

20/11/2023

Retirement Villages Act Review  
Ministry of Housing and Development  
PO Box 82  
Wellington 6140

## **Submission on the Review of the Retirement Villages Act 2003**

Tēnā koutou

Age Concern New Zealand and our Member Organisations welcome the opportunity to submit comments on the *Review of the Retirement Villages Act 2003: Options for change*.

Age Concern New Zealand supports updating the legislation to protect the interests of current and future residents and to enable retirement villages to operate under a legal framework readily understandable to residents and operators.

We acknowledge the importance of retirement villages as a housing option for older New Zealanders, with just over 50,000 now living in retirement villages.

Demand for retirement village units and residential care is likely to increase as Aotearoa's older population grows. Within the next decade the over 65 population is projected to reach 1.2 million, a fifth of the total population.

Our older population is also increasing in ethnic and cultural diversity, and many are working past the entitlement age for New Zealand superannuation. Not all older New Zealanders are comfortable and confident using digital technology, some are not online at all.

Although many older New Zealanders own their own home, the number of older renters is currently 20%. This is expected to increase substantially to 40% of over 65s with the percentage for Māori and Pacific older people renting even now sitting at 35% of Māori kaumātua and 46% of Pacific matua.

The retirement village sector will need to factor these significant demographic shifts, along with the changing expectations and needs of prospective residents, into future planning.

### **Our key recommendations:**

Age Concern New Zealand and Member Organisations strongly recommend that the Ministry for Housing and Urban Development prioritises the following areas in any final decisions:

1. Plain language and accessible formatting should be used in all documentation, including disclosure statements, occupation right agreements, and code of resident's rights.
2. Ensure all key retirement village documents are available in multiple languages.
3. Clarify the differences between a retirement village and aged residential care, including the financial and other implications of transferring from an independent unit into residential care.
4. Ensure culturally responsive services and models of care are provided.
5. Require all retirement villages to stop weekly and other fixed fees when a unit is vacated.
6. Require the timely repayment of the capital sum within three to six months when a unit is vacated.
7. Ensure that changes in the Act are applied to all existing occupation rights agreements within a specified timeframe.
8. Enable a percentage of affordable rental units to be available for older adults who are unable to pay a capital sum.
9. Ensure that retirement villages are required to meet the Healthy Homes standards.
10. Establish a new simplified independent disputes scheme.

Note: In the remainder of this submission, we provide our responses to questions from the *Review of the Retirement Villages Act 2003: Options for change*. We have not answered all of the questions but have retained the numbering as per the discussion paper.

## Overview

---

### **Q. 1: Do you agree with the scope and objectives of the review?**

- Yes  
 No  
 Not sure

Overall, Age Concern agrees with the scope and objectives of the review. We consider the proposed changes are fair and reasonable for both residents and the retirement village sector.

Addressing areas highlighted in the scope and objectives will make it simpler for residents and future residents to fully understand the terms in their agreement and give them greater protections if they choose to live in a retirement village.

The scope of the review aligns with the 2020 Te Ara Ahunga Ora Retirement Commission's White Paper: Retirement Villages Legislative Framework and subsequent reports.

**Q. 2: Do you have any comments on how the proposed changes, by themselves and collectively, might affect different parts of the sector?**

We are aware that smaller and not-for-profit villages may have some different challenges in regard to several of the proposed changes. For example, mandatory buy back when a resident exits their unit may present significant challenges for smaller operators. Paying interest after a specified period may be more appropriate for them.

Current and future residents will be better informed and have greater clarity about the requirements on themselves and the village operators. This will potentially make retirement villages more attractive to future residents. Increased consistency across village operators will still allow for some flexibility but make it easier for potential residents to decide which village suits them best.

Village operators will have greater clarity about their responsibilities and still be able to run their village as a profitable business.

**Q. 3: Do you have any information you could share on Māori interests in and experiences of retirement villages that we should take into account in the review?**

Only a relatively small number of older Māori are living in retirement villages. We are aware this is to some degree to do with cultural preferences and caring for extended whānau. However, it is also related to higher rates of renting compared to non-Māori, and therefore a lack of sufficient income and assets to buy into a retirement village.

Reserving a percentage of the units in villages for rental accommodation may address some of the barriers to retirement village living for Māori.

Solutions to address Māori housing need to be identified, funded and encouraged and this work needs to be carried out in partnership with Māori.

Kaumātua housing initiatives need to be encouraged and funded to offer a housing option that is mana enhancing, respectful of the indigenous population, and fulfils commitment to Te Tiriti o Waitangi.

## Disclosure statements

---

### **Q. 4: Which of the proposed options for new disclosure documents do you agree with?**

- Option 1 – A Village Comparison and Information Statement
- Option 2 – A new shorter Disclosure Statement
- Neither of these

We consider Option 1 and Option 2 both have merit, but our preferred option is Option 1.

Whichever option is ultimately agreed, the documents must use plain language and accessible formats such as sign language, easy read, braille, large print, audio and video. Disclosure documents must be easy to read and comprehend, as well as enabling potential residents to easily compare the merits and potential draw backs associated with each village. The documents must be clear and concise and available on retirement village websites.

This approach will support informed decision-making where an older person can understand: (a) the costs and benefits of moving into a village, (b) the ongoing costs and responsibilities involved, and (c) what will happen when they move out of their unit, including how the payment will be calculated that they or their family subsequently receive for the unit.

Key terms used in the various documents need to be consistent, with agreed explanations in a glossary of terms to avoid confusion and misunderstanding.

The Village Comparison, Information Statement or new shorter Disclosure Statement need to be available in multiple languages reflecting the diverse older population living in Aotearoa.

### **Q. 5: Is any information missing from the proposed documents?**

Please refer to the following appendices of the discussion paper:

- Appendix 1 – Proposed Village Comparison template
- Appendix 2 – Proposed Retirement Village Information Statement template
- Appendix 3 – Proposed new Disclosure Statement

- Yes
- No
- Not sure

The 'State of Village' section needs to include full disclosure of any prior flooding or other natural hazard events and remedial action taken which may impact on future enjoyment of a unit within the village.

We have heard of a situation where a flood occurred in a village affecting several units. A new resident later purchased one of the affected units but was not advised that there had been a flood through her property. Following a second flood, the new resident experienced much distress and stated she would never have purchased the unit if she had been aware of the earlier flood.

We understand that real estate disclosure rules do not currently fully apply to retirement villages and recommend that changes. Given the impact of climate change, this is going to be an increasingly important issue for residents and future residents.

**Q. 6: Would the proposals to deal with false and misleading statements and inconsistency between a disclosure document and an ORA address the issues we have outlined?**

- Yes  
 No  
 Not sure

We support the proposals to deal with false and misleading statements and inconsistency between a disclosure document and an ORA. The proposals appear logical, fair, and workable however we do not have the expertise to know if the proposals are sufficient.

We strongly support amending the Act in accordance with clause 60 in the discussion paper to say that if a term in the ORA is inconsistent with the disclosure statement, to the detriment of the resident, the term will be interpreted in favour of the resident. The resident did not write the documents and should not be negatively impacted by this type of discrepancy.

There will need to be a clear, timely and fair process for a resident to follow when challenging an inconsistency between the documents.

### Occupation right agreements

---

**Q. 8: Which of the proposed options for standardising ORAs do you agree with?**

- Option 1 - Standardising the format (i.e., the headings and layout)  
 Option 2 - Standardising both the format and some of the terms  
 Neither of these

We note that some ORAs are clear and simple to understand but we are aware many are long and complicated. We are concerned at the information in Paragraphs 79 and 80 of the discussion document where examples are given of unfair terms and stating that Consumer NZ has reported on unfair terms in ORAs. A unit in a retirement village is a person's home. The resident should not, for example, have to deal with a village representative or manager entering their home with little or no notice.

Agreement terms should not breach a resident's privacy in regard to their health information.

ORAs should protect the privacy of residents and protect their rights as a consumer. The rights and responsibilities of operators and residents need to be very clear and outlined in plain language.

Standardising the format and some of the terms will help mitigate for the poorer performance of some operators. If ORAs are virtually non-negotiable, the prospective resident has no influence on the terms of the agreement. This means a high standard should be required of operators and ORAs.

Standardisation will save effort for the operators who already have sound processes and yet still allow some flexibility for each operator's situation.

We agree that there should be a transition period, perhaps one year, to shift to the new standardised forms.

We consider existing ORAs should be updated for current residents.

**Q. 9: Which terms should be standardised in ORAs, and which terms should not be standardised?**

We recommend all the terms listed in Appendix 5 under the columns headed *What can be standardised* and *What could be standardised* are standardised.

Considerable research and deliberation has gone into these items, and we support their adoption.

**Q. 10: Are there certain types of retirement villages that the proposed standardised format would not work for?**

- Yes  
 No  
 Not sure

The standardised format should be used consistently; however, we are unsure how the standardised formats would work in their entirety for not-for profit and very small independent retirement villages. As a minimum requirement at least partial standardisation should be applied in all instances

Residents in all retirement villages, large or small, deserve protection of their rights and to be fully informed of the terms of their investment.

**Q. 11: Are there terms currently included in ORAs that could be considered unfair to residents?**

- Yes  
 No  
 Not sure

The following are examples of terms we consider unfair to residents:

- Village managers entering a resident's unit with little, if any, advance notice
- ORAs requiring access to a resident's personal health information directly from a health agency
- Residents having to pay for maintenance and repairs to operator owned chattels and fixtures

- Operators continuing to charge weekly and fixed fees after a unit is vacated
- Lengthy delays for a former resident or their family to be paid out for the vacated unit, with no time limit
- Requiring residents to share any capital loss in value without sharing capital gain

**Q. 12: Should a specific power be included in the Act to declare certain terms in ORAs to be unfair?**

- Yes  
 No  
 Not sure

The improved disputes scheme provider would be a logical option for having the power to declare a term in an ORA to be unfair. They will also require the power to enforce the removal of an unfair term and to declare it null and void.

The Courts would be available as a backup but are likely to involve costs which a resident may not be able to afford.

**Q. 13: Are there any ORA terms which may breach a resident's privacy?**

- Yes  
 No  
 Not sure

ORAs requiring access to a resident's health information directly from a health agency is an example of breaching a resident's privacy. They would have no knowledge of what happened to that information or how it was used or stored.

The Commerce Commission's investigation into potential breaches of the Fair Trading Act 1986 in regard to misleading advertising and unfair terms in ORAs will provide further direction about any other unfair terms.

**Q. 14: Should conveyancers be able to provide intending residents with legal advice on ORAs?**

- Yes  
 No  
 Not sure

It is reasonable that legal advice can be sought from registered and licensed legal professionals as well as lawyers. The conveyancers would require specialist knowledge about the retirement village sector and ORAs. Conveyancers could build this as a specialty area of knowledge so that their advice is robust and extensive to a resident and their family.

Conveyancers who are members of the New Zealand Society of Conveyancers have a fiduciary duty to provide robust professional advice to clients, and a formal complaints process is already in place.

However, we recommend that a prospective resident is still required to have a lawyer go over the ORA with them prior to signing, just as they would if purchasing a home.

### **Maintenance of operator-owned chattels and fixtures**

---

**Q. 15: Do you agree with the proposal to amend the definition of ‘retirement village property’ to specifically include operator-owned unit chattels and fixtures?**

- Yes
- No
- Not sure

We recommend that the operator-owned chattels and fixtures are clearly identified and that they are included in the definition of retirement village property. They remain the property of the retirement village operator regardless of who is living in the unit.

The resident has a duty of care and a vested interest to ensure the unit chattels and fixtures are kept in good condition for their own enjoyment of the unit.

**Q. 16: Do you agree with the proposal to require operators to provide a list of operator-owned chattels and fixtures and the condition of these to intending residents?**

- Yes
- No
- Not sure

For clarity and to avoid misunderstandings and potential disputes we support requiring operators to provide a list of operator-owned chattels and fixtures and the condition they are in to intending residents.

Photographic evidence could be part of this requirement. We would recommend residents take photographs of the unit as they move in as a record for themselves. This has become standard practice for renters and those hiring a vehicle to avoid disputes being a case of one person’s word against another with no actual proof available.

**Q. 17: Do you agree with the proposal to assign responsibility for maintenance and repairs (including the direct cost of these) of operator-owned chattels and fixtures to the operator, except where the resident or their guest causes intentional or careless damage or loss?**

Yes

No

Not sure

Most ORAs involve a license to occupy, the resident does not own the unit. Unless a resident or guest causes intentional or careless damage, normal wear and tear and regular maintenance should sit with the village operator who gets to on-sell the license to occupy whenever a resident leaves the village or moves into aged residential care.

We are concerned that in villages where residents are required to pay for repairs they may not report damage or deterioration as they lack the funds to pay for the repairs. This may put them at risk of injury or poorer health outcomes.

The village operator paying for maintenance of chattels and fixtures should help to ensure that units are maintained to a high standard and new residents do not find they're paying for normal wear and tear that took place while previous occupiers lived in the unit.

**Q. 18: Do you agree with the proposal to clarify that marks due to use of mobility aids and incontinence are classified as 'fair wear and tear'?**

Yes

No

Not sure

Retirement villages are provided as a housing option for older New Zealanders, many of whom at some point will have or develop health conditions. Government policies promote ageing in place, as does Age Concern New Zealand. Mobility issues and incontinence may mean a resident at some point requires mobility aids or incontinence products. Using universal design principles, e.g. wider doorways, in the construction and layout of the units, would help to avoid undue marks from mobility aids.

We also recognise residents need to take responsibility for keeping their unit in good condition and take all reasonable care to avoid unnecessary marks due to the use of mobility aids and incontinence.

We would hope that operators and residents would be able to have reasoned and fair-minded discussions about any such topics.

**Q. 19: Do you agree with the proposal to require operators to meet the cost of replacing or upgrading operator-owned unit chattels and fixtures when they wear out?**

- Yes  
 No  
 Not sure

As outlined in answers to Q15 - Q17 the village operator owns the unit chattels and fixtures and is therefore responsible to update or maintain them.

A 'licence to occupy' agreement accounts for 95% of ORAs according to paragraph 71 in the discussion document, the resident has purchased the right to live in the unit, they do not own it. The operator being responsible for maintenance and updating of fixtures and chattels is also in line with the Residential Tenancies Act 1986 and Residential Tenancies Amendment Act 2020. Renting has similarities to a License to Occupy and retirement village residents should have similar rights and responsibilities as renters, along with clear processes to redress any disputes. Under the Residential Tenancies Act if damage is accidental or there is normal wear and tear the landlord is responsible to repair or replace the article. Where the tenant deliberately causes damage then they can be asked to pay in full or if it is careless damage the resident could pay the insurance excess.

**Q. 20: If introduced, should the proposals apply to existing ORAs?**

- Yes  
 No  
 Not sure

We recognise that there would need to be a transition period for operators to apply the new requirements retrospectively, but we consider it unfair to leave current residents to be subject to their ORA, which may disadvantage them.

Some village operators have already moved to terms that would be mandatory rather than voluntary under the revised Act. Their good practice would be acknowledged and not involve them making huge changes. The proposals would, however, bring operators who are currently using terms and processes that unfairly disadvantage their residents into line with best practice.

**Q. 21: If there are other issues with maintenance and repairs that we should be aware of, please tell us about them.**

It will need to be stated in writing which fixtures and chattels are the village operator's responsibility, and which are the resident's responsibility. Some residents put in their own chattels, for example, replacing the curtains. When the resident leaves the village, their own chattels will need to be replaced with the village operator's chattels.

## A simple and effective dispute resolution scheme

---

**Q. 22: Do you agree with the proposal to establish a new dispute resolution scheme that is independent of retirement village operators?**

- Yes  
 No  
 Not sure

We support the creation of a new independent disputes service provided free to residents that will objectively assess complaints and act fairly in its dealings with both village operators and residents. Parties resolving disputes themselves in the first instance is the preferred initial option, but this doesn't always occur for a variety of reasons.

Many residents will feel more comfortable approaching an independent disputes provider than continuing to deal with their village operator. An independent body also helps to address the power in-balance between resident and village operator.

**Q. 23: Should the new scheme be delivered by:**

- a dispute resolution scheme provider  
 a government appointed commissioner  
 neither of these?

The Office of the Retirement Commissioner would be well set up to provide an independent disputes scheme operating with known and agreed timeframes. The Office is a respected entity with the expertise to provide an independent disputes scheme and sound knowledge of issues facing older New Zealanders.

**Q. 24: Should residents be required to contribute to the costs of resolving disputes between residents (where the operator is not a party to the dispute)?**

- Yes  
 No  
 Not sure

Yes, it seems fair and reasonable that residents continue to contribute, as they do now, to any mediation costs involved in resolving a dispute that they cannot resolve directly amongst themselves.

**Q. 27: Would independent advocacy support that is free for residents to access be needed under a new dispute resolution scheme?**

- Yes  
 No  
 Not sure

We recommend free independent advocacy support is available to residents if needed but would expect some kind of limitation in terms of time would be needed to keep costs reasonable.

**Moving from retirement village living into aged residential care**

---

**Q. 28: What information on occupancy levels of aged residential care should be provided to intending residents?**

- Average occupancy across the previous 12 months  
 Current occupancy levels at a clearly dated point in time  
 Other information  
 No information  
 Not sure

The transition from an independent unit into aged residential care is complicated and Age Concerns receive many enquiries about this process. It is particularly complicated when one partner requires care, and the remaining partner needs to stay living in the independent unit.

We support the information requirements outlined in the discussion paper on pages 66 and 67.

Clear simple information must be given to anyone planning to move into a retirement village so that they are aware of what will be involved if one or both need to move into residential care at some point.

This information needs to cover:

- The options available for residential care within their village
- The respective 'transfer to care' costs for each available option
- What happens about their existing unit
- What happens in the case of a couple where one partner requires care
- What family can expect when their loved one passes in terms of outstanding costs and the processes involved

**Q. 29: Should a clear statement that a suitable aged residential care unit cannot be guaranteed be included in one of the new disclosure documents?**

- Yes  
 No  
 Not sure

We strongly recommend there is a clear statement about this included in disclosure documents as we regularly hear from residents and family members who are distressed that a room is not immediately available.

The disclosure document would preferably also state what interim options are available to a resident and that existing residents in the village will be prioritised for any care room that becomes available.

**Q. 31: Should operators be allowed to charge aged residential care residents in ORA care suites a second fixed deduction ('deferred management fee')?**

- Yes  
 No  
 Not sure

People choose to live in a retirement village with attached aged residential care facilities for the continuum of care offered or implied. Paying one fixed deduction (deferred management fee) should be sufficient for their entire time at the village.

Moving in to a retirement village is not a cheap option for retirement living, paying a second fixed deductions would be beyond many residents.

### **Minimum building standards for retirement villages**

---

**Q. 33: If there any other issues with minimum building standards that we have not covered, please tell us about them.**

Retirement village residents are in an age group that, at some point in their occupancy, may become less mobile, have sight and hearing impairments, or develop a disability of some kind.

If units meet at least minimum building standards, they are likely to be safer for residents who will hopefully have fewer injuries from falls and other accidents. Preferably units should be built using universal design principles. This is an important saving for the health sector as well as beneficial for the residents.

**Q. 35: Should retirement villages be upgraded to meet certain building standards, such as the healthy homes standards?**

- Yes  
 No  
 Not sure

We agree that retirement villages should be upgraded to meet certain building standards, such as the healthy homes standards. Under the Residential Tenancies Act all landlords had to comply with the health homes standard and were given a time period by which this had to occur.

Older New Zealanders deserve to be warm, safe and dry in their home, wherever that may be. The quiet enjoyment of life is very much influenced by the state and warmth/comfort of our home. Living in cold or damp conditions has well researched poorer health outcomes for individuals and incurs high costs to the health sector.

Retirement villages are specifically for older people, so it makes sense for them to be required to be built using age friendly concepts and universal design principles. This means they need to be accessible and include simple design requirements like shower doors opening outwards so that a resident can be assisted if they have a fall or medical event while in the shower, wider halls and door frames, etc.

### **Repayment of the resident's capital sum**

---

**Q. 37: Do you agree with any or all of the following? You can tick more than one box.**

- The proposal to require operators to repay a former resident's capital sum within a fixed period after the ORA has been terminated and the unit has been fully vacated, and if so, how long should the fixed period be.
- The proposal to require operators to pay interest on a former resident's capital sum if the unit remains vacant after six months.
- Neither or these (See paragraphs 208-213 of the discussion paper).

We consider all operators should be required to repay resident's capital sum when the unit is relicensed or after three to six months of it being fully vacated, whichever occurs earliest.

We understand that some operators already pay out the former resident or their estate after six months if the unit has not already been relicensed. We consider this type of policy is best practice and should be legislated.

A three to six month period seems reasonable given we understand that most units are relicensed within six months.

**Q. 38: Which option/s do you consider would most improve fairness for residents?**

As above, the option that requires operators to pay out the former resident's capital sum within three to six months if the unit has not been relicensed earlier. This seems fair and would be beneficial if the resident has moved into residential care or if the person's estate is waiting to be settled.

At the very least interest should be payable to the resident or their estate after a three to six month period if the unit is not relicensed.

**Q. 39: What impacts would the proposed options have for operators?**

Some operators are already doing this, so it appears to be achievable. It may present challenges for small operators and any potential impacts would need to be investigated. All businesses require lines of credit and banks will need to recognise the legal obligations of operators.

**Q. 42: How long should operators have to relicense a unit before they need to start paying interest to the former resident?**

As above, three to six months maximum period before paying interest to a former resident.

**Q. 44: If implemented, should the proposal to introduce a mandatory repayment timeframe for residents' capital sums apply to existing ORAs?**

Yes

No

Not sure

It would be unfair for the proposal for mandatory repayment timeframes not to apply to existing ORAs, however a transition period may be necessary to be fair to operators who may not have factored this into their business plan.

**Q. 45: If implemented, should the proposal to require operators to pay interest on former residents' capital sums apply to existing ORAs?**

Yes

No

Not sure

Yes, but as above, a transition period may be necessary to give operators time to adjust their business plans.

## Stopping outgoings and other fees

---

**Q. 46: Do you agree with the proposal to require operators to stop charging weekly fees upon a unit being vacated or shortly after?** (See paragraph 236 of the discussion paper)

- Yes  
 No  
 Not sure

We agree that operators be required to stop charging weekly fees upon a unit being vacated. Some operators already stop the weekly charge when a resident vacates the unit, this is good practice that should apply to all villages. The former resident is no longer getting any benefit from the unit, the village services or amenities.

**Q. 47: Should the proposal to require operators to stop charging weekly fees upon a unit being vacated or shortly after apply to existing ORAs?**

- Yes  
 No  
 Not sure

As for Q 46, some operators already stop the weekly fees upon a unit being vacated, so it would be unfair to disadvantage existing residents in other villages.

## Fixed deductions

---

**Q. 48: Do you agree with the proposal to require fixed deductions to stop accruing upon a unit being vacated or very shortly after?**

- Yes  
 No  
 Not sure

Again, this proposal is already being implemented in some villages so should have minimal impact for operators. Consistent terms across villages will put operators on a level playing field and be fair and transparent for residents.

**Q. 49: Should limits be placed on the size of the fixed deduction?**

- Yes  
 No  
 Not sure

We agree limits should be placed on the size of the fixed deduction. This could be set up as up to a maximum percentage. Villages will then have the ability to charge less if they want a competitive edge.

**Q. 50: Is greater transparency needed about the specific costs covered by fixed deductions?**

- Yes  
 No  
 Not sure

Increased transparency will help existing and future residents, as well as their families, to understand the rationale for the fixed reductions. This needs to be clear before a prospective resident moves into a village.

**Q. 51: If introduced, should the proposal apply to existing ORAs?**

- Yes  
 No  
 Not sure

If applied to existing ORAs a transition period would be needed so that operators and residents can plan accordingly

### Treatment of capital gains/losses

---

**Q. 52: Do you agree with either or both of the following? You can tick more than one box.**

- The proposal to require that operators can only make a resident liable for a capital loss on resale of their unit to the same extent as they would be entitled to any share of the capital gains.
- The proposal that operators that share capital gains with residents would not be required to make residents liable for capital losses to the same extent? (See paragraphs 257-258 of the discussion paper).

Some village operators have already made this change. It is clear that not sharing both gains as well as losses is of benefit only to the village operators and unfair to residents.

Residents make a large investment of their funds accumulated over their lifetime to move into a retirement village, they deserve a fair deal for the services they receive in return.

Operators are business people and as such, must be prepared to shoulder more of the losses than their residents.

**Q. 53: If implemented, should the proposal apply to existing ORAs?**

- Yes  
 No  
 Not sure

The potential impacts of applying this proposal to existing ORAs would need to be explored.

**Q. 55: Is the definition of retirement village easy to understand? (See Appendix 6 of the discussion paper)**

- Yes  
 No  
 Not sure

The definition appears relatively easy to understand but we consider the wording could be simplified. The definition is quite broad given a retirement village can have only two or more units up to several hundred.

The definition must be easy to read and understand, as well as fit for purpose.

The current definition does not take into account the changing demographics for older New Zealanders.

Within a decade, forty percent of over 65s will be renters, rather than home owners. Māori, Pasifika and women are less likely to be homeowners. Retirement villages are a valuable housing option for this growing cohort of older renters, but most would not have the capital to pay a capital sum currently required.

We recommend that there is a change to the definition that states:

- residents pay, or agree to pay, a capital sum or a weekly rental fee for their right to occupy a residential unit.

**Q. 57: Does the definition enable operators to respond to changing demographics and housing needs?**

- Yes  
 No  
 Not sure

As our answer above, the current definition it does not cater for older New Zealanders who may wish to rent a unit.

It also does not demonstrate inclusivity for our increasing ethnic diversity, neurodiversity and gender diversity. We have heard distressing accounts of members of the rainbow community feeling they had to go back into the closet to live in a retirement village or residential care facility.

We recommend improving cultural responsiveness for the Takatāpui and Rainbow Community.

The “Uplifting Takatāpui and Rainbow Elder Voices” project and the podcast “Preparing For And Avoiding Aged Care Facilities” by Hohou Te Rongo Kahukura are extremely helpful resources that could help inform retirement village practice.

### **Insurance cover for retirement village operators**

---

**Q. 58: Do you agree with any or all of the following? You can tick more than one box.**

- The proposal to require that operators maintain insurance policies that, at all times, are sufficient (alongside other funds) to pay out all residents’ capital sums in the event that a village is entirely destroyed, unable to be reinstated and all ORAs are terminated.
- The proposal to restrict operators from passing on any insurance excess to residents if the loss, damage or destruction relates to retirement village property; and if the resident was not at fault for the loss, damage or destruction.
- Neither of these (See paragraphs 280-285 of the discussion paper).

Severe weather events are likely to increase because of climate change. Village operators, like home owners will need to grapple with the potential impact. They must fully disclose to prospective residents any previous flooding or other natural hazards that have impacted on the village.

**Q. 59: Do you foresee any issues with the proposal to remove the requirement that operators should have “full replacement cover” and instead allow them to obtain sum-insured and collective type insurance policies?**

- Yes  
 No  
 Not sure

The issue is that full replacement cover is the only level of cover that will enable an operator or a resident to replace like with like.

Property values and building costs change. If a resident has occupied a unit for some time replacement value may be quite different to their capital sum. Pathways must be found that enable residents and operators to have confidence that they will have a place to live and a business to operate after a disaster of any kind.

**Q. 60: Is a 12-month transition period sufficient for operators to update insurance policies or obtain new ones to meet the proposed sufficient coverage requirement?**

- Yes  
 No  
 Not sure

No one likes paying for insurance but without it we are at huge risk, whether that be for our own home or a retirement village.

If operators have insufficient insurance that will impact not only on themselves, but on a cohort of older New Zealanders who may not have any other funds to fall back on and no way to generate an income to recover from their loss. These issues must be considered when making decisions about insurance cover requirements.

### **Culturally responsive services and models of care**

---

**Q. 67: Are there any changes you would like to see in how retirement villages provide a culturally responsive environment and/or services?**

- Yes  
 No  
 Not sure

To usefully respond to this question, we contacted one of our research partners - Dr Ágnes Szabó from the School of Health at Te Herenga Waka – Victoria University of Wellington. As part of her research exploring the ageing experiences of migrant communities in Aotearoa New Zealand ([www.ageingmigrants.com](http://www.ageingmigrants.com)), Dr Szabó conducted focus group interviews with older migrants living in Aotearoa New Zealand. She has kindly provided the following comments from her research relevant to retirement village living and aged residential care.

The need for culturally appropriate retirement villages and other residential care options was a key topic emerging from discussions with the Indian and Chinese communities. Participants agreed that there was a need for more housing options for older people in their communities, but they raised important concerns around cultural safety and responsiveness to diverse needs.

Moving into a predominantly Western environment was perceived as a potential source of stress. Participants talked about the challenge of needing to once again adapt to a new environment in older age:

*“Think of the stress of immigration, of trying to fit into a new culture, a new dominant way of accepting and working things, etc. Now, you do that at the age of 20, 30, 40, it's okay. But do you really want to have that stress when you're in your 70s-80s, whatever? You just want to live comfortably.”*

Participants talked about cultural adaptation as a life-long process that required managing cultural expectations throughout the life course. The specific example of transitioning into a retirement village that caters for the majority culture highlights the difficulty of engaging in this process skillfully and sustainably for older migrants.

While there was consensus among participants that retirement villages and other residential care options are to a high standard in Aotearoa New Zealand, they felt cultural responsiveness was lacking:

*“Your physical comforts can be taken care of, but (...) that feeling of being with people who understand you. (...) We're aware that there are a number of cultures there and how to integrate them and how to create an environment where everyone's culture is valued. (...) There are enough immigrant people who are having to use these facilities. And it's tough. When the food is oriented to one culture. It's tough when the language is not necessarily your number one language. It's tough when the things you want to talk about, the other people have no experience of.”*

Food was commonly mentioned as an area where changes could be made quickly and cheaply, which would provide a significant improvement to the experiences of older migrants in these institutions:

*“We want to go to somewhere to spend our old age, right? Although we've been here for a long time, but when we are really old, and I want to eat Chinese food, maybe I would be able to?”*

People talked about hoping to have more cultural diversity in services and there was interest in retirement villages that specifically cater for culturally diverse communities, like theirs:

*“If possible, we can build more elderly people villages, and to have diversity in these services. For example, an Asian elderly village that involves more Asian people. Since cultures are different, we can have people of different cultural backgrounds to work there to provide services for old people. I think that's better.”*

Importantly, migrant communities want to be consulted and involved in the development of these ideas. They are motivated to support these initiatives, which is demonstrated by the below exchange between participants from the Indian community:

*P1: But how difficult is that actually? There are so many Indians here from the subcontinent. I'm sure they could have a, I mean...*

*P2: ...have their own rest home.*

*P3: The money, it's how much money it is important. I mean, population is aging so fast. And there's so many people that are growing older and older. We live so much longer.*

*P4: And, you know, you can't leave it for the government.*

*P3: No, it's up to us.*

*P4: It's up to us to create it.*

Findings of this research suggest a number of ways cultural responsiveness could be improved in retirement villages. These include having a culturally diverse workforce and providing employees with appropriate training to engage with residents in a culturally safe and inclusive way. It is critical that staff understand the additional challenges faced by older adults of culturally diverse backgrounds when moving into an environment perceived as predominantly Western/European, and that staff are prepared to support residents with this transition.

In addition, retirement villages need to ensure that all residents have access to their culture. This could be achieved by providing culturally diverse food options and culturally aligned activities as well as supporting residents to engage freely in their cultural and religious practices.

## Code of Practice

---

**Q. 77: Do you agree with the any or all of the following improvements to address the issues identified with the Code of Practice? You can tick more than one box.**

- Introducing a regular review of the Code of Practice (for example every five or ten years).
- Introducing a plain language Code of Practice.
- Providing the Code of Practice (and other registered documents) in alternate formats such as New Zealand Sign Language and Braille.
- None of these.

We support introducing a regular review of the Code of Practice, initially five yearly as the sector is going through change, both as a result of this review and the significant demographic changes amongst older New Zealanders.

We support the Code of Practice being available in plain everyday language so that it is easy to understand.

We recommend adding a further Right – The right to safety.

We fully support the Code of Practice (and other registered documents) being available in alternate accessible formats including New Zealand sign language, braille, easy read, large print, audio and video formats, as well as in multiple languages. This will ensure all people can access and understand the information.

## Code of Residents' Rights

---

**Q. 82: Are changes needed to the Code of Residents' Rights, such as clarifying and strengthening residents' rights and obligations to one another?**

- Yes  
 No  
 Not sure

We recommend 'Number 4. Right to complain' is adjusted to "You have the right to complain to the operator or to an independent agency and receive a response within a reasonable timeframe".

We recommend the Right to Safety' is added to the code of Residents' Rights. People cannot thrive if they do not feel safe in the home and their surroundings. When we feel unsafe we experience high levels of anxiety, depression and isolation. No resident should feel unsafe in their village.

We agree with increasing the emphasis on the rights and obligations residents have to one another. The suggested wording from the New South Wales Retirement Villages Act 1999 on page 104 of the discussion document reads well:

- Not interfere with the peace, comfort, or privacy of other residents
- Respect the rights of other residents
- Not act in a manner that adversely affects the health and safety of persons working in the village

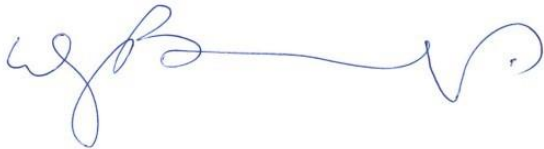
We fully support the Code of Residents' Rights being available in plain language and accessible formats including New Zealand sign language, braille, easy read, large print, audio and video formats, as well as in multiple languages. This will ensure all people can access and understand the information about their rights as residents.

## Final comment

---

Thank you again for the opportunity to provide our submission on the *Review of the Retirement Villages Act 2003*, we are very interested in seeing this legislation updated and fit for purpose.

Nāku noa, nā,



Karen Billings-Jensen  
Chief Executive  
Age Concern New Zealand