

## Retirement Villages Amendment Bill Introduced into Parliament

The Queensland Government introduced into Parliament on the 14 February 2006 the Retirement Villages Amendment Bill 2006. In the media release issued by the Fair Trading Minister said the key components of the Bill were:

- *expressly recognises the protection of residents as a primary objective;*
- *clarifies residents voting rights;*
- *gives residents more say in village budget-setting;*
- *ensures dispute resolution is more accessible by allowing residents to appoint an advocate in disputes heard by commercial and consumer tribunal; and*
- *caps resident liability for exit fees and charges.*

The media release went on to describe the key provisions of the Bill:

- *“Consumer protection” has been added as a primary object of the Act.*
- *Better regulation of relations between village operators, residents and residents committees at meetings.*
- *Resident voting rights have been clarified.*
- *Residents have been given an active role in the village budget-setting process, and operators are now required to make greater disclosure of financial information.*
- *Operators have been given greater direction in relation to fees and charges.*
- *A nine-month cap will be introduced on residents’ liability to continue paying general services charges after they vacate units.*
- *Residents have been given power to obtain their own quotes for the cost of reinstating the condition of vacated units to be resold.*
- *A spouse or relative living with the resident but who is not a party to the residence contract, has been given some limited rights to continue living in the unit should the resident die or vacate the unit.*
- *The formal requirements in relation to the residence contract and public information document, which detail the rights and obligations of the residents and operator, have been tightened.*
- *The drafting of the Act has been re-visited to ensure it adequately regulates those villages where the residents own the freehold title to their units, and to recognise the role of the body corporate in such villages.*
- *Residents will have better and fairer access to the dispute resolution procedures including the CCT.*
- *Those provisions in the Act will be removed which allow contracts signed prior to the existing Act to retain provisions contrary to that Act (including the basis upon which fees are charged etc). This means all residents in retirement villages in Queensland will receive the same level of protection and the advantage of the Act’s consumer protection provisions regardless of when they entered into their contracts.*

1

There is nothing contained in these amendments that should impact significantly on a properly managed village. However we do get concerned when legislation is used to mandate certain management activities including relationships with the residents and retrospectively change contractual arrangements. The changes appear to be aimed at

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<sup>1</sup> Media Release Office of Fair Trading 13 February 2006

# NEWS BRIEFING



protecting residents that may be having difficulties in the few poorly managed villages. The nature of the legislation has changed with the primary object of the Act being 'consumer protection'. There have been quite a few changes made since the initial Draft Bill was released which we understand was not consistent with industry submissions to the amendments.

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