

Media pitch - EMBARGOED UNTIL 5PM, TUESDAY 6 AUGUST

Campaign to urge complete reform of Retirement Villages Act launches today

A nationwide campaign, United for Seniors, launched today to urge the government to overhaul the Retirement Villages Act at a meeting attended by a hundred volunteer supporters.

The Ministry for Housing and Urban Development is currently assessing what their recommendation will be to the government: comprehensive reform, which this campaign is urging; or tinkering with codes, which the Retirement Villages Association (representing company owners) is pressing for.

Quotes

“The current law is grossly unfair. In no other sector could you get away with this behaviour. Landlords couldn’t get away with it. Imagine a landlord requiring a tenant to fix a hot water cylinder. The average age of a retirement village resident is 82. Some of these people are elderly and vulnerable. People say residents just shouldn't sign these contracts, but there is often no choice, and contracts can be complicated and confusing; this is a sector of society that we should be protecting.”

“In 2020 Christopher Luxon stood on Parliament’s steps championing our call for a full review of the Retirement Villages Act. Now, four years on, the Government is set to receive official advice on that review. The law has loopholes and an obvious industry-focus that is motivated by minimising compliance costs. The Government has an urgent role to play in future-proofing this sector - before the largest generation yet moves into retirement. The New Zealand retirement village industry is the most profitable in the world and it’s time companies looked after more than just their shareholders.”

-Di Sinclair, Vice President, Retirement Village Residents Association of New Zealand

“Initially I found life good at the village, but it got quite nasty. My trust and my faith in the management started to deteriorate. It was an owner operator village, so if you complain about the manager, your complaint goes to the manager. It got to the stage it was doing my mental health in, with all the bullying, and I wasn't the only one. So, I needed to move out of

the village, but I couldn't afford to lose all the money I was going to lose. I'd been in the village for 4 or 5 years, and I managed to move out and buy where I am now. I won't probably go into another retirement village, I couldn't afford to anyway. I spent all I could to buy this. It is not where I expected to be.

I went downhill pretty quickly. I went to the doctor and she said 'how are you?' and I just burst into tears. My background is in law, but I just didn't realise how few rights you have in a village. No one else should go through what I went through and what others are probably going through now. There is no accountability, they can basically get away with what they want"

- Sue, retiree

"ConsumerNZ is supporting this campaign. As our population ages, and more and more people go into retirement villages, it's going to become increasingly important that the power imbalance between operators and residents is addressed. The current law does not do this. We do not think the government should give in to industry lobbying and go with an option just to amend the code. There needs to be a full review."

-Jon Duffy, CEO, ConsumerNZ

What is the campaign asking for?

Comprehensive reform of the Retirement Villages Act, including three key requests:

- Money is returned promptly on exiting a retirement village. There needs to be a prescribed time requirement on when companies need to return money. Currently, a resident could potentially wait years for their money to be repaid.
- People are not made to pay to replace items (chattels, fixtures or fittings) they don't even own. Curtains, carpets, hot water cylinders: the legislation does not cover this, so elderly residents may have to pay to fix or buy new chattels owned by the village that need replacing.
- An independent Ombudsman is appointed with investigative and enforcement powers to support an impartial complaints process. Unlike other sectors there is no independent body to turn to in a dispute; it is often an elderly individual against a well-resourced corporation who holds all the power

What is happening for the launch?

The campaign will be launched in Auckland at the Retirement Village Residents Association AGM. Over one hundred members will be present at the launch event. There will be protest banners for the campaign, and people to share personal stories of the issues at stake.

Speaking at the AGM will be:

- Prime Minister Christopher Luxon and Deputy Prime Minister Winston Peters (online)
- Jane Wrightson, Retirement Commissioner

What does the campaign involve?

- A petition will be shared across the country asking for comprehensive reform of the Retirement Villages Act.
- The campaign will reference the United for seniors co-signed document delivered to key Ministers.
- Elderly residents have bravely shared videos of their stories that are available online.
- This campaign is grassroots and volunteer-led. They will be sharing on social media, community noticeboards, and telling their stories in their local communities.

Campaign dates

6 August - 27 August

Statistics, reports, and links

[International operating models: Berl Review](#)

“In New Zealand, Australia, and the UK, vacating residents are often required to continue meeting the ongoing weekly or monthly fees until their unit is resold. This has sparked concerns about providers delaying or being slow in the listing and sale of units. In comparison to New Zealand, where ongoing fees can continue to be charged indefinitely until the unit is resold...”

“New Zealand has the highest number of retirement villages per capita in the world”

“There are many disadvantages to New Zealand's dominant licence-to-occupy legal title. One of the frequent points raised around the licence-to-occupy model is the financial

burden to residents and an ‘unfair imbalance between the rights and responsibilities of residents and those of operators.’”

[Retirement Commission: Retirement villages legislative framework: Assessment and options for change, 2020-21](#)

“A CFFC White Paper proposed a policy review of the retirement villages framework...It noted flaws in the complaints system, confusing documentation, and explored the tricky interface between village and care facilities.”

[Analysis of costs paid by residents to live in retirement villages - Money Tips](#)

“Operators choose to indebt themselves to expand faster and build more villages to get more of the super-profit model. They have preferred this to organic growth or new equity raising as this dilutes existing shareholders. Debt has been preferred to equity in a low interest rate environment. The cost of interest on this debt gets capitalised into the cost of a unit. Development margins on the first sale still run around 20%. Operators run particularly capital-light models, borrowing short-term working capital from banks and repaying it as units sell.

It’s a rinse-and-repeat model, with residents paying for the unit, plus a development margin upfront, but getting no ownership rights. Land banking for future development is funded by longer term bank debt.”

[Retirement Village Residents Association: Framework for Fairness, best practice guidelines](#)

[OIA Request: Commerce Commission investigation into Fair Trading Act breaches by retirement villages](#)

12 operators, with over 180 villages, warned of misleading claims or unfair terms.

Images and B-roll

Media are invited to the launch event

Videos of resident stories are available [here](#)

How the public can get involved

The petition is on the website, live on Monday 5 August: www.unitedforseniors.co.nz

To arrange interviews, or attend the launch, please contact:

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