



Queensland

Retirement Villages (Financial Documents) Amendment Regulation 2024

Subordinate Legislation 2024 No. 71

made under the

Retirement Villages Act 1999

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1 Short title

This regulation may be cited as the *Retirement Villages (Financial Documents) Amendment Regulation 2024*.

2 Regulation amended

This regulation amends the *Retirement Villages Regulation 2018*.

3 Insertion of new pt 4AA

After part 4—

insert—

Part 4AA Requirements for financial documents

16AA Requirements for capital replacement fund budget—Act, s 113AA

- (1) This section prescribes, for section 113AA(1)(b) and (2) of the Act, the form of, and the information that must be included in, a capital replacement fund budget.
- (2) A capital replacement fund budget must include—
 - (a) a statement for the financial year that complies with schedule 5A, part 1; and
 - (b) the disclosure notes mentioned in schedule 5A, sections 18 and 19; and
 - (c) a scheme operator report for the financial year with the disclosure notes mentioned in schedule 5A, section 20.

Note—

See also section 16H.

16AB Requirements for maintenance reserve fund budget—Act, s 113AA

- (1) This section prescribes, for section 113AA(1)(b) and (2) of the Act, the form of, and the information that must be included in, a maintenance reserve fund budget.
- (2) A maintenance reserve fund budget must include—
 - (a) a statement for the financial year that complies with schedule 5A, part 2; and
 - (b) the disclosure notes mentioned in schedule 5A, sections 18 and 19; and
 - (c) a scheme operator report for the financial year with the disclosure notes mentioned in schedule 5A, section 20.

Note—

See also section 16H.

16AC Requirements for general services charge budget—Act, s 113AA

- (1) This section prescribes, for section 113AA(1)(b) and (2) of the Act, the form of, and the information that must be included in, a general services charge budget.
- (2) A general services charge budget must include—
 - (a) a statement for the financial year that complies with schedule 5A, part 3; and
 - (b) the disclosure notes mentioned in schedule 5A, sections 18 and 19; and
 - (c) a scheme operator report for the financial year with the disclosure notes mentioned in schedule 5A, section 20.

Note—

See also section 16H.

16AD Requirements for annual financial statements—Act, s 113AA

- (1) This section prescribes, for section 113AA(1)(b) and (2) of the Act, the form of, and the information that must be included in, an annual financial statement.
- (2) An annual financial statement must include—
 - (a) the following statements for the financial year to which the annual financial statement relates—
 - (i) a statement for the capital replacement fund that complies with schedule 5B, part 1; and
 - (ii) a statement for the maintenance reserve fund that complies with schedule 5B, part 2; and
 - (iii) a statement for the general services charges fund that complies with schedule 5B, part 3; and
 - (b) a statement of assets and liabilities as at the end of the financial year that complies with schedule 5B, part 4; and
 - (c) the accounting disclosure notes mentioned in schedule 5B, part 5, division 2; and
 - (d) the other information mentioned in schedule 5B, part 6.

Note—

See also section 16H.

16AE Requirements for quarterly financial statements—Act, s 113AA

- (1) This section prescribes, for section 113AA(1)(b) and (2) of the Act, the form of, and the information that must be included in, a quarterly financial statement.

[s 3]

- (2) A quarterly financial statement must include—
 - (a) the following statements for the financial quarter to which the quarterly financial statement relates—
 - (i) a statement for the capital replacement fund that complies with schedule 5B, part 1; and
 - (ii) a statement for the maintenance reserve fund that complies with schedule 5B, part 2; and
 - (iii) a statement for the general services charges fund that complies with schedule 5B, part 3; and
 - (b) the accounting disclosure notes mentioned in schedule 5B, part 5, division 3.

Note—

See also section 16H.

16AF Requirements for audit reports—Act, s 113AA

- (1) This section prescribes—
 - (a) the form of, and the information that must be included in, an audit report for section 113AA(1)(b) and (2) of the Act; and
 - (b) the standards and principals an audit report must be prepared in accordance with section 113AA(1)(c) of the Act.
- (2) An audit report for an annual financial statement must include the information mentioned in schedule 5B, part 7.
- (3) An audit report must be prepared in accordance with the Australian Auditing Standards.

Note—

See also section 16H.

16AG Requirements for independent quantity surveyor's written reports—Act, s 113AA

- (1) This section prescribes, for section 113AA(1)(b) and (2) of the Act, the information that must be included in a capital replacement quantity surveyor report or a maintenance and repair quantity surveyor report.
- (2) The report must include the information mentioned in schedule 5C.

Note—

See also section 16H.

16AH Financial documents may include other information

Nothing in sections 16A to 16G prevents a document mentioned in those sections from including information in addition to the information required to be included in the document under those sections.

4 Amendment of s 16B (Declaration of exemption—Act, s 70D)

Section 16B(1). 'schedule 5A'—

omit, insert—

schedule 5D

5 Renumbering of pts 4AA and 4A

Parts 4AA and 4A—

renumber as parts 4A to 4B.

6 Renumbering of ss 16AA to 16B

Sections 16AA to 16B—

renumber as sections 16A to 16J.

[s 7]

7 Replacement of pt 6, hdg (Repeal)

Part 6, heading—

omit, insert—

Part 6 Repeal and transitional provisions

Division 1 Repeal

8 Insertion of new pt 6, div 2

Part 6—

insert—

Division 2 Transitional provisions for Retirement Villages (Financial Documents) Amendment Regulation 2024

19 Application of ss 16A to 16C and 16H to fund budgets

Sections 16A to 16C and 16H do not apply in relation to a fund budget for a financial year ending before 1 July 2025.

20 Application of s 16D and 16H to annual financial statements

Sections 16D and 16H do not apply in relation to an annual financial statement for a financial year ending before 1 July 2025.

21 Application of s 16E and 16H to quarterly financial statements

Sections 16E and 16H do not apply in relation to a quarterly financial statement for a financial quarter ending before 1 July 2025.

22 Application of s 16F and 16H to audit reports

Sections 16F(2) and 16H do not apply in relation to an audit report issued for an annual financial statement for a financial year ending before 1 July 2025

23 Application of s 16G and 16H to independent quantity surveyor's written reports

Sections 16G and 16H do not apply in relation to a capital replacement quantity surveyor report or a maintenance and repair quantity surveyor report prepared before 1 July 2024.

24 Use of best estimates of corresponding amounts

- (1) This section applies in relation to a statement mentioned in a relevant provision if—
- (a) the statement is for the financial year starting on 1 July 2025; and
 - (b) a provision of schedule 5A or 5B requires the statement to state a corresponding amount.

Note—

See schedule 5A, sections 5, 10 and 15 and schedule 5B, sections 5, 6(b), 11, 12(b), 17 and 18(b).

- (2) The statement is taken to comply with the requirement mentioned in subsection (1)(b) if the statement—

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- (a) states the best estimate of the corresponding amount; and
 - (b) includes an accounting disclosure note stating that the corresponding amount mentioned in paragraph (a) is an estimate.
- (3) In this section—
- relevant provision*** means each of the following provisions—
- (a) section 16A(2)(a);
 - (b) section 16B(2)(a);
 - (c) section 16C(2)(a);
 - (d) section 16D(2)(a);
 - (e) section 16E(2)(a).

9 Amendment of sch 5 (Operational documents)

- (1) Schedule 5—

insert—

8C a capital replacement quantity surveyor report that relates to the most recent capital replacement fund budget adopted by the scheme operator and any updated report prepared since the full report

8D a maintenance and repair quantity surveyor report that relates to the most recent maintenance reserve fund budget adopted by the scheme operator and any updated report prepared since the full report

- (2) Schedule 5, item 9, after ‘Act’—

insert—

and any other policy of insurance paid for from the general services charges fund

10 Insertion of new schs 5AA–5AC

After schedule 5—

insert—

Schedule 5AA Requirements for fund budgets

sections 16A(2), 16B(2), and 16C(2)

Part 1 Capital replacement fund budget

1 Application of part

This part states requirements for a statement, mentioned in section 16A(2)(a) of the regulation, for the capital replacement fund budget.

2 Expected income of capital replacement fund

The statement must have a section for the expected income of the capital replacement fund that—

- (a) lists, as separate line items—
 - (i) each amount expected to be paid into the fund under section 94(1)(a), (b) or (f) of the Act; and
 - (ii) the total of the capital replacement fund contributions expected to be paid into the fund under section 94(1)(c) of the Act; and
 - (iii) the total of other amounts expected to be paid into the fund; and
- (b) states the total expected income of the fund.

3 Expected expenditure of capital replacement fund

- (1) The statement must have a section, titled ‘Quantity surveyor expense items’, that—
 - (a) either—
 - (i) lists, as separate line items, each item of expected report expenditure; or
 - (ii) does both of the following—
 - (A) lists, as separate line items, each type of expected report expenditure that is material report expenditure;
 - (B) states, as a separate line item, the other expected report expenditure; and
 - (b) states any adjustments or changes made by the scheme operator to an item of expected report expenditure stated in the capital replacement quantity surveyor report; and
 - (c) states the total of the expected report expenditure.
- (2) The statement must have a section for other expected expenditure of the capital replacement fund that lists, as separate line items—
 - (a) the quantity surveyor’s fees expected to be paid for preparing the capital replacement quantity surveyor report; and
 - (b) tax expected to be paid on amounts paid into the fund under section 94(1)(b) of the Act; and
 - (c) the other expected expenditure of the fund.
- (3) The statement must separately state the total expected expenditure of the capital replacement fund.

(4) In this section—

expected report expenditure means expected expenditure comprising capital replacement costs recommended in a capital replacement quantity surveyor report.

4 Expected opening and closing balances of capital replacement fund

The statement must separately state—

- (a) the opening balance of the capital replacement fund carried over from the previous financial year; and
- (b) the expected closing balance of the capital replacement fund at the end of the financial year.

5 Comparisons to amounts for previous period

The statement must state, next to each amount mentioned in section 2, 3 or 4—

- (a) the corresponding amount stated in the last capital replacement fund budget adopted under section 93(1) of the Act; and
- (b) the corresponding estimated actual amounts for the purpose of the annual financial statement that corresponds to the last capital replacement fund budget adopted under section 93(1) of the Act.

Part 2 Maintenance reserve fund budget

6 Application of part

This part states requirements for a statement,

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mentioned in section 16B(2)(a) of the regulation, for the maintenance reserve fund budget.

7 Expected income of maintenance reserve fund

The statement must have a section for the expected income of the maintenance reserve fund that—

- (a) lists, as separate line items, each type of expected income; and
- (b) states the total of the maintenance reserve fund contributions expected to be paid into the fund; and
- (c) if not stated in a disclosure note under section 18(b), states—
 - (i) the total of the maintenance reserve fund contributions expected to be paid by residents and former residents; and
 - (ii) the total of the maintenance reserve fund contributions expected to be paid by the scheme operator under section 105(1)(a) and (c) of the Act; and
- (d) states the total expected income of the fund.

8 Expected expenditure of maintenance reserve fund

- (1) The statement must have a section, titled ‘Quantity surveyor expense items’, that—
 - (a) either—
 - (i) lists, as separate line items, each item of expected report expenditure; or
 - (ii) does both of the following—
 - (A) lists, as separate line items, each type of expected report

expenditure that is material report expenditure;

- (B) states, as a separate line item, the other expected report expenditure; and
- (b) states any adjustments or changes made by the scheme operator, in compliance with section 99(1) and (2) of the Act, to an item of expected report expenditure stated in the maintenance and repair quantity surveyor report; and
- (c) states the total of the expected report expenditure.
- (2) The statement must have a section for other expected expenditure of the maintenance reserve fund that lists, as separate line items—
- (a) the quantity surveyor's fees expected to be paid for preparing the maintenance and repair quantity surveyor report; and
- (b) tax expected to be paid on amounts paid into the fund under section 100(1)(b) of the Act; and
- (c) the other expected expenditure of the fund.
- (3) The statement must separately state the total expected expenditure of the maintenance reserve fund.
- (4) In this section—
- expected report expenditure* means expected expenditure comprising maintenance or repair costs recommended in a maintenance and repair quantity surveyor report.

9 Expected opening and closing balances of maintenance reserve fund

The statement must separately state—

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- (a) the opening balance of the maintenance reserve fund carried over from the previous financial year; and
- (b) the expected closing balance of the maintenance reserve fund at the end of the financial year.

10 Comparisons to amounts for previous period

The statement must state, next to each amount mentioned in section 7, 8 or 9—

- (a) the corresponding amount stated in the last maintenance reserve fund budget adopted under section 99(1) of the Act; and
- (b) the corresponding estimated actual amounts for the purpose of the annual financial statement that corresponds to the last maintenance reserve fund budget adopted under section 99(1) of the Act.

Part 3 General services charge budget

11 Application of part

This part states requirements for a statement, mentioned in section 16C(2)(a) of the regulation, for the general services charge budget.

12 Expected income of general services charges fund

The statement must have a section for the expected income of the general services charges fund that—

- (a) lists, as separate line items, each type of expected income; and

-
- (b) states the total of the general services charges expected to be paid into the fund; and
 - (c) if not stated in a disclosure note under section 18(c), states—
 - (i) the total of the general services charges expected to be paid by residents and former residents; and
 - (ii) the total of the general services charges expected to be paid by the scheme operator under section 105(1)(a) and (c) of the Act; and
 - (d) states the total expected income of the fund.

13 Expected expenditure of general services charges fund

- (1) The statement must—
 - (a) have a section for expected section 107 expenditure of the general services charges fund that—
 - (i) lists, as separate line items, each type of expected section 107 expenditure; and
 - (ii) states the total of the expected section 107 expenditure; and
 - (b) have a section for expected general expenditure that—
 - (i) lists, as separate line items, the following types of expected general expenditure (whether or not they are material expenditure)—
 - (A) audit expenses;
 - (B) banking expenses;
 - (C) electricity expenses;

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- (D) cleaning expenses;
- (E) pest control expenses;
- (F) phone and internet expenses;
- (G) day-to-day maintenance expenses;
- (H) scheme operator administration and management expenses;
- (I) staff salary or wages that are not expected section 107 expenditure;
- (J) other staff expenses that are not expected section 107 expenditure.

Examples—

training costs, membership fees, bonuses

- (ii) lists, as separate line items, other types of expected general expenditure that are material expenditure; and
 - (iii) states, as a separate line item, the total amount of expected general expenditure that is not otherwise included in a separate line item; and
 - (iv) states the total of the expected general expenditure; and
- (c) separately state the total expected expenditure of the general services charges fund.
- (2) Subsection (1)(b)(i) does not limit the types of expected general expenditure that may be listed in the statement as separate line items.
- (3) In this section—
- expected general expenditure*** means expected expenditure of the general services charges fund other than expected section 107 expenditure.

14 Expected surplus or deficit of general services charges fund

The statement must separately state—

- (a) the surplus or deficit of the general services charges fund carried over from the previous financial year; and
- (b) the amount that is the expected surplus or deficit of the general services charges fund at the end of the financial year.

15 Comparisons to amounts for previous period

The statement must state, next to each amount mentioned in section 12, 13 or 14—

- (a) the corresponding amount stated in the last general services charge budget adopted under section 102A(1) of the Act; and
- (b) the amount of the difference, or the percentage difference, between the amount mentioned in section 12, 13 or 14 and the amount mentioned in paragraph (a); and
- (c) the corresponding estimated actual amounts for the purpose of the annual financial statement that corresponds to the last general services charge budget adopted under section 102A(1) of the Act.

16 CPI percentage increase

The statement must state, underneath the last line item in the statement, the CPI percentage increase that applies in relation to fixing the total general services charge for the financial year under section 106 of the Act.

Part 4 Fund budget disclosure notes

17 Application of part

This part states—

- (a) the disclosure notes that must be included in a fund budget under sections 16A(2)(b), 16B(2)(b) or 16C(2)(b) of the regulation; and
- (b) the disclosure notes that must be included in a scheme operator report, mentioned in sections 16A(2)(c), 16B(2)(c) or 16C(2)(c) of the regulation, for a fund budget.

18 Disclosure notes about capital replacement fund contributions, maintenance reserve fund contributions and total general services charges

The fund budget must include—

- (a) for a capital replacement fund budget—
 - (i) a disclosure note stating particulars of how the scheme operator calculated capital replacement fund contributions mentioned in section 2(a)(ii); and
 - (ii) a disclosure note stating the capital replacement reserve under section 92(3) of the Act; or
 - (iii) a disclosure note stating particulars and reasons for any material changes made by the scheme operator for a line item of expected report expenditure in the budget; or
- (b) for a maintenance reserve fund budget—

-
- (i) a disclosure note stating particulars of how the scheme operator calculated maintenance reserve fund contributions mentioned in section 7(b) and (c); and
 - (ii) a disclosure note stating the maintenance reserve under section 98(3) of the Act; and
 - (iii) if not stated in a statement under section 7, a disclosure note stating—
 - (A) the total of the maintenance reserve fund contributions expected to be paid by residents and former residents; and
 - (B) the total of the maintenance reserve fund contributions expected to be paid by the scheme operator under section 105(1)(a) and (c) of the Act; and
 - (iv) a disclosure note stating particulars and reasons for any material changes made by the scheme operator for a line item of expected report expenditure in the budget; or

Example—

a material change for expenditure because the painting of communal facilities was deferred to a future year as agreed to by residents by special resolution at a residents meeting

- (c) for a general services charge budget—
 - (i) a disclosure note stating particulars of how the scheme operator fixed the total general services charge under sections 102A(4) and 106 of the Act; and
 - (ii) if not stated in a statement under section 12, a disclosure note stating—

[s 10]

- (A) the total of the general services charges expected to be paid by residents and former residents; and
- (B) the total of the general services charges expected to be paid by the scheme operator under section 105(1)(a) and (c) of the Act.

19 Disclosure notes about budgeted surplus or deficit

- (1) A capital replacement fund budget and maintenance reserve fund budget must include disclosure notes about the following—
 - (a) the expected surplus or deficit carried over from the previous financial year;
 - (b) the expected surplus or deficit at the end of the financial year;
 - (c) the following matters relating to the change between the surplus or deficit mentioned in paragraph (a) and the surplus or deficit mentioned in paragraph (b)—
 - (i) the reasons for the change;
 - (ii) the effect on the budget of the change;
 - (iii) whether the change materially differs from the recommendations of the capital replacement quantity surveyor report or maintenance and repair quantity surveyor report for the budget.
- (2) The general services charge budget must include disclosure notes about the following—
 - (a) the reasons for, and effect on the budget of, the expected surplus or deficit carried over from the previous financial year;

-
- (b) the reasons for, and effect on the budget of, the expected surplus or deficit at the end of the financial year.

20 Disclosure notes for scheme operator reports

- (1) This section applies to a scheme operator report, mentioned in sections 16A(2)(c), 16B(2)(c) or 16C(2)(c) of the regulation, for a fund budget.
- (2) The report must include the following disclosure notes—
 - (a) for each line item of expected expenditure of the relevant fund that is material expenditure and is made up of more than 1 expense type—a note stating the breakdown, purpose and amounts of expense types forming part of the line item (to the extent not otherwise separately disclosed in the budget);

Example—

For a line item for administration and management expenses, the note may list the types of expenses (for example, ‘accounting’, ‘human resources’, ‘web services’, ‘IT support’, ‘other’) and amounts forming part of the line item.

- (b) if a line item of expected expenditure of the relevant fund includes a shared expense—a note stating—
 - (i) the other entities, types of entities or purposes for which the expense is expected to be incurred; and
 - (ii) the method used to calculate the portion of the shared expense to be paid from the fund.
- (3) In this section—

relevant fund, in relation to a fund budget, means the capital replacement fund, the maintenance

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reserve fund or the general services charges fund to which the fund budget relates.

Schedule 5AB Requirements for annual financial statements, quarterly financial statements and audit reports

sections 16D(2) and 16E(2)

Part 1 Requirements for statements for capital replacement fund

1 Application of part

This part states requirements for a statement, for the capital replacement fund, mentioned in section 16D(2)(a)(i) or 16E(2)(a)(i) of the regulation.

2 Income of capital replacement fund

The statement must have a section for the income of the fund that—

- (a) lists, as separate line items—
 - (i) each amount paid into the fund under section 94(1)(a), (b) or (f) of the Act; and
 - (ii) the total of the capital replacement fund contributions paid into the fund under section 94(1)(c) of the Act; and

- (iii) the total of other amounts paid into the fund; and
- (b) states the total income of the fund.

3 Expenditure of capital replacement fund

- (1) The statement must have a section, titled ‘Quantity surveyor expense items’, that—
 - (a) either—
 - (i) lists, as separate line items, each item of report expenditure; or
 - (ii) does both of the following—
 - (A) lists, as separate line items, each item of report expenditure that is material;
 - (B) states, as a separate line item, the total of any other report expenditure; and
 - (b) states the total of all report expenditure.
- (2) The statement must also have a section for other expenditure of the fund that lists as separate line items—
 - (a) the quantity surveyor’s fees for preparing the capital replacement quantity surveyor report; and
 - (b) tax paid on amounts paid into the fund under section 94(1)(b) of the Act; and
 - (c) the total of the other expenditure.
- (3) The statement must separately state the total of all expenditure of the fund.
- (4) In this section—

report expenditure means expenditure on capital replacement items recommended in the capital replacement quantity surveyor report.

4 Surplus or deficit of capital replacement fund

The statement must separately state—

- (a) the surplus or deficit of the fund carried over from the previous relevant period; and
- (b) the surplus or deficit of the fund at the end of the financial year.

5 Comparisons to amounts for previous relevant period

The statement must state, next to each amount mentioned in section 2, 3 or 4, the corresponding amount for the previous relevant period.

6 Form or statement and comparison to corresponding budget amount

The statement must—

- (a) as close as practicable, be in the same form as the capital replacement fund budget; and
- (b) state, next to each amount mentioned in section 2, 3 or 4, the corresponding amount in the capital replacement fund budget.

Part 2 Requirements for statements for maintenance reserve fund

7 Application of part

This part states requirements for a statement, for the maintenance reserve fund, mentioned in section 16D(2)(a)(ii) or 16E(2)(a)(ii) of the regulation.

8 Income of maintenance reserve fund

The statement must have a section for the income of the fund that—

- (a) lists, as separate line items, each type of income; and
- (b) states the total of the maintenance reserve fund contributions paid by—
 - (i) residents; and
 - (ii) former residents under section 104(2) or (3) of the Act; and
- (c) states the total of the maintenance reserve fund contributions paid by the scheme operator under—
 - (i) section 104(3) of the Act; and
 - (ii) section 105(1) of the Act; and
- (d) states the total income of the fund.

9 Expenditure of maintenance reserve fund

- (1) The statement must have a section, titled ‘Quantity surveyor expense items’, that—
 - (a) either—
 - (i) lists, as separate line items, each item of report expenditure; or
 - (ii) does both of the following—
 - (A) lists, as separate line items, each item of report expenditure that is material;
 - (B) states, as a separate line item, the other report expenditure; and
 - (b) states the total of all report expenditure.
- (2) The statement must have a section for other expenditure of the fund that lists, as separate line

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items—

- (a) the quantity surveyor's fees for preparing the maintenance and repair quantity surveyor report for the fund; and
 - (b) tax paid on amounts paid into the fund under section 100(1)(b) of the Act; and
 - (c) the total of the other expenditure.
- (3) The statement must separately state the total expenditure of the fund.
- (4) In this section—

report expenditure means expenditure on maintenance or repair recommended in the maintenance and repair quantity surveyor report for the fund.

10 Surplus or deficit of maintenance reserve fund

The statement must separately state—

- (a) the surplus or deficit of the fund carried over from the previous relevant period; and
- (b) the surplus or deficit of the fund at the end of the financial year.

11 Comparisons to amounts for previous relevant period

The statement must state, next to each amount mentioned in section 8, 9 or 10, the corresponding amount for the previous relevant period.

12 Form of statement and comparison to corresponding budget amount

The statement must—

- (a) as close as practicable, be in the same form as the maintenance reserve fund budget; and

- (b) state, next to each amount mentioned in section 8, 9 or 10, the corresponding amount in the maintenance reserve fund budget.

Part 3

Requirements for statements for general services charges fund

13 Application of part

This part states requirements for a statement, for the general services charges fund, mentioned in section 16D(2)(a)(iii) or 16E(2)(a)(iii) of the regulation.

14 Income of general services charges fund

The statement must have a section for the income of the fund that—

- (a) lists, as separate line items, each type of income; and
- (b) states the total of the general services charges paid by—
 - (i) residents; and
 - (ii) former residents under section 104(2) or (3) of the Act; and
- (c) states the total of the general services charges paid by the scheme operator under—
 - (i) section 104(3) of the Act; and
 - (ii) section 105(1) of the Act; and
- (d) states the total income of the fund.

15 Expenditure of general services charges fund

- (1) The statement must—
 - (a) have a section for section 107 expenditure of the fund that—
 - (i) lists, as separate line items, each type of section 107 expenditure; and
 - (ii) states the total of the section 107 expenditure; and
 - (b) have a section for general expenditure that—
 - (i) lists, as separate line items, the following types of general expenditure (whether or not they are material expenditure)—
 - (A) audit expenses;
 - (B) banking expenses;
 - (C) electricity expenses;
 - (D) cleaning expenses;
 - (E) pest control expenses;
 - (F) phone and internet expenses;
 - (G) day-to-day maintenance expenses;
 - (H) scheme operator administration and management expenses;
 - (I) staff salary or wages that are not section 107 expenditure;
 - (J) staff expenses that are not section 107 expenditure.

Examples—

training costs, membership fees,
bonuses

-
- (ii) lists, as separate line items, each other item of general expenditure that is material; and
 - (iii) states, as a separate line item, the total amount of general expenditure that is not otherwise included in a separate line item; and
 - (iv) states the total general expenditure; and
- (c) separately state the total expenditure of the fund.
- (2) Subsection (1)(b)(i) does not limit the types of general expenditure that may be listed in the statement as separate line items.
- (3) In this section—
- general expenditure* means expenditure of the fund other than section 107 expenditure.

16 Surplus or deficit of general services charges fund

The statement must separately state—

- (a) the surplus or deficit of the fund carried over from the previous relevant period; and
- (b) the surplus or deficit of the fund at the end of the financial year.

17 Comparisons to amounts for previous relevant period

The statement must state, next to each amount mentioned in section 14, 15 or 16, the corresponding amount for the previous relevant period.

18 Form of statement and comparison to corresponding budget amount

The statement must—

- (a) as close as practicable, be in the same form as the general services charge budget; and
- (b) state, next to each amount mentioned in section 14, 15 or 16 (the *actual amount*)—
 - (i) the corresponding amount in the general services charge budget; and
 - (ii) the amount of the difference between the actual amount and the corresponding amount in the general services charge budget.

Part 4 Requirements for statement of assets and liabilities

19 Application of part

This part states requirements for a statement of assets and liabilities, for a retirement village, mentioned in section 16D(2)(b) of the regulation.

20 Assets

- (1) The statement of assets and liabilities must have a section showing the assets of the retirement village as at the end of the financial year.
- (2) Without limiting subsection (1), the section must list, as separate line items, the balance of the bank accounts for the capital replacement fund, the maintenance reserve fund and the general services charges fund.

21 Liabilities

- (1) The statement of assets and liabilities must have a section showing the liabilities of the retirement village as at the end of the financial year.
- (2) Without limiting subsection (1), the section must state, for each liability that is a loan, the reason for the loan.

Part 5 Accounting disclosure notes

Division 1 Preliminary

22 Definitions for part

In this part—

surplus or deficit means the amount mentioned in—

- (a) for the capital replacement fund—section 4(b); or
- (b) for the maintenance reserve fund—section 10(b); or
- (c) for the general services charges fund—section 16(b); or

Division 2 Accounting disclosure notes for annual financial statements

23 Application of division

This division states the accounting disclosure notes that must be included in an annual financial

[s 10]

statement under section 16D(2)(c) of the regulation.

24 Accounting disclosure notes for capital replacement fund, maintenance reserve fund and general services charges fund

(1) An annual financial statement must include the following accounting disclosure notes for each of the capital replacement fund, maintenance reserve fund and general services charges fund—

(a) for each line item of expected expenditure of the fund that is material expenditure and is made up of more than 1 expense type—a note stating the breakdown, purpose and amounts of expense types forming part of the line item (to the extent not otherwise separately disclosed in the annual financial statement);

Example—

For a line item for administration and management expenses, the note may list the types of expenses (for example, ‘accounting’, ‘human resources’, ‘web services’, ‘IT support’, ‘other’) and amounts forming part of the line item.

(b) if a line item of expenditure of the fund includes a shared expense—a note stating—

(i) the other entities, types of entities or purposes for which the expense is expected to be incurred; and

(ii) the method used to calculate the portion of the shared expense to be paid from the fund;

(c) if no amounts are paid into or from the fund—an explanation of why no amounts are paid into or from the fund;

(d) an explanation of any material differences between—

-
- (i) the income or expenditure of the fund and the corresponding amount in the fund budget; and
 - (ii) any surplus or deficit of the fund and the corresponding amount in the fund budget.
- (2) The statement must also include the following accounting disclosure notes for the capital replacement fund—
- (a) for each amount received under an insurance policy that was paid into the fund under section 94(1)(a) of the Act—a note stating particulars of the payment;
 - (b) a note stating the amount of the capital replacement reserve under section 92(3) of the Act;
 - (c) a note explaining any material difference between the amount of the capital replacement reserve and the amount recommended in the capital replacement quantity surveyor report.
- (3) The statement must also include the following accounting disclosure notes for the maintenance reserve fund—
- (a) a note stating the amount of the maintenance reserve under section 98(3) of the Act;
 - (b) a note explaining any material difference between the amount of the maintenance reserve and the amount recommended in the maintenance and repair quantity surveyor report for the fund.

25 Other accounting disclosure notes

- (1) An annual financial statement must include the following accounting disclosure notes—

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- (a) a note stating the basis for the preparation of the annual financial statement and any accounting standards and principles that the statement was prepared in accordance with;
- (b) if all or part of the retirement village land is included in a community titles scheme—a note describing the payments made by the scheme operator to, or received by the scheme operator from, the body corporate for the community titles scheme;
- (c) a note stating the types of interests affecting the retirement village’s property as at the end of the financial year;

Examples of types of interests affecting the retirement village’s property—

freehold interests in accommodation units,
leasehold interests in accommodation units,
licences of accommodation units

- (d) if an interest, mortgage or other charge affects the retirement village’s property other than property in which a resident holds a freehold, leasehold or other interest—a note stating the person entitled to the benefit of the interest, mortgage or charge;
- (e) a note stating the particulars of any payments that—
 - (i) relate to capital replacement, maintenance or general services for the retirement village; and
 - (ii) were made by the scheme operator to, or received by the scheme operator from, a related party of the scheme operator; and
 - (iii) were not made as part of a transaction at arm’s length for fair value with a party to a residence contract or

residential tenancies agreement entered into with the scheme operator.

(2) In this section—

body corporate see the *Body Corporate and Community Management Act 1997*, schedule 6.

related party, of a scheme operator of a retirement village, means—

- (a) an entity that supplies goods or services to the retirement village, or residents of the retirement village, if the scheme operator—
 - (i) has an interest in the entity; or
 - (ii) obtains a commission, fee or reward in relation to the supply of the service; or

Examples of a service—

a general service, a personal service, a utility

- (b) if the scheme operator is a corporation—
 - (i) a related body corporate of the scheme operator within the meaning of the Corporations Act, section 50; or
 - (ii) a related party of the scheme operator within the meaning of the Corporations Act, section 228; or
- (c) if the scheme operator is an individual—
 - (i) a relative of the scheme operator; or
 - (ii) a corporation of which the scheme operator or a relative of the scheme operator is a director, secretary or majority shareholder.

relative, of a scheme operator who is an individual, means—

- (a) a spouse or de facto partner of the scheme operator; or

[s 10]

- (b) a parent, brother, sister or child of the scheme operator, whether the relationship arises by marriage, de facto relationship, adoption or otherwise; or
- (c) a step-parent, stepbrother, stepsister or stepchild of the scheme operator; or
- (d) a member of the same household as the scheme operator.

26 Accounting disclosure note about former resident liabilities

- (1) An annual financial statement for a financial year must include an accounting disclosure note stating—
 - (a) whether or not, as at the end of the financial year, the scheme operator has paid all former resident liabilities for the financial year in full; and
 - (b) if the scheme operator has not paid all former resident liabilities for the financial year in full as at the end of the financial year—
 - (i) the total amount of the former resident liabilities for the financial year that remains unpaid as at the end of the financial year; and
 - (ii) the reason why the amount mentioned in subparagraph (i) has not been paid; and
 - (iii) if, as at the end of the financial year, the scheme operator was unable to pay the amount mentioned in subparagraph (i)—the reasons why the scheme operator is unable to pay the amount.
- (2) In this section—

pay includes credit the account of another person.

former resident liability, for a financial year, means an amount that becomes payable by the scheme operator under section 63(1) or 63A(3) of the Act during the financial year.

Division 3 Accounting disclosure note for quarterly financial statements

27 Application of division

This division states the accounting disclosure notes that must be included in a quarterly financial statement under section 16E(2)(b) of the regulation.

28 Accounting disclosure notes for capital replacement fund, maintenance reserve fund and general services charges fund

- (1) A quarterly statement must include the following accounting disclosure notes for each of the capital replacement fund, maintenance reserve fund and general services charges fund—
 - (a) for each line item of expenditure of the fund that is material expenditure and is made up of more than 1 expense type—a note stating the breakdown, purpose and amounts of expense types forming part of the line item (to the extent not otherwise separately disclosed in the quarterly statement);
 - (b) if a line item of expenditure of the fund includes a shared expense—a note stating—
 - (i) the other entities, types of entities or purposes for which the expense is expected to be incurred; and

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- (ii) the method used to calculate the portion of the shared expense to be paid from the fund.
 - (c) if no amounts are paid into or from the fund—an explanation of why no amounts are paid into or from the fund.
- (2) The statement must also include, for each amount paid into the capital replacement fund under section 94(1)(a) of the Act, an accounting disclosure note stating particulars of the payment.

Part 6 Other information to be included in annual financial statements

29 Application of part

This part states other information that must be included in an annual financial statement under section 16D(2)(d) of the regulation.

30 Declarations by scheme operator

- (1) An annual financial statement must include a declaration by the scheme operator as to whether—
 - (a) the statement has been prepared in accordance with the Act; and
 - (b) the information in the statement is true and correct; and
 - (c) the statement was prepared on the assumption the retirement village scheme is a going concern.
- (2) An annual financial statement must include a declaration by the scheme operator as to whether the bank accounts for the capital replacement

fund, maintenance reserve fund and general services charges fund have been operated in accordance with the Act.

- (3) An annual financial statement must include a declaration by the scheme operator as to whether the scheme operator is able to pay all the operator's debts relating to the retirement village as they become payable.

Part 7 Requirements for audit reports

31 Application of part

This part states information that must be included in an audit report, for an annual financial statement, under section 16F(1)(a) of the regulation.

32 Required information

- (1) An audit report for an annual financial statement for a financial year must state whether or not the auditor considers the scheme operator of the retirement village has the capacity, during the next financial year, to meet the liabilities relating to the village as and when they fall due.

Note—

See also section 16H of the regulation and section 30.

- (2) An audit report for an annual financial statement must state—
 - (a) whether or not the auditor considers the statement has been prepared in accordance with section 113(1) of the Act; and

[s 10]

- (b) if the auditor considers the statement is missing a particular mentioned in section 113(1) of the Act—the missing particular.
- (3) An audit report for an annual financial statement must state—
 - (a) whether or not the auditor considers the statement has been prepared in accordance with section 16D of the regulation; and
 - (b) if the auditor considers the statement has not been prepared in accordance with section 16D of the regulation—the reasons for the non-accordance.

Schedule 5AC Requirements for independent quantity surveyor’s written reports

section 16G(2)

1 Definitions for schedule

In this schedule—

preparing surveyor, for a report, means the quantity surveyor preparing the report.

recommended, for contributions to a fund, means recommended by a quantity surveyor in a report for the fund prepared under this schedule.

recommended funds flow information, for a fund, for particular financial years, means information about the recommended movement of amounts into and out of the fund over the financial years, including—

-
- (a) the recommended total contributions to the fund for each financial year; and
 - (b) the expected total expenditure from the fund for each financial year; and
 - (c) the expected balance of the fund at the end of each financial year to be carried forward into the next financial year.

relevant budget, in relation to a report, means the budget mentioned in section 92(1) or 98(1) of the Act for which the report is required.

report period, in relation to a report, means the period of 10 years from the start of the financial year to which the relevant budget relates.

2 Information for report

- (1) This section applies to a capital replacement quantity surveyor report or maintenance and repair quantity surveyor report.
- (2) The report must include the following—
 - (a) a general description of the retirement village’s property and village infrastructure, including the number of accommodation units;
 - (b) a summary of the age of each part of the retirement village, including, to the extent they can be reasonably ascertained, the dates on which construction of each part was started and completed;
 - (c) the date of the preparing surveyor’s last physical site inspection of the retirement village;
 - (d) for each cost mentioned in the report—whether the cost includes GST and how GST credits will be applied;

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- (e) any bases or methodologies used to prepare the report, including—
 - (i) assumptions;
Example—
assumptions about inflation rates, tax rates and interest rates
 - (ii) exclusions;
 - (iii) references to standards or guidance notes that apply to the report;
 - (iv) methods used to calculate costs;
 - (v) for any costs shared between schemes or entities—apportionment of the costs;
 - (f) whether the report is a full report or updated report;
 - (g) the report period;
 - (h) the date on which the report is issued by the preparing surveyor;
 - (i) for a capital replacement quantity surveyor report—the matters stated in section 3;
 - (j) for a maintenance and repair quantity surveyor report—the matters stated in section 4.
- (3) The report must be signed by the preparing surveyor.

3 Further information for capital replacement quantity surveyor report

A capital replacement quantity surveyor report must state the following about the operation of the retirement village scheme during the report period—

- (a) for the retirement village’s capital items—the expected capital replacement

-
- costs, for the financial year to which the relevant budget relates, for each category of capital item;
- (b) the total expected capital replacement costs for all of the retirement village's capital items the financial year to which the relevant budget relates;
 - (c) the recommended capital replacement fund contribution for the financial year to which the relevant budget relates;
 - (d) for each other financial year in the report period—
 - (i) the amount (in dollars) of the proportional share of the capital replacement costs, expected to be incurred during the report period, that is apportioned to the financial year; and
 - (ii) the amount (in dollars), of the proportional share of the recommended capital replacement fund contributions for the report period, that is apportioned to the financial year;
 - (e) the total amount of expenses expected to be paid from the capital replacement fund during the report period;
 - (f) the recommended funds flow information, for the capital replacement fund, for the financial years in the report period;
 - (g) any amounts allowed for contingencies for capital replacement for—
 - (i) the financial year to which the relevant budget relates; and
 - (ii) each other financial year in the report period;

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- (h) a recommendation about the expected year of replacement for each category of capital item.

4 Further information for maintenance and repair quantity surveyor report

A maintenance and repair quantity surveyor report must state the following about the operation of the retirement village scheme during the report period—

- (a) for the retirement village’s capital items—the expected maintenance and repair costs, for the financial year to which the relevant budget relates, for each category of capital item;
- (b) the total expected maintenance and repair costs for all of the retirement village’s capital items for the financial year to which the relevant budget relates;
- (c) the recommended maintenance reserve fund contributions for the financial year to which the relevant budget relates;
- (d) for each other financial year in the report period—
 - (i) the amount (in dollars) of the proportional share of the maintenance and repair costs for the retirement village’s capital items, expected to be incurred during the report period, that is apportioned to the financial year; and
 - (ii) the amount (in dollars) of the proportional share of the recommended maintenance reserve fund contributions for the report period, that is apportioned to the financial year;

- (e) the total amount of expenses expected to be paid from the maintenance reserve fund during the report period;
- (f) the recommended funds flow information, for the maintenance reserve fund, for the financial years in the report period;
- (g) any amounts allowed for contingencies for maintenance and repair for—
 - (i) the financial year to which the relevant budget relates; and
 - (ii) each other financial year in the report period;
- (h) a recommendation about the expected year of maintenance and repair for each category of capital item.

11 Renumbering of schedules 5AA to 5A

Schedules 5AA to 5A—

renumber as schedules 5A to 5D.

12 Amendment of sch 7 (Dictionary)

Schedule 7—

insert—

Australian Accounting Standards means the accounting standards issued by the Australian Accounting Standards Board.

capital replacement quantity surveyor report means a report prepared under section 92(1) of the Act.

expected, in relation to a budget, means—

- (a) for income—expected to be received in the financial year to which the budget relates; or

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- (b) for expenditure—expected to be incurred in the financial year to which the budget relates.

fund budget means each of the following—

- (a) a capital replacement fund budget;
- (b) a maintenance reserve fund budget;
- (c) a general services charge budget.

maintenance and repair quantity surveyor report means a report prepared under section 98(1) of the Act.

material, in relation to information, has the meaning given by Australian Accounting Standards.

relevant period means—

- (a) for a statement, mentioned in section 16D(2)(a), prepared for an annual financial statement—the financial year to which the annual financial statement relates; or
- (b) for a statement, mentioned in section 16E(2)(a), prepared for a quarterly financial statement—the financial quarter to which the quarterly financial statement relates.

section 107 expenditure means the following expenditure of a retirement village—

- (a) rates, taxes or charges levied under an Act in relation to the retirement village land or its use;
- (b) salary or wages of a person engaged in the retirement village's operation and payable under an award, certified agreement or other industrial instrument made, approved, certified or continued in force under the *Industrial Relations Act 2016* or a Commonwealth Act;

- (c) insurance premiums, or insurance excesses paid, in relation to the retirement village or its use;
- (d) an expense incurred by a manager, or an amount charged by a manager, that must be paid from the general services charges fund under section 38A(1)(a) of the Act.

shared expense, in relation to a line item of expected expenditure or expenditure for a retirement village scheme, means an expense incurred partly for that scheme and partly for another scheme, entity or purpose.

Examples—

- 1 expenditure of a scheme operator that relates to 2 or more retirement villages
- 2 expenditure of a parent corporation of a scheme operator for management and administration activities for 2 or more retirement villages or aged care services
- 3 expenditure of a scheme operator shared with a body corporate of the retirement village
- 4 expenditure of a scheme operator shared with an entity located with the retirement village, for example, an aged care service

Endnotes

ENDNOTES

- 1 Made by the Governor in Council on 13 June 2024.
- 2 Notified on the Queensland legislation website on 14 June 2024.
- 3 The administering agency is the Department of Housing, Local Government, Planning and Public Works.

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