

MEDIA RELEASE

22 August 2017

New retirement village fees calculator enhances consumer information and decision-making

Leading seniors advocate COTA Australia welcomes the launch this morning of Macquarie University's retirement village fees calculator, the first of its kind in Australia. Its development was funded by Financial Literacy Australia.

The application works by taking a number of different fees (such as entry fee, ongoing fee, exit fee) and calculates a simple 'equivalent monthly rent' for the years of residence, allowing older Australians to easily compare the cost of different retirement villages; and the cost of a retirement village against renting independently.

Chief Executive of COTA Australia, Ian Yates, believes the new resource will alleviate some of the considerable confusion many people face when trying to decide about retirement village living, and choosing between retirement village providers.

"It is very important that older Australians are equipped with all the necessary information and understanding so that they can make a fully informed decision when choosing how and where they want to spend the later stages of their life.

"While the calculator is a very welcome addition to resources designed to help people make informed decisions in the retirement village market, much more work needs to be done to reduce the complexity of contracts and fee structures.

"Better disclosure regulation is also needed to ensure people can easily obtain clear and detailed information at an early stage to put into the calculator.

"Contracts, and the financial arrangements within them, should be simplified and standardised and they should be subject to regulation by the Australian Securities and Investment Commission (ASIC) and the Australian Competition and Consumer Commission (ACCC).

"Too many older Australians still find themselves in the dark and confused when it comes to retirement village contracts and often face nasty surprises in fees throughout the term of the contract or when they relocate or leave.

"This has been an issue for three decades and its time it was fixed," said Ian Yates.

The Macquarie Retirement Village Fees Calculator can be found at www.rvcalculator.org

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COTA Australia is the peak policy development, advocacy and representation organisation for older Australians, representing COTAs in every State and Territory and through them over 500,000 older Australians.