS:** My residents have appeared before SAT, and I think they also have felt that SAT has not, in essence, assisted them as quickly as they would have liked. As I have said, I am not a member of this standing committee, and I have received the report only this morning.

**Mr R.C. Kucera:** The report has recommended the establishment of a formal board to deal with the day-to-day running of these types of retirement villages, and the introduction of legislation to back that up.

**Mr M.W. Trenorden:** I am pleased to hear that.

**Ms K. HODSON-THOMAS:** The chairman's foreword to the report states, in part —

**Essentially the report is a chronicle of “*how not to undertake and manage a retirement village development*”.**

It is for that reason that I say that every member of this place should read this report. It goes on to state —

Construction has been plagued by delays, non-compliance, constant variations, changing plans or simply the ignoring of planned constructions, their alignment and a host of other requirements. This has not only affected residents, but properties that abut the development and the wider Gwelup community.

That is the very reason I brought this motion to the house on 12 March. These residents deserve far better than this. As many members before me have said, both major and minor issues have arisen; and, collectively, these issues have resulted in a climate of total mistrust, and a breakdown in any meaningful communication. The chairman's foreword also states —

The tragedy is that the village itself has the potential to be one of the best located in the region.

That is true. I am sure that if this development had been managed by anyone other than Moss Glades Pty Ltd, that would have been the case. This village could have been the model for future lifestyle villages. I have been gobsmacked by what has taken place at this village. I cannot understand why anyone would behave in this way. If it is about making a profit, the developers of this village could have made a profit if they had done everything according to the code, the legislation and the rules. However, at every turn they have tried to thwart that process. The residents of Karrinyup Lakes Lifestyle Village deserve to be treated with respect. To date, that has not been the case. Needless to say, I think the residents will gain some comfort from this inquiry by the Economics and Industry Standing Committee. I am sure that all members share my hope that this inquiry will achieve a positive outcome for the residents of Karrinyup Lakes Lifestyle Village. I will read this report with great interest. A number of the recommendations and findings in the report have certainly given me a great deal of comfort.

I have been a bit emotional throughout this debate. I suppose I have been sharing the emotion that is being experienced by my constituents. I also feel that I have done really well in acting for my residents in this matter, and that one of the highlights of my parliamentary career will be that I will be able to look back and know that I have achieved something for them.

**Mr R.F. Johnson:** You have done many good things, member.

**Ms K. HODSON-THOMAS:** I remember saying to some of these people when we were standing in their driveway that if there is one thing I can do before I leave this Parliament, it will be to make sure that they do not have to continue living in these conditions at this village.

[Interruption from the gallery.]

**Ms K. HODSON-THOMAS:** Mr Acting Speaker (Mr A.P. O’Gorman), I know that people in the gallery are not allowed to applaud, but please do not say anything about that. It has been an absolute pleasure for me to represent and advocate for these residents, and I will miss them.