Newsletter

Winter 2025

Celebrating Special Milestones

Generations Strong

We're delighted to share something that truly touches our hearts here at Stonehouse Wealth Management.

As we reflect on more than 50 years of service, one thing continues to shine through: relationships. For us, it's never just been about numbers or accounts. It's always been about people, families, and the trust that deepens over time.

There's something incredibly special about welcoming a new generation from the same family into the world of financial advice. It's a moment of pride for us, not just because it reflects the longevity of our work, but because it speaks volumes about the strength and continuity of the connections we've built.

Today, we're honoured to work with multiple third generation families and even a fourth generation.

Over the years, we've walked alongside families through life's defining moments: from first jobs and home purchases to launching businesses, preparing for retirement, and helping their children and grandchildren begin their own financial journeys.

To be part of that, through the highs and the challenges, and to help build financial confidence across generations, is a true privilege.

These milestones are a powerful reminder of why we do what we do. Our role is to offer support, guidance and trusted advice, no matter what stage of life you're in. And the fact that families continue to entrust us with that responsibility, generation after generation, means the world to us.

To all our clients, new and longstanding, thank you. We're deeply grateful for your trust and we look forward to everything the future holds.

Here's to many more years and many more generations together.

In Loving Memory of Elaine (Stonehouse) Stewart

This winter, we pause to honour the life and legacy of **Elaine**, the beloved mother of our founder and Partner, Andrew Stewart.

Elaine passed away peacefully at the age of 93 – sharp, witty, and full of love until the very end. What many may not know is that Stonehouse carries her maiden name, a lasting tribute to her strength, resilience, and the unwavering support she gave to Andrew and our business.

A familiar face to some of our long-standing team and clients, Elaine was always ready with a laugh and a helping hand. Her love for Andrew was fierce and unconditional, and her pride in Stonehouse was ever-present.

Elaine's legacy lives on in the values we uphold every day – care, family, trust, and commitment.

She will be deeply missed and forever remembered.

Understanding Land Lease Communities

What Retirees Need to Know Before Downsizing

Michelle Poulson
Partner

As housing affordability and retirement funding pressures increase, many Australians nearing retirement are considering alternative living arrangements. One increasingly popular option is the **land lease community** – a model promoted for its lower entry price, lifestyle amenities, and simplified downsizing path.

But as a recent *Victorian Civil and Administrative Tribunal* (VCAT) decision involving *Lifestyle Communities* highlights, these communities are not without complexity or controversy. So, what is a land lease model, and what do you need to know before making this potentially life-defining decision?

What Is a Land Lease Community?

Land lease communities (also called over-50s villages) allow residents to:

- **Own** their home (often a prefabricated or modular dwelling)
- **Lease** the land beneath it from the operator (on a long-term rental agreement)
- **Pay ongoing site fees** for access to communal facilities, services, and infrastructure.

This model is distinct from retirement villages or aged care homes, as it's governed by residential tenancy legislation rather than retirement living legislation.

Potential Benefits

- **Lower upfront cost:** Often significantly cheaper than buying a traditional house or unit.
- **No stamp duty:** In most states, stamp duty is not payable because you're not purchasing land.
- **Lifestyle amenities:** Many offer swimming pools, clubhouses, health programs, and secure gated access.
- **Retain equity:** Because you're buying the home, you may retain more of your wealth than in some retirement villages with higher exit fees.

Key Considerations and Risks

While the model may appear attractive, it's important to assess the **long-term financial implications** and **contractual terms**:

1. Ongoing Site Fees

You pay rent on the land your home sits on, often indexed annually and **payable even during extended absences or after passing**, until the home is resold.

2. Deferred Management Fees (DMFs)

Some operators charge exit fees or share in the capital gains when you sell. In the case of Lifestyle Communities, a court recently found their DMF to be **"neither known nor knowable"**, and therefore **unenforceable** – highlighting a need for caution and clarity.

3. Ownership Misunderstandings

You own the home but **not the land**, and resale conditions are governed by the operator. This limits capital growth and flexibility.

4. Centrelink Impacts

Land lease arrangements can sometimes improve Age Pension entitlements (due to being classified as a 'homeowner'), but each situation differs – personalised advice is key.

Stonehouse Perspective: Navigating with Care

At Stonehouse, we support clients to **make informed decisions** that align with their financial goals, lifestyle aspirations, and retirement security. While land lease communities may suit some retirees, we strongly recommend:

- Reviewing all contracts with a qualified solicitor
- Understanding your rights under local residential tenancy laws
- Calculating the **total cost of ownership**, including site fees, exit fees, and maintenance costs
- Considering your **long-term care needs** and **estate planning implications.**

Want to Learn More?

If you're considering downsizing, entering a land lease community, or supporting a loved one through that process, reach out to your Stonehouse adviser. We're here to guide you through the financial, legal, and lifestyle factors so you can make confident, well-informed choices.

Stonehouse Wealth Management – Empowering You to Retire Well

Aged Care Reforms

What You Need to Know by November 2025

David Peck
Senior Financial Adviser

Australia's aged care system is on the cusp of a once in a generation transformation. The long-anticipated overhaul, originally scheduled to begin 1 July 2025, has now been officially delayed to 1 November 2025, giving individuals, families and care providers more time to prepare for the most significant legislative and funding reforms in decades.

These changes stem from the recommendations of the 2021 Royal Commission into Aged Care Quality and Safety, which called for a complete reset of how aged care is delivered, regulated and funded.

With the passage of the Aged Care Act 2024 and supporting legislation, the government has now laid the legal foundations for a fairer, more transparent and more sustainable system. While the laws have passed, the implementation timeline has shifted slightly, offering a valuable window for planning and advice.

Why This Reform Matters

Australia's population is ageing rapidly. Over the next 40 years, the number of people aged 65 and over is expected to more than double, while those aged 85 and over will triple. This increasing demand places substantial pressure on care systems, facilities and funding structures.

The Aged Care Taskforce has estimated that the residential aged care sector alone will need $56 billion by 2050 to upgrade infrastructure and meet future demand. Yet, existing models are no longer financially sustainable. Nearly half of aged care providers reported losses in the 2022 to 2023 financial year.

These new reforms mark a pivotal step in ensuring that aged care in Australia is fair, sustainable and equipped to meet the needs of a growing older population.

What's Changing?

The government has legislated several major changes that will come into effect on 1 November 2025. These include:

1. The New Aged Care Act

The new Aged Care Act introduces a rights-based approach to aged care, ensuring stronger protections for older Australians. It places clearer legal responsibilities on providers, strengthens financial safeguards such as requiring refundable accommodation deposits (RADs) within 14 days, and simplifies the way care is accessed through a Single Assessment System.

2. Support at Home Program

The Support at Home program will replace Home Care Packages and Short Term Restorative Care. It aims to streamline access to services including clinical care, personal support such as showering and dressing, domestic assistance, end of life care, and home modifications. Clinical care will be fully funded by the government while other services will be means tested, with the highest level of support valued at $78,000 per year.

3. Updated Consumer Contributions

A new funding model will introduce higher contributions for wealthier care recipients from November 2025 along with a lifetime cap of $130,000 across both home and residential care.

According to Minister Anika Wells, for every $1 paid by an individual, the government will contribute an average of $3.30 to ensure fairness and affordability.

4. "No-Worse-Off" Guarantee for Existing Recipients

If you or a loved one is already receiving care, either at home or in residential accommodation, you will not be worse off under the new system. Existing care arrangements and contribution will continue, with no requirement to move to the new model. However, current recipients may choose to transition voluntarily if they wish to access new services or funding options.

Preparing for the Changes

The delayed start provides a valuable opportunity to understand these changes, explore how they may affect your situation, and plan ahead. Whether you are considering aged care for yourself or supporting a family member, seeking advice early can make all the difference.

We're Here to Support You

Navigating aged care is never easy especially during periods of major reform. Our team is here to help you understand the new legislation, explore your options, and prepare financially and emotionally for the future.

Whether you're planning for yourself or supporting a family member, we're ready to guide you through every step.

Read More At:

Australian Government Department of Health and Aged Care (https://www.health.gov.au/)

Aged Care Taskforce Final Report 2024 (https://www.health.gov.au/resources/publications/final-report-of-the-aged-care-taskforce)

Aged Care Quality and Safety Commission (https://www.agedcarequality.gov.au/)

Cruising into Good Times

EOFY Team Celebration Afloat

To wrap up the financial year in style, our team set sail down (and back up!) the Brisbane River aboard the sleek YOT Vice. Under sunny skies and with a soft river breeze, we took a well earned break to celebrate the year that was, sharing stories, laughs, and achievements from across the business.

It was the perfect EOFY reset: time away from desks, great company, and uninterrupted city views from the water. As we enter the new financial year, we remain focused on delivering thoughtful advice, meaningful service, and continued value. If there's anything you'd like to revisit or review heading into the new financial year, please don't hesitate to reach out.

Thank you for being part of our journey, we are excited for the opportunities ahead and what we can accomplish together.

Stonehouse Financial Partners Pty Ltd
E service@stonehousegroup.com.au
W www.stonehousegroup.com.au

Facebook stonehousegroup.au
Linkedin stonehouse-wealth-management