



Department of
Building and Housing

Te Tari Kaupapa Whare



An operator's guide to retirement villages



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better retirement villages**
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SECURE LIVING – BETTER RETIREMENT VILLAGES

Over the following months, some of the ways in which retirement villages operate will change.

This will mean:

- more residential communities being counted as retirement villages
- a new way of solving problems occurring within a retirement village
- a Code of Practice that sets out rights and responsibilities
- overall, **more protection and security for those who live in retirement villages.**

These changes will affect retirement village **operators, residents, and people who intend to become residents.**

This brochure outlines:

- what is happening and when
- what this will mean for you
- where you can find more information.

This brochure is not intended to be a full 'operating manual', but is designed to give you an overview of the changes and point you to further advice.

WHAT IS HAPPENING?

The table outlines the overall timeline of changes.

DATE	CHANGE
1 October 2006	All villages must have an internal complaints facility
	A disputes panel process (overseen by the Retirement Commissioner) is available to residents where an issue cannot be resolved through the village's internal complaints procedure
1 May 2007	All new and existing villages will need a written document containing details about the ownership, management and organisation of the village. It is called a disclosure statement.
	All new and existing villages can start lodging applications for registration. New villages must be on the retirement village register before they can make an offer of occupancy. Existing villages can continue to offer occupancy agreements without being on the new register. This ends on 1 November 2007.
	Intending residents must receive the disclosure statement, their contract and the Code of Residents' Rights.

DATE	CHANGE
25 September 2007	The Code of Practice becomes effective
1 November 2007	All villages must have lodged applications for registration to continue to make offers of occupancy
1 May 2008	Unregistered villages cannot make offers of occupation or advertise
	All residents should have a disclosure statement that complies with the Retirement Villages Act 2003

WHAT DO THE CHANGES MEAN FOR OPERATORS?

Do you operate a retirement village?

Even if you are not operating a large facility with or without a hospital or rest home component, you may be operating a place that is described as a retirement village under the Retirement Villages Act 2003.

A retirement village:

- provides accommodation for those who are predominantly retired
- contains two or more residential units
- provides services or facilities
- requires some form of capital investment to live there, even if this is paid periodically over time.

Seek independent professional advice if you are unsure if your place is counted as a retirement village under the law.

Duties of the operator of a retirement village

A retirement village operator's duties include:

- registering the retirement village
- maintaining registration (including filing annual returns and advising changes in circumstances)
- disclosing required information when making offers of occupancy
- appointing a statutory supervisor (unless you are exempt)
- abiding by the Code of Practice (unless you are exempt from some clauses)
- recognising and following the new Code of Residents' Rights
- running a complaints facility for residents.

A new way of operating

The registration requirements will replace existing obligations under the Securities Act 1978 for those retirement villages complying with the Securities Act 1978. A new range of responsibilities will be introduced for villages that were not previously subject to the Securities Act 1978. Retirement villages will also be obliged to comply with the requirements of the Financial Reporting Act 1993.

Registration – from 1 May 2007

Registration applications must be submitted to the Registrar of Retirement Villages (Companies Office). Once registered, villages will be required to submit an annual return each year.

Information about how to register, including forms and a fee schedule, is available on the Companies Office website: www.retirementvillages.govt.nz

The Companies Office has started to review draft applications for registration to help ensure there will be no delays once the registration provisions come into force on 1 May 2007. Villages already in existence need to be registered by 1 November 2007.

Existing villages complying with the Securities Act 1978 should seek independent professional advice about when they need to lodge an application for registration.

More information for residents – from 1 May 2007

All retirement village operators have to prepare a disclosure statement.

Details of what this statement should include are described in the Retirement Villages Act, the Code of Practice and the Retirement Villages (General) Regulations. The disclosure statement should be given to all residents. It needs to be lodged as part of the registration process.

A disclosure statement template is available from the Department of Building and Housing's website: www.dbh.govt.nz

Operators are not obliged to use this template, but must include all the information in the legislation listed in the template.

Code of Practice – from 25 September 2007

The Code provides information and sets expectations of operators in their day-to-day operation of villages and complaints processes. All retirement village operators have to comply with the Code of Practice from 25 September 2007 or can elect to be bound by the Code earlier. The Registrar can issue exemptions from complying with parts of the Code after 25 September 2007. Exemption criteria will come out later in the year.

Statutory supervisors

The role of a statutory supervisor is to provide an important financial safeguard for the residents of a village. Unless you are exempt from appointing a statutory supervisor, you must employ a supervisor who has been approved by the Registrar.

You must either appoint or have been granted an exemption before you register your village.

Occupation right agreements

Occupation right agreements are the contracts between operators and residents, giving a resident the right to occupy a unit within a village. From 1 May 2007, all new residents have to seek independent legal advice before signing such agreements. A lawyer must certify that the implications of the occupation right agreement have been explained to the intending resident. After a resident has signed an occupation right agreement, they enter a 15-working-day cooling-off period in which they can decide to cancel the agreement without having to give a reason.

WHERE CAN I FIND OUT MORE?

The Department of Building and Housing

The Department is responsible for administering the Retirement Villages Act, Code of Practice and the regulations. If you have queries about the Act or regulations, contact the Department on 0800 83 62 62 or visit our website: www.dbh.govt.nz

The legislative requirements

Copies of the Retirement Villages Act and regulations can be bought from Bennetts (Government Book Shop) or can be viewed free of charge on www.legislation.govt.nz

Copies of the Code of Practice can be downloaded from the Department's website: www.dbh.govt.nz or bought from VicBooks (phone 0800 370 370). The Code does not take legal effect until 25 September 2007, but you will need to use it to ensure that occupation right agreements and disclosure statements are compliant with the Act. The operator is responsible for making a copy of the Code available to residents.

The Retirement Commissioner

The Retirement Commissioner is responsible for promoting education about retirement village issues and publishing information about such issues. Under the Act the Commissioner has a monitoring role and must advise the Minister for Building and Construction on request, and raise awareness of issues concerning retirement villages. The Commissioner is responsible for putting together a list of suitable people to hear disputes. The Commissioner has more information on the websites www.retirement.org.nz and www.sorted.org.nz and can be contacted on 0800 438 767 or at office@retirement.org.nz

The Registrar of Retirement Villages (the Companies Office)

The Registrar of Retirement Villages has the following functions:

- approving statutory supervisors
- granting exemptions from appointing a statutory supervisor
- receiving and checking applications for registration
- maintaining the register of retirement villages
- granting exemptions from the Code of Practice
- carrying out compliance and enforcement functions.

The register of retirement villages will be administered by the Companies Office.

Freephone the Companies Office on 0800 268 269 or visit their website: www.retirementvillages.govt.nz for more information.



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