



Cabinet Economic Policy Committee

Minute of Decision

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Review of the Retirement Villages Act 2003: Legislative Reform Proposals

Portfolio Housing

On 19 November 2025, the Cabinet Economic Policy Committee:

Background

- 1 **noted** that the Retirement Villages Act 2003 (the Act) has been reviewed to ensure the rights and responsibilities of retirement village operators and residents are appropriately balanced and the Act is up to date and fit for purpose;
- 2 **noted** that significant consultation has been undertaken, including through a public discussion document in 2023 and extensive engagement with resident and operator peak bodies;

Moving into a retirement village

- 3 **agreed** to amend the Act to improve the accessibility and transparency of legal documents, improve the effectiveness of the disclosure regime, and provide protections against unfair contract terms by:
 - 3.1 requiring retirement village operators to publish their disclosure statement on the retirement village website or provide them within a reasonable time (if they do not have a website);
 - 3.2 requiring disclosure statements and occupation right agreements to be available in a searchable format;
 - 3.3 amending the regulation-making power to enable regulations to:
 - 3.3.1 partially standardise the form of disclosure statements and occupation right agreements;
 - 3.3.2 prescribe terms that are prohibited in occupation right agreements;
 - 3.4 strengthening the obligation on operators to ensure that disclosure statements and other advertisements are not misleading or deceptive;
 - 3.5 enabling a person who suffers inconvenience, loss, or detriment as a result of relying on information contained in a disclosure statement to make a complaint to the disputes scheme or take a proceeding to court;

- 3.6 providing the Registrar of Retirement Villages with discretion to make a direction order or a stop order if an advertisement, registered document, or offer of occupation is false, misleading, or inaccurate;
- 3.7 providing a contravention of an order made by a Registrar without reasonable excuse is a civil liability event (subject to ensuring consistency with other regimes);

Living in a retirement village

- 4 **agreed** to amend the Act to make obligations relating to chattels and fixtures in retirement village units clear and consistent, and to ensure there is a suitable process for raising and resolving resident complaints and disputes by:
 - 4.1 assigning responsibility, including the direct costs, for the maintenance, repair and replacement of operator-owned chattels and fixtures to operators for new contracts and, after a 12-month transitional period, existing contracts (except where operators share capital gains with residents in which case responsibility can be shared proportionately between the operator and resident);
 - 4.2 requiring operators to provide a list of operator-owned chattels to intending residents;
 - 4.3 establishing a new scheme for retirement village complaints and disputes that:
 - 4.3.1 is accessible and user friendly, independent and fair, efficient, effective and accountable;
 - 4.3.2 is a scheme approved by the responsible Minister and delivered by a contracted third-party dispute resolution scheme provider (or a regulated scheme if there is no scheme approved by the responsible Minister);
 - 4.3.3 has the scope and powers, and scheme provider obligations, as set out in the paper and Appendix A attached under ECO-25-SUB-0199;

Moving out of a retirement village

- 5 **agreed** to amend the Act to provide former residents with early access to funds in limited circumstances, certainty over the maximum time for repayment, and improved transparency over the relicensing process by:
 - 5.1 establishing an application scheme for early repayment of residents' funds with details as set out in Appendix B to the paper under ECO-25-SUB-0199;
 - 5.2 requiring that, if a former resident's unit remains vacant after six months, the operator will be required to pay interest on the former resident's net termination proceeds;
 - 5.3 introducing a 12-month maximum repayment timeframe for residents' net proceeds after occupation right agreement termination for new contracts entered into after a one-year transition period (with extensions and exemptions to mitigate financial risks to villages and ensure fairness);
 - 5.4 strengthening operator reporting requirements to former residents and removing the time restriction on raising a complaint about the relicensing process;

- 6 **agreed** that the proposals in paragraphs 5.1, 5.2, and 5.3 above apply to occupation right agreements signed one year after the Retirement Villages Amendment Bill (the Bill) receives Royal assent.
- 7 **agreed** to amend the Act to align minimum standards with sector best practice and ensure fairness for all residents by requiring:
- 7.1 weekly fees to stop being charged immediately after a unit has been vacated;
 - 7.2 that fixed deductions stop accruing immediately after a unit has been vacated;
 - 7.3 that residents can only be held liable for a capital loss from the relicensing of their unit to the same extent as they are entitled to any share of capital gains;

Other matters under review

- 8 **agreed** to the amendments to the Act set out in Appendix C, attached under ECO-25-SUB-0199, to:
- 8.1 clarify the types of villages that are excluded from the definition of ‘retirement village’;
 - 8.2 update insurance provisions and require operators to maintain resources to repay residents’ capital sums if a village is destroyed and cannot be reinstated;
 - 8.3 support statutory supervisors to protect the collective financial interests of residents through discretion to require securities and through requiring auditors to report matters relevant to the statutory supervisor’s duties;
 - 8.4 update the retirement villages register provisions in the Act to better reflect how the register is operated in practice and to provide the Registrar with powers to support the efficient operation of the register;
 - 8.5 align the process for making and varying the code of practice with the standard process for making and varying secondary legislation;
 - 8.6 amend the code of residents’ rights to include the right to be free from harassment and intimidation, and the obligation to respect the peace, comfort and privacy of other residents;


Civil liabilities, pecuniary penalties, offences and penalties

- 9 **agreed** to amend the Act to include the prohibited conduct and associated maximum fines and pecuniary penalties, as set out in Appendix D attached under ECO-25-SUB-0199;
- 10 **authorised** the Associate Minister of Housing (the Minister) to make any further decisions needed to adjust fines and penalties, consistent with the policy intent of the paper under ECO-25-SUB-0199;

Commencement and transitional provisions

- 11 **agreed** that commencement timeframes for the changes be determined by fairness and consumer protection for residents, whether the change codifies best practice or presents low or minor costs for operators, and sufficient time for agencies and operators to implement and comply with the changes;

Next steps

- 12 **invited** the Minister to issue drafting instructions to the Parliamentary Counsel Office for a Bill to give effect to the above decisions;
- 13 **authorised** the Minister to make decisions on any minor, technical, or consequential changes that arise during drafting to ensure workability;
- 14 **s 9(2)(f)(iv)** 
- 15 **authorised** the Minister to make further policy decisions consistent with the policy proposals in the paper under ECO-25-SUB-0199, and final decisions on commencement and transitional provisions;
- 16 **noted** that the Minister intends to introduce the Bill to the House by July 2026.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Rt Hon Winston Peters
Hon Nicola Willis (Chair)
Hon Brooke van Velden
Hon Shane Jones
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Tama Potaka
Hon Chris Penk
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Mark Patterson
Hon James Meager
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of Hon Penny Simmonds
Ministry of Housing and Urban Development
Officials Committee for ECO