



Scope of Review of the Retirement Villages Act 2003

At a broad level, the review will consider whether the Retirement Villages Act 2003 (the Act), associated Codes, and Regulations remain fit for purpose to ensure:

- adequate consumer protections for residents and intending residents of retirement villages,
- an effective balance between the rights and responsibilities of residents and operators of retirement villages,
- the on-going viability of the retirement village sector and its ability to provide a range of retirement housing options and consumer choice, and
- appropriately defined rights and responsibilities of residents and operators, including where they may differ for different occupancy rights.

The review will consider specific aspects related to the phases of retirement village living, and wider issues, as below.

Moving in:

- Disclosure requirements on entry to the village, including:
 - what is contained in disclosure statements, for example information about and support for transferring to higher levels of care,
 - simplifying disclosure statements and making them accessible so they are easier for intending residents to understand (including whether statements should be provided in other languages for residents where English is not their first language), and
 - whether a Key Terms Summary should be required to be provided along with the disclosure statement to all intending residents, which includes financial and care information for residents to compare villages.
- Occupation Right Agreements (ORA), and what should be included.

Living in:

- The provision of a simple and effective dispute resolution system, where a dispute cannot be resolved between the parties.
- The need for:
 - an independent body to oversee the complaints and disputes process to ensure transparency and accountability, and
 - resident advocacy services.
- Clarification of the repair, replacement and maintenance responsibilities of operator-owned chattels.
- Minimum building quality standards for retirement units, for example similar to the Healthy Homes Standards under the Residential Tenancies Act 1986.

[UNCLASSIFIED]



Moving on:

- Minimum standards for specific financial exit matters concerning:
 - termination of weekly fees once the unit is vacated,
 - resale and return of residents' capital after exiting (including whether exit repayments to residents should go through the statutory supervisor), and
 - treatment of deferred management fees and capital gains and losses.

The review will consider general topics related to the retirement village regime, as set out below.

Other topics for review

Cultural considerations

- Whether and how retirement villages can offer culturally appropriate services or models of care.

Security for residents' capital sums and solvency

- The financial security of residents' capital sums, including whether statutory supervisors should be required to hold security on behalf of residents against the titles to the land, and against the operating entity.
- Whether there should be a statutory requirement that village operators remain solvent.

Government agencies

- The roles of the various Government entities involved in retirement villages legislation and whether any changes are appropriate.

Impact of other legislation on the Act

- The impact of changes to other legislation in the past two decades on the retirement villages legislative environment, such as changes to consumer protection legislation and Health & Safety legislation (e.g., Fire and Emergency New Zealand Act 2017).

Interaction between retirement village sector and aged residential care sector:

- The interdependencies between the retirement village sector and the aged residential care sector, including the impact of any changes to the retirement villages regime on the aged residential care sector.
- Whether there should be clearer disclosure on the continuum of care and where legislation intersects.

Insurance industry cover

- How changes to the way in which the insurance industry provides cover impacts on the retirement village sector, and whether any legislative changes are appropriate.

Investigating and auditing compliance with legislation by operators

[UNCLASSIFIED]



- How to ensure an appropriate approach for investigating and auditing compliance with the legislation for all operators.

Improved drafting of legislative regime

- How the legislation, regulations, and codes can be drafted to:
 - avoid duplication and simplify processes where appropriate and
 - ensure clarity and consistency and remove structural and drafting anomalies.

Other issues

- Additional issues which may arise during the review will be considered for inclusion on a case-by-case basis.

[UNCLASSIFIED]