

# Resident Frequently Asked Questions



## Why a new Retirement Villages Bill?

Since the original Act was implemented in 1987, the retirement villages industry has evolved significantly and there is both strong concern among the community and evidence that the Act does not provide adequate consumer protection. The current Act has had a significant number of amendments since it came into operation in 1987, and for this reason a new Bill is proposed.

## How does the Bill respond to the Select Committee's recommendations?

The State Government tabled a response to the Select Committee recommendations in May 2014. The Government response supported the intentions of the Select Committee's recommendations and the majority of the recommendations of the Select Committee are incorporated into the Bill.

These recommendations were primarily concerned with clarifying the rights and responsibilities of both operators and residents under the Act, enhancing information disclosure requirements, providing tighter definitions and implementing improved consumer protections.

The *Retirement Villages Bill 2015* is part of a package of broader measures aimed at ensuring the ongoing confidence and growth of the retirement villages industry, including the development of *Better Practice Guidelines* and the establishment of an advocacy service for retirement village residents.



## How will the proposed Bill affect prospective residents?

One of the most significant changes which will affect prospective residents will be the introduction of a standard disclosure statement to improve transparency and clarity of residence contracts.

The introduction of a standard disclosure statement will provide prospective residents with a standard summary of fees and charges within the contract and allow residents to make an informed decision when entering into a residence contract.

## How will the changes affect current residents?

Current residents will still be bound by their current residence contract. There are a range of changes that will impact on current residents' rights and responsibilities:

- > Providing improved transparency of village funds – the Bill proposes changes which will significantly increase transparency of village funds including breaking down management fees, providing details of expected consultation with residents regarding the village budget and requirements to meet with residents about finances.
- > Clarifying current legislative provisions – a number of current provisions will be clarified for residents and operators including specifying who is responsible for the payment of recurrent charges for newly built homes and further defining the role of the residents' committee within the village.
- > Increasing powers of investigation and compliance – the introduction of expiable amounts will help to reinforce operators' obligations under the Bill and serve as a deterrent to non-compliance.
- > Improving protections for residents and operators – improved mechanisms for the protection of resident funds and providing operators with the option of removing disruptive and difficult residents through a tribunal process.

## Will the changes affect residents' fees?

The Bill provides for responsible management of residents' funds by strengthening auditing requirements and improving transparency of financial reporting.

The Bill also introduces provisions relating to what is to occur when a surplus or deficit occurs in a village's recurrent fees.

## How will the changes affect residents who move to an aged care facility?

The Bill includes an update to the arrangements where a resident leaves a village to enter aged care. Changes have been made to ensure any further amendments to the *Aged Care Act 1997* do not impact retirement village residents who would otherwise be eligible for an early repayment of an exit entitlement.

Residents will continue to be able to apply for early repayment of an exit entitlement if they must pay a lump sum to enter aged care and meet other criteria.

Additionally, an operator will have the option of deferring the payment for a period of up to six months. During this period the operator will be responsible for the payment of fees attributable to the non-payment of the lump sum. This will be in addition to the final repayment of the exit entitlement.

## When will the changes come into operation?

There are many steps to be undertaken prior to the enactment of new legislation however it is anticipated that the changes will be introduced by the end of 2016. Provisions relating to statutory repayments for exit entitlements will have a transitional period to allow operators to put into place any adjustments to their businesses which are necessary to prepare for changes to legislation.

An education process will also be undertaken to ensure operators are aware of the changes being implemented and when they will come into force.



## How can I provide feedback on the Retirement Villages Bill 2015?

There are a number of ways to learn more about the Bill and provide feedback.

For more information about the changes, planned public forums and to access the reference documents, please visit:

**[www.sahealth.sa.gov.au/reviewsandconsultation](http://www.sahealth.sa.gov.au/reviewsandconsultation)**

or via **YourSAy** at: **<http://yoursay.sa.gov.au/yoursay/retirement-village-act-review/>**

All submissions must be in writing; a feedback form has been developed and can be submitted in the following ways:

### Online Survey

provide your formal feedback by completing the online survey:

**<https://www.surveymonkey.com/s/rvactreview>**

### Email

provide your formal feedback via email to:

**[Health.RVActReview@health.sa.gov.au](mailto:Health.RVActReview@health.sa.gov.au)**

### Post

Retirement Villages Review, Office for the Ageing, PO Box 196, Rundle Mall, Adelaide SA 5001

Feedback closes at  
5pm Friday 24 April 2015.  
Late submissions will  
not be considered.

If you have any questions about providing feedback  
please contact Office for the Ageing on 8204 2420.

For more information

**Office for the Ageing**  
**Department for Health and Ageing**  
**Phone: 8204 2420**  
**Email: [Health.RVActReview@health.sa.gov.au](mailto:Health.RVActReview@health.sa.gov.au)**

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