

**The *Retirement Villages Amendment Bill 2024* was passed, with amendments, by the Legislative Assembly in Victoria on 28 May 2025**

The review of the *Retirement Villages Act 1986* began in 2018 and RRVV has participated since that time, making an initial submission and providing reviews of the subsequent Options Paper, Proposed Draft Bill and the *Retirement Villages Amendment Bill 2024*. We have actively lobbied members of parliament and been involved in consultations conducted by the Department of Government Services. We anticipate that, throughout 2025, RRVV will provide input into the development of the regulations to support the new legislation.

RRVV considers that the bill is “something of a mixed bag” - there are provisions that we welcome, and we believe will greatly benefit retirement village residents and the experience of prospective residents. There are also provisions with which we are both concerned and disappointed.

Our concerns are substantial. Many of the beneficial changes will only apply to those residents who sign their contracts after the new Act comes into force, which is scheduled for May 2026. Given that this is consumer protection legislation, the failure to address the issues of existing residents is somewhat bewildering. We believe it is essential that beneficial changes apply to all residents, both now and in the future. We understand this was the approach adopted for previous amendments to the very same Act.

**Welcome Provisions**

We welcome the following inclusions in the *Retirement Villages Amendment Bill 2024* which will apply once the new legislation is in effect:

***Village Management***

- Operators/proprietors will be responsible for “making good” deficits in the operating budget. This is fair and appropriate as the operators/proprietors, not the residents, control village management and expenditure. In addition, any surplus in the accounts for a financial year of a retirement village must be carried forward to the accounts for the next financial year.
- Retirement village operators/proprietors will be required to have a Capital Maintenance Plan which will be required to include prescribed items and be presented to residents at AGM. This will enable Residents’ Committees and residents generally to have oversight of maintenance works to be undertaken and to ensure that their investment in the village is protected and enhanced

- Capital Maintenance Plans will be required to specify capital items for which the operator/proprietor is financially responsible.
- All villages will be required to have an Emergency Evacuation procedure that covers all residents and to have a drill at least annually
- Retirement village operators/proprietors will be required to ensure that information relating to Insurance is disclosed/published both as part of pre-contractual disclosure and at any time insurance cover for the village changes. This will enable residents to ensure that the village has adequate insurance and to tailor their own insurance accordingly.
- There will be a mandatory Code of Conduct for retirement village operators/proprietors. This will ensure that they understand what is required of them in a range of areas.

### ***Dispute Resolution***

- Each village will be required to have a *Dispute Resolution Procedure* which complies with the Act, and which covers disputes between resident and between residents and management.
- Each village must name an alternative person to contact in case the main contact person is the subject of the complaint.
- A dedicated Conciliation Scheme for retirement villages will be established within the Department of Government Services.

### ***New Contracts***

The provisions below will apply to contracts signed after the new legislation comes into effect.

- The Cooling Off period has been extended to seven (7) days.
- The Deferred Management Fee (DMF) will be based on the purchase price. This will provide a high level of financial certainty and enable residents to plan for the possibility of moving into Residential Aged Care at some time in the future.
- Residents will only be responsible for “reinstatement” i.e. making good any property condition that exceeds fair wear and tear. They cannot be required to replace renovations or alterations they have made with the approval of the operator. These provisions will be assisted by a requirement for condition reports on the unit both on entering and exiting a village.

- Retirement village operators/proprietors will not be able to charge Service Fees once the resident has provided vacant possession or has died.

### ***Miscellaneous***

- There will be Model Rules for Residents Committees
- Quorums for residents' meetings will be as follows:
  - Where there are 40 or more residents, 25% of the eligible voters
  - Where there are 20 to 39 residents, 10 of the eligible voters
  - Where there are less than 20 residents, 50% of the eligible voters

### **Remaining Concerns**

We remain concerned regarding the following issues and hope to be able to work for change in these areas going forward.

### ***Existing Contracts***

The Deferred Management Fee (DMF) for residents who have an existing contract or sign a contract prior to the new legislation coming into effect, will still be based on sale price. In addition, they will not get the benefit of the provisions relating to reinstatement of the property on exit nor those relating to the cessation of service fees on vacant possession. This means that the vast majority of existing retirement village residents will be at a significant financial disadvantage when compared to newer residents. It also begs the question – if there is a perceived need to alter the provisions relating to the DMF and “reinstatement”, why would you apply this to only one class of resident?

### ***Meeting issues***

The new legislation provides that only a Residents' Committee or the operator can convene meetings of residents. This is not satisfactory as a significant number of villages do not have a Residents' Committee - what if there is no residents' committee? In those cases, it means that only the operator can call meetings and this is not satisfactory.

### ***Village Management***

- Retirement villages can still apply for exemption from all or part of the legislative framework. Prospective and current retirement village residents should be able to be safe in the knowledge that a property that calls itself a retirement village,

complies with all relevant legislative provisions. All villages must be required to adopt and comply with the legislation and the Code of Conduct. To have a class or classes of villages exempt means that adequate consumer protections are not extended to all.

- There is a new provision that extends the time for payment of an exit entitlement, from a maximum of six months to a maximum of 12 months. This is too long and does not provide the protection required where there is an extended sale period.

In conclusion, I re-iterate that RRVV is committed to ensuring that, as key stakeholders, the views and needs of residents of retirement villages are heard and acted upon. We will seek to be actively involved in the development of the regulations that will underpin the new legislation and to lobby on these issues going forward.

Kind regards,

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