

Information Sheet

Retirement Villages (Miscellaneous) Amendment Act 2024

Information for retirement village residents

The Parliament of South Australia has passed the *Retirement Villages (Miscellaneous) Amendment Act 2024* (the Amendment Act). It makes important updates to the Retirement Villages Act 2016 (the RV Act).

The Amendment Act was informed by an independent statutory review, an extensive period of public consultation, and a rigorous parliamentary process, to ensure all stakeholders' views are well represented.

This information sheet provides an overview of key amendments and the planned timeline for reform.

How will the new laws affect current residents?

The amendments introduce additional consumer protections for existing residents.

The mandatory statutory repayment period for **exit entitlements** will be reduced from 18 months to 12 months (plus an additional 30-day period to allow for reinstatement and refurbishment to commence).

The payment of **capital fund contributions** payable on exit will be capped to a maximum of 12.5%.

Where **remarketing fees** are not covered in the residence contract, these fees will be limited to the reasonable costs incurred by the operator in remarketing the residence.

If the residence contract does not provide a fixed amount or formula, **recurrent charges** will be capped at CPI. Costs outside the operator's control (such as rates, taxes and charges levied under legislation, some maintenance contracts and salaries and wages) will be excluded from the CPI cap.

Importantly, an operator will not be able to unreasonably refuse a resident's request to make a **prescribed alteration** to the premises. A prescribed alteration is defined as an alteration that involves the installation of a functional aid, equipment or infrastructure recommended by a registered health practitioner. This may include things such as grab rails or other home modifications.

The amendments also provide for improved dispute resolution processes, increased clarity regarding the operation of the Act (including provision and timing of information to residents), clarity about commercial and non-commercial leases, a stronger enforcement framework and minimum safety and insurance requirements.

Current residents will still be bound by their residence contract. In all cases, if a resident has more favourable conditions within their existing contract, the more favourable conditions will continue to apply.

How do the new laws affect prospective residents?

Key reforms have been made, improving transparency and ensuring relevant information is available to prospective residents to support informed decision-making.

Importantly, the provisions of the RV Act relating to the residence contract and disclosure statement have been updated to ensure a broader range of information is to be provided to prospective residents.

The **residence contract** will contain information about the right (if any) to make alterations, remarketing, fees and charges, how exit fees are calculated, who is responsible for reinstatement of the residence (including fair wear and tear) upon exit, and who is responsible for the cost of any renovation work.

The **disclosure statement** will contain information about the type of tenure/occupancy right that is being purchased, embedded networks (if any) and the composition of occupation types within the village.

The disclosure statement will also provide prospective residents with a clear understanding of the **fees and charges** for which they will be liable, including the manner of calculation and worked calculations containing the estimated fees and charges where occupation is terminated at two years, five years and ten years after the contract commences.

A framework for managing **holding deposits** will be introduced, to clarify that an operator cannot increase the price of a residence during the holding period and specify how the deposit must be treated if a person chooses to proceed, or not proceed, with the contract.

An operator will be required to provide a **premises condition report** to the resident prior to occupation, which must be completed and returned by the resident within ten business days of entering occupation. The premises condition report will provide information about who is responsible for maintenance and repair and where the operator is responsible, which fund will cover this.

The payment of **capital fund contributions** payable on exit will be capped to a maximum of 12.5% of the current market value of the residence to which the exit entitlement relates. This amendment will apply to all contracts, irrespective of whether the contract was entered into before or after the commencement of the new laws. For contracts entered following the commencement of the new laws, a maximum payment of 1% per annum (or part thereof) up to 12.5% will also apply.

How will the new laws affect residents leaving a village?

The amendments make clear what happens when a resident terminates their right of occupation, or when an operator applies to SACAT to terminate a resident's right of occupation.

This includes specifying the charges that may be levied when a resident terminates during the settling-in period, clarifying the process an operator must follow to apply to SACAT to terminate a resident's right of occupancy and capping the payment of recurrent and recurrent-like charges to a maximum of six months after exiting a village.

When will the new laws commence?

A commencement date for the new laws is yet to be set. It is acknowledged that the sector will require lead-in time to transition to the new requirements. Many of the changes also require regulations to be drafted to support their effective operation.

What are the next steps?

Office for Ageing Well will advise stakeholders about further opportunities to be involved in the development of the regulations. It is anticipated that draft regulations will be available on YourSAy for comment in 2025.

Further information about the commencement date for the Amendment Act will be provided in due course.

For more information

Office for Ageing Well

PO Box 196, Rundle Mall ADELAIDE SA 5000

Telephone: 08 8204 2420

Email: RVActReview@sa.gov.au

[SA Government Retired and Assisted Living webpage](#)