



# Regulatory Impact Statement: Retirement Villages Act 2003 review – Proposals for operator-owned chattels and fixtures

<b>Decision sought</b>	Analysis to inform Cabinet decisions on legislative changes to address issues with the maintenance, repair, and replacement of operator-owned chattels and fixtures in retirement village units.
<b>Agency responsible</b>	Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development
<b>Proposing Minister</b>	Hon Tama Potaka, Associate Minister of Housing
<b>Date finalised</b>	12/11/2025

Proposals are aimed at increasing fairness, clarity and consistency regarding chattels and fixtures in licence to occupy retirement village units by:

- requiring operators to assume responsibility, including direct costs, for the maintenance, repair and replacement of all operator-owned chattels and fixtures (excluding villages where capital gains are shared with residents),
- requiring operators to provide a list of operator-owned chattels to intending residents, and
- clarifying that marks or damage caused by residents' use of mobility aids or incontinence are to be classified as fair wear and tear.

## Summary: Problem definition and options

### What is the policy problem?

The Retirement Villages Act 2003 (the Act) does not explicitly state who pays the direct costs of maintaining operator-owned chattels and fixtures in retirement village units. Some residents are required to pay for the maintenance, repair and replacement of chattels and fixtures that they do not own.

For the purposes of the review, Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development (the Ministry) considers a fixture to be an item that is attached or fixed in position in a retirement village unit. Fixtures typically include heat pumps, garage door openers, hot water cylinders and carpets. Chattels are items in a unit that are not fixtures and are moveable. Chattels include fridges, washing machines, heaters and other appliances.

The policy problem is specific to the licence to occupy retirement village model, where residents purchase the right to occupy a unit but do not own it. These terms are set out in occupation right agreements (ORAs), which operators are required to give their residents. Residents do not receive the benefits of ownership of the property, and most receive no share in capital gain when the property is relicensed.

Under other retirement village models, such as the unit titles model, residents pay for repairs and maintenance of items in their unit. However, because they own the unit's chattels and fixtures, they receive the benefits of ownership.

In 2023-2024 the Commerce Commission investigated a complaint about potentially unfair terms in retirement village ORAs, including terms related to the maintenance and repair of chattels and fixtures. The Commerce Commission wrote to operators reminding them of their obligations under the Fair Trading Act 1986 (FTA). A court can declare a term unfair if it creates a significant power imbalance between parties' rights and obligations, is not reasonably necessary to protect the legitimate interest of the party advantaged by the term and could cause detriment to a party if relied on.

The Commerce Commission also invited operators to reconsider their village's definition of fair wear and tear, which in some instances excluded damage caused by residents' incontinence or use of mobility aids. The Commerce Commission considered that, because retirement villages exclusively accommodate older people, it is foreseeable that some residents, as they age in place, may be more likely to use mobility aids or become incontinent.

The Commerce Commission has the regulatory option of seeking a court declaration that terms in ORAs are unfair under the FTA. § 9(2)(f)(iv)

If the Commerce Commission received a court declaration that certain ORA terms were unfair, any declaration would be limited to a particular ORA and operator. A declaration of unfairness, unlike legislative change, cannot legally require all operators in the sector to change their unfair terms. § 9(2)(g)(i)

### **What is the policy objective?**

Changes to chattels and fixtures and fair wear and tear should ensure:

- the rights and responsibilities of parties are clear and transparent,
- residents have a clear understanding of the costs that will be incurred for the duration of their occupancy,
- rights and responsibilities are fairly allocated, taking into account the benefits that accompany ownership, and
- rights and responsibilities are not in conflict with relevant established consumer protection standards.

## **What policy options have been considered, including any alternatives to regulation?**

### Issue One: Responsibility for the maintenance, repair and replacement of operator-owned chattels and fixtures

The Ministry has considered two options:

- Option One – retain the status quo that responsibility is not assigned in legislation, or
- Option Two – assign responsibility for the maintenance, repair and replacement of operator-owned chattels and fixtures to operators in legislation.

Legislatively assigning responsibility, including direct costs, for the maintenance, repair and replacement of operator-owned chattels and fixtures to operators (Option Two) is both the Minister's and the Ministry's preferred option. This would clarify that each party is responsible only for the chattels and fixtures they own, improve residents' understanding of their rights and obligations, and provide certainty to future residents about the potential costs of occupancy. Residents will not face unexpected costs when operator-owned chattels and fixtures require repair. The recommended option aligns with the objectives of the review and addresses the preliminary views of the Commerce Commission.

### Issue Two: List of operator-owned chattels

The Ministry has considered three options:

- Option One – retain the status quo that retirement village operators are not required to provide a list of their chattels or fixtures to intending residents, or
- Option Two – require retirement village operators to provide a list of their chattels and fixtures to intending residents, or
- Option Three – require retirement village operators to provide a list of their chattels (but not fixtures) to intending residents.

Requiring operators to provide a list of their chattels to intending residents (Option Three) is both the Minister's and the Ministry's preferred option. This option would clarify which chattels residents do and do not own, provide certainty to future residents regarding the potential costs of occupancy, and align the Act with current sector best practice.

### Issue Three: Marks or damage to retirement village units caused by residents' use of mobility aids or incontinence

The Ministry has considered two options:

- Option One – retain the status quo that operators work within the bounds of the current definition of fair wear and tear in the Code of Practice, or
- Option Two – clarify that marks and damage caused by retirement village residents' use of mobility aids and incontinence are classified as fair wear and tear in the Code of Practice.

Clarifying that marks and damage caused by residents' use of mobility aids and incontinence are classed as fair wear and tear (Option Two) is both the Minister's and the Ministry's preferred option. This option would clarify that residents cannot be made liable for these types of damage and would provide certainty about the rights of residents and operators.

**What consultation has been undertaken?**

The Ministry released a discussion document on options for changes to the Retirement Villages Act in early August 2023 that received over 11,000 public submissions. Submissions were received from residents and their whanau, operators, lawyers, advocacy groups, consumer advocates, industry professionals, stakeholders and government agencies. There was a high level of support for assigning responsibility in legislation to the owner of any given chattel or fixture.

The Ministry has had ongoing engagement with key stakeholders, including the Retirement Village Residents' Association (RVR), which represents residents, the Retirement Villages Association (RVA), which represents operators, and the Corporate Trustees Association (CTA), which represents retirement village statutory supervisors.

At a stakeholder roundtable meeting hosted by the Retirement Commissioner in January 2025, the RVR, RVA and Residents' Council agreed that a regime for chattels and fixtures needed to be simple and clear to ensure that residents and operators understand their rights and responsibilities and avoid unexpected or unfair costs. Most attendees agreed that whoever owns a given chattel or fixture should be responsible for its maintenance, and that operators should replace operator-owned chattels and fixtures at the end of the item's useful life.

**Is the preferred option in the Cabinet paper the same as preferred option in the RIS?**

Yes.

---

**Summary: Minister's preferred option in the Cabinet paper**

---

**Costs****Issue One: Responsibility for the maintenance, repair and replacement of operator-owned chattels and fixtures**

In 2023 the RVR estimated approximately 60 percent of operators already meet the direct costs of maintaining, repairing and replacing operator-owned chattels and fixtures. The Ministry now estimates this figure has increased by a further eight to ten percent, as more operators have adjusted their terms since 2023. The majority of operators, therefore, will not face additional costs.

For the remaining minority of operators, direct costs that are currently paid by individual residents will instead be paid by operators. Operators can choose to absorb these additional costs or pass them on to residents collectively through increased fees or other charges.

A small number of licence to occupy villages share any capital gains with the former resident, or their estate, when the unit is relicensed to a new resident. In this situation, the resident receives some benefits of ownership. Where operators share capital gains, responsibility for chattels and fixtures can be shared proportionately between the operator and the resident.

### Issue Two: List of operator-owned chattels

The Ministry considers additional administrative costs associated with this proposal will be reasonable and will only be incurred at the time a unit is relicensed. The average occupation period of a resident in their unit is around seven to eight years.

Listing operator-owned chattels (most likely as a schedule attached to a resident's ORA) is a voluntary remit adopted by the RVA. Most RVA members will already be providing a list of the chattels they own to their residents. In response to feedback related to the benefits and costs, the Ministry did not progress a proposal to require operators to list fixtures or the condition of chattels.

The Ministry does not have information on how many operators explicitly exclude marks or damage caused by mobility aids or incontinence from their village's definition of fair wear and tear. The Ministry considers the additional costs incurred by the recommended option will be minimal. Operators can choose to absorb these additional costs or pass them on to residents collectively through increased weekly fees or other charges.

### **Benefits**

The proposed changes will improve clarity and consistency regarding responsibility for the maintenance, repair and replacement of the chattels and fixtures in retirement village units. The proposals will increase consumer protections for current and future residents and will provide residents with greater certainty regarding the costs of occupying a retirement village unit.

The proposed changes address underlying issues of unfairness, whereby some residents are required to contribute financially to property that they do not own and do not receive capital gains on. Individual residents will no longer face unexpected and potentially unaffordable bills to maintain, repair or replace chattels and fixtures they do not own. Some residents rely predominantly on superannuation to meet their living costs and often cannot afford costs which other residents can afford.

### **Balance of benefits and costs**

Some smaller commercial operators who charge their residents fixed weekly fees (or who can only increase their weekly fees in line with CPI inflation or an increase in superannuation) may experience a larger increase in costs if the proposals are applied to existing ORAs. The Ministry notes that some operators who offer fixed weekly fees already take responsibility for the items they own. Other operators who offer fixed fees or fees linked to CPI or superannuation changes might seek to change their terms in new ORAs.

The Ministry considers the benefits of increased transparency, certainty, and fairness for residents outweigh the additional costs some operators may face. Where costs are passed on, current residents may face increased weekly fees but will no longer face unexpected and potentially unaffordable costs.



## Implementation

If Cabinet agrees to the package of proposed legislative changes, an amendment Bill is expected to be introduced by July 2026 and enacted in 2027.

s 9(2)(h)

The recommended proposals would also codify current industry best practice.

The Ministry recommends these changes apply immediately after Royal assent for ORAs entered from that date forwards. The Ministry also recommends a 12 month lead in time for the changes to apply to existing contracts. This transition period should provide sufficient time for operators to make the required changes.

Responsibility for raising awareness regarding the details of changes will likely be shared by the Ministry and the Retirement Commission.

Regular reporting and monitoring of the sector, including the effects of legislative changes, will be conducted jointly by the Ministry and the Retirement Commission.

## Limitations and Constraints on Analysis

The Ministry's analysis is constrained by a lack of quantitative data regarding the detailed costs of these proposals. The Ministry considers these costs would be outweighed by the benefits and protections the recommended proposals will give residents.

Although the Ministry's quantitative analysis is constrained, it is supplemented by a large amount of qualitative data, such as feedback received in the form of reports and submissions from individuals and groups in the retirement village sector.

**I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.**

**Signed by the  
responsible  
Manager**

Claire Leadbetter  
Policy Manager,  
Housing and Rental Markets



Date: 12/11/2025

Quality Assurance Statement	
<b>Reviewing Agency:</b> Ministry of Housing and Urban Development	<b>QA rating:</b> Meets
<p><b>Panel Comment:</b> The RIA Panel at Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development has reviewed the regulatory impact statement for Retirement Villages Act 2003 Review – proposals for operator-owned chattels and fixtures and confirmed that it meets the requirements.</p> <p>Analysis is robust, proportionate to the size of the issue, and informed by stakeholder engagement. While analysis is constrained by a lack of quantitative data regarding the potential costs of the proposals, qualitative analysis has been used appropriately throughout.</p>	

## Section 1: Diagnosing the policy problem

---

**What is the context behind the policy problem and how is the status quo expected to develop?**

***The retirement villages sector is governed by the Retirement Villages Act 2003***

1. The Act has two main purposes – to protect the interests of residents and intending residents and to enable retirement villages to develop under a legal framework readily understandable by residents, intending residents and operators. The Act requires the operator and residents to enter into a detailed occupation right agreement (ORA) spelling out each party's rights and obligations.<sup>1</sup> ORAs are offered with very limited room to negotiate terms.
2. Residents pay an upfront capital sum to purchase an ORA for their retirement village unit as well as ongoing and weekly fees. Operators charge a fixed deduction from the capital sum when a unit is vacated of between 20 to 30 percent. The vast majority typically retain any capital gain when a unit is resold or relicensed. The fixed deduction usually accrues over the first few years of occupancy.
3. The initial intention of the legislation was to provide a framework for retirement living options in a then-nascent industry. The industry has grown in scope and complexity since 2003, when the Act was introduced, and projections are for further significant growth. An estimated 53,400 residents now live in 470 retirement villages across New Zealand.<sup>2</sup> This equates to 14 percent of the 383,000 New Zealanders aged 75 or older. The number of residents in retirement villages is expected to increase to 77,494 residents by 2033, and to 112,624 residents by 2048.<sup>3</sup>
4. The earliest retirement villages were typically not-for-profit organisations with links to churches or charitable foundations. Commercial operators established from the 1980s onwards now dominate the sector. The largest six commercial operators currently own 67 percent of all units.<sup>4</sup> Four of these large commercial operators are listed on the New Zealand stock exchange and have responsibilities to their shareholders. The legislation and regulations which govern the sector are being tested by the growth in size, value and complexity of the sector.
5. Other than some revisions to the Code of Practice, no wholesale review of the legislative framework has been conducted to assess whether the balance of power between operator and consumer is appropriate. The legislative framework is therefore being reviewed to ensure it remains fit for purpose given the growth in the size, value and complexity of the sector.

---

<sup>1</sup> Approximately 95 percent of retirement village units are offered under a licence to occupy model.

<sup>2</sup> New Zealand retirement villages White Paper, JLL, August 2024.

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.*



**Concerns with the legislative framework have been raised by sector stakeholders**

6. Residents, representative organisations and consumer groups have raised concerns for many years that the legal framework that covers the rights and obligations of residents and operators of retirement villages does not provide adequate protections for residents, especially given the potential vulnerability of older people.
7. In 2020 the Retirement Commission published *White Paper: Retirement villages legislative framework: Assessment of options for change* (the White Paper), seeking submissions on the effectiveness of the legislative framework and how it balances the interests of operators and residents.
8. The Retirement Commission received over 3,000 submissions on the White Paper. In its subsequent submissions summary and recommendations report in 2021, the Retirement Commission highlighted issues and concerns with the retirement villages regime, many of which related to consumer protection and the need to rebalance the rights and responsibilities of operators and residents. The Retirement Commission called for the government to undertake a full review of the legislative framework.
9. The Retirement Commission's summary and recommendations report noted many residents felt it was unfair that they should have to pay to maintain and repair chattels and fixtures that they did not own. A lack of clarity about specific responsibilities and limited disclosure added to the problem, with operators generally having the final say regarding who was responsible for specific costs. The Retirement Commission noted that retirement village residents with a licence to occupy are neither owners nor tenants, so it is particularly important to have clarity regarding their rights and obligations.

**In response, the government initiated a wide-ranging review**

10. The Ministry started a review of the Act in late 2022 with a broad scope covering the three main phases of retirement village living – moving in, living in, and moving out – as well as other general topics. A discussion paper on options for change was released in August 2023 and received over 11,000 submissions on options for change.
11. In October 2024 the Coalition Government announced it would continue to progress the review, focusing on proposals in the 2023 discussion paper that received high levels of support, and three priority areas for residents:
  - maintenance and repairs of operator-owned chattels and fixtures,
  - managing complaints and disputes, and
  - options for incentivising or requiring earlier capital repayments when residents move out of a village.

### ***Commerce Commission investigation into ORA terms for chattels and fixtures***

12. In response to a complaint from the Retirement Village Residents' Association (RVR) in late 2022, the Commerce Commission (the Commission) launched an investigation into potentially unfair contract terms in ORAs.
13. The Commission made some preliminary findings about the fairness of terms it investigated across the ORAs of six operators, including terms relating to the maintenance, repair and replacement of operator-owned chattels and fixtures in units. The Commission wrote to six operators about these terms and made preliminary findings of unfairness, applying factors that must be considered under the Fair Trading Act 1986 (FTA), including whether the term caused a significant imbalance in favour of the operator and potential detriment to residents.<sup>5</sup> The Commission did not seek evidence from operators as to their legitimate interests in the term prior to coming to their preliminary finding.
14. As a result of its investigation, two of the six operators the Commission wrote to have changed their policies on charging new and existing residents for the maintenance, repair and replacement of operator-owned chattels. Some other operators responded saying they would not be amending these terms pending the outcome of the legislative review.
15. s 9(2)(f)(iv) [REDACTED]  
[REDACTED]  
[REDACTED] The Commission has also leveraged the findings of its preliminary investigation to encourage operators to update their chattels and fixtures terms, with some success. For example, Metlifecare, one of the six largest operators, recently updated its policy and now assumes responsibility for the costs associated with the maintenance, repair and replacement of its chattels and fixtures. The Commission has been supporting the Ministry and the review of the legislation.
16. The Commission also invited some operators to reconsider the definition of 'fair wear and tear' in their ORAs, which in some instances excluded damage caused by incontinence or the use of mobility or disability aids. Given retirement villages exclusively accommodate older people, it is foreseeable that some residents, as they age in place, may be more likely to use mobility aids or become incontinent.
17. The overall issue of potentially unfair contract terms within retirement village ORAs is the subject of another Regulatory Impact Statement accompanying this set of proposals.

---

<sup>5</sup> The FTA prohibits the use of unfair contract terms in standard form consumer contracts. A term is unfair if it would result in an imbalance in rights and obligations, it's not reasonably necessary, and would cause detriment.

***Without legislative change the issues raised by stakeholders will not be fully addressed***

18. The Ministry expects that without legislative change there will be some ongoing improvements in sector best practice. However, issues raised by stakeholders are unlikely to be fully addressed and the Ministry expects ongoing concerns to be raised about unfair practices, a lack of consumer protections, and the perceived imbalance between the rights and responsibilities of residents and operators of retirement villages.
19. In 2021 the Retirement Villages Association (RVA) launched 'Blueprint for New Zealand's Retirement Villages Sector' (the Blueprint) to help improve sector practices. The Blueprint included commitments to clearly set out responsibilities for repairs and maintenance of operator-owned chattels. However, not all registered retirement villages are members of the RVA, and not all operators are likely to voluntarily adopt sector best practice. There was no commitment in the Blueprint for operators to be responsible for the chattels and fixtures they own.
20. Future cases could be taken to the Commission and the Courts regarding potential breaches of the FTA. The Commission does have the power under the FTA to seek a court declaration that such terms are unfair. This would likely relate only to one operator and ORA. Though a successful court application for a declaration would send a strong message to the sector that such terms are unfair, a court declaration would not prohibit other operators from retaining and relying upon similar terms in their ORAs.

**What is the policy problem or opportunity?**

21. Residents, representative organisations, and consumer groups have raised concerns for many years that the Act does not provide adequate protections for residents, especially given the potential vulnerability of some older people.
22. Because the legislation does not explicitly state who pays the direct costs of maintaining operator-owned chattels and fixtures, some residents are required to pay for maintenance and repairs to chattels and fixtures they do not own. Under the licence to occupy model, residents do not receive the benefits of ownership of the property, and most residents receive no share in capital gains when the unit is relicensed.
23. Residents in licence to occupy villages may be paying for repairs and maintenance of chattels and fixtures used by previous residents. Units are typically refurbished between residencies, but not all chattels and fixtures will need to be replaced and may not be new when the incoming resident move in. Depending on the condition of the chattel or fixture at entry, chattels and fixtures may also need replacing during the time a resident occupies their unit.
24. This situation is specific to the licence to occupy model. Under other models, such as unit titles, residents pay for repairs and maintenance. However, as they also have partial ownership of the unit's chattels and fixtures, they receive the benefits of ownership.

## **Issue One – Responsibility for operator-owned chattels and fixtures**

25. A fixture is an item that is attached or fixed in position in a retirement village unit. Fixtures include, for example, heat pumps, garage doors and openers, hot water cylinders and carpets. Chattels (sometimes called ‘fittings’) include fridges, washing machines, heaters and other appliances.
26. In 2023 the RVR estimated in that approximately 60 percent of operators took responsibility for the chattels and fixtures they own. The Ministry estimates that this percentage would have increased by eight to ten percent since 2023, because more operators have adjusted their terms since 2023. Other operators either assign all responsibility to residents or share responsibility depending on factors such as what the item is, and whether the item requires maintenance, repairs, or replacement.
27. The legislation does not stipulate whether operators or residents are responsible for maintaining, repairing and replacing operator-owned chattels and fixtures in retirement village units. This means that operators set their own terms relating to chattels and fixtures in their village ORAs. Therefore, terms and practices vary across the sector, which can be confusing for residents.

## **Issue Two – List of operator-owned chattels**

28. Currently, there is no requirement for operators to provide a list of the chattels and/or fixtures they own to residents. While many operators choose to provide their residents with a list of the items they own (often attached to a resident’s ORA) not all operators choose to do so.
29. The absence of a requirement that operators provide a list of their items to their residents can create lack of clarity regarding which party has responsibility for a given item in a unit, and uncertainty for residents about the costs of occupying a unit.

## **Issue Three – Marks caused by the use of mobility aids and incontinence**

30. The definition of fair wear and tear in the Retirement Villages Code of Practice includes ‘something that occurs through the normal use or is the normal change that takes place with the ageing of the property and may include but is not limited to any chattels provided by the operator such as carpets, curtains, fixtures and fittings.’
31. Because the current definition is not prescriptive, retirement village operators decide what is and is not within the bounds of fair wear and tear, set out in their ORA. This breadth of interpretation creates inconsistencies across the sector.
32. The Commission invited some operators to reconsider the definition of fair wear and tear in their ORAs, which in some instances excluded damage caused by incontinence or the use of mobility aids. Given retirement villages exclusively accommodate older people, it is reasonably foreseeable that some residents, as they age in place, may be more likely to use mobility aids or become incontinent.
33. The Ministry considers the current broad definition of fair wear and tear creates inconsistent and unfair outcomes, meaning disabled and incontinent residents bear the costs of damage which operators ought reasonably to expect, given their villages cater exclusively to older people who are more likely to experience mobility issues and incontinence.

## **What objectives are sought in relation to the policy problem?**

34. The overarching objectives of the Retirement Villages Act review are 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 villages sector and its ability to provide a range of retirement housing options and consumer choice, and
  - the rights and responsibilities of residents and operators are appropriately defined, including where they may differ for different occupancy rights.
35. Proposals are aimed at increasing fairness, clarity and cross-sector consistency regarding chattels and fixtures in retirement village units by:
- requiring operators to assume responsibility for the maintenance, repair and replacement of all operator-owned chattels and fixtures (excluding villages where capital gains are shared with residents),
  - requiring operators to provide a list of the chattels they own to intending residents, and
  - clarifying that marks or damage caused by residents' use of mobility aids or incontinence are to be classified as fair wear and tear.

## **What consultation has been undertaken?**

### ***Discussion document 2023***

36. The Ministry released a discussion document on options for changes to the Retirement Villages Act in early August 2023. The consultation period ran until late November 2023, and over this timeframe the Ministry received over 11,000 public submissions from a range of people and groups, including residents and their families, retirement village operators, lawyers, advocacy groups, and sector associations.
37. The Ministry also engaged with key stakeholders, including the RVR, RVA, and the Corporate Trustees Association (CTA), which represents retirement village statutory supervisors.
38. The treatment of operator-owned chattels and fixtures was a key concern for residents, their representative organisations and consumer advocates. Proposals in the discussion paper were strongly supported by these groups.

### ***Retirement Villages Act review roundtable***

39. The Retirement Commissioner organised a roundtable with key retirement village stakeholders on 30 January 2025. The purpose of the roundtable was to find or reach areas of agreement on key review topics. Resident and operator representatives agreed that a regime for chattels and fixtures needs to be simple and clear, but there were differing views on responsibility for the maintenance, repair, and replacement of operator-owned chattels and fixtures.
40. The Retirement Commissioner's letter to the Associate Minister of Housing and the Minister for Seniors on 5 February 2025 summarised the discussion. The letter noted:
- **'The parties agreed** that a regime for chattels and fixtures needs to be simple and clear. This helps ensure that residents and operators understand their responsibilities and avoid unexpected costs. In turn this will reduce potential disputes.'
  - **'The parties agreed** it is important for operators to clearly define what they own and are responsible for, and what the resident is responsible for. It should be mandatory for a list of operator-owned chattels to be provided prior to the execution of an ORA.'
  - **'Most attendees agreed** that a definition of an operator-owned chattel and definition of fixtures should define what is in the unit when a resident moves in. Most attendees felt that the [Residential Tenancies Act 1986] could be a useful guide.'
  - 'In terms of responsibility for repairs, **most attendees felt** that operators should be responsible for chattels they provide, subject to acceptable usage and wear and tear, and residents for what they bring. Some attendees felt that, provided residents were aware of their responsibilities, it was appropriate for residents to be responsible for maintenance of chattels they were provided with.'
  - **'The parties agreed** that operators should be responsible for replacing chattels once they reach the end of their usual life.'



## **Section 2: Assessing options to address the policy problem**

---

### **What criteria will be used to compare options to the status quo?**

41. To deliver against the overarching policy objectives of the review, the Ministry has assessed all options against the following five criteria (where applicable):
  - the rights and responsibilities of parties are clear and transparent,
  - residents have a clear understanding of the costs that will be incurred for the duration of their occupancy,
  - rights and responsibilities are fairly allocated, taking into account the benefits that accompany ownership,
  - rights and responsibilities are not in conflict with relevant established consumer protection standards, and
  - whether the option is reasonable to implement and administer.
42. These criteria are equally weighted to ensure proposals achieve an effective balance between the rights and responsibilities of operators and residents.
43. In considering different options, there are trade-offs that need to be made between improving consumer protections and fairness for residents and impacts on costs incurred by operators. The options assessment process aims to reach an effective balance between these competing objectives.

### **What scope will options be considered within?**

44. In September 2024 Ministers agreed that the scope of the review should cover proposals from the 2023 discussion document that had high levels of support and priority issues for residents.
45. There was very strong support amongst residents for assigning responsibility for the costs associated with operator-owned chattels and fixtures to operators. However, stakeholders have not reached mutual agreement on this issue because some operators claim they have legitimate reasons for assigning these costs to residents.
46. The following proposals seek to address these high priority issues for residents while minimising potential costs for operators, which would likely be passed on to residents through their weekly fees.

### **What options are being considered?**

47. For each of the three main issues identified in section one the Ministry has:
  - described the various options that have been considered,
  - analysed the options against the criteria set out above, and
  - outlined in more detail the expected costs, risks and benefits of the preferred option.

48. Options are analysed using the following key:

**Key for qualitative judgements:**

++	much better than doing nothing/the status quo/counterfactual
+	better than doing nothing/the status quo/counterfactual
0	about the same as doing nothing/the status quo/counterfactual
-	worse than doing nothing/the status quo/counterfactual
--	much worse than doing nothing/the status quo/counterfactual

**Issue One – Responsibility for operator-owned chattels and fixtures**

**Option One – Status quo**

49. Responsibility for the costs associated with operator-owned chattels and fixtures would not be prescribed in legislation. Operators would continue to have full discretion regarding whether they or their residents bear the costs of maintenance, repair and replacement.

**Option Two – Assign responsibility for the maintenance, repair and replacement of operator-owned chattels and fixtures to operators**

50. This option would legislatively assign responsibility for the maintenance, repair and replacement of operator-owned chattels to operators (unless damage is caused intentionally or carelessly by a resident).

## How does the option compare to the status quo?

Criteria	Option One – Status quo	Option Two – Assign responsibility for the maintenance, repair and replacement of operator-owned chattels and fixtures to operators
Clarifies rights and responsibilities of parties	0	++ Removes ambiguity and provides clarity for residents and operators.
Certainty for residents regarding costs of occupancy	0	++ Improved certainty about the cost of occupancy.
Rights and responsibilities are fairly allocated	0	++ Parties are responsible for the things they own.
Rights and responsibilities do not conflict with consumer protection standards	0	++ Improved alignment with the FTA.
Reasonable to implement and administer	0	- Operators have a transition period of 12 months to implement this change for existing contracts (the change applies to new contracts immediately after Royal assent).
Overall assessment	0	+7 Option Two aligns with the criteria by clarifying rights and responsibilities, increasing certainty regarding occupancy costs, fairly allocating rights and responsibilities, without conflicting with consumer protection standards.

## What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

51. The Ministry recommends Option Two to clarify issues regarding chattels and fixtures, improve residents' understanding of their rights and obligations, and provide certainty to residents about the potential costs of occupancy. This is crucial, given some residents rely predominantly on superannuation to meet their living costs and often cannot afford costs which other residents can afford. Option Two aligns with the objectives of the review and addresses the preliminary views of the Commission regarding potentially unfair contract terms.
52. This proposal will impact approximately 30 percent of all villages (i.e., villages that currently assign responsibility for operator-owned items to residents). The increase in costs these proposals could incur on operators would likely be passed on to residents through their weekly fees. The Ministry considers this increase would not be significant.

53. Some operators offer fixed weekly fees, while others have variable weekly fees, sometimes with increases linked to CPI inflation changes, superannuation changes, or actual changes in costs. Some operators who offer fixed weekly fees already assume responsibility for items that they own. Others who offer fixed weekly fees or weekly fees linked to CPI or superannuation changes may seek to change their terms in new ORAs to cover the costs of the proposed changes.
54. Under the status quo, the Ministry expects a range of practices across the retirement village sector would continue. The status quo option would not address the preliminary views of the Commission or the concerns of residents.
55. Retaining the status quo would not prevent the Commission from seeking a court declaration that terms which assign responsibility for operator-owned chattels and fixtures to residents are unfair under the FTA. However, any declaration would be limited to a particular ORA and operator. A declaration of unfairness, unlike legislative change, cannot legally require all operators in the sector to change their unfair terms.

***Proposed exemption from recommended change for villages which share capital gains***

56. Some retirement village operators use a business model where capital gains made upon the relicensing of a unit are shared between the operator and former resident or their estate. In this situation, residents receive some of the benefits of ownership.
57. The Ministry considers that villages which share capital gains with residents should be exempt from the proposed requirement that responsibility for operator-owned chattels and fixtures be assigned to operators. If operators of this type of village were required to take full responsibility for their chattels and fixtures, they may feel their residents were 'double-dipping' (i.e., receiving the benefits of ownership without assuming responsibility for the costs associated with the maintenance, repairs or replacement of chattels and fixtures in their unit).
58. Very few retirement villages in New Zealand currently share capital gains with former residents or their estates. Exempting this type of village from the proposed requirement would therefore only impact a small number of operators and villages.

**Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?**

59. Yes.

**What are the marginal costs and benefits of the preferred option in the Cabinet paper?**

Affected groups	Comment	Impact	Evidence certainty
<b>Additional costs of the preferred option compared to taking no action</b>			
Retirement village operators	Operators who do not already cover the direct costs of maintaining, repairing and replacing the chattels and fixtures they own will face ongoing additional costs. Some operators may be unable to pass on increased costs to residents, as they offer fixed fees or offer ORAs stipulating that increases to weekly fees can only occur in line with increases to CPI inflation or superannuation. These operators may seek to change their terms in future contracts.  The Ministry estimates that approximately 30 percent of operators assign the costs associated with their items to residents. A 12 month lead-in time for existing contracts will help to manage the impact on the individual villages affected.	Low	Medium
Current residents	Current residents in some villages may see a small increase in weekly fees. In some villages weekly fee increases are tied to CPI inflation or superannuation increases, which is tied to average national wage growth. While this issue has been identified as a high priority for current residents and many strongly supported the proposed changes in their submissions, some residents may not understand how these changes could impact their weekly fees. Future residents will be able to choose whether these increased costs are acceptable.	Low	Medium
Future residents	Future residents may see an increased entry cost, fixed deduction or higher weekly fees. However, they will have choice regarding whether these costs are acceptable.	Low	Medium
s 9(2)(f)(iv)			
<b>Total monetised costs</b>		Not available	

Affected groups	Comment	Impact	Evidence certainty
<b>Non-monetised costs</b>	There may be a small increase in costs for the approximately 30 percent of operators who do not currently pay for the maintenance, repair, and replacement of the items they own. The smaller operators among this 30 percent, particularly those who offer fixed weekly fees, may bear proportionately higher costs. However, the number of small operators who offer fixed weekly fees and hold their residents responsible for operator-owned items is likely to be very small.	Low	Medium
<b>Additional benefits of the preferred option compared to taking no action</b>			
Retirement village operators	Reputational benefits, giving intending residents more confidence to move into retirement villages.	Medium	Medium
Current residents	Clarity over responsibility for chattels and fixtures in units. Improved fairness and consistency for all residents. Improved certainty around ongoing costs. No longer at risk of unexpected and potentially unaffordable bills for maintenance and repairs.	High	Medium
Future residents	Clarity over responsibility for chattels and fixtures in units. Improved fairness and consistency for all residents. Improved certainty around ongoing costs. No longer at risk of unexpected and potentially unaffordable bills for maintenance and repairs.	High	Medium
Ministry, Retirement Commission, Registrar	Not applicable.	None	
<b>Total monetised benefits</b>		Not available	
<b>Non-monetised benefits</b>	Current residents will no longer be subject to potentially unfair contract terms, and will not face unexpected and potentially unaffordable costs associated with items they do not own. Furthermore, future residents will have greater certainty regarding the costs of occupying a retirement village unit.	High	High



## Issue Two – List of operator-owned chattels for intending residents

### Option One – Status Quo

60. There is no requirement for operators to provide a list of their chattels and fixtures to intending residents, although many choose to do so. Fixtures typically include heat pumps, garage door openers, hot water cylinders and carpet. Chattels are items in a unit that are not fixtures and are moveable; for example, fridges, washing machines, heaters and other appliances.

### Option Two – Require operators to provide a list of operator-owned chattels and fixtures

61. Operators would be required to provide a list of chattels and fixtures to intending residents.

### Option Three – Require operators to provide a list of operator-owned chattels

62. Operators would be required to provide a list of chattels – but not fixtures – to intending residents.

### How do the options compare to the status quo?

Criteria	Option One – status quo	Option Two – require operators to provide a list of chattels and fixtures	Option Three – require operators to provide a list of chattels
Clarifies rights and responsibilities of parties	0	++ Improved clarity for residents regarding the items operators are responsible for.	+ Improved clarity for residents regarding the items operators are responsible for. A list which excludes fixtures would create a lesser degree of certainty regarding items in residents' units.
Certainty for residents regarding costs of occupancy	0	++ Improved certainty for residents regarding the costs of occupancy.	++ Improved certainty for residents regarding the costs of occupancy.
Reasonable to implement and administer	0	-- A list which includes fixtures would be lengthy and unnecessarily burdensome.	0 A list which excludes fixtures would be reasonable to implement.

Criteria	Option One – status quo	Option Two – require operators to provide a list of chattels and fixtures	Option Three – require operators to provide a list of chattels
Overall assessment	0	+2  Option Two clarifies the rights and responsibilities of both parties and increases certainty regarding occupancy costs. However, a list which includes fixtures would be lengthy and unnecessarily burdensome.	+3  Option Three clarifies the rights and responsibilities of both parties and increases certainty regarding occupancy costs. It is reasonable to implement and administer.

**What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?**

63. The Ministry recommends Option Three to provide clarity to residents regarding which chattels they do and do not have responsibility for.
64. Option Three meets the aims of the review because it would improve clarity for residents without imposing unreasonable costs or burdens on operators. Submitters generally supported requiring a list. However, operators did not think there would be sufficient benefit to listing fixtures.
65. Many operators already provide a list of operator-owned chattels to intending residents (the RVA adopted this as a voluntary remit in 2021). This proposal would make practices consistent across the sector. The Ministry considers this option to be a low-cost intervention that will assist compliance with the recommended proposal in Issue One.
66. To minimise administrative costs and improve feasibility, the Ministry considers that a list of operator-owned items should exclude fixtures. The RVA considers that the benefits a list of fixtures may provide to residents would not be commensurate with the administrative time spent compiling the list. Because fixtures are attached to the retirement village unit, a list of fixtures would be lengthy, as it could include items such as light switches and door handles.
67. The Ministry also considered requiring a list of operator-owned chattels and large or significant fixtures. However, the Ministry does not recommend this option because the definition of a large or significant fixture is subjective. The broad, subjective nature of such an option could create disputes between residents and operators. The definition of a large or significant fixture would likely vary between villages, creating inconsistencies across the sector.

**Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?**

68. Yes.

**What are the marginal costs and benefits of the preferred option in the Cabinet paper?**

Affected groups	Comment	Impact	Evidence certainty
<b>Additional costs of the preferred option compared to taking no action</b>			
Retirement village operators	Operators who do not currently provide a list of chattels to their residents may experience a small increase in administrative costs. Not requiring fixtures to be listed minimises the additional administrative cost. Costs will only be incurred at the time a unit is relicensed. The average occupation period is around 7 to 8 years.	Low	Medium
Current residents	This proposal presents low or no costs to current residents.	None	Medium
Future residents	The small increase in costs could be passed on to future residents.	Low	Medium
s 9(2)(f)(iv)			
<b>Total monetised costs</b>		Not available	
<b>Non-monetised costs</b>	There may be a small increase in costs for operators, which would likely be passed on to future residents. However, these costs would likely be outweighed by the benefits provided to future residents. Furthermore, future residents will have a choice as to whether the costs of entering a village are acceptable to them.	Low	Medium
<b>Additional benefits of the preferred option compared to taking no action</b>			
Retirement village operators	Reputational benefits, giving intending residents more confidence to move into retirement villages.	Medium	Medium
Current residents	This proposal will benefit some current residents if phased in for existing occupation right agreements.	None	

<b>Affected groups</b>	<b>Comment</b>	<b>Impact</b>	<b>Evidence certainty</b>
Future residents	Clarity about ownership of chattels in units. Improved fairness and consistency and certainty around ongoing costs.	High	Medium
Ministry, Retirement Commission, Registrar	Not applicable.	None	High
<b>Total monetised benefits</b>		Not available	
<b>Non-monetised benefits</b>	Future residents would receive greater clarity regarding which party owns the items in their unit. Future residents would also have greater certainty about the potential costs of occupying a retirement village unit. The retirement village sector may see an increase in reputational benefits, as the proposed change would require all villages to comply with what is currently considered best practice.	Medium/high	

### Issue Three – Marks caused by the use of mobility aids and incontinence

#### Option One – Status Quo

69. This option would retain the current definition of fair wear and tear in the Code of Practice: ‘something that occurs through the normal use or is the normal change that takes place with the ageing of the property, and may include but is not limited to any chattels provided by the operator such as curtains and carpets, fixtures, and fittings.’

#### Option Two – Clarify that marks caused by the use of mobility aids and incontinence are classified as fair wear and tear

70. This option would clarify that residents cannot be made liable for damages caused by the use of mobility aids and incontinence.

#### How do the options compare to the status quo?

Criteria	Option One – status quo	Option Two – mobility aids and incontinence are classified as fair wear and tear
Clarifies rights and responsibilities of parties	0	++  Provides clarity to residents in villages that do not include these types of damage within their definition of fair wear and tear that residents would not pay for repairs damage caused by the use of mobility aids and incontinence.
Certainty for residents regarding costs of occupancy	0	++  Provides certainty that residents will not bear the costs for damage caused by the use of mobility aids and incontinence.
Rights and responsibilities are fairly allocated	0	++  Ensures residents do not face unexpected and potentially unaffordable costs for damage that operators could reasonably expect to occur as some residents age in place.
Rights and responsibilities do not conflict with consumer protection standards	0	++  This option corrects potentially unfair contract terms under the provisions of the FTA.



Criteria	Option One – status quo	Option Two – mobility aids and incontinence are classified as fair wear and tear
Reasonable to implement and administer	0	-  Operators who do not currently include these types of damage within their definition of fair wear and tear may experience a small increase in costs to recoup the costs of repairs, for which they previously charged residents.
Overall assessment	0	+7  Option Two clarifies the rights and responsibilities of both parties, improves certainty regarding the costs of occupancy, fairly allocates rights and responsibilities, does not conflict with consumer protection standards, and is reasonable to implement and administer.

**What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?**

71. The Ministry's preferred approach is Option Two – clarifying that marks caused by the use of mobility aids and incontinence be classed as fair wear and tear. This would clarify that residents cannot be made liable for these types of damage and would provide certainty about the rights of residents and operators.
72. Because operators have a degree of discretion regarding fair wear and tear, some residents have had to pay for repairs for these types of damage. The Commerce Commission investigated this issue and came to the preliminary view that the exclusion of these types of damage from the definition of fair wear and tear was potentially unfair under the provisions of the FTA.
73. Operators who submitted to the consultation suggested that, if this option was implemented, they may increase their regular fees to recoup the costs of repair that these types of damage incur. The Ministry considers these increases would be minimal.
74. This option would be reasonable to implement and administer. It would require operators who specify in their ORAs that these types of damage are excluded from their definition of fair wear and tear to amend this definition and reconsider their financial model for the village to allow for these costs.
75. The status quo option would not address the findings of the Commerce Commission and residents may still be subject to terms and conditions which are likely to be unfair.

**Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?**

76. Yes.



**What are the marginal costs and benefits of the preferred option in the Cabinet paper?**

Affected groups	Comment	Impact	Evidence Certainty
<b>Additional costs of the preferred option compared to taking no action</b>			
Retirement village operators	Operators who do not currently include these types of damage within their definition of fair wear and tear may experience a small increase in costs.	Low	High
Retirement village residents	Current residents in villages which do not include these types of damage in their definition of fair wear and tear may see increases to their weekly fees as operators seek to recoup costs. However, if these costs are passed on by operators to residents, it would have the effect of smoothing maintenance costs across all residents, rather than apportioning to each resident according to necessary repairs.	Low	Medium
s 9(2)(f)(iv)			
<b>Total monetised costs</b>		Not available	
<b>Non-monetised costs</b>	There would likely be an increase in costs for operators who do not currently consider these types of damage to be within the bounds of fair wear and tear. These costs would likely be passed on to residents via their weekly fees. However, because these costs are spread across the village and are not borne by residents who cause these types of damage to their units, residents who experience mobility issues or incontinence will not be face unexpected and potentially unaffordable repair bills.	Low	Medium
<b>Additional benefits of the preferred option compared to taking no action</b>			
Retirement village operators	Reputational benefits, giving intending residents more confidence to move into retirement villages.	Medium	Medium
Retirement village residents	More certainty about the costs of occupancy. Addresses a term that could be unfair.	Medium	Medium

Affected groups	Comment	Impact	Evidence Certainty
Ministry, Retirement Commission, Registrar	Not applicable.	None	High
<b>Total monetised benefits</b>		Not available	
<b>Non-monetised benefits</b>	Likely to improve fairness for residents, particularly disabled residents and residents who experience incontinence, without jeopardising the financial viability of operators.	Medium	Medium

## Impacts on Māori

77. The preferred package of options is expected to have no direct impacts on Māori beyond those applying to other groups, or associated implications for the Crown's responsibilities under Te Tiriti o Waitangi.
78. While there is limited information available, several operators have commented that Māori, Polynesian and Asian communities make up a very small percentage of retirement village occupancy.<sup>6</sup> In a research survey conducted between June 2016 and August 2018 which sought views from a cross-section of over 500 village residents in Auckland only 1% of residents self-identified as Māori.<sup>7</sup>
79. Māori as a population group have relatively low rates of homeownership,<sup>8</sup> impacting the likelihood that whānau Māori will have sufficient assets to fund the upfront capital sum to buy into a retirement village. Lower life expectancy and poorer health outcomes mean Māori are also less likely to reach the standard minimum age of entry for a retirement village of 75.<sup>9</sup> Retirement village living may also not fit with the aspirations of many Māori to live alongside whānau, within their community, and/or on land with ancestral or cultural significance.

<sup>6</sup> As noted in this recent article [Outlook on NZ's retirement village sector | JLL](#).

<sup>7</sup> Broad JB, Wu Z, Bloomfield K, Hikaka J, Bramley D, Boyd M, Tatton A, Calvert C, Peri K, Higgins AM, Connolly MJ. Health profile of residents of retirement villages in Auckland, New Zealand: findings from a cross-sectional survey with health assessment. *BMJ Open*. 2020 Sep 18;10(9):e035876. doi: 10.1136/bmjopen-2019-035876. PMID: 32948550; PMCID: PMC7511621.

<sup>8</sup> People of European ethnicity are much more likely to own their home or hold it in a family trust than other ethnic groups, at 57.9 percent. People of Asian ethnicity were second highest at 39.9 percent, followed by Māori at 31.0 percent. Stats NZ (2020). Housing in Aotearoa: 2020. Retrieved from [www.stats.govt.nz](http://www.stats.govt.nz).

<sup>9</sup> Average life expectancy at birth based on death rates at 2017-2019 were 73.4 for Māori males, 77.1 for Māori females, compared with 81 for male European/other and 84.5 for female European/other. See Tatauranga Aotearoa – Stats NZ, “Growth in life expectancy slows,” updated 20 April 2021, <https://www.stats.govt.nz/news/growth-in-life-expectancy-slows/>.

## Section 3: Delivering an option

---

### How will the proposal be implemented?

80. If Cabinet agrees to the package of proposed legislative changes, an amendment Bill is expected to be introduced by July 2026 and enacted in 2027.
81. This set of changes to requirements regarding the maintenance and repair of operator-owned chattels and fixtures would be moved from the Code to the Act. The Ministry considers that it is more appropriate for provisions of this nature to be in primary legislation because they articulate minimum standards and implement more than minor policy objectives.<sup>10</sup>

### Managing the transition

82. Phased transition planning has been considered across the package of reforms. The recommended approach takes into account:
- fairness and consumer protection for residents,
  - whether the change codifies best practice or presents low or minor costs for operators,
  - allowing time for agencies (primarily the Ministry and the Retirement Commission) to update public guidance, and
  - allowing time for operators to make changes to their ORAs and any other arrangements to reflect changes to legislative minimum requirements and adjust their business practices (e.g. amend pricing and/or arrange access to more working capital as necessary).
83. A lead in period of 12 months following the date of Royal assent is planned to provide a transitional period for operators to implement changes to existing ORAs. Operators would be able to choose when, within the 12-month lead in period, to implement the new rules for existing ORAs. s 9(2)(h)
84. The proposed changes would apply immediately after Royal assent for all new ORAs.

### Information dissemination

85. The Ministry will work with the Retirement Commission, the Registrar of Retirement Villages (the Registrar) and representative groups such as the RVA, RVR and CTA to get information out to operators, statutory supervisors and residents on changes to the Act and what this means for them.

---

<sup>10</sup> This approach is supported by the Legislation Design and Advisory Committee Legislation Guidelines (2021).

86. The Retirement Commission has highlighted the need for printed materials to be published, given some older people's access to digital resources may be limited. However, the Retirement Commission would require additional funding to print and distribute these materials.

### ***Enforcement***

87. Village statutory supervisors have a legislated function to monitor the financial position of their village and ensure that the security interests of the residents and the management of the village are adequate. As such they play a key oversight role of villages.
88. Where any operators are not meeting new requirements, residents or their whānau are able to raise a complaint with the operator, raise the issue through the disputes process or bring the matter to the attention of another party, e.g. the Retirement Commission, the Registrar, the RVA, or (if they are a member) the RVR. Further steps to enforce compliance can then be taken. Information on dispute resolution processes will be developed as part of implementation.
89. The RVA, which represents around 95 percent of retirement village operators, also requires all accredited members to undergo audits every three years which assess compliance with the Act, the related regulations under that Act, the Code of Practice and the Code of Residents' Rights.

### **How will the proposal be monitored, evaluated, and reviewed?**

90. Changes made following completion of the review will be jointly monitored by agencies' pre-existing systems and processes for monitoring and review.

### ***The Ministry of Housing and Urban Development***

91. The Ministry, as lead agency responsible for the Act, has an ongoing stewardship role. The Ministry maintains relationships with sector stakeholders such as the RVA and the RVR. The Ministry regularly corresponds with representatives of these organisations and will consider any concerns they raise.

### ***The Retirement Commission***

92. The Retirement Commissioner, under the Act, holds responsibility for monitoring the effects of the legislative framework for retirement villages to ensure it remains effective. The Retirement Commission has run an independent monitoring programme since 2008, with an annual investigation and report into different aspects of the sector produced each year.
93. The Retirement Commission currently receives biannual information from retirement village operators regarding any formal complaints they have received from residents. These reports allow the Retirement Commissioner to monitor trends in the sector.
94. The Retirement Commission will be able to use its current monitoring framework to investigate and monitor the effects of legislative changes and will consider establishing benchmarks to better understand the impacts on the sector.

### ***Statutory supervisors***

95. Statutory supervisors are responsible under the Act for monitoring the financial position of the village and the security of residents' interests. The CTA will also play a role as the industry association for statutory supervisors.

### ***The Commerce Commission***

96. As an independent Crown Entity, the Commission enforces laws relating to fair trading, competition, consumer credit contracts and economic regulation. Although the Commission cannot investigate breaches of the Act, it can investigate breaches of the FTA. The Commission recently exercised this authority when it investigated potentially unfair contract terms in some retirement village occupation right agreements. s 9(2)(g)(i)
- [REDACTED]
- [REDACTED]