



The Association of Residents of
Queensland Retirement Villages Inc

FACT SHEET #1

AMENDMENTS TO THE RETIREMENT VILLAGES ACT 1999

The ARQRV is a strong consumer protection organisation that represents the interests of residents in retirement villages to governments and scheme operators. We are a not-for-profit organisation run by volunteers who are themselves residents in a retirement village, so we have first-hand experience of the issues affecting all residents. We act to inform members of their rights under the *Retirement Villages Act 1999* (RV Act) (as amended) and provide on-going information about issues that are significant to the retirement village lifestyle.

In November 2017 the *Housing Legislation (Building Better Futures) Amendment Act 2017* (HLA Act) came into force which introduced several changes to the current RV Act. These changes have been put in place to provide great transparency in the relationship between scheme operators and residents and to provide greater security and confidence to residents, while keeping in mind the viability of the sector. (This is important because residents have their money invested in their accommodation, be it a villa or a unit, therefore it is not in our best interests not to have the industry fail or go ‘belly up’ because if that happens, it will have a negative effect on our investment in the village).

Several sections of the HLA Act came into force on the date that Act was passed, other sections will be rolled out over the next 12 months.

Amendments that have already commenced	
Buy Back Provisions	<p>This section states that the scheme operator must buy back the accommodation unit 18 months after the resident has terminated their contract (either leaving the village or on their death). This applies to all contracts including those that existed before the amendments were passed.</p>
Behavioural Standards	<p>New enforceable behaviour standards apply for both</p> <ul style="list-style-type: none"> • scheme operators and their staff in their interactions with residents; and • residents in their interactions with other residents and scheme operators (and their staff). <p>Any dispute about the behavioural standards can be referred to QCAT as a <i>retirement village dispute</i>. This means that a resident may refer a scheme operator to QCAT if the resident believes they have been treated unfairly, bullied or intimidated.</p> <p>It also means that a scheme operator may take a resident to QCAT if they fail to respect the scheme operator’s and the scheme operator’s representatives right to work in an environment free from harassment, intimidation and bullying. A resident may not behave in a way that negatively impacts on the occupational health and safety of a person who is working in the retirement village.</p> <p>A resident may not interfere with the peace, comfort and privacy of another resident. Should this occur a resident has the right to take another resident to QCAT.</p>

Pre-contractual Disclosure, Access to Documents and Reinstatement of Accommodation Units

Consultation Period: May to June 2018

Implementation Period: August to October 2018

Pre-contractual Disclosure and Access to Documents	<p>In simple terms, this means that, for new residents, the current Public Information Document (PID) will be replaced by two information documents</p> <ul style="list-style-type: none">• a <i>Village Comparison Document</i> which gives general information about the accommodation options and amenities in the village; and• a <i>Prospective Costs Document</i> giving a summary of the estimated costs of moving in, living in and leaving a village. <p>For existing residents, the current PID, and the operation of particular sections of the current RV Act that refers to PIDs will remain in place.</p> <p><i>Condition Reports:</i> An entry condition report must be prepared by the scheme operator in the presence of the prospective resident or their representative, and given to the prospective resident before they move in.</p> <p>An <i>Exit Report</i> is to be prepared by the scheme operator and given to the resident within 14 days after the resident's right to reside terminates.</p> <p>In both cases the resident has the right to disagree.</p>
Reinstatement of Accommodation Units	<p>The government has introduced a simpler and more predictable reinstatement process that makes a clear distinction between 'reinstatement' and 'refurbishment'.</p> <p>(For current residents' contracts the existing provisions of their PID will continue to apply).</p>

Changes to Village Operations and Residents' Contracts

Consultation Period: October to December 2018

Implementation Period: April to June 2019

Redevelopment of Retirement Villages	<p>This will come into play if a scheme operator wants to redevelop an existing village, this is defined as construction or demolition of units, construction or demolition of any building or structure or changing the use of a building or structure. The proposed redevelopment plan must be approved either by residents by special resolution or by the Chief Executive (an Officer of the Department of Housing and Public Works).</p>
Change of Scheme Operator	<p>This part of the RV Act will apply if a scheme operator proposes to transfer control of a retirement village to another person/scheme operator and must be approved by the Chief Executive.</p>
Closure or Winding Down of Retirement Villages	<p>The scheme operator must give notice to the Chief Executive and must prepare a closure plan that provides a clear, orderly and fair process for the closure of the village. Within 28 days of advising the Chief Executive the scheme operator must give each resident a copy of the proposed closure plan and a residents' meeting notice. The closure plan must be approved by a special resolution of residents.</p> <p>If the residents do not approve of the plan the scheme operator may make an application to the Chief Executive who may approve the plan. If this happens, the residents have the right to apply to QCAT for a review of the decision.</p>

Residents' Contracts	<p>New residents' contracts will take the place of the PID and will include the information that has in the past, been included in the PID but must now also contain:</p> <ul style="list-style-type: none"> • funds the operator must keep • the percentage of the resident's in-going contribution the operator will put into the Capital Replacement Fund • the village facilities • the village land; and • capital gain and capital loss sharing.
<p>Standard Financial Reports and Budgets</p> <p><i>Consultation Period: April to August 2019 Implementation Period: November 2019 to January 2020</i></p>	
Standard financial reports and budgets	<p>The amendments have introduced a range of provisions to achieve greater financial transparency in relation to retirement village charges, funds, budgets and financial statements.</p>

Whilst ARQRV is pleased to see that the Government has provided additional protection for residents, the new legislative changes regarding contracts will only apply only to new contracts, unless otherwise stated. However, the changes that govern how a scheme operator conducts business will have a flow-on effect to all residents.

While the HLA Act has been passed by Parliament, many clauses are yet to be *proclaimed*, this means all the supporting documents for each clause are still to be developed and then approved by Parliament. As each clause is *proclaimed* ARQRV will produce a fact sheet describing what it will mean for residents and prospective residents.

Two other fact sheets have been produced describing in more detail the amendments to the RV Act that have already commenced.

Fact Sheet – ***New Buy Back Provisions***

Fact Sheet – ***New Behavioural Standards***

For further information please contact ARQRV

Mob: 0437 906 074

Email: enquiries@arqrv.org.au

www.arqrv.org.au

July 2018