



# Retirement Villages Act 1999

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Queensland

# Retirement Villages Act 1999

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# Retirement Villages Act 1999

**An Act to provide for the establishment and operation of retirement villages, and for other purposes**

## **Part 1 Preliminary**

### **Division 1 Introduction**

#### **1 Short title**

This Act may be cited as the *Retirement Villages Act 1999*.

#### **2 Commencement**

This Act commences on a day to be fixed by proclamation.

### **Division 2 Objects of Act and relationship with FTI Act**

#### **3 Objects**

- (1) The main objects of this Act are—
- (a) to promote consumer protection and fair trading practices in operating retirement villages and in supplying services to residents by—
    - (i) declaring particular rights and obligations of residents and scheme operators; and
    - (ii) facilitating the disclosure of information to prospective residents of a retirement village to

ensure the rights and obligations of the residents and scheme operator may be easily understood; and

- (b) to encourage the continued growth and viability of the retirement village industry in the State.
- (2) The following are also objects of this Act—
- (a) to maintain public confidence in the retirement village industry by enhancing—
    - (i) the financial transparency of the operations of retirement villages; and
    - (ii) the accountability of scheme operators;
  - (b) to encourage the adoption of best practice standards by the retirement village industry;
  - (c) to provide a clear regulatory framework to ensure certainty for the retirement village industry in planning for future expansion;
  - (d) to facilitate participation by residents, who want to be involved, in the affairs of retirement villages;
  - (e) to provide for processes for resolving disputes between residents and scheme operators.

### **3A Relationship with Fair Trading Inspectors Act 2014**

- (1) The *Fair Trading Inspectors Act 2014* (the **FTI Act**) enacts common provisions for this Act and particular other Acts about fair trading.
- (2) Unless this Act otherwise provides in relation to the FTI Act, the powers that an inspector has under that Act are in addition to and do not limit any powers the inspector may have under this Act.
- (3) In this section—  
**inspector** means a person who holds office under the FTI Act as an inspector for this Act.



*Note—*

See also the modifying provision for this Act stated in the FTI Act, section 8.

## **Division 3                    Interpretation and basic concepts**

### **4            Definitions**

The dictionary in the schedule defines particular words used in this Act.

### **5            What is a *retirement village***

(1) A *retirement village* is premises where older members of the community or retired persons reside, or are to reside, in independent living units or serviced units, under a retirement village scheme.

(2) In this section—

*premises* does not include a site within the meaning of the *Manufactured Homes (Residential Parks) Act 2003*.

### **6            What is *retirement village land***

Land is *retirement village land* if the land is used, or to be used, for a retirement village and, for land included in a community titles scheme, includes the lots and common property into which the land is subdivided.

### **7            What is a *retirement village scheme***

A *retirement village scheme* is a scheme under which a person—

- (a) enters into a residence contract; and
- (b) in consideration for paying an ingoing contribution under the residence contract, acquires personally or for

someone else, a right to reside in a retirement village, however the right accrues; and

- (c) on payment of the relevant charge, acquires personally or for someone else, a right to receive 1 or more services in relation to the retirement village.

## **8 Who is a *retirement village scheme operator***

A person is a *retirement village scheme operator* if the person, alone or with someone else, controls the scheme's operation or purports to control the scheme's operation.

## **9 Who is a *resident***

A *resident* of a retirement village is a person who has a right to reside in the retirement village and a right to receive 1 or more services in relation to the retirement village under a residence contract.

## **10 What is a *residence contract***

- (1) A *residence contract* is 1 or more written contracts, other than an excluded contract, about residence in a retirement village entered into between a person and the scheme operator.
- (2) A residence contract includes any other contract (an *ancillary contract*) between the person and the scheme operator if the ancillary contract is dependent on, or arises out of, the making of the residence contract or another ancillary contract.
- (3) Without limiting the interests that a residence contract may be based on, a residence contract may be based on a freehold interest in an accommodation unit.
- (4) To be a residence contract, a contract must—
  - (a) either—
    - (i) purport to give a person, or give rise to a person having, an exclusive right to reside in an accommodation unit in the retirement village; or

- (ii) provide for, or give rise to, obligations on a person in relation to the person's or someone else's residence in the retirement village; and
- (b) purport to give a person, or give rise to a person having, a right in common with other residents in the retirement village, to use and enjoy the retirement village's communal facilities; and
- (c) contain or incorporate—
  - (i) a service agreement or an agreement to enter into a service agreement that includes a copy of the service agreement; and
  - (ii) if the contract includes an ancillary agreement that is not signed contemporaneously with the contract, an agreement to enter into the ancillary agreement that includes a copy of the ancillary agreement; and
- (d) restrict the way in which, or the persons to whom—
  - (i) the right to reside in the retirement village may be disposed of during the resident's lifetime; or
  - (ii) if the contract is based on a freehold interest in an accommodation unit—the resident's freehold property may be disposed of during the resident's lifetime.

## **11 What is an *existing residence contract***

An *existing residence contract* is a residence contract existing immediately before the commencement of this Act.

## **11A What is *freehold property* of a resident or former resident**

- (1) A freehold interest in an accommodation unit is a resident's *freehold property* if—
  - (a) the freehold interest is—
    - (i) held by the resident; or

- (ii) held by another person but not held directly or indirectly by the scheme operator; and

*Examples for subparagraph (ii)—*

- a freehold interest in an accommodation unit held by—
    - the trustee of a trust in which the resident holds an interest; or
    - a corporation in which the resident holds shares; or
    - the resident's child or another family member
- (b) the resident has a right to reside in the accommodation unit.
- (2) A freehold interest in an accommodation unit is a former resident's ***freehold property*** if—
- (a) the freehold interest is—
- (i) held by the former resident; or
- (ii) held by another person but not held directly or indirectly by the scheme operator; and
- (b) the former resident had a right to reside in the accommodation unit that has been terminated under this Act.

## 12 What is a ***service agreement***

- (1) A ***service agreement*** is an agreement made between a person and a scheme operator under which general services or personal services are to be supplied for or to the person or someone else when the person or other person becomes a resident of a retirement village.
- (2) A service agreement may be in a residence contract.

## 14 What is an ***ongoing contribution***

- (1) An ***ongoing contribution*** is the amount payable by a person under a residence contract to secure the person's, or someone

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else's, right to reside in a retirement village, but does not include a recurrent payment for rent, fees or charges.

- (2) It is immaterial whether—
- (a) the right to reside in the village is enforceable or not; or
  - (b) the payment alone secures the right, or something else is also required to secure it.

## 15 What is an *exit fee*

- (1) An *exit fee* is the amount that a resident may be liable to pay to, or credit the account of, a scheme operator under a residence contract arising from—
- (a) the resident ceasing to reside in the accommodation unit to which the contract relates; or
  - (b) the settlement of the sale of the right to reside in the accommodation unit.
- (2) The exit fee for a residence contract, including an existing residence contract, that a resident may be liable to pay to, or credit the account of, the scheme operator is to be calculated as at—
- (a) the day the resident ceases to reside in the accommodation unit to which the residence contract relates; or
  - (b) if a relative of the resident resides in the accommodation unit under section 70B(2)—the sooner of the following days—
    - (i) the day the relative vacates the accommodation unit;
    - (ii) the day that is 3 months after the resident's right to reside in the accommodation unit under the residence contract is terminated under this Act.

*Notes—*

- 1 Subsection (2) states the day at which the exit fee for a residence contract is to be worked out, and not the method of working out the exit fee.

- 2 Section 53A states how to work out the exit fee for a residence contract that is worked out under the contract having regard to the length of time the resident has resided in the unit.
- (3) Subsection (2) applies despite anything to the contrary in an existing residence contract.
- (4) In this section, a reference to a resident includes a reference to a person, other than a scheme operator, who enters into a residence contract for the purpose of giving someone else a right to reside in the retirement village.

*Example for subsection (4)—*

Mr Smith enters into a residence contract with a scheme operator which gives Mr Smith's mother the right to reside in the retirement village. For this section, a reference to a resident includes not only Mr Smith's mother who has a right to reside in the retirement village but also Mr Smith.

## 16 What is an *exit entitlement*

- (1) An *exit entitlement* is the amount that a scheme operator may be liable to pay to, or credit the account of, a former resident under a residence contract arising from—
- (a) the resident ceasing to reside in the accommodation unit to which the contract relates; or
- (b) the settlement of the sale of the right to reside in the accommodation unit.
- (2) In this section, a reference to a former resident includes a reference to a person, other than a scheme operator, who enters into a residence contract for the purpose of giving someone else a right to reside in the retirement village.

## 17 What is a *capital replacement fund*

A *capital replacement fund* is a fund established under section 91 for replacing the retirement village's capital items.

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**18A What is a *general services charges fund***

A *general services charges fund* is a fund established under section 102AA for general services.

**18B What is a *general services charge***

A *general services charge* is a charge payable by a resident in a retirement village, of an amount decided by the scheme operator under the resident's residence contract, for the general services supplied to residents in the village for a financial year.

**19 What is a *maintenance reserve fund***

A *maintenance reserve fund* is a fund established under section 97 for maintaining and repairing the retirement village's capital items.

**20 What is a *maintenance reserve fund contribution***

A *maintenance reserve fund contribution* is an amount payable by a resident to the scheme operator, under the resident's residence contract, as a contribution to the maintenance reserve fund.

**21 What is a *retirement village dispute***

- (1) A *retirement village dispute* is a dispute between a scheme operator and a resident of a retirement village about the parties' rights and obligations under the resident's residence contract or this Act.
- (2) For subsection (1), a retirement village dispute includes a dispute about compliance by a scheme operator or a resident with this Act, whether or not a particular failure to comply is an offence against this Act.
- (3) In this section—  
*resident* includes a former resident.

*Note—*

In some provisions of this Act there is no means of enforcement apparent on the face of the provision but enforcement by the dispute resolution process is available because of this section.

## **22 What is a *retirement village issue***

A *retirement village issue* is—

- (a) a retirement village dispute; or
- (b) an application for an order under sections 169 to 171 or 173.

## **Division 4 Operation of Act**

### **23 Application of Act**

This Act applies to—

- (a) a retirement village scheme, including a scheme for a retirement village to which the *Body Corporate and Community Management Act 1997* applies, the scheme operator and inducements and invitations to enter into the scheme if—
  - (i) the retirement village is, or is to be, situated in the State, irrespective of where the scheme is operated or inducements or invitations to enter into the scheme are given or published; or
  - (ii) the scheme is operated in the State, irrespective of where the retirement village is, or is to be, situated or inducements or invitations to enter into the scheme are given or published; and
- (b) a residence contract entered into before or after the commencement of this section, unless this Act states otherwise.



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**24 Application of Body Corporate and Community Management Act 1997**

If there is an inconsistency between this Act and the *Body Corporate and Community Management Act 1997* in relation to a person's rights and obligations under a retirement village scheme, this Act prevails to the extent of the inconsistency.

**25 Application of Fair Trading Act 1989**

This Act does not limit the application of the *Fair Trading Act 1989*, including the Australian Consumer Law (Queensland) forming part of that Act, to the acquisition, under a residence contract, of goods or services, within the meaning of that Act.

**26 Certain age restrictions on residence not unlawful**

Despite the *Anti-Discrimination Act 1991*, it is not unlawful for a scheme operator to discriminate on the basis of age if the discrimination merely limits residence in a retirement village to older members of the community and retired persons.

## **Part 2 Retirement village schemes**

### **Division 1 Registration**

**27 Application for registration of a retirement village scheme**

- (1) A person may apply to the chief executive to register a retirement village scheme.

*Note—*

See part 15 for transitional and savings provisions about existing retirement village schemes.

- (2) The application must be in the approved form and accompanied by—
- (a) particulars of the following—

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- (i) the land on which the retirement village's buildings and facilities are, or are to be, constructed;
  - (ii) the accommodation units and communal facilities the scheme operator undertakes are, or are to be, available for the village when the scheme is registered;
  - (iii) the accommodation units and communal facilities the scheme operator intends to make available for the village after the scheme is registered, depending on the sales activity, finance availability, or market conditions, for the village;
  - (iv) the terms under which persons are, or are to be, invited to enter into the scheme under the residence contracts for the retirement village;
  - (v) other particulars of the scheme prescribed under a regulation; and
- (b) a copy of the village comparison document for the scheme; and
  - (c) the application fee prescribed under a regulation; and
  - (d) if, before or when the application is made, the chief executive requires the payment of costs under section 88AA(1)—the amount of the costs required to be paid.
- (3) A requirement mentioned in subsection (2)(d) is sufficiently made of the applicant if it is made generally of applicants in the approved form or notified on the department's website.

## **28 Registration of retirement village scheme**

- (1) The chief executive may register, or refuse to register, a retirement village scheme for which an application for registration has been made.
- (2) The chief executive's decision must be made within 60 days of the later of—
  - (a) the day the application is received; or

- (b) if the particulars with the application do not conform with the requirements of section 27(2) and the chief executive asks for further particulars, the day the particulars are given.
- (3) The chief executive may register the scheme only if satisfied—
  - (a) the application complies with section 27; and
  - (b) the applicant is not prohibited from operating a retirement village scheme under section 88.
- (4) If the chief executive registers the scheme, the chief executive must promptly give the applicant a registration certificate, in the approved form, stating the day the scheme was registered.
- (5) If the chief executive refuses to register the scheme, the chief executive must promptly give the applicant a QCAT information notice for the decision.
- (6) If the chief executive fails to decide the application in the time required under subsection (2), the chief executive is taken to have refused the application.

*Note—*

See section 29 about applying to the tribunal to review a refusal decision made, or taken to have been made, by the chief executive under this section.

## **28A Deregistration of retirement village scheme**

- (1) This section applies if the chief executive reasonably believes that either—
  - (a) a scheme operator is implementing an approved closure plan for a retirement village scheme; or
  - (b) a retirement village scheme is no longer operating.
- (2) The chief executive may, by written notice (a *deregistration notice*) given to the scheme operator, deregister the scheme, effective from—

- (a) if subsection (1)(a) applies—the day that, under the approved closure plan, the scheme will stop operating; or
  - (b) if subsection (1)(b) applies—30 days after the deregistration notice is given to the scheme operator.
- (3) The chief executive must also give the scheme operator a QCAT information notice for the decision.

## **29 Application to QCAT for review**

- (1) A person whose application to register a retirement village scheme has been refused, or is taken to have been refused, may apply, as provided under the QCAT Act, to the tribunal for a review of the decision.
- (2) However, if the chief executive is taken to have refused the application under section 28, the period within which the person may apply to the tribunal for a review of the decision is 88 days after the application to register the scheme was made.
- (3) The scheme operator may apply, as provided under the QCAT Act, to the tribunal for a review of the chief executive's decision to deregister a retirement village scheme.

## **34 Offence to operate etc. an unregistered retirement village scheme**

- (1) If a retirement village scheme is not registered, the scheme operator or proposed scheme operator must not—
  - (a) operate the scheme; or
  - (b) induce or invite a person to participate in the scheme by—
    - (i) residing in the retirement village to which the scheme relates; or
    - (ii) paying an ingoing contribution; or
    - (iii) doing another act in relation to the scheme; or

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- (c) use a document, or publish an advertisement, to induce or invite a person to participate in the scheme by—
    - (i) residing in the retirement village to which the scheme relates; or
    - (ii) paying an ingoing contribution; or
    - (iii) doing another act in relation to the scheme; or
  - (d) extend an existing retirement village.

Maximum penalty—540 penalty units.

- (2) However, the scheme operator or proposed scheme operator does not contravene subsection (1)(c) if the document or advertisement merely invites expressions of interest in the scheme.

- (3) In this section—

*advertisement* includes an advertisement made by publishing a statement or claim—

- (a) in a document, including a newspaper or magazine; or
- (b) by broadcast, electronic communication, telecommunication, video or film.

*induce* includes attempt to induce.

## Division 2 Retirement village scheme register

### 35 Retirement village scheme register

- (1) The chief executive must keep a register for retirement village schemes.
- (2) The register must include the following items (the *records*) for each registered scheme—
  - (a) copies of the following documents—
    - (i) the registration certificate;

- (ii) the village comparison document and notices about material changes to information in the village comparison document given under section 74(5);
    - (iii) if former section 36 applies to the scheme operator under section 237I—the public information document and notices about inaccuracies in the public information document given under former section 36;
  - (b) the particulars of the scheme mentioned in section 27(2)(a);
  - (c) a copy of each independent quantity surveyor’s written report given to the chief executive under section 92(6) or 98(8);
  - (d) the annual financial statements and audit reports given to the chief executive under section 113(4).
- (3) The records are to be kept on the register for at least 10 years.
- (4) A person may, on payment of the fee prescribed under a regulation—
- (a) inspect the register at a place or places decided by the chief executive; or
  - (b) take extracts from, or obtain a copy of details in, the register.
- (5) The register may be kept in any form that allows a person to have access to it under subsection (4).
- (6) In this section—
- former* see section 237H.

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## Division 3                      Chief executive may apply for court orders

### 38            Chief executive may apply for order appointing a manager of a retirement village

- (1) The chief executive may apply to the District Court for a management order if the chief executive reasonably believes—
  - (a) the scheme operator has not complied with section 40A(2), 40B(1), 40F(1) or (2), 41C(2), 41D(1), 41H(1) or (2), 113D or 113H(1) or (2); or
  - (b) the order is otherwise necessary to protect the interests of residents of a particular retirement village.
- (2) In urgent circumstances—
  - (a) the application may be made *ex parte*; and
  - (b) the management order may be made on an interim basis.
- (3) If the court makes a management order, it may, at any time, make any ancillary order it considers necessary to support the management order.
- (4) A manager appointed under a management order must, at the request of the chief executive, report to the chief executive about how the manager has exercised, or will exercise, functions of the scheme operator under the order.

Maximum penalty—100 penalty units.
- (5) If a manager is appointed under a management order to exercise a function of a scheme operator, this Act applies to the exercise of the function as if the manager were the scheme operator.
- (6) In this section—

***management order*** means an order appointing a stated person, as manager of a retirement village, to exercise—

  - (a) all the functions of the scheme operator; or

- (b) stated functions of the scheme operator; or
- (c) all the functions, other than stated functions, of the scheme operator.

### **38A Management and administration of retirement village scheme by manager**

- (1) An expense incurred by a manager in, or an amount charged by a manager for, exercising functions of a scheme operator must be paid from—
  - (a) the general services charges fund; or
  - (b) another fund from which the scheme operator would have been able to pay the expense if the manager had not been appointed.
- (2) The State is not liable for—
  - (a) an expense incurred by a manager in exercising functions of a scheme operator; or
  - (b) any liability of a scheme operator if a manager is appointed to exercise functions of the scheme operator.
- (3) To remove any doubt, it is declared that the exercise of a function of a scheme operator by a manager is not a service for the purpose of section 108.
- (4) In this section—

*manager* means a manager appointed under section 38.

### **39 Additional power of chief executive to seek an order**

- (1) This section applies if the chief executive considers, on reasonable grounds, that a person is contravening section 34.
- (2) The chief executive may apply to the District Court for an order to stop the person from contravening the section.
- (3) The court may make any order, including an interim order, it considers appropriate.



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## Division 4                      Cancelling registration of retirement village

### 40        Definition for division

In this division—

*residents meeting notice* see section 40B(1)(b).

### 40A      Notice about cancelling registration

(1) This section applies if a scheme operator proposes to close a retirement village scheme.

(2) The operator must give the chief executive notice about the proposal in the approved form.

Maximum penalty—100 penalty units.

(3) For subsection (1), a scheme operator proposes to close a retirement village scheme if the scheme operator proposes to—

(a) wind down the retirement village scheme; or

(b) stop operating the retirement village scheme, including temporarily.

### 40B      Requirement to prepare closure plan

(1) The scheme operator must, within 28 days of giving a notice under section 40A(2) (the *notice period*) or any extension of the notice period granted under subsection (3), give each resident of the retirement village—

(a) a proposed closure plan for the retirement village scheme; and

(b) a notice (a *residents meeting notice*), in the approved form, that states—

(i) if the proposed closure plan is not approved under section 40D(1)(a), within a stated reasonable period that is not less than 21 days after the giving

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of the residents meeting notice, the scheme operator may apply to the chief executive for approval of the proposed closure plan under section 40D(1)(b); and

- (ii) if the chief executive approves the proposed closure plan under section 40D(1)(b), a resident may apply to the tribunal for a review of the decision under section 41A.

Maximum penalty—100 penalty units.

- (2) The scheme operator may, within the notice period, apply to the chief executive for an extension of the notice period.
- (3) The chief executive may grant the extension if the chief executive is satisfied it is not reasonably practicable for the scheme operator to comply with subsection (1) within the notice period.

#### **40C Meaning of *closure plan***

- (1) A *closure plan*, for a retirement village scheme, is a written plan about closing the retirement village scheme.
- (2) A closure plan for a retirement village scheme must be in the approved form and state the matters prescribed by regulation.

#### **40D Approval of closure plan**

- (1) A proposed closure plan may be approved—
  - (a) by the residents, by a special resolution at a residents meeting; or
  - (b) on application under subsection (3), by the chief executive.
- (2) If the proposed closure plan is approved under subsection (1)(a), the scheme operator must give the chief executive a copy of the approved closure plan within 14 days of the vote.

- (3) The scheme operator may apply to the chief executive for approval of a proposed closure plan if—
- (a) the residents, by special resolution at a residents meeting, vote against the approval of the proposed closure plan; or
  - (b) the proposed closure plan is not approved under subsection (1)(a) within the period stated in the residents meeting notice.
- (3A) Before deciding the application, the chief executive must—
- (a) give each resident of the retirement village a written notice stating that—
    - (i) the scheme operator has applied for approval of the proposed closure plan; and
    - (ii) the resident may make submissions to the chief executive about the proposed closure plan in a stated way and by a stated day; and
  - (b) if a resident of the retirement village requests a copy of the proposed closure plan—give a copy of the proposed closure plan to the resident; and
  - (c) have regard to any submissions made to the chief executive by the residents in the stated way and by the stated day.
- (4) After receiving an application for approval of a proposed closure plan, the chief executive must decide—
- (a) to approve the plan; or
  - (b) to give the scheme operator a written direction to take action, or particular action, to revise the plan.
- (4A) The chief executive’s decision must be made within 90 days of the later of—
- (a) the day the application is received; or
  - (b) if the chief executive reasonably requires further information for the purpose of making the decision and

asks the scheme operator for the further information—the day the information is given.

- (5) The chief executive may approve the proposed closure plan only if the chief executive is satisfied the plan provides for a clear, orderly and fair process for the closure of the retirement village scheme.
- (6) If the chief executive approves the proposed closure plan, the chief executive must give—
  - (a) written notice of the decision to the scheme operator; and
  - (b) a QCAT information notice for the decision to each resident.
- (7) Before giving a direction under subsection (4)(b), the chief executive must—
  - (a) give the operator a written notice stating—
    - (i) that the chief executive proposes to give the operator a direction to take action, or particular action, to revise the proposed closure plan (the *proposed action*); and
    - (ii) the particulars of the action to be taken; and
    - (iii) the reasons for the proposed action; and
    - (iv) that the operator may make written submissions to the chief executive about the proposed action before a stated day; and
  - (b) have regard to any written submissions made to the chief executive by the operator before the stated day.
- (8) If the chief executive gives a direction under subsection (4)(b), the chief executive must also give the operator a QCAT information notice for the decision.
- (9) If the chief executive fails to decide the application in the time required under subsection (4A), the chief executive is taken to have approved the proposed closure plan.

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#### **40E Revision of approved closure plan**

- (1) The chief executive may, on the chief executive's own initiative or on the application of the scheme operator, give the scheme operator a written direction to take action, or particular action, to revise an approved closure plan.
- (2) The chief executive may approve the revised closure plan only if the chief executive is satisfied the revised closure plan provides for a clear, orderly and fair process for the closure of the retirement village scheme.
- (3) If the chief executive approves the revised closure plan, the chief executive must give—
  - (a) written notice of the decision to the scheme operator; and
  - (b) a QCAT information notice for the decision to each resident.
- (4) Before giving a direction under subsection (1) to a scheme operator on the chief executive's own initiative, the chief executive must—
  - (a) give the operator a written notice stating—
    - (i) that the chief executive proposes to give the operator a direction to take action, or particular action, to revise the approved closure plan (the *proposed action*); and
    - (ii) the particulars of the action to be taken; and
    - (iii) the reasons for the proposed action; and
    - (iv) that the operator may make written submissions to the chief executive about the proposed action before a stated day; and
  - (b) have regard to any written submissions made to the chief executive by the operator before the stated day.
- (5) If the chief executive gives a direction under subsection (1) to a scheme operator on the chief executive's own initiative, the chief executive must also give the operator a QCAT information notice for the decision.

#### **40F Requirement to implement approved closure plan**

- (1) A scheme operator must, when closing a retirement village scheme, comply with an approved closure plan for the retirement village scheme.

Maximum penalty—100 penalty units.

- (2) The scheme operator must, at the request of the chief executive, notify the chief executive about how the approved closure plan is being implemented by the scheme operator.

Maximum penalty—100 penalty units.

#### **40G Discontinuing closure of retirement village scheme**

- (1) This section applies if—
  - (a) a scheme operator has given a notice to the chief executive under section 40A(2); and
  - (b) the scheme operator decides not to proceed with the closure of the retirement village scheme.
- (2) The operator must give the chief executive, and each resident of the retirement village, notice (a *notice of discontinuation*) of the decision in the approved form.

Maximum penalty—100 penalty units.

- (3) If the operator gives a notice of discontinuation to the chief executive, any approved closure plan, for the closure of the retirement village scheme, is no longer approved.

#### **40H Applying to cancel registration**

- (1) A scheme operator may ask the chief executive to cancel the registration of the retirement village scheme if the operator—
  - (a) stops operating the scheme; or
  - (b) proposes to stop operating the scheme.
- (2) The request must be written.

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## 41 Cancelling registration

- (1) Subsection (2) applies if—
- (a) the scheme operator asks the chief executive to cancel the registration of the retirement village scheme under section 40H; and
  - (b) if a statutory charge existed over the retirement village land—the chief executive has released the charge; and
  - (c) the chief executive is satisfied—
    - (i) the scheme operator has implemented the approved closure plan for the retirement village scheme; and
    - (ii) cancelling the registration of the retirement village scheme is appropriate.
- (2) The chief executive may—
- (a) cancel the registration of the scheme; and
  - (b) record the cancellation in the register.

## 41A Application to tribunal for review

A person who has been given a QCAT information notice under this division may apply, as provided under the QCAT Act, to the tribunal for a review of the decision.

## Division 5 Change of scheme operator

### 41B Definitions for division

In this division—

*existing scheme operator* see section 41C(1).

*new scheme operator* see section 41C(1).

#### **41C Notice about change of scheme operator**

- (1) This section applies if a scheme operator (the *existing scheme operator*) proposes to transfer control of a retirement village scheme's operation to another person (the *new scheme operator*).
- (2) The existing scheme operator must give the chief executive notice about the proposal in the approved form.

Maximum penalty—100 penalty units.

#### **41D Requirement to prepare transition plan**

- (1) The existing scheme operator must, within 28 days of giving a notice under section 41C(2) (the *notice period*) or any extension of the notice period granted under subsection (3), give the chief executive a proposed transition plan for the change of scheme operator.

Maximum penalty—100 penalty units.

- (2) The existing scheme operator may, within the notice period, apply to the chief executive for an extension of the notice period.
- (3) The chief executive may grant the extension if the chief executive is satisfied it is not reasonably practicable for the existing scheme operator to comply with subsection (1) within the notice period.

#### **41E Meaning of *transition plan***

- (1) A *transition plan*, for a retirement village scheme, is a written plan about transitioning control of the scheme's operation from the existing scheme operator to the new scheme operator.
- (2) A transition plan for a retirement village scheme must be in the approved form and state the matters prescribed by regulation.



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## **41F Approval of transition plan**

- (1) After receiving the proposed transition plan, the chief executive must decide—
  - (a) to approve the proposed transition plan; or
  - (b) to give the existing scheme operator a written direction to take action, or particular action, to revise the proposed transition plan.
- (1A) The chief executive's decision must be made within 90 days of the later of—
  - (a) the day the proposed transition plan is received; or
  - (b) if the chief executive reasonably requires further information for the purpose of making the decision and asks the existing scheme operator or the new scheme operator for the further information—the day the information is given.
- (2) The chief executive may approve the proposed transition plan only if the chief executive is satisfied the plan provides for a clear, orderly and fair process for transitioning control of the scheme's operation from the existing scheme operator to the new scheme operator.
- (3) For the purpose of deciding whether or not to approve the proposed transition plan, the chief executive may—
  - (a) give a copy of the plan to a person whom the chief executive reasonably considers has an interest in the transitioning of the control of the scheme's operation; and
  - (b) receive and consider submissions from the person about the transitioning of the control of the scheme's operation.
- (4) If the chief executive approves the proposed transition plan, the chief executive must give—
  - (a) written notice of the decision to the existing scheme operator and the new scheme operator; and

- (b) a QCAT information notice for the decision to each resident.
- (5) Before giving a direction under subsection (1)(b), the chief executive must—
- (a) give the operator a written notice stating—
    - (i) that the chief executive proposes to give the operator a direction to take action, or particular action, to revise the proposed transition plan (the *proposed action*); and
    - (ii) the particulars of the action to be taken; and
    - (iii) the reasons for the proposed action; and
    - (iv) that the operator may make written submissions to the chief executive about the proposed action before a stated day; and
  - (b) have regard to any written submissions made to the chief executive by the operator before the stated day.
- (6) If the chief executive gives a direction under subsection (1)(b), the chief executive must also give the operator a QCAT information notice for the decision.
- (7) If the chief executive fails to decide whether or not to approve the proposed transition plan in the time required under subsection (1A), the chief executive is taken to have approved the proposed transition plan.

#### **41G Revision of approved transition plan**

- (1) The chief executive may, on the chief executive's own initiative or on the application of the existing scheme operator, give the existing scheme operator a written direction to take action, or particular action, to revise an approved transition plan.
- (2) The chief executive may approve the revised transition plan only if the chief executive is satisfied the revised transition plan provides for a clear, orderly and fair process for the

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transitioning of the control of the scheme's operation from the existing scheme operator to the new scheme operator.

- (3) If the chief executive approves the revised transition plan, the chief executive must give—
  - (a) written notice of the decision to the existing scheme operator and the new scheme operator; and
  - (b) a QCAT information notice for the decision to each resident.
- (4) Before giving a direction under subsection (1) to the existing scheme operator on the chief executive's own initiative, the chief executive must—
  - (a) give the operator a written notice stating—
    - (i) that the chief executive proposes to give the operator a direction to take action, or particular action, to revise the approved transition plan (the *proposed action*); and
    - (ii) the particulars of the action to be taken; and
    - (iii) the reasons for the proposed action; and
    - (iv) that the operator may make written submissions to the chief executive about the proposed action before a stated day; and
  - (b) have regard to any written submissions made to the chief executive by the operator before the stated day.
- (5) If the chief executive gives a direction under subsection (1) to the existing scheme operator on the chief executive's own initiative, the chief executive must also give the operator a QCAT information notice for the decision.

#### **41H Requirement to implement approved transition plan**

- (1) The existing scheme operator and new scheme operator must, when transitioning control of the scheme's operation from the existing scheme operator to the new scheme operator, comply

with an approved transition plan for the retirement village scheme.

Maximum penalty—100 penalty units.

- (2) The existing scheme operator and new scheme operator must, at the request of the chief executive, notify the chief executive about how the approved transition plan is being implemented.

Maximum penalty—100 penalty units.

#### **41I Discontinuing change of scheme operator**

- (1) This section applies if—
- (a) an existing scheme operator has given a notice to the chief executive under section 41C(2); and
  - (b) the existing scheme operator and the new scheme operator decide not to proceed with the transfer of the control of the retirement village scheme's operation.

- (2) The existing scheme operator must give the chief executive notice (a *notice of discontinuation*) of the decision in the approved form.

Maximum penalty—100 penalty units.

- (3) If the existing scheme operator gives a notice of discontinuation to the chief executive, any approved transition plan, about the transitioning of the control of the retirement village scheme's operation from the existing scheme operator to the new scheme operator, is no longer approved.

#### **41J Effect of change of scheme operator**

- (1) This section applies if control of a retirement village scheme's operation is transferred (the *transfer*) from an existing scheme operator to a new scheme operator.
- (2) Within 14 days after the transfer takes effect, the new scheme operator must give, to each resident of the retirement village, a notice stating—

- (a) the scheme operator for the retirement village scheme has changed; and
- (b) the name, address and telephone number of the new scheme operator; and
- (c) the date the transfer took effect.

Maximum penalty—10 penalty units.

- (3) Without limiting part 3, division 6, on and from the date the transfer takes effect the new scheme operator—
  - (a) is the scheme operator for the retirement village scheme; and
  - (b) obtains the benefits, and is subject to the obligations, of the previous scheme operator in relation to a residence contract associated with the retirement village scheme.

#### **41K Application to tribunal for review**

A person who has been given a QCAT information notice under this division may apply, as provided under the QCAT Act, to the tribunal for a review of the decision.

## **Part 3 Residence contracts**

### **Division 1 Purpose and intention of part**

#### **42 Purpose and intention of part**

- (1) The purpose of this part is to state minimum requirements for residence contracts.
- (2) However, it is not the intention of this part to prevent a scheme operator agreeing in a residence contract or otherwise to conditions that are more beneficial to a resident or former resident than the provisions of this part.

## **Division 2                      General**

### **43        Scheme operator may enter into residence contract only if scheme is registered**

- (1) A scheme operator may enter into a residence contract for the retirement village with someone else only if the scheme is registered under this Act.

Maximum penalty—540 penalty units.

- (2) If a scheme operator enters into a residence contract in contravention of subsection (1), the contract is not invalid or unenforceable for that reason only, but may be terminated under section 52.

### **44        Person signing residence contract to be given copy**

When a person signs a residence contract with a scheme operator, the operator must immediately give the person a single bound document comprised of—

- (a) a signed copy of the contract; and
- (c) if it is intended to enter into another contract, the terms of which are known, that is ancillary to the residence contract—an unsigned copy of the other contract.

Maximum penalty—100 penalty units.

### **45        Form and content of residence contract**

- (1) A scheme operator must ensure each residence contract for the retirement village includes details, including the details prescribed by regulation, about the following—

- (a) the right to rescind the contract under section 48 before the cooling-off period ends;
- (b) if the cooling-off period starts on the day the residence contract is signed—the date the cooling-off period ends;

- (c) if the cooling-off period starts on the day a later event happens or another contract is entered into—the later event or other contract;
- (d) the ingoing contribution payable under the contract;
- (e) the exit fee payable under the contract;
- (f) the resident's exit entitlement;
- (g) the services charges;
- (h) the amounts payable, and when the amounts are payable, by the resident for the maintenance reserve fund for the retirement village;
- (i) the insurance for the retirement village, and insurance for which the resident is responsible;
- (j) all conditions precedent to the resident's right to reside in the retirement village;
- (k) the resident's right to resell the right to reside in the accommodation unit;
- (l) the resident's entitlement to audited and unaudited financial statements for the village;
- (m) the dispute resolution process established under this Act;
- (n) the statutory charge, if relevant to the resident's title to, or interest in, the accommodation unit;
- (o) the resident's and scheme operator's rights to terminate the contract;
- (p) the funds the scheme operator is required to keep;
- (q) the retirement village facilities;
- (r) the retirement village land;
- (s) whether the resident and the scheme operator are to share any capital gain or capital loss after the resident's right to reside in the unit is terminated and, if so, how it is to be shared;
- (t) another matter prescribed by regulation.

[s 45A]

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(2) A regulation may prescribe a term that must be included in a residence contract (a *required term*) or that must not be included in a residence contract (a *prohibited term*).

(3) A scheme operator must not enter into a residence contract that—

(a) is not in the approved form; or

*Note—*

See section 227AA(2).

(b) does not include details required under subsection (1);  
or

(c) does not include a required term; or

(d) includes a prohibited term.

Maximum penalty—100 penalty units.

(4) A provision of a residence contract is of no effect to the extent it—

(a) includes a prohibited term; or

(b) purports to restrict or exclude the operation of a provision of this Act; or

(c) is otherwise inconsistent with this Act.

#### **45A Scheme operator to give notice of end of cooling-off period in particular circumstances**

(1) This section applies if the cooling-off period for a residence contract starts on the day a later event happens or another contract is entered into.

(2) The scheme operator must, as soon as practicable after the later event happens or the other contract is entered into, give the resident written notice of—

(a) the date the later event happens or the other contract is entered into; and

(b) the date the cooling-off period ends.

Maximum penalty—100 penalty units.



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## 46 Dealing with ingoing contribution

- (1) A person who receives an amount as an ingoing contribution under a residence contract must give it to one of the following persons (the *trustee*) to hold in trust—
- (a) the public trustee;
  - (b) the scheme operator's lawyer;
  - (c) a real estate agent;
  - (d) any authorised trustee corporation under the Corporations Act, section 9.

Maximum penalty—100 penalty units.

- (2) If the trustee receives an amount under subsection (1), the trustee's receipt for the amount is a sufficient discharge for the person for the amount paid.
- (3) The trustee must hold the amount in trust until the latest of—
- (a) the day the conditions precedent, if any, to the creation of the right to reside to which the amount relates are fulfilled; or
  - (b) the day the cooling-off period ends; or
  - (c) if the ingoing contribution relates to an accommodation unit that has not previously been occupied—the day the resident's accommodation unit is suitable for habitation and the resident is entitled to vacant possession of the unit.

Maximum penalty—100 penalty units.

- (4) At the end of the later day, the trustee must pay the amount to the person lawfully entitled to it.

Maximum penalty—100 penalty units.

- (5) For subsection (3)(c), without limiting when an accommodation unit is not suitable for habitation, an accommodation unit is not suitable for habitation if—
- (a) reticulated water is not connected to the unit; or

- (b) all sanitary installations are not installed or are not operational in the unit.
- (6) Despite subsection (1), if a person receives an amount as an incoming contribution under a residence contract after the end of the latest day mentioned in subsection (3), the person may—
- (a) if the person is lawfully entitled to the amount—keep the amount; or
  - (b) otherwise—pay the amount directly to the person lawfully entitled to it.
- (7) If there is a dispute between a resident and a scheme operator about who is lawfully entitled to the amount, the dispute is a retirement village dispute.
- (8) If a retirement village dispute arises under subsection (7), the scheme operator must give the trustee written notice of the dispute immediately it arises.
- Maximum penalty—100 penalty units.
- (9) If the trustee is given a notice under subsection (8), the trustee must hold the amount in trust until the dispute is resolved—
- (a) as provided for under this Act; or
  - (b) by agreement, by deed, between the parties.
- Maximum penalty—100 penalty units.
- (10) However, if the contract is rescinded in the cooling-off period, the trustee must immediately pay the amount to the person by whom it was paid under the contract.
- Maximum penalty—100 penalty units.
- (11) If a person (the *payer*) who is required to pay an amount to someone (the *payee*) under this section does not pay the amount, the payee may recover it, as a debt payable by the payer to the payee.

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**47 Dealing with instruments assigning property under a residence contract**

(1) This section applies if the person (the *assignor*) who enters into a residence contract to secure the person's, or someone else's, right to reside in a retirement village assigns property under the residence contract before the cooling-off period ends.

(2) The scheme operator must ensure the assignment instrument is held in escrow by the public trustee or the scheme operator's lawyer (the *authorised person*).

Maximum penalty—100 penalty units.

(3) If the residence contract is rescinded in the cooling-off period, the authorised person must release the assignment instrument to the assignor.

Maximum penalty—100 penalty units.

(4) If the residence contract is not rescinded in the cooling-off period, the authorised person must, at the end of the cooling-off period, release the assignment instrument to the assignee, or someone else at the assignee's written direction.

Maximum penalty—100 penalty units.

(5) In this section—

*assignee* means the person in whose favour property is assigned under an assignment instrument.

## **Division 3 Rescinding residence contracts**

### **48 Residence contract may be rescinded during cooling-off period**

A person who, personally or for someone else, enters into a residence contract to secure the person's, or other person's, right to reside in a retirement village may, by written notice given to the scheme operator, rescind the contract before the cooling-off period ends.

#### **49 Reassignment of property acquired in cooling-off period**

- (1) This section applies if the assignee under an assignment instrument mentioned in section 47 acquires the property the subject of the assignment within the cooling-off period.
- (2) As soon as possible after the assignee becomes aware the residence contract has been rescinded, the assignee must reassign the property to—
  - (a) the person from whom the assignee acquired it (the *assignor*); or
  - (b) someone else, at the assignor's written direction.

Maximum penalty—100 penalty units.

- (3) The assignee must reassign the property free of all interests, mortgages and other charges to which it has become subject since the assignee acquired it.

Maximum penalty—100 penalty units.

- (4) The assignee is responsible for the costs, expenses and duties relating to the reassignment under this section.

#### **50 Scheme operator to compensate assignor if property assigned in cooling-off period is not reassigned**

- (1) This section applies if section 49 requires an assignee to reassign property on rescission of a residence contract but the assignee—
  - (a) has disposed of the property; or
  - (b) is unable, when the contract is rescinded, to discharge any interests, mortgages and other charges to which the property has become subject since the assignee acquired it.
- (2) The scheme operator for the retirement village to which the contract relates must pay compensation to—
  - (a) the assignor; or
  - (b) someone else, at the assignor's written direction.

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- (3) The amount of compensation payable—
- (a) is, after discounting for any GST payable on any supply relating to the payment of the compensation, the amount equalling the value attributed to the assigned property under the residence contract; and
  - (b) may be recovered as a debt payable by the scheme operator to the assignor, or other person mentioned in subsection (2)(b), in a court having jurisdiction for the recovery of the amount claimed.
- (4) If there are 2 or more scheme operators for the retirement village, the scheme operators are jointly and severally liable to pay the compensation.

## **Division 4                      Terminating right to reside**

### **51            Definition for div 4**

In this division—

*resident* includes a person who, for someone else, enters into a residence contract to secure the other person's right to reside in a retirement village.

### **52            Termination by resident**

- (1) A resident may terminate the resident's right to reside in a retirement village by 1 month's written notice given to the scheme operator.
- (2) Also, a resident may terminate the resident's right to reside in a retirement village by written notice given to the scheme operator if the retirement village scheme is not registered.
- (3) A notice under subsection (2) must—
  - (a) be given within 14 days after the resident becomes aware the retirement village scheme is not registered; and

- (b) state the day, no earlier than the day on which notice is given, on which the termination takes effect.
- (4) If a resident terminates the resident's right to reside in a retirement village under subsection (2), the scheme operator must refund the full amount of the resident's ingoing contribution to the resident within 30 days of the termination.  
Maximum penalty—540 penalty units.
- (5) A resident may recover an amount owing under subsection (4) as a debt owed by the scheme operator.

### **53 Termination by scheme operator**

- (1) A scheme operator may terminate a resident's right to reside in the retirement village by giving the written notice required by this section to the resident.
- (2) If the resident's right to reside in the retirement village is to be terminated on either of the following grounds, the scheme operator must give the resident 14 days notice—
  - (a) the resident has intentionally or recklessly—
    - (i) injured a person while the person is in the retirement village; or
    - (ii) seriously damaged the resident's accommodation unit; or
    - (iii) seriously damaged property of another person in the retirement village;
  - (b) the resident is likely, intentionally or recklessly, to do something mentioned in paragraph (a)(i) to (iii).
- (3) The scheme operator must give the resident 2 months notice if the resident's right to reside in the retirement village is to be terminated on any of the following grounds—
  - (a) the resident has committed a material breach of the contract;

- 
- (b) the scheme operator reasonably believes the resident has abandoned the resident's right to reside in the retirement village;
  - (c) the scheme operator and a person who has assessed the resident's care needs under the *Aged Care Act 1997* (Cwlth), section 22.4 reasonably believe the resident's type of accommodation is now unsuitable for the resident;

*Example of accommodation that is now unsuitable for the resident—*

The resident resides in an independent living unit and now needs help with personal care not normally provided by the scheme operator.

- (d) the operator is implementing an approved closure plan.
- (4) The notice must state—
    - (a) the grounds on which the right to reside is being terminated; and
    - (b) the day by which the resident must vacate the retirement village.
  - (5) If the scheme operator does not know the resident's current address, the scheme operator may give the notice by publishing it in—
    - (a) a newspaper circulating throughout the State; and
    - (b) a newspaper circulating throughout Australia.
  - (6) The scheme operator must not include the grounds for the termination in the newspaper notice.

Maximum penalty for subsection (6)—50 penalty units.

### **53A How to work out particular exit fee for a residence contract**

- (1) This section applies to an exit fee for a residence contract that is worked out under the contract having regard to the length of time the resident has resided in the accommodation unit to which the contract relates.

*Example—*

This section applies if the exit fee is 5% of the ingoing contribution payable under the contract after 1 year's residence in the unit and 6% of the ingoing contribution payable under the contract after 2 years residence in the unit.

- (2) If the contract was entered into before the commencement of this section, the exit fee must be worked out on a daily basis unless the contract provides a way of working out the exit fee that is not on a daily basis.

*Example of how to work out the exit fee for a residence contract on a daily basis—*

If—

- (a) the exit fee is 5% of the ingoing contribution payable under the contract after 1 year's residence in the unit and 6% of the ingoing contribution payable under the contract after 2 years residence in the unit; and

- (b) the resident resides in the unit for 1 year and 14 days, but not during a leap year;

the exit fee is 5% of the ingoing contribution payable under the contract for the first year of residence plus  $\frac{14}{365}$  of 1% of the ingoing contribution payable under the contract for the 14 days of the second year of residence.

- (3) If the contract is entered into after the commencement of this section, the exit fee must be worked out on a daily basis.

## **54 Resident may ask for estimate statement of resident's exit entitlement**

- (1) This section applies if a resident gives a scheme operator a written notice—
- (a) stating the resident is considering terminating the resident's right to reside in the retirement village under section 52; and
- (b) asking the operator to give the resident a written estimate of the resident's exit entitlement as at the date of the notice.
- (2) The scheme operator must comply with the request within 14 days after it is given.



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Maximum penalty—40 penalty units.

- (3) However, the scheme operator does not contravene subsection (2) if the scheme operator has given the resident an estimate under that subsection within the 6 months immediately preceding the resident's request.

## **55 Right to reside in a retirement village terminates automatically on resident's death**

A right to reside in an accommodation unit in a retirement village held by a resident terminates on the death of the resident.

## **Division 5 Reselling and valuing resident's right to reside**

### **56 Interpretation for div 5**

- (1) In this division—

*reinstatement work* means replacements or repairs that are reasonably necessary to reinstate a former resident's accommodation unit to the condition required under section 58(1).

*termination date* means—

- (a) the date a resident's right to reside under a residence contract, including an existing residence contract, in an accommodation unit in a retirement village is terminated under this Act; or
- (b) if a relative of the resident has a right to reside in the accommodation unit under section 70B(2)—the date the relative advises the scheme operator, under section 70B(5)(d), that the relative wants to enter into a residence contract for the accommodation unit.
- (2) In this division, if a person holds a freehold interest in an accommodation unit, a reference to the former resident

includes a reference to the holder of the freehold interest, unless, in relation to a particular matter, the residence contract in relation to that particular matter provides otherwise.

## **57 Application of div 5**

- (1) This division applies if a resident's right to reside under a residence contract, including an existing residence contract, in an accommodation unit in a retirement village is terminated under this Act.
- (2) This division applies despite anything to the contrary in an existing residence contract.

## **58 Reinstatement of accommodation unit**

- (1) When ceasing occupation of the accommodation unit at the end of the residency, the former resident must leave it in the same condition as it was in when the former resident started occupation of it, apart from—
  - (a) fair wear and tear; and
  - (b) renovations and other changes to the condition of the unit carried out with the agreement of the resident and the scheme operator.
- (2) If the former resident does not comply with subsection (1), the scheme operator may carry out reinstatement work and claim the cost of the work from the former resident.
- (3) If a relative of the former resident has a right under section 70B(5) to enter into a residence contract for the accommodation unit with the scheme operator and advises the scheme operator, under section 70B(5)(d), that the relative wants to enter into the residence contract—
  - (a) the scheme operator may claim the cost of reinstatement work from the relative under subsection (2) as if the relative were the former resident; and

- 
- (b) the scheme operator must ensure the reinstatement work is done with as little inconvenience to the relative as is reasonably possible.
  - (4) This section does not apply—
    - (a) to a current residence contract within the meaning of section 237H; or  
*Note—*  
See section 237K.
    - (b) if the former resident's right to reside in the retirement village was terminated under section 53(3)(d).
  - (5) In this section—  
*fair wear and tear* includes a reasonable amount of wear and tear associated with the use of items commonly used in a retirement village.

## 59 When reinstatement work must be completed

- (1) This section applies to reinstatement work that—
  - (a) the former resident and the scheme operator agree will be carried out by the operator; or
  - (b) a relative of the former resident mentioned in section 58(3) and the scheme operator agree will be carried out by the operator; or
  - (c) the scheme operator carries out under section 58(2); or
  - (d) the tribunal orders to be carried out by the operator.
- (2) For reinstatement work mentioned in subsection (1)(a) to (c), the scheme operator must ensure the work is completed by—
  - (a) if the scheme operator and the former resident or relative agree on a time—the agreed time; or
  - (b) if paragraph (a) does not apply and the scheme operator also carries out renovation work under section 59A—the later of the following times—
    - (i) 90 days after the vacation date;

- (ii) the time by which the renovation work must be completed under section 59A; or
  - (c) otherwise—90 days after the vacation date.
- (3) For reinstatement work mentioned in subsection (1)(d), the scheme operator must ensure the reinstatement work is completed within the period fixed by the tribunal.
- (4) This section does not apply—
  - (a) to a current residence contract within the meaning of section 237H; or

*Note—*  
See section 237K.

  - (b) if the former resident’s right to reside in the retirement village was terminated under section 53(3)(d).
- (5) In this section—

***vacation date***, of an accommodation unit in a retirement village, means—

  - (a) for a former resident whose relative has a right to reside in the accommodation unit under section 70B(2)—the date the relative’s right to reside in the accommodation unit under that subsection ends; or
  - (b) otherwise—the date the former resident vacates the accommodation unit.

## **59A Renovation work by scheme operator**

- (1) This section applies if the scheme operator proposes to carry out renovation work in or affecting the former resident’s accommodation unit.
- (2) Before starting the renovation work, the operator must agree with the former resident on a date by which the renovation work will be finished.
- (3) A dispute about the date by which the renovation work will be finished is a retirement village dispute.

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- (4) The operator must ensure the renovation work is completed by the agreed date.

*Note—*

See section 171 about failure to comply with this subsection.

- (5) The cost of the renovation work must be paid by—
- (a) if the residence contract provides that the former resident and the scheme operator are to share any capital gain on the sale of the former resident's interest in the unit—the former resident and the scheme operator in the same proportion the capital gain is to be shared; or
- (b) otherwise—the operator.
- (6) This section does not apply to a current residence contract within the meaning of section 237H.

*Note—*

See section 237K.

- (7) In this section—

***agreed date***, for completing renovation work, includes the date ordered by the tribunal in its decision on a retirement village dispute mentioned in subsection (3).

***renovation work*** means replacements or repairs other than reinstatement work.

## **60 Scheme operator and former resident to agree on resale value of accommodation unit**

- (1) Within 30 days after the termination date, the former resident and the scheme operator are to negotiate in good faith and, if possible, agree in writing on the resale value of the right to reside in the accommodation unit.
- (2) If the former resident and the scheme operator can not agree on the resale value of the accommodation unit, the scheme operator is to obtain a valuation of the right to reside in the unit from a valuer within a further 14 days.

- (3) A valuation obtained under subsection (2) is taken to be the agreed resale value of the right to reside in the accommodation unit.

### **63 When former resident's exit entitlement payable**

- (1) The scheme operator must pay the exit entitlement of the former resident to the person entitled to receive it on or before the earliest of the following days—
  - (a) the day it must be paid under the former resident's residence contract;
  - (b) the day that is 14 days after the settlement day;
  - (c) the day that is 18 months after the termination date or any later day fixed by the tribunal by an order under section 171A;
  - (d) if the former resident's right to reside in the retirement village was terminated under section 53(3)(d)—14 days after an agreed resale value of the right to reside is determined in accordance with section 60.

Maximum penalty—540 penalty units.

- (2) The scheme operator may pay the exit entitlement at any time on or after the termination date and before the time payment is required under subsection (1) if the operator and the former resident agree on the resale value of the right to reside.
- (3) To remove any doubt, it is declared that, for subsection (2), the operator and the former resident are taken to have agreed on the resale value of the right to reside if there is an agreed resale value under section 60(3), 67(4) or 67A(4).
- (4) If the former resident has died, a requirement under subsection (1) to pay the exit entitlement by a particular day (the *due day*) is taken to be a requirement to pay the exit entitlement by the later of—
  - (a) the due day; or

- 
- (b) the day that is 14 days after the operator is shown the probate of the former resident's will or letters of administration of the former resident's estate.
- (5) At the same time as an exit entitlement is paid under this section, the scheme operator must give the former resident a written statement showing how the exit entitlement was worked out and the particulars of any of the following that are payable by the former resident—
- (a) any exit fee;
  - (b) any accrued general services charges and maintenance reserve fund contributions;
  - (c) any outstanding services charges and fund contributions;
  - (d) any expenses relating to the resale of the right to reside in the accommodation unit;
  - (e) any other payments provided for in the contract.

Maximum penalty—100 penalty units.

- (6) In this section—

*settlement day* means the day on which the sale of the right to reside, to a new resident or the scheme operator, is settled.

### **63A Scheme operator must enter into and complete contract to purchase freehold property**

- (1) This section applies if the former resident's residence contract is based on a freehold interest in an accommodation unit.
- (2) The scheme operator must enter into a contract under this section to purchase the former resident's freehold property, and complete the purchase under this section, unless—
  - (a) the freehold property is sold to a person other than the scheme operator before the day the scheme operator is required to complete the purchase; or
  - (b) the scheme operator has a reasonable excuse.

Maximum penalty—540 penalty units.

*Note—*

See also section 63H(2) for when a requirement to enter into a contract under this section does not apply.

- (3) The scheme operator must enter into the contract and complete the purchase within the time required under section 63B.
- (4) The contract must comply with section 63C.
- (5) The purchase price for the freehold property under the contract must be its value as agreed or decided under section 63D.
- (6) Without limiting subsection (2)(b), the scheme operator is taken to have a reasonable excuse for not entering into a contract to purchase the former resident's freehold property, or completing the purchase, under this section (a **required action**) during any of the following periods—
  - (a) a period during which the scheme operator can not take the required action, despite taking all reasonable steps, because of an act or omission of the former resident;

*Example—*

The scheme operator cannot complete the purchase because the former resident has not made necessary arrangements for the release of a mortgage over the freehold property.

- (b) if the former resident enters into a private contract—the period from the day the former resident enters into the contract to the day that is 60 days after the scheme operator receives written notice from the former resident, or another party to the contract, that the contract has ended;
- (c) if the scheme operator or former resident makes an application to the tribunal under part 10 about a dispute relating to a contract under this section—the period from the day the application is made to the earliest day, after the application is finally dealt with, by which it would be reasonable for the scheme operator to take the required action.



- 
- (7) A dispute relating to a contract under this section is a retirement village dispute.

*Examples of matters that may be the subject of a dispute relating to a contract under this section—*

- the terms to be included in the contract
- the purchase price under section 63D
- the settlement date for the contract
- the payment of an amount of legal expenses incurred by the scheme operator

- (8) If a court convicts the scheme operator of an offence against subsection (2), the court may make an order requiring the scheme operator to take stated steps to enter into a contract under this section to purchase the former resident's freehold property or complete the purchase under this section.

*Note—*

See also section 191 for orders the tribunal may make to resolve a retirement village dispute under this section.

- (9) If the court makes an order under subsection (8) stating a time by which scheme operator must enter into a contract or complete a purchase, subsection (3) applies as if a reference to the time required under section 63B were a reference to the time stated in the order.
- (10) This section applies subject to section 63H.
- (11) In this section—

***private contract*** means a contract for the sale of the former resident's freehold property to someone other than the scheme operator.

## **63B Timing of purchase**

- (1) This section states the requirements for section 63A(3).
- (2) The scheme operator must enter into the contract in sufficient time for the purchase to be completed under subsection (3).
- (3) The scheme operator must complete the purchase under the contract by the latest of the following days—

[s 63C]

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- (a) the day that is 18 months after the termination date;
- (b) if the former resident has died—the day that is 14 days after the operator is shown the probate of the former resident’s will or letters of administration of the former resident’s estate;
- (c) the day fixed by the tribunal by an order under section 171A.

### **63C Contract requirements**

- (1) This section states the requirements for the contract for section 63A(4).
- (2) A regulation may prescribe a term that must be included in the contract (a *required term*) or that must not be included in the contract (a *prohibited term*).
- (3) The contract must—
  - (a) be in the approved form; and
  - (b) include each required term; and
  - (c) not include a prohibited term; and
  - (d) comply with any other requirements prescribed by regulation; and
  - (e) otherwise be in the terms, consistent with this Act, that are—
    - (i) agreed by the scheme operator and former resident; or
    - (ii) decided by the tribunal in a resolution of a retirement village dispute.

### **63D Purchase price of freehold property**

- (1) This section states how the purchase price for the former resident’s freehold property is decided for section 63A(5).
- (2) Each of the valuation and resale provisions applies, with any necessary changes, as if—

- 
- (a) a reference in the provision to the resale value, valuation or sale of the former resident's right to reside in the accommodation unit were a reference to the resale value, valuation or sale of the freehold property; and
  - (b) a reference in the provision to paying an exit entitlement to the former resident under section 63 were a reference to entering into a contract under section 63A.
- (3) Before entering into a contract under section 63A, if the scheme operator and the former resident have not agreed on the resale value of the freehold property within the previous 3 months, the operator must obtain a valuation of the freehold property from a valuer.
  - (4) A valuation obtained under subsection (3) is taken to be the agreed resale value of the freehold property.
  - (5) Unless the scheme operator and the former resident otherwise agree, the purchase price of the freehold property under the contract must be the amount of the most recent agreed resale value of the freehold property under section 60, section 67 or subsection (4).
  - (6) In this section—  
*valuation and resale provisions* means sections 60, 64, 65, 67 and 68 to 70AD.

### **63E Contract may require reimbursement of scheme operator's legal costs**

- (1) This section applies in relation to an amount of legal expenses reasonably incurred by a scheme operator in entering into a contract under section 63A to purchase a former resident's freehold property and completing the purchase.
- (2) The contract may include a term requiring the former resident to pay all or a stated part of the amount to the scheme operator on or after completion of the purchase (a *reimbursement requirement*).
- (3) If the tribunal is dealing with a retirement village dispute about the inclusion of a reimbursement requirement in a

[s 63F]

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contract under section 63A, the tribunal must order that the contract include a reimbursement requirement, in the terms the tribunal considers just, unless the tribunal considers it would be unjust to do so.

### **63F No sales commission payable on mandatory buyback**

Despite anything in a residence contract, no sales commission is payable on the sale of the resident's freehold property to the scheme operator under section 63A.

### **63G Exit fee**

If a scheme operator is required to complete a purchase of a former resident's freehold property under section 63A, the former resident is not liable to pay an exit fee to the scheme operator until the completion of the purchase.

### **63H Relative residing in unit under s 70B**

- (1) This section applies if a resident's right to reside in an accommodation unit is terminated and a relative of the former resident continues residing in the accommodation unit under section 70B.
- (2) If the scheme operator enters into a residence contract for the accommodation unit with the relative, section 63A does not apply to the scheme operator in relation to the former resident's freehold property.
- (3) Otherwise, a reference to the termination date in section 63B(3)(a), or in a valuation and resale provision applied by section 63D, is taken to be a reference to the last day that the relative resides in the unit under section 70B.

### **63I Non-application of particular legislation to contract**

The following provisions do not apply in relation to a contract under section 63A—

- (a) the *Body Corporate and Community Management Act 1997*, chapter 5, parts 1 and 3;
- (b) the *Property Occupations Act 2014*, part 7, divisions 5 to 7.

#### **64 Units not sold within 6 months**

- (1) This section applies if—
  - (a) a former resident's right to reside in a particular accommodation unit is not sold within 6 months after the termination date; and
  - (b) the former resident has not been paid an exit entitlement under section 63.
- (2) The former resident may engage a real estate agent to effect the sale of the right to reside in the accommodation unit.
- (3) This section does not apply if the former resident's right to reside in the retirement village was terminated under section 53(3)(d).

#### **65 Scheme operator to tell resident of all offers for accommodation unit**

- (1) This section applies if a former resident has not been paid an exit entitlement under section 63.
- (2) The scheme operator must promptly give to the former resident details of each offer to purchase the former resident's right to reside.

Maximum penalty—40 penalty units.

- (3) Also, if the former resident asks, the scheme operator must give information about the following to the former resident as soon as practicable after the end of each month for which the right to reside remains unsold—
  - (a) all sales inquiries relating to the right to reside;
  - (b) what steps the operator is taking to promote the sale of the right to reside;

- (c) the following particulars of all other rights to reside in accommodation units for sale in the village—
  - (i) the number of rights for sale;
  - (ii) the size of the units;
  - (iii) the selling prices of the rights;
  - (iv) how long the rights have been for sale.

Maximum penalty for subsection (3)—40 penalty units.

- (4) This section does not apply if the former resident's right to reside in the retirement village was terminated under section 53(3)(d).

## **66 Working out exit entitlements**

- (1) If a scheme operator accepts an offer for a right to reside less than the agreed value for the right, the former resident's exit entitlement is to be worked out as if the right to reside was sold at the agreed value.
- (2) If a former resident accepts an offer for a right to reside less than the agreed value, the former resident's exit entitlement is to be worked out on the amount of the offer.
- (3) If a former resident's right to reside in the retirement village was terminated under section 53(3)(d), the former resident's exit entitlement is to be worked out as if the right to reside was sold at the agreed resale value.

## **67 Updating agreed resale value every 3 months**

- (1) This section applies if—
  - (a) a former resident's right to reside in a particular accommodation unit—
    - (i) is not sold within 3 months after the termination date; or
    - (ii) was terminated under section 53(3)(d); and

- 
- (b) the former resident has not been paid an exit entitlement under section 63.
  - (2) The former resident and the scheme operator are to reconsider the resale value of the right to reside at least every 3 months and, if possible, agree in writing on a new resale value, which may be the same value.
  - (3) If the former resident and the scheme operator can not agree on the resale value of the accommodation unit, the operator is to obtain a valuation of the right to reside in the unit from a valuer within a further 14 days.
  - (4) A valuation obtained under subsection (3) is taken to be the agreed resale value of the right to reside in the accommodation unit.
  - (5) However, subsection (4) does not apply if—
    - (a) the former resident's right to reside in the accommodation unit was terminated under section 53(3)(d); and
    - (b) the valuation obtained under subsection (3) is less than the previous agreed resale value of the right to reside in the accommodation unit determined in accordance with this section or section 60.

**67A Updating agreed resale value if exit entitlement is payable before right to reside is sold**

- (1) This section applies if—
  - (a) a scheme operator is required under section 63(1)(c) to pay an exit entitlement before a former resident's right to reside in a particular accommodation unit is sold; and
  - (b) the operator and the former resident have not otherwise agreed on the value of the right to reside for the purpose of calculating the amount of the exit entitlement.
- (2) The operator must obtain a valuation of the right to reside from a valuer before, but not more than 14 days before, the day the operator is required to pay the exit entitlement.

- (4) A valuation obtained under subsection (2) is taken to be the agreed resale value of the right to reside.

## **68 Costs of selling**

- (1) The costs of the sale of a right to reside in a particular accommodation unit, including the costs mentioned in sections 60(2) and 67(3), are to be shared by the former resident and the scheme operator in the same proportion as they are to share the gross ingoing contribution on the sale of the right to reside, as provided for in the residence contract.
- (2) However, if the former resident engages a real estate agent to sell the right to reside, the former resident must pay the real estate agent's costs of the sale, if any, and commission.
- (3) Except as provided by subsections (1) and (2), a scheme operator must not charge a former resident a fee, charge or commission, however described, for selling the resident's right to reside in the resident's accommodation unit.

Maximum penalty—40 penalty units.

- (4) However, subsection (3) does not apply to an operator under an existing residence contract.
- (5) This section does not apply if the former resident's right to reside in the retirement village was terminated under section 53(3)(d).

## **69 Limited ground for scheme operator to refuse to accept offer**

A scheme operator may refuse to accept an offer to purchase a right to reside in an accommodation unit if—

- (a) the operator reasonably believes—
  - (i) the prospective resident is not within the age limits for residents stated in the village comparison document; or
  - (ii) the type of unit to which the right to reside relates is unsuitable for the prospective resident; or



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*Example for subparagraph (ii)—*

The accommodation is an independent living unit and the prospective resident needs help with personal care not normally provided by the scheme operator.

- (b) the right to reside was terminated under section 53(3)(d).

## **70 Valuer**

- (1) For this division, the valuer of the resale value of the right to reside in the unit must be a person who—
- (a) is a registered valuer; and
  - (b) is agreed on by the scheme operator and the former resident.
- (2) If the scheme operator and the former resident can not agree on the valuer—
- (a) the scheme operator or the former resident must immediately tell the chief executive by written notice; and
  - (b) the valuer is to be a registered valuer decided by the chief executive within 14 days after the chief executive receives the notice mentioned in paragraph (a).
- (3) In this section—

***registered valuer*** means a valuer registered under the *Valuers Registration Act 1992*.

## **70A Valuer's independence**

In a valuation given under this division, a valuer must state any connection to, or agreement with, the scheme operator that may call into question the independence of the valuation.

## **70AB Submissions to valuer**

- (1) This section applies if a valuer is required, under this division or a residence contract, to value the resale value of a

[s 70AC]

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resident's, or a former resident's, right to reside in an accommodation unit in a retirement village.

- (2) The valuer must advise the scheme operator and resident or former resident (each a *party*) that the parties may give the valuer a submission about the valuation of the resale value by a stated date decided by the valuer (the *submission date*).
- (3) If a party does not give a submission to the valuer by the submission date, the party is taken to have not made a submission for the purposes of this section or section 70AC(2)(a).
- (4) A party who gives a submission to the valuer must also give a copy of the submission to the other party by the submission date.
- (5) A party who receives a copy of a submission may give the valuer a written response to the submission.
- (6) The response must be given by a stated date decided by the valuer (the *response date*) that is reasonable in the circumstances.
- (7) If a party does not give a response to the valuer by the response date, the party is taken to have not made a response for the purposes of this section or section 70AC(2)(a).

### **70AC Matters to be considered by valuers**

- (1) This section applies if a valuer is required, under this division or a residence contract, to value the resale value of a resident's, or a former resident's, right to reside in an accommodation unit in a retirement village.
- (2) The valuer—
  - (a) must have regard to submissions and responses from the scheme operator, and the resident or former resident, under section 70AB; and
  - (b) must conduct the valuation on the basis that the retirement village is operating, and will continue to operate, normally; and

- (c) must have regard to the amount of the exit fee payable by, and the capital gain sharing arrangements applying to, the resident or former resident; and
  - (d) must not have regard to a different exit fee that would be payable by, or different capital gain sharing arrangements that would apply to, any person who purchased the right to reside in the retirement village from the resident or former resident.
- (3) In this section—

*capital gain sharing arrangements* means the provisions of the residence contract that state how the resident or former resident, and the scheme operator, are to share any capital gain on the sale of the resident or former resident's interest in the accommodation unit.

### **70AD Valuer may require information from scheme operator**

- (1) This section applies if a valuer is required, under this division or a residence contract, to value the resale value of a resident's, or a former resident's, right to reside in an accommodation unit in a retirement village.
- (2) The valuer may, by written notice, require the scheme operator to give the valuer stated information about the retirement village, the accommodation unit or the residence contract that the valuer reasonably needs to carry out the valuation.
- (3) If the scheme operator does not give the stated information to the valuer by the day (the *due day*) 14 days after the notice is given to the scheme operator, the valuer must give the operator, and the resident or former resident, written notice of the operator's non-compliance with the requirement (a *non-compliance notice*)—
  - (a) within 7 days of the due day; but
  - (b) only if the operator has not given the stated information by the day the non-compliance notice is given.

- (4) If the resident or former resident is given a non-compliance notice, a retirement village dispute exists between the scheme operator and the resident or former resident.

## **Division 5A                      Relative's right to reside**

### **70B      Relative's right to reside after death or vacation**

- (1) This section applies if—
  - (a) a resident's right to reside in an accommodation unit under a residence contract, including an existing residence contract, is terminated under this Act because the resident dies or vacates the accommodation unit; and
  - (b) a relative of the resident, although not a party to the residence contract, was living in the accommodation unit when the residence contract was terminated; and
  - (c) the relative has lived in the accommodation unit for at least the 6 months immediately before the residence contract was terminated.
- (2) The relative has a right to reside in the accommodation unit for 3 months after the day the residence contract is terminated if the relative agrees to be bound by the terms of the resident's residence contract while the relative continues to live in the accommodation unit.
- (3) The relative's agreement must be in writing and given to the scheme operator within 14 days after the day the residence contract is terminated.
- (4) During the 3 months, the relative has all the rights and liabilities of a resident under this Act.
- (5) If—
  - (a) the resident's interest in the accommodation unit was a leasehold interest or licence; and

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- (b) no other person has a right under the resident's residence contract to reside in the accommodation unit; and
  - (c) the relative meets the eligibility criteria for a resident of the retirement village; and
  - (d) the relative, at least 14 days before the end of the 3 months, advises the scheme operator, in writing, that the relative wants to enter into a residence contract for the accommodation unit;
- then—
- (e) the relative has a right to enter into a residence contract for the accommodation unit; and
  - (f) the scheme operator must enter into a residence contract for the accommodation unit with the relative before the end of the 3 months.
- (6) A residence contract entered into under subsection (5) must be on the same terms as would be offered to any other potential resident of the accommodation unit, as adjusted to include any agreement between the relative and the scheme operator about reinstatement work for the accommodation unit.

## **Division 5B            Exemptions from particular obligations relating to former residents**

### **Subdivision 1        Preliminary**

#### **70C    Definitions for division**

In this division—

*exemption start day* see section 70H.

*exempt scheme* means a scheme to which an exemption under section 70D applies.

*right to reside*, in relation to a scheme, means a right under a residence contract to reside in an accommodation unit in the retirement village operated under the scheme.

## Subdivision 2 Exemptions

### 70D Declaration of exemption

- (1) A regulation may declare that an exemption under this section applies to a stated scheme.
- (2) The Minister may recommend to the Governor in Council the making of a regulation under subsection (1) only if the Minister is satisfied—
  - (a) each residence contract under the scheme is based on a freehold interest in an accommodation unit that is the resident's freehold property; and
  - (b) the exemption would be appropriate because of the extent to which—
    - (i) the residents are in a position to control or influence the affairs of the scheme operator in relation to the operation of the scheme; and
    - (ii) for any of the accommodation units, the scheme operator's assets and ability to generate income are likely to be insufficient to purchase the resident's freehold property.
- (3) When deciding whether an exemption for a scheme would be appropriate under subsection (2)(b), the Minister may have regard to any relevant matter, including the following—
  - (a) whether, for a scheme in which the retirement village land is land included in a community titles scheme, the common area of the retirement village is—
    - (i) common property under the community titles scheme; or

- (ii) a lot owned by the body corporate under the community titles scheme;
  - (b) the extent to which, other than as required by this Act—
    - (i) the scheme operator has any control over, or involvement in, the sale of a former resident's accommodation unit; and
    - (ii) a former resident is required to refurbish, reinstate or renovate the former resident's accommodation unit before it may be sold;
  - (c) the extent to which the scheme operator makes any profit from fees or charges payable by residents;
  - (d) whether any amount is payable to the scheme operator on the sale of an accommodation unit.
- (4) If the Minister stops being satisfied about a matter stated in subsection (2)(a) or (b) in relation to an exempt scheme, the Minister must recommend to the Governor in Council the making of a regulation ending the exemption of the scheme.

### **70E Effect of exemption**

Sections 63(1)(c) and 63A do not apply to the scheme operator of an exempt scheme in relation to a former resident.

### **70F Scheme operator must notify changes relevant to exemption**

- (1) This section applies to the scheme operator of an exempt scheme if the scheme operator knows, or ought reasonably to know, there has been a change to any matter or circumstance that is relevant to a matter mentioned in section 70D(2)(a) or (b).

*Example—*

a sale of shares, in a scheme operator that is a corporation, that changes the extent to which the residents are in a position to control the corporation

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- (2) Within 28 days after the scheme operator becomes aware or ought reasonably to have become aware of the change, the scheme operator must give the chief executive a notice in the approved form.

Maximum penalty—50 penalty units.

### **70G Chief executive may require information about exempt scheme**

- (1) The chief executive may give the scheme operator of an exempt scheme a notice asking for stated information about a matter or circumstance that the chief executive considers may be relevant to a matter mentioned in section 70D(2)(a) or (b).
- (2) The notice must state the reasonable time, not less than 28 days after the notice is given, within which the information must be given.
- (3) The scheme operator must comply with the notice unless the scheme operator has a reasonable excuse.

Maximum penalty—50 penalty units.

## **Subdivision 3 Transitional provisions for start of exemption**

### **70H Application of subdivision**

This subdivision applies if a resident's right to reside is terminated under this Act before the day (the *exemption start day*) on which an exemption under section 70D starts to apply to a scheme.

### **70I Exit entitlement payments**

- (1) From the exemption start day, section 63(1)(c) does not apply to any exit entitlement of the former resident.
- (2) Subsection (1) does not affect a right acquired or liability incurred in relation to an amount that was required to be paid



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under section 63(1)(c) on a day before the exemption start day.

## **70J Uncompleted contract to purchase freehold property**

- (1) This section applies if the scheme operator—
  - (a) entered into a contract under section 63A before the exemption start day to purchase the former resident's freehold property; and
  - (b) did not complete the purchase before the exemption start day.
- (2) At the beginning of the exemption start day, the contract ends.
- (3) If the scheme operator has paid an amount to the seller under the contract towards the purchase of the former resident's freehold property, the scheme operator may give the seller a notice requiring repayment of the amount.
- (4) The notice must state the day, not less than 30 days after the notice is given, by which the amount must be repaid.
- (5) The seller must comply with the notice.
- (6) No compensation is payable to the seller for a loss incurred because the contract ends under this section.
- (7) In this section—

*seller* means the person from whom the scheme operator is buying the former resident's freehold property under the contract.

## **70K Failure to complete purchase of freehold property before exemption starts**

- (1) This section applies if the scheme operator was required, under section 63A or a contract entered into under that section, to complete the purchase of the former resident's freehold property on a day (the *completion day*) before the exemption start day.

- (2) Neither section 70E nor 70J affects any right of a person to claim compensation from the scheme operator for a failure to complete the purchase on the completion day.

#### **70L Proceedings for offences**

- (1) This section applies in relation to an offence against section 63(1) or 63A(2) committed by the scheme operator before the exemption start day.
- (2) Without limiting the *Acts Interpretation Act 1954*, section 20, a proceeding for the offence may be continued or started, and the scheme operator may be convicted of and punished for the offence, as if the exemption had not started to apply to the scheme.

### **Subdivision 4 Transitional provision for end of exemption**

#### **70M End of exemption**

- (1) This section applies if an exemption applying to a scheme under section 70D ends.
- (2) From the day the exemption ends—
  - (a) sections 63(1)(c) and 63A apply to the scheme operator in relation to a former resident; and
  - (b) if the former resident's right to reside was terminated while the exemption was in effect, this Act applies as if a reference in section 63(1)(c) or 63B(3)(a) to the termination date were a reference to the day the exemption ends.

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## **Division 6                      Enforcing residence contracts**

### **71            Enforcing residence contract**

- (1) A residence contract is enforceable against the following persons for the recovery of all or part of the exit entitlement—
  - (a) a person who is a party to the contract;
  - (b) a person who is not a party to the contract but who, when the contract was entered into—
    - (i) was the scheme operator for the retirement village to which the contract relates; or
    - (ii) owned the retirement village land;
  - (c) a person who is not a party to the contract but who, when the contract is to be enforced—
    - (i) is the scheme operator; or
    - (ii) owns the retirement village land.
- (2) For the purpose of enforcing a contract against a person mentioned in subsection (1)(b) or (c), the person is taken to be the scheme operator under the contract.
- (3) A court may make an order under this section against a person mentioned in subsection (1)(b) only if the court is satisfied—
  - (a) an order against a person mentioned in subsection (1)(a) or (c) would be ineffectual; and
  - (b) in the particular circumstances, it is just to make the order.
- (4) Subsection (1)(b)(ii) and (1)(c)(ii) are subject to section 72.

### **72            Restriction on enforcing residence contract**

- (1) This section applies to a person who is not a party to a residence contract that is sought to be enforced against the person, and who, when the enforcement is sought—
  - (a) is not the scheme operator; but

- (b) owns the retirement village land.
- (2) The contract can not be enforced against the person for the recovery of all or part of the exit entitlement if—
  - (a) the person acquired the land as a genuine purchaser for value from a mortgagee exercising power of sale under a mortgage; and
  - (b) the mortgage was created over the land before 1 November 1989.

### **73 Limit on scheme operator’s liability for breach of residence contract**

A scheme operator is not liable for breach of a residence contract for the scheme operator’s failure to supply a general service to a resident under the contract if—

- (a) the cost of supplying the service is more than the services charge for the service; and
- (b) the residents have not approved the payment of an increased services charge to cover the cost of supplying the service; and
- (c) in all the circumstances, the scheme operator acted reasonably.

## **Part 4 Other documents relating to retirement village schemes**

### **74 Village comparison documents**

- (1) The purpose of a village comparison document is to give general information about a retirement village scheme to potential residents of the retirement village, including information about—
  - (a) available types of accommodation, facilities and services; and

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- (b) amounts payable by or to residents, the scheme operator and other persons.
- (2) A village comparison document must—
- (a) be in the approved form; and
- Note—*  
See section 227AA(2).
- (b) contain the information prescribed by regulation.
- (3) On registration of a retirement village scheme, the document lodged with the application for registration under section 27(2)(b) becomes the village comparison document for the scheme.
- (4) Immediately after becoming aware of a material change to any of the information in the village comparison document for a scheme, the scheme operator must amend the document so it contains the correct information.

Maximum penalty—50 penalty units.

- (5) Within 28 days after amending a village comparison document because of a material change to any of the information in the document, the scheme operator must give the chief executive—
- (a) written notice of the amendment; and
- (b) a copy of the amended village comparison document.

Maximum penalty—540 penalty units.

- (6) The scheme operator for a retirement village scheme must—
- (a) publish the village comparison document on the scheme's website so the document, or a link to the document, appears prominently on each page of the website that contains, or has a link to, marketing material for the scheme; and
- (b) ensure any promotional material for the scheme that is given to a person, other than as part of a general distribution of the material in a mail-out or other way, is

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accompanied by a copy of the village comparison document for the scheme; and

- (c) give a copy of the village comparison document for the scheme to a prospective resident within 7 days of receiving a request from the prospective resident.

Maximum penalty—

- (a) for paragraphs (a) and (b)—50 penalty units; or
  - (b) for paragraph (c)—120 penalty units.
- (7) Subsection (6)(b) and (c) does not apply to a person to whom a copy of the village comparison document for the scheme has previously been given if there have been no material changes to the document since the copy was given to the person.
- (8) In this section—  
*give* includes send by email, facsimile or other electronic means.

## 75 Prospective costs documents

- (1) The purpose of a prospective costs document is to give to a prospective resident of a retirement village a summary of the estimated costs of moving into, living in and leaving the retirement village.
- (2) A prospective costs document must—
- (a) be in the approved form; and
- Note—*  
See section 227AA(2).
- (b) contain the information prescribed by regulation.
- (3) If a prospective resident asks a scheme operator for a prospective costs document, the operator must prepare and give to the prospective resident a prospective costs document within 7 days after receiving from the prospective resident any information that the operator needs to complete the document.

Maximum penalty—120 penalty units.

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- (4) Subsection (3) does not apply to a person to whom a prospective costs document has previously been given if there have been no material changes to the information required to be included in the document since it was last given to the person.
- (5) In this section—  
*give* includes send by email, facsimile or other electronic means.

## 76 Condition reports at start of residency

- (1) The scheme operator for a retirement village scheme must not permit a prospective resident to start occupying an accommodation unit under a residence contract unless the operator has—
- (a) under subsection (2), inspected the unit and completed a report in the approved form describing its condition; and
- Note—*  
See section 227AA(2).
- (b) signed the report; and
- (c) given a copy of the signed report to the prospective resident.

Maximum penalty—20 penalty units.

- (2) The scheme operator must carry out the inspection and complete the report—
- (a) in the way prescribed by regulation; and
- (b) in the presence of the prospective resident or a person acting on behalf of the prospective resident.
- (3) However, subsection (2)(b) does not apply if the prospective resident has consented in writing to the inspection and report completion being carried out in his or her absence.
- (4) Within 7 days after starting to occupy the accommodation unit under the residence contract, the resident must—
- (a) sign the report; and

- (b) if the resident does not agree with the report—show the parts of the report the resident disagrees with by marking the copy in an appropriate way; and
  - (c) return the copy to the operator.
- (5) However, if the operator has not given the resident a copy of the report before the resident starts to occupy the accommodation unit under the residence contract, subsection (4) applies as if a reference to occupying the unit were a reference to receiving the copy.
- (6) If the resident returns the copy of the report to the operator under subsection (4), the operator must make a copy of the report and return it to the resident within 14 days.

Maximum penalty—20 penalty units.

- (7) The operator must keep, at least until 2 years after the resident's termination date under section 56—
- (a) the signed copy of the report returned to the operator by the resident; or
  - (b) if the resident does not return a signed copy—another copy of the report.

Maximum penalty—20 penalty units.

## **77 Condition reports at end of residency**

- (1) Within 14 days after a resident's termination date under section 56, the scheme operator must—
- (a) inspect the former resident's accommodation unit and complete a report in the approved form describing its condition; and
- Note—*
- See section 227AA(2).
- (b) sign the report; and
  - (c) give a copy of the signed report to the former resident.

Maximum penalty—20 penalty units.



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- (2) The former resident must—
- (a) sign the report; and
  - (b) if the former resident does not agree with the report—show the parts of the report the former resident disagrees with by marking the copy in an appropriate way; and
  - (c) return the copy to the operator.
- (3) If the former resident returns the copy of the report to the operator under subsection (2), the operator must make a copy of the report and return it to the former resident within 14 days.

Maximum penalty—20 penalty units.

- (4) The scheme operator must keep, at least until 2 years after the resident's termination date under section 56—
- (a) the signed copy of the report returned to the operator by the former resident; or
  - (b) if the former resident does not return a signed copy—another copy of the report.

Maximum penalty—20 penalty units.

## **84 Relevant information documents to be given to prospective residents**

- (1) A scheme operator must not enter into a residence contract for the village with a person unless, at or before the prescribed time under subsection (5), the scheme operator has given the person a copy of each of the following documents—
- (a) the residence contract;
  - (b) the village comparison document for the scheme;
  - (c) a prospective costs document for the residence contract;
  - (d) any by-laws for the village in force under section 130;
  - (e) any other document prescribed by regulation.

Maximum penalty—200 penalty units.

- (2) If there is a change, other than a minor change, in any of the information given to a person in a document under subsection (1) before the operator and the person enter into the contract, the scheme operator must give the details of the change to the person at or before the prescribed time under subsection (5).

Maximum penalty—200 penalty units.

- (3) A person may give a scheme operator a waiver under which the person agrees to receive a document mentioned in subsection (1), or details of a change mentioned in subsection (2), less than 21 days before the person enters into the contract.
- (4) The waiver must—
- (a) be in the approved form; and
  - (b) state that, on a stated day, the person obtained legal advice from a Queensland lawyer about entering into the contract; and
  - (c) be signed by the person and the lawyer.
- (5) The prescribed time by which a scheme operator must give a document or details relating to a residence contract to a person under subsection (1) or (2) is—
- (a) 21 days before the operator and the person enter into the contract; or
  - (b) if the person gives the operator a waiver under subsections (3) and (4) for the contract—
    - (i) the time stated in the waiver as the time by which the person agrees to receive the document or details; or
    - (ii) if no time is stated in the waiver—immediately before the operator and the person enter into the contract.
- (6) For a residence contract consisting of more than 1 written contract, a reference in this section to entering into a residence contract is a reference to entering into any of the contracts.

- (7) In this section—
- minor change*, in information given to a person in a document under subsection (1), means—
- (a) a correction of a minor error; or
  - (b) another change that is not a change of substance and does not adversely affect the person's interests.

## **85 Access to operational documents by residents and prospective residents**

- (1) A regulation may prescribe the documents (*operational documents*), relating to the operation of a retirement village scheme, that may be accessed under this section.
- (2) A resident or prospective resident may ask the scheme operator to allow the person to inspect, or take a copy of, an operational document.
- (3) The request must—
  - (a) be written; and
  - (b) state—
    - (i) the person's name; and
    - (ii) whether the person is a resident or a prospective resident; and
    - (iii) a reasonable time, at least 7 days after the request is given to the scheme operator, for the person's access to the document; and
  - (c) be accompanied by any fee prescribed by regulation.
- (4) Subject to subsections (5) and (6), the scheme operator must comply with the request.  
Maximum penalty—120 penalty units.
- (5) The scheme operator must not give the person any personal information about another person.
- (6) The scheme operator is not required to comply with the request so far as it relates to an operational document if—

- (a) within 30 days before the request was made, the scheme operator complied with another request by the person to inspect, or take a copy of, the same operational document; and
  - (b) there have been no material changes to the document since the operator complied with the other request.
- (7) In this section—
- personal information*** means information or an opinion that—
- (a) the operator has gained or brought into existence in the course of the operation of the scheme; and
  - (b) is about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion.

## 86 Misleading or deceptive conduct

- (1) This section applies to a person who is—
- (a) a scheme operator; or
  - (b) a representative of a scheme operator.
- (2) The person must not, in relation to the operation of a retirement village scheme, engage in conduct that is misleading or deceptive or is likely to mislead or deceive.

*Example of conduct that is misleading or deceptive or is likely to mislead or deceive—*

Giving false or misleading information (orally or in writing) to—

- (a) the chief executive; or
- (b) a resident or prospective resident.

Maximum penalty—200 penalty units.

- (3) In this section—
- representative***, of a scheme operator, means—
- (a) an employee or agent of the scheme operator; and
  - (b) if the scheme operator is a corporation—an executive officer of the scheme operator.

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**86A Scheme website**

- (1) The scheme operator for a retirement village scheme must maintain a website for the scheme.
- (2) A website maintained under subsection (1) may relate to more than 1 scheme.

**Part 5 Operation of schemes for, and management of, retirement villages**

**Division 1 Operator and employees of village**

**87 Definitions for div 1**

In this division—

**conviction** means a finding of guilt, or the acceptance of a plea of guilty, by a court.

**criminal history**, of a person, means criminal history as defined under the *Criminal Law (Rehabilitation of Offenders) Act 1986*, other than a spent conviction.

**insolvent under administration** has the meaning given by the Corporations Act, section 9.

**relevant conviction** means a conviction, other than a spent conviction, for—

- (a) an offence involving fraud or dishonesty punishable, at the time the conviction is recorded, by not less than 3 months imprisonment; or
- (b) an offence involving physical violence to someone else.

**spent conviction** means a conviction—

- (a) for which the rehabilitation period under the *Criminal Law (Rehabilitation of Offenders) Act 1986* has expired under that Act; and

- (b) that is not revived as prescribed by section 11 of that Act.

## **88 Persons prohibited from operating a retirement village scheme etc.**

- (1) A person who is an insolvent under administration must not—
  - (a) be a scheme operator; or
  - (b) promote a retirement village scheme; or
  - (c) sell rights to reside in a retirement village; or
  - (d) be concerned, directly or indirectly, in managing a retirement village.

Maximum penalty—100 penalty units.

- (2) A person who has a relevant conviction must not—
  - (a) be a scheme operator; or
  - (b) promote a retirement village scheme; or
  - (c) sell rights to reside in a retirement village; or
  - (d) be concerned, directly or indirectly, in managing a retirement village.

Maximum penalty—100 penalty units.

- (3) Subsections (1)(b) or (c) and (2)(b) or (c) do not apply to a person who is a resident or a former resident of a retirement village, or who acts for the resident or former resident, who does something mentioned in the subsections only to terminate the resident's or former resident's right to reside in an accommodation unit in the retirement village.

## **88A Investigations about scheme operators etc.**

- (1) The chief executive may ask the commissioner of the police service for a report about the criminal history of a person who—

- (a) applies to the chief executive to register a retirement village scheme; or
- (b) the chief executive reasonably suspects—
  - (i) is a scheme operator; or
  - (ii) promotes a retirement village scheme; or
  - (iii) sells rights to reside in a retirement village; or
  - (iv) is concerned, directly or indirectly, in managing a retirement village.
- (2) The commissioner must give the report to the chief executive.
- (3) However, the report is required to contain only criminal history in the commissioner's possession or to which the commissioner has access.
- (4) If the criminal history of the person includes a conviction recorded against the person, the commissioner's report must be written.

### **88AA Costs of criminal history report**

- (1) The chief executive may require an applicant for the registration of a retirement village scheme to pay the reasonable, but no more than actual, costs of obtaining a report under section 88A about the applicant.
- (2) The chief executive must refund to the applicant an amount paid under the requirement if—
  - (a) the chief executive refuses the application without asking for the report; or
  - (b) the applicant withdraws the application before the chief executive asks for the report.
- (3) In this section—  
*applicant* includes proposed applicant.

## **88B Confidentiality of criminal history**

- (1) An officer, employee or agent of the department (*representative*) must not, directly or indirectly, disclose to anyone else a report about a person's criminal history, or information contained in the report, given under section 88A.

Maximum penalty—100 penalty units.

- (2) However, the representative does not contravene subsection (1) if—
  - (a) disclosure of the report or information to someone else is authorised by the chief executive to the extent necessary to perform a function under or in relation to this Act; or
  - (b) the disclosure is otherwise required or permitted by law.
- (3) The chief executive must destroy a written report about a person's criminal history as soon as practicable after considering it unless a written report about a person's criminal history is to be used for a prosecution.

## **Division 2 Exercise of power of attorney by scheme operator**

### **89 Power of attorney**

- (1) A scheme operator must not exercise or purport to exercise a power conferred on, or exercisable by, the scheme operator under a limited, general or enduring power of attorney given by a resident of the retirement village in favour of the scheme operator.

Maximum penalty—540 penalty units.

- (2) However, the scheme operator does not contravene subsection (1) if—
  - (a) the resident is a spouse or other relative of the scheme operator; or



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- (b) the scheme operator exercises, or purports to exercise, a power of attorney given to the operator by the resident to execute a surrender of a registered lease in favour of the resident over an accommodation unit after the resident's residence contract has been lawfully terminated under this Act; or
  - (c) the resident gives the power of attorney under the *Body Corporate and Community Management Act 1997*, section 211 or 219.

## **Division 3                      Capital improvement**

### **90            Responsibility for capital improvement of retirement village**

- (1) A scheme operator is solely responsible for the cost of the retirement village's capital improvement, including the capital improvement of the retirement village's communal facilities owned by the scheme operator.
- (2) This section applies subject to sections 90A and 90B.

### **90A        Responsibility for capital improvement of resident's accommodation unit**

- (1) This section applies if—
  - (a) a resident gives the scheme operator a written request for a particular capital improvement to the resident's accommodation unit; and
  - (b) the scheme operator makes or agrees to make the capital improvement.
- (2) The resident is solely responsible for the cost of the capital improvement.

### **90B Residents jointly responsible for capital improvements requested at residents meeting**

- (1) This section applies if—
  - (a) residents of a retirement village, by special resolution at a residents meeting, vote to give the scheme operator a written request for a capital improvement to the retirement village; and
  - (b) the scheme operator makes or agrees to make the capital improvement.
- (2) All the residents of the retirement village when the vote was taken are jointly responsible for the cost of the capital improvement.

### **90C Responsibility of former resident for capital improvement**

If a former resident ceases to be liable, under section 104(3)(b), to pay a proportion of the general services charges—

- (a) the former resident stops being responsible, under section 90A or 90B, for the cost of a capital improvement; and
- (b) the scheme operator becomes liable for the resident's share of the cost of the capital improvement.

### **90D Quotes for capital improvements**

- (1) A resident may give the scheme operator a written request to get quotes for a particular capital improvement to the resident's accommodation unit.
- (2) The residents committee may give the scheme operator a written request to get quotes for a particular capital improvement to the retirement village.
- (3) If the scheme operator receives a request under subsection (1) or (2), the scheme operator must get at least 2 quotes for carrying out the capital improvement from qualified tradespersons appropriate for the work.

- (4) However, the requirement to get at least 2 quotes does not apply if, for exceptional reasons, it is not practicable to get more than 1 quote.
- (5) The scheme operator must give copies of the quotes or, if the quotes are voluminous, summaries of the quotes and advice about where the complete quotes may be inspected, promptly to the resident or the residents committee.
- (6) Any reasonable cost associated with getting a quote must be paid by—
  - (a) for a quote requested under subsection (1)—the resident; or
  - (b) for a quote requested under subsection (2)—all residents jointly.

## **90E Money received for capital improvement**

- (1) As a condition of agreeing to make a capital improvement, the operator may require the resident or residents to pay the cost of the improvement before it is made.
- (2) The scheme operator must keep the money received for the cost of a capital improvement in a trust account on trust for the benefit of the resident or residents.  
Maximum penalty—540 penalty units.
- (3) The scheme operator must not use an amount received for the cost of a capital improvement and standing to the credit of the trust account for a purpose other than the cost of the capital improvement.  
Maximum penalty—540 penalty units.
- (4) The scheme operator must refund any amount received for the cost of a capital improvement that exceeds the cost of the capital improvement to the resident or residents.  
Maximum penalty—540 penalty units.

## Division 4                      Capital replacement fund

### 91            Capital replacement fund

- (1) A scheme operator must—
- (a) establish and keep a fund (the *capital replacement fund*) for replacing the retirement village's capital items; and
  - (b) hold amounts standing to the credit of the fund in a separate account—
    - (i) that is established and kept for the purpose; and
    - (ii) the name or style of which includes—
      - (A) the operator's name; and
      - (B) the retirement village scheme the account is for followed by the words 'secured capital replacement fund account'; and
    - (iii) that requires withdrawals from it, whether by cheque or otherwise, to be signed by the scheme operator.

Maximum penalty—540 penalty units.

- (2) The scheme operator is solely responsible for contributing to the fund.
- (3) No amount standing to the credit of the fund may be applied or used for a purpose other than—
- (a) replacing the village's capital items; or
  - (b) paying the quantity surveyor's reasonable fees for giving a report for section 92; or
  - (c) paying tax on amounts paid into the fund under section 94(1)(b).
- (4) A person who applies or uses an amount in contravention of subsection (3) commits an offence.

Maximum penalty—540 penalty units.

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- (5) Without limiting subsection (3), the scheme operator must not use the amount standing to the credit of the fund for—
- (a) the village’s capital improvement, maintenance or repairs; or
  - (b) capital replacement, maintenance or repairs of body corporate property to which the *Body Corporate and Community Management Act 1997* applies.

Maximum penalty—540 penalty units.

- (6) Immediately the fund is established, a statutory charge is created over it for the benefit of the residents of the village to ensure the availability of the balance of the fund for the purposes mentioned in subsection (3).
- (7) The charge has priority over any other charge over the fund given by the scheme operator, including a charge given before the commencement of this section, other than a charge created and given priority over other charges under a Commonwealth law or another law of the State.
- (8) Regardless of any change in who controls the scheme’s operation, the charge is irrevocable and continues until—
- (a) the village ceases to operate as a retirement village scheme; and
  - (b) all former residents have been paid their exit entitlement.

## **92 Amount of capital replacement fund**

- (1) Before a scheme operator decides a budget under section 93, the operator must obtain an independent quantity surveyor’s written report, that complies with section 113AA, about the expected capital replacement costs for the village for the next 10 years.

Maximum penalty—540 penalty units.

- (2) For subsection (1), the report must be—
- (a) a full report—

- (i) in the 2009 financial year and in every third financial year after that; and
  - (ii) in any other financial year in which substantial changes have been made to the retirement village; and
- (b) an updated report in every financial year in which a full report need not be obtained.
- (3) The scheme operator must decide the amount to be held in the capital replacement fund for the village (the *capital replacement reserve*) having regard to the fund's purpose, the quantity surveyor's report and any amounts transferred to the fund under section 232 or 234.
- (4) In having regard to the quantity surveyor's report, the scheme operator must use the scheme operator's best endeavours to implement the surveyor's recommendations in the context of—
  - (a) the objects of this Act; and
  - (b) any circumstances relevant to the retirement village that apparently were not considered by the quantity surveyor.
- (5) If the amount a scheme operator must spend on capital replacement at any time is more than the amount held in the capital replacement fund, the operator must pay the difference between the actual amount to be spent and the amount held in the capital replacement fund.
- (6) Within 5 months after the end of each financial year, the scheme operator must give to the chief executive a copy of the full or updated report obtained, under subsections (1) and (2), during the financial year.

Maximum penalty for subsection (6)—200 penalty units.

### **93 Capital replacement fund budget**

- (1) The scheme operator must, having regard to the quantity surveyor's report obtained or updated under section 92(1),

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adopt a budget (a *capital replacement fund budget*) for each financial year for the capital replacement fund that complies with subsection (2) and section 113AA.

Maximum penalty—200 penalty units.

- (2) For subsection (1), the capital replacement fund budget must—
- (a) allow for raising a reasonable capital amount to—
    - (i) provide for necessary and reasonable spending from the capital replacement fund for the financial year; and
    - (ii) reserve an appropriate proportional share of amounts necessary to be accumulated to meet anticipated major expenditure over at least the next 9 years after the financial year; and
  - (b) fix the amount (the *capital replacement fund contribution*) to be paid by the scheme operator, from money of the scheme operator, to cover the capital amount mentioned in paragraph (a).

*Example—*

Replacing a village stand-by electricity generator is anticipated to be necessary in 3 years time at a cost currently estimated at \$60,000. The contribution amount for the capital replacement fund in the budget for the financial year must therefore include the annual proportional share for its replacement of \$20,000. Next year, the estimated cost has increased to \$68,000 and so the second year amount will be \$24,000. The estimated cost in the third year is \$70,000, so with the \$44,000 accumulated, a further \$26,000 is necessary to meet the cost.

- (3) The scheme operator—
- (a) may use all or part of an ingoing contribution to pay the capital replacement fund contribution; but
  - (b) must not otherwise raise, or attempt to raise, all or part of the capital replacement fund contribution from residents.

## **94 Payments into capital replacement fund**

- (1) The scheme operator must ensure that the following amounts are paid into the capital replacement fund—
  - (a) amounts received under insurance policies for the destruction of items of a capital nature;
  - (b) interest from investment of amounts held in the fund;
  - (c) the capital replacement fund contribution for each financial year;
  - (d) if an existing residence contract requires an amount from a resident's services charge to be paid towards capital replacement—
    - (i) if the amount is stated in the contract—the amount; or
    - (ii) if the amount is not stated in the contract—the amount decided by the operator worked out in the way stated in the public information document in effect under section 237I;
  - (e) any amounts transferred to the fund under section 232 or 234;
  - (f) any amount paid by a resident under section 96(2).

Maximum penalty—540 penalty units.

- (2) Subsection (1) does not limit the amounts a scheme operator may pay into the capital replacement fund.
- (3) However, the scheme operator must not pay into the capital replacement fund amounts properly payable into another fund.

Maximum penalty for subsection (3)—540 penalty units.

## **95 Restriction on investing capital replacement fund amounts**

A scheme operator must not invest an amount standing to the credit of the retirement village's capital replacement fund



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other than in an authorised investment under the *Trusts Act 1973*.

Maximum penalty—540 penalty units.

## 96 Resident liable for replacing certain capital items

- (1) This section applies if a capital item of a retirement village is—
  - (a) deliberately damaged by a resident; or
  - (b) subjected to accelerated wear caused by a resident's actions.
- (2) The resident is liable for the cost of replacing the item.

## Division 5 Maintenance reserve fund

### 97 Maintenance reserve fund

- (1) A scheme operator must—
  - (a) establish and keep a fund (the *maintenance reserve fund*) for maintaining and repairing the retirement village's capital items; and
  - (b) hold amounts standing to the credit of the fund on trust solely for the benefit of residents in a trust account that—
    - (i) is established and kept for the purpose; and
    - (ii) requires withdrawals from it, whether by cheque or otherwise, to be signed by the scheme operator.

Maximum penalty—540 penalty units.

- (2) Residents are solely responsible for contributing to the fund.
- (3) The scheme operator must not use an amount standing to the credit of the fund for a purpose other than—
  - (a) maintaining and repairing the village's capital items; or

- (b) paying the quantity surveyor's reasonable fees for giving a report for section 98; or
- (c) paying tax on amounts paid into the fund under section 100(1)(b).

Maximum penalty—540 penalty units.

- (4) Without limiting subsection (3), the scheme operator must not use the amount standing to the credit of the fund for—
  - (a) the day-to-day maintenance of the village; or
  - (b) the village's capital improvement or replacement; or
  - (c) capital replacement, maintenance or repairs of body corporate property to which the *Body Corporate and Community Management Act 1997* applies.

Maximum penalty—540 penalty units.

- (5) Regardless of any change in who controls the scheme's operation, the trust is irrevocable and continues until—
  - (a) the village ceases to operate as a retirement village scheme; and
  - (b) all former residents have been paid their exit entitlement.

## **98 Amount of maintenance reserve fund**

- (1) Before the scheme operator decides a budget under section 99, the operator must obtain an independent quantity surveyor's written report, that complies with section 113AA, about the expected maintenance and repair costs for the village for the next 10 years.

Maximum penalty—540 penalty units.

- (2) For subsection (1), the report must be—
  - (a) a full report—
    - (i) in the 2009 financial year and in every third financial year after that; and

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- (ii) in any other financial year in which substantial changes have been made to the retirement village;  
and
    - (b) an updated report in every financial year in which a full report need not be obtained.
  - (3) The scheme operator must decide the amount to be held in the maintenance reserve fund for the village (the *maintenance reserve*) having regard to the fund's purpose, the quantity surveyor's report and any amounts transferred to the fund under sections 232 to 234.
  - (4) If the amount held in an existing retirement village's maintenance reserve fund is less than the maintenance reserve, the operator must increase the maintenance reserve fund contribution to reach the maintenance reserve within the following period after the commencement of this division—
    - (a) if the first resident in the village occupied an accommodation unit 5 or more years before the commencement—10 years;
    - (b) if the first resident in the village occupied an accommodation unit less than 5 years before the commencement—5 years.
  - (5) If the amount a scheme operator must spend on maintenance or repairs at any time is more than the amount held in the maintenance reserve fund, the operator must pay the difference between the actual amount to be spent and the amount held in the maintenance reserve fund.
  - (6) An amount paid under subsection (5) is to be treated as an interest free loan from the scheme operator to the maintenance reserve fund.
  - (7) The scheme operator may adjust the maintenance reserve fund contribution annually to ensure the maintenance reserve is reached within the relevant period mentioned in subsection (4).
  - (8) Within 5 months after the end of each financial year, the scheme operator must give to the chief executive a copy of the

full or updated report obtained, under subsections (1) and (2), during the financial year.

Maximum penalty for subsection (8)—200 penalty units.

## **99 Maintenance reserve fund budget**

- (1) The scheme operator must adopt a budget for the maintenance reserve fund (a *maintenance reserve fund budget*) for each financial year that—
  - (a) complies with subsection (3) and section 113AA; and
  - (b) subject to subsection (2), is consistent with, and implements any recommendations in, the quantity surveyor's report obtained or updated under section 98(1).

Maximum penalty—200 penalty units.

- (2) Subsection (1)(b) does not apply to the scheme operator to the extent of any part of the maintenance reserve fund budget that has been agreed to by the residents by special resolution at a residents meeting.
- (3) For subsection (1), the maintenance reserve fund budget must—
  - (a) allow for raising a reasonable amount for maintenance and repairs to—
    - (i) provide for necessary and reasonable spending from the maintenance reserve fund for the financial year; and
    - (ii) reserve an appropriate proportional share of amounts necessary to be accumulated to meet anticipated major expenditure over at least the next 9 years after the financial year; and
  - (b) fix the amount to be raised by way of contribution to cover the estimated recurrent expenditure mentioned in paragraph (a).

*Example—*

Painting of village property is anticipated to be necessary in 3 years time at a cost currently estimated at \$3,000. The contribution amount for the maintenance reserve fund in the budget for the financial year must therefore include the annual proportional share for painting of \$1,000. Next year, the estimated cost has increased to \$3,400 and so the second year levy will be \$1,200. The estimated cost in the third year is \$3,500, so with the \$2,200 accumulated, a levy of \$1,300 is necessary to meet the cost.

- (4) If, at the end of a financial year for which a budget for the maintenance reserve fund is adopted, there is a surplus or deficit, the surplus or deficit in the maintenance reserve fund must be carried forward and taken into account in adopting the budget for the next financial year.

## **100 Payments into maintenance reserve fund**

- (1) The scheme operator must ensure that the following amounts are paid into the maintenance reserve fund—
- (a) the residents' maintenance reserve fund contributions;
  - (b) interest received on investments belonging to the fund.

Maximum penalty—540 penalty units.

- (2) Subsection (1) does not limit the amounts a scheme operator may pay into the maintenance reserve fund.
- (3) However, the scheme operator must not pay into the maintenance reserve fund amounts properly payable into another fund.

Maximum penalty for subsection (3)—540 penalty units.

## **101 Restriction on investing maintenance reserve fund amounts**

A scheme operator must not invest an amount standing to the credit of the retirement village's maintenance reserve fund other than in an authorised investment under the *Trusts Act 1973*.

Maximum penalty—540 penalty units.

## **Division 6                      Charges for personal services**

### **102      Charges for personal services for former residents**

If a resident of a retirement village who is liable to pay a charge for personal services vacates the village, the scheme operator must not levy the charge against the resident—

- (a) after the period of notice given under section 52 or 53 ends; or
- (b) if the period of notice given under section 52 is extended—for more than 14 days after the end of the extended period of notice; or
- (c) if the resident's residence contract is terminated because the resident dies—for more than 28 days after the residence contract is terminated.

Maximum penalty—540 penalty units.

## **Division 7                      General services charges fund**

### **102AA General services charges fund**

- (1) A scheme operator must establish and keep a fund for general services.
- (2) The scheme operator must not use an amount standing to the credit of the fund for a purpose other than providing general services.

Maximum penalty—540 penalty units.

### **102A General services charge budget**

- (1) The scheme operator must, for each financial year, adopt a budget (the *general services charge budget*), that complies with subsection (2) and section 113AA, for the general services charges fund.

Maximum penalty—200 penalty units.

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- (2) The general services charge budget must—
    - (a) allow for raising a reasonable amount to provide the general services for the financial year; and
    - (b) fix the amount to be raised by way of contribution to cover the amount.
  - (3) At the end of a financial year for which a general services charge budget is adopted, any surplus or deficit in the fund must be carried forward and taken into account in adopting the general services charge budget for the next financial year.
  - (4) The scheme operator must fix the total general services charge mentioned in section 106(1) after the scheme operator complies with subsection (3).

### **103 Working out and paying general services charges for residents**

- (1) The amount a resident of a retirement village may be charged for general services under a residence contract must be worked out in the way stated in the contract.
- (2) A scheme operator must not charge a resident of a retirement village for general services an amount more than the amount worked out under subsection (1).

Maximum penalty—200 penalty units.

- (3) The scheme operator must not include, or provide for, in a residence contract in a general services charge an amount or component, however described, that is payable for or towards replacing the retirement village's capital items.

Maximum penalty—200 penalty units.

- (4) However, subsection (3) does not apply to an existing residence contract.
- (5) Subject to section 104, a resident of a retirement village is responsible for only the resident's proportion of the general services charges for the period the resident resides in the resident's accommodation unit.

- (6) Subsection (1) or (2) does not prevent the resident from being required to pay, as part of a general services charge under a residence contract, an amount directly or indirectly attributable to GST payable for the supply by, or to, the scheme operator for general services.
- (7) The scheme operator must not include, or provide for, in a general services charge an amount or component, however described, that is payable for or towards—
  - (a) costs awarded by the tribunal against the scheme operator; or
  - (b) legal costs incurred by the scheme operator in relation to a retirement village issue.

Maximum penalty—200 penalty units.

- (8) In this section—

*GST* has the meaning given by *A New Tax System (Goods and Services Tax) Act 1999* (Cwlth).

*supply* has the meaning given by *A New Tax System (Goods and Services Tax) Act 1999* (Cwlth).

## **104 Working out and paying general services charges and maintenance reserve fund contributions for former residents**

- (1) This section applies if a resident's right to reside under a residence contract in an accommodation unit is terminated under this Act.
- (2) The former resident is liable for the former part of the general services charge and maintenance reserve fund contribution for a financial year relating to the period from when the former resident vacates the resident's accommodation unit until the first of the following happens—
  - (a) the right to reside in the accommodation unit is sold;
  - (b) a period of 90 days elapses (the *90-day period*);
  - (c) the tribunal orders the scheme operator to pay the former resident's exit entitlement under section 171.



- (3) If the former resident's right to reside in the accommodation unit has not been sold within the 90-day period—
- (a) the former resident and the scheme operator are each liable, after the 90-day period ends, to pay the relevant part of the general services charge and maintenance reserve fund contribution for a financial year in the same proportion as they are to share the gross incoming contribution on the sale of the right to reside, as provided for in the residence contract; and
  - (b) the former resident ceases to be liable to continue to pay a proportion of the general services charge and maintenance reserve fund contribution for a financial year when the first of the following happens—
    - (i) the right to reside in the accommodation unit is sold;
    - (ii) a period of 9 months after the former resident vacates the accommodation unit ends.
- (4) If a former resident's right to reside in an accommodation unit has not been sold within the 90-day period, the scheme operator may—
- (a) accrue, as a book debt, the former resident's proportion of the general services charge and maintenance reserve fund contribution for a financial year; and
  - (b) set off the accrued amount against the former resident's exit entitlement.
- (5) A scheme operator must not charge interest on the accrued amount.
- Maximum penalty—100 penalty units.
- (6) Subsections (2)(b) and (3)(a) do not apply to a former resident under an existing residence contract.
- (7) A reference in this section to the sale of a former resident's right to reside includes a reference to the sale of a former resident's freehold property.

## **105 General services charges and maintenance reserve fund contributions for unsold right to reside in accommodation units**

- (1) A scheme operator must pay the proportion of the general services charges and maintenance reserve fund contributions relating to the right to reside in an accommodation unit in the village—
- (a) that has not been occupied under a residence contract; or
  - (b) if the liability of the former resident, who had the right to reside in the accommodation unit, to pay a proportion of the general services charges and maintenance reserve fund contributions has ended—
    - (i) under section 104(4); or
    - (ii) under the terms of the residence contract; or
  - (c) for which there is no residence contract in force.

Maximum penalty—200 penalty units.

- (2) The scheme operator must pay the amounts payable under subsection (1) into the general services charges fund and maintenance reserve fund respectively.
- (3) In this section—

*accommodation unit* means—

- (a) a part of a retirement village in which a resident has an exclusive right to reside; or
- (b) a part of a retirement village—
  - (i) that is under construction or being renovated; and
  - (ii) in which a resident will have an exclusive right to reside when the construction or renovation is completed.

## **106 Increasing the total general services charge**

- (1) This section limits the amount (the *total general services charge*), fixed by the scheme operator of a retirement village

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under section 102A in the general services charge budget for a financial year, that is to be raised by imposing a general services charge on each resident in the village for the financial year.

- (2) A scheme operator must not fix a total general services charge for a financial year at an amount that is an increase on the amount of the total general services charge for the previous financial year of more than the CPI percentage increase.

Maximum penalty—200 penalty units.

- (3) Subsection (2) does not apply to the operator to the extent the increase in the total general services charge—
- (a) has been agreed to by the residents by special resolution at a residents meeting; or
  - (b) is allowed under section 107.
- (4) In this section—

***CPI*** means the all groups consumer price index for Brisbane published by the Australian statistician.

***CPI percentage increase***, for a financial year, means the percentage increase between—

- (a) the CPI published for the third quarter of the financial year before the previous financial year; and
- (b) the CPI published for the third quarter of the previous financial year.

*Example—*

Under subsection (2), a scheme operator must not fix a total general services charge for the 2018–2019 financial year at an amount that is an increase on the amount of the total general services charge for the 2017–2018 financial year of more than the CPI percentage increase.

The relevant CPI percentage increase is the percentage increase between the CPI published for the third quarter of the 2016–2017 financial year and the CPI published for the third quarter of the 2017–2018 financial year.

## **107 Allowable increase in total general services charge**

For section 106(3)(b), an increase in the total general services charge for a financial year is allowed to the extent it is attributable to—

- (a) an increase in rates, taxes or charges levied under an Act in relation to the retirement village land or its use; or
- (b) an increase in the 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; or
- (c) an increase in insurance premiums, or insurance excesses paid, in relation to the retirement village or its use; or
- (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).

## **107A Considering more cost-effective alternative services**

Before increasing the amount included in a general services charge that relates to the provision of a particular general service, the scheme operator must consider whether there is a more cost-effective alternative to the general service.

## **108 New services to be approved by majority of residents**

- (1) A scheme operator may offer residents a service not already supplied under the scheme, for which a services charge is to be, or may be, made, only if the residents agree to it being supplied by special resolution at a residents meeting.
- (2) Subsection (1) does not apply to—
  - (a) a personal service; or

- (b) a service that is the same as a service already supplied under the scheme and introduced as a cost-effective alternative after consideration under section 107A; or
  - (c) another service, if the residence contract of each of the residents states that the service was proposed to be supplied.
- (3) The scheme operator must get at least 2 quotes for supplying the service from qualified tradespersons appropriate for the service.
  - (4) However, the requirement to get at least 2 quotes does not apply if, for exceptional reasons, it is not practicable to get more than 1 quote.
  - (5) The scheme operator must give copies of the quotes or, if the quotes are voluminous, summaries of the quotes and advice about where the complete quotes may be inspected, promptly to the residents.
  - (6) Any cost associated with getting a quote must be paid by the scheme operator.
  - (7) If any capital improvements are required for the scheme operator to supply the service, the scheme operator may supply the service only if the capital improvements are requested by the retirement village residents under section 90B.
  - (8) The operator may not charge the residents for the new service before the service is supplied to the residents.

## Division 8 Insurance

### 109 Definitions for div 8

In this division—

*building* includes improvements and fixtures forming part of the building, but does not include fixtures installed by a resident removable by the resident at the termination of a residence contract.

**damage**, for coverage under insurance required to be effected under this division, means—

- (a) damage from earthquake, explosion, fire, lightning, storm, tempest or water; or
- (b) glass breakage; or
- (c) damage from impact, malicious act, or riot.

### **110 Scheme operator must insure village**

- (1) A scheme operator must insure and keep insured, to full replacement value, the retirement village, including the accommodation units, other than accommodation units owned by residents, and the communal facilities.

Maximum penalty—540 penalty units.

- (2) The scheme operator must ensure that insurance taken out under this section—
- (a) covers, to the greatest practicable extent—
    - (i) damage; and
    - (ii) costs incidental to the reinstatement or replacement of insured buildings, including the cost of taking away debris and the fees of architects and other professional advisers; and
    - (iii) public liability; and
  - (b) provides for the reinstatement of property to its condition when new.

Maximum penalty—540 penalty units.

- (3) The insurance may be taken out subject to an excess.
- (4) However, for insurance other than public liability insurance, the excess must not be more than the maximum excess prescribed under a regulation, unless the residents, by special resolution at a residents meeting, agree otherwise.

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- (5) For subsection (4), the residents may not agree to the excess being more than 1% of the insured value of the retirement village.

## **Division 9                      Financial accounts and statements**

### **111      Scheme operator must keep separate accounts for capital replacement fund and maintenance reserve fund**

A scheme operator must ensure separate accounts are kept for the retirement village's general services charges fund, capital replacement fund and maintenance reserve fund.

Maximum penalty—540 penalty units.

### **112      Quarterly financial statements**

- (1) A resident may ask the scheme operator for a quarterly financial statement for—
- (a) 1 or more completed quarters of the current financial year; or
  - (b) 1 or more quarters of the last 2 completed financial years.
- (2) Within 28 days after receiving the request, the scheme operator must give the resident a quarterly financial statement for each quarter that—
- (a) complies with section 113AA; and
  - (b) without limiting paragraph (a), shows the income for the quarter of, and expenditure for the quarter from—
    - (i) the capital replacement fund; and
    - (ii) the maintenance reserve fund; and
    - (iii) the general services charges fund; and
  - (c) either—
    - (i) has been audited; or

(ii) is in a form that is capable of being audited.

Maximum penalty—100 penalty units.

- (3) This section does not prevent the scheme operator giving a resident a quarterly financial statement for a quarter other than a quarter mentioned in subsection (1).

### **112A Explanation of increase in general service charge**

- (1) This section applies if there is an increase in the expenditure involved in providing a general service that varies from the expected expenditure for the general service in the general services charge budget.
- (2) The residents committee may ask the scheme operator for an explanation for the increase.
- (3) As soon as practicable after receiving the request, the scheme operator must give the committee a document that explains the increase.

Maximum penalty—100 penalty units.

### **113 Annual financial statements**

- (1) A scheme operator must ensure a financial statement showing the following particulars about the retirement village's operation, and that complies with section 113AA, is given, on request, to a resident within 5 months after the end of each financial year—
- (a) income and expenditure of the capital replacement fund for the financial year;
  - (b) income and expenditure of the maintenance reserve fund for the financial year;
  - (c) income and expenditure of the general services charges fund for the financial year;
  - (d) amounts received for insurance claims relating to the retirement village during the financial year;



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- (e) assets and liabilities relating to the retirement village as at the end of the financial year;
  - (f) interests, mortgages and other charges affecting the retirement village's property as at the end of the financial year.

Maximum penalty—200 penalty units.

- (2) The scheme operator must ensure the statement is audited and an audit report, that complies with section 113AA and subsection (3), is issued by any of the following—
  - (a) a member of CPA Australia who holds a current public practice certificate issued by CPA Australia;
  - (b) a member of The Institute of Chartered Accountants in Australia who holds a current public practice certificate issued by the Institute;
  - (c) a member of the Institute of Public Accountants who holds a current public practice certificate issued by the Institute;
  - (d) a registered company auditor.

Maximum penalty—200 penalty units.

- (3) If, at any time during a financial year, no standards or principles for the preparation of audit reports are prescribed under section 113AA(1)(c), an audit report for an annual financial statement for the financial year must be prepared in accordance with the Australian Auditing Standards.
- (4) The scheme operator must give a copy of the statement and the audit report to the chief executive within 5 months after the end of each financial year.

Maximum penalty—200 penalty units.

### **113A Classification of expenditure**

- (1) A regulation may prescribe model rules (*model classification rules*) about the classification of items of expenditure.

- (2) Without limiting subsection (1), the model classification rules may—
  - (a) classify how a particular item of expenditure must be dealt with; and
  - (b) provide that scheme operators must classify how other items of expenditure must be dealt with.
- (3) A scheme operator must comply with the model classification rules in dealing with items of expenditure.
- (4) If the model classification rules provide that scheme operators must classify how other items of expenditure must be dealt with, each scheme operator must give the residents of the retirement village written notice of the scheme operator's classification of the items of expenditure by—
  - (a) giving the notice to the residents committee; or
  - (b) if there is no residents committee—putting the notice in a place in the retirement village where it is likely to be seen by most of the residents of the village.
- (5) For this section, an item of expenditure is dealt with if it is—
  - (a) debited to the capital replacement fund; or
  - (b) debited to the maintenance reserve fund; or
  - (c) levied as a general service charge.

## **Division 9A                      Requirements for financial documents**

### **113AA Form and content of financial documents**

- (1) A financial document must—
  - (a) be in the approved form; and

*Note—*

See section 227AA(2).

- 
- (b) be in the form, and include the information, prescribed for the document by regulation; and
- (c) be prepared in accordance with standards or principles prescribed for the document by regulation.

*Examples of standards or principles that may be prescribed under this paragraph—*

- accounting standards or principles
- the Australian Auditing Standards

- (2) Without limiting subsection (1)(b), a regulation mentioned in that provision may prescribe the following for a financial document—

- (a) particular information that must be included in the document;

*Examples—*

- information relating to particular items or classes of income or expenditure, whether the items or classes are shared with other entities and how the items or classes compare to corresponding items or classes in earlier financial documents
- information about, or stated in, an audit report issued for the financial document under section 113(2)

- (b) the way in which information must be presented in the document;

*Example—*

The information may be required to be presented in a way that assists residents, prospective residents or the chief executive to use or understand the information or document.

- (c) the statements or declarations, of any person, that must be included in the document;
- (d) the disclosure notes, about any matter, that must be included in the document;

*Examples—*

- disclosure notes about how the capital replacement fund contribution, maintenance reserve fund contribution and total general services charge are fixed
- disclosure notes about related party transactions

- disclosure notes about liabilities owed to former residents
- (e) the explanations, of any matter, that must be included in the document.

*Example—*

an explanation of a surplus or deficit stated in a financial document

- (3) In this section—

***financial document*** means each of the following documents—

- (a) a capital replacement fund budget;
- (b) a maintenance reserve fund budget;
- (c) a general services charge budget;
- (d) a quarterly financial statement mentioned in section 112(1);
- (e) an annual financial statement mentioned in section 113(1);
- (f) an audit report mentioned in section 113(2);
- (g) an independent quantity surveyor's written report mentioned in section 92(1) or 98(1).

### **113AB Requirement to provide draft budgets and independent quantity surveyor's written report**

- (1) A resident or the residents committee may, by written notice given to the scheme operator at least 28 days before the beginning of a financial year, ask the scheme operator to give the resident or residents committee a copy of a draft budget for the financial year.
- (2) If the scheme operator is given a notice under subsection (1), the scheme operator must—
  - (a) if the scheme operator has not already done so, prepare the draft budget; and

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- (b) at least 14 days before the beginning of the financial year, give the resident or residents committee—
- (i) a copy of the draft budget; and
  - (ii) a copy of any independent quantity surveyor's written report the scheme operator had regard to for the preparation of the draft budget.

Maximum penalty—200 penalty units.

## **Division 10            Redevelopment of retirement villages**

### **113B Definition for division**

In this division—

*residents meeting notice* see section 113D(b).

### **113C Application of division**

- (1) This division applies if a scheme operator proposes to redevelop a retirement village (a *running redevelopment*) without—
- (a) winding down the retirement village scheme for the retirement village; or
  - (b) stopping the retirement village scheme from operating, including temporarily.
- (2) However, this division does not apply to a running redevelopment if every resident of the retirement village was given written notice of the running redevelopment, before he or she became a resident, in a document mentioned in section 84(1).
- (3) In this section—
- redevelopment*, of a retirement village, includes—
- (a) the construction or demolition of an accommodation unit; and

- (b) the construction or demolition, or the expansion or reduction in size or area, of a building or structure located in the retirement village, other than works of a minor nature; and

*Example of works of a minor nature—*

the construction or demolition of a shed or similar structure

- (c) the expansion or reduction in size or area of the retirement village; and
- (d) a change of the use, other than a minor change, of a building or structure located in the retirement village; and

*Example of a minor change of use—*

a change of use of a shed or similar structure

- (e) another matter prescribed by regulation.

### 113D Requirement to prepare redevelopment plan

The scheme operator must give each resident of the retirement village—

- (a) a proposed redevelopment plan relating to the running redevelopment; and
- (b) a notice (a ***residents meeting notice***), in the approved form, that states—
  - (i) if the proposed redevelopment plan is not approved under section 113F(1)(a), within a stated reasonable period that is not less than 21 days after the giving of the residents meeting notice, the scheme operator may apply to the chief executive for approval of the proposed redevelopment plan under section 113F(1)(b); and
  - (ii) if the chief executive approves the proposed redevelopment plan under section 113F(1)(b), a resident may apply to the tribunal for a review of the decision under section 113J.

Maximum penalty—100 penalty units.

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### **113E Meaning of *redevelopment plan***

- (1) A *redevelopment plan*, for a retirement village, is a written plan about the running redevelopment of the retirement village.
- (2) A redevelopment plan for a retirement village must be in the approved form and state the matters prescribed by regulation.

### **113F Approval of redevelopment plan**

- (1) A proposed redevelopment plan may be approved either—
  - (a) by the residents, by a special resolution at a residents meeting; or
  - (b) on application under subsection (3), by the chief executive.
- (2) If the proposed redevelopment plan is approved under subsection (1)(a), the scheme operator must give the chief executive a copy of the approved redevelopment plan within 14 days of the vote.
- (3) The scheme operator may apply to the chief executive for approval of a proposed redevelopment plan if—
  - (a) the residents, by special resolution at a residents meeting, vote against the approval of the proposed redevelopment plan; or
  - (b) the proposed redevelopment plan is not approved under subsection (1)(a) within the period stated in the residents meeting notice.
- (3A) Before deciding the application, the chief executive must—
  - (a) give each resident of the retirement village a written notice stating that—
    - (i) the scheme operator has applied for approval of the proposed redevelopment plan; and
    - (ii) the resident may make submissions to the chief executive about the proposed redevelopment plan in a stated way and by a stated day; and

- (b) if a resident of the retirement village requests a copy of the proposed redevelopment plan—give a copy of the proposed redevelopment plan to the resident; and
  - (c) have regard to any submissions made to the chief executive by the residents in the stated way and by the stated day.
- (4) After receiving an application for approval of a proposed redevelopment plan, the chief executive must decide—
  - (a) to approve the plan; or
  - (b) to give the scheme operator a written direction to take action, or particular action, to revise the plan.
- (4A) The chief executive’s decision must be made within 90 days of the later of—
  - (a) the day the application is received; or
  - (b) if the chief executive reasonably requires further information for the purpose of making the decision and asks the scheme operator for the further information—the day the information is given.
- (5) The chief executive may approve the proposed redevelopment plan only if the chief executive is satisfied the plan provides for a clear, orderly and fair process for the running redevelopment.
- (6) If the chief executive approves the proposed redevelopment plan, the chief executive must give—
  - (a) written notice of the decision to the scheme operator; and
  - (b) a QCAT information notice for the decision to each resident.
- (7) Before giving a direction under subsection (4)(b), the chief executive must—
  - (a) give the operator a written notice stating—
    - (i) that the chief executive proposes to give the operator a direction to take action, or particular



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- action, to revise the proposed redevelopment plan (the *proposed action*); and
- (ii) the particulars of the action to be taken; and
  - (iii) the reasons for the proposed action; and
  - (iv) that the operator may make written submissions to the chief executive about the proposed action before a stated day; and
- (b) have regard to any written submissions made to the chief executive by the operator before the stated day.
- (8) If the chief executive gives a direction under subsection (4)(b), the chief executive must also give the operator, and each resident, a QCAT information notice for the decision.
- (9) If the chief executive fails to decide the application in the time required under subsection (4A), the chief executive is taken to have approved the proposed redevelopment plan.

### **113G Revision of approved redevelopment plan**

- (1) The chief executive may, on the chief executive's own initiative or on the application of the scheme operator, give the scheme operator a written direction to take action, or particular action, to revise an approved redevelopment plan.
- (2) The chief executive may approve the revised redevelopment plan only if the chief executive is satisfied the revised redevelopment plan provides for a clear, orderly and fair process for the running redevelopment.
- (3) If the chief executive approves the revised redevelopment plan, the chief executive must give—
  - (a) written notice of the decision to the scheme operator; and
  - (b) a QCAT information notice for the decision to each resident.

- (4) Before giving a direction under subsection (1) to a scheme operator on the chief executive's own initiative, the chief executive must—
  - (a) give the operator a written notice stating—
    - (i) that the chief executive proposes to give the operator a direction to take action, or particular action, to revise the approved redevelopment plan (the *proposed action*); and
    - (ii) the particulars of the action to be taken; and
    - (iii) the reasons for the proposed action; and
    - (iv) that the operator may make written submissions to the chief executive about the proposed action before a stated day; and
  - (b) have regard to any written submissions made to the chief executive by the operator before the stated day.
- (5) If the chief executive gives a direction under subsection (1) to a scheme operator on the chief executive's own initiative, the chief executive must also give the operator, and each resident, a QCAT information notice for the decision.

### **113H Requirement to implement approved redevelopment plan**

- (1) A scheme operator must, when carrying out a running redevelopment of a retirement village, comply with an approved redevelopment plan for the running redevelopment.

Maximum penalty—100 penalty units.

- (2) The scheme operator must, at the request of the chief executive, notify the chief executive about how an approved redevelopment plan is being implemented by the scheme operator.

Maximum penalty—100 penalty units.

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### **113I Discontinuing running redevelopment of retirement village**

- (1) This section applies if—
  - (a) a scheme operator has complied with section 113D in relation to a running redevelopment; and
  - (b) the scheme operator decides not to proceed with the running redevelopment.
- (2) The operator must give the chief executive, and each resident of the retirement village, notice (a *notice of discontinuation*) of the decision in the approved form.

Maximum penalty—100 penalty units.
- (3) If the operator gives a notice of discontinuation to the chief executive, or 1 or more residents of the retirement village, any approved redevelopment plan, for the running redevelopment of the retirement village, is no longer approved.

### **113J Application to tribunal for review**

A person who has been given a QCAT information notice under this division may apply, as provided under the QCAT Act, to the tribunal for a review of the decision.

## **Part 6 Statutory charges over retirement village land**

### **Division 1 Preliminary**

#### **114 Application of pt 6**

This part does not apply if a resident holds a freehold interest or a leasehold interest in an accommodation unit in a retirement village.

## **Division 2                      Creating a statutory charge, its effect and priority**

### **115      Definition for div 2**

In this division—

*registered*, for a security, means registered under the *Land Title Act 1994*.

### **116      Creating a charge**

- (1) Immediately the chief executive registers a retirement village scheme, a statutory charge is created over the retirement village land.
- (2) As soon as practicable after the scheme is registered, the chief executive must give written notice of its registration to the registrar of titles.
- (3) The notice must—
  - (a) identify the retirement village land; and
  - (b) state the day on which the scheme was registered.
- (4) The registrar of titles must record the charge in the freehold land register under the *Land Title Act 1994*.
- (5) However, subsection (1) does not apply if, before registering a retirement village scheme, the chief executive decides it should not apply—
  - (a) because the scheme operator is—
    - (i) an organisation established for a religious, charitable or community purpose; and
    - (ii) of good standing in operating retirement village schemes; or
  - (b) because of other exceptional circumstances and the chief executive is satisfied the proposed scheme operator provides another security to secure the rights

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under a residence contract of a resident in the retirement village.

## 117 Charge extends to new land

- (1) This section applies if land (*new land*) becomes retirement village land of a retirement village after a charge (the *original charge*) on the original retirement village land (the *original land*) for the retirement village is created under section 116.
- (2) Immediately the new land becomes retirement village land, the charge over the original land is released and a charge is created over the original land and the new land.
- (3) The scheme operator must give the chief executive written notice that new land has become retirement village land within 1 month of the new land becoming retirement village land.

Maximum penalty—540 penalty units.

- (4) As soon as practicable after receiving the notice, the chief executive must give written notice of the change to the retirement village land to the registrar of titles.
- (5) The notice must—
  - (a) identify the retirement village land; and
  - (b) state the day on which the new land became retirement village land.
- (6) The registrar of titles must record the release of the original charge and the creation of the charge under subsection (2) in the freehold land register under the *Land Title Act 1994*.

## 118 Effect of charge

A statutory charge under this part secures the right of each resident of the retirement village to which it relates—

- (a) to occupy the resident's accommodation unit; and
- (b) to use the village's communal and recreational facilities; and

- (c) to be paid the exit entitlement the resident is entitled to under the resident's residence contract on termination of the contract.

### **119 Priority of charge**

- (1) A statutory charge notified to the registrar of titles under this division has priority over all registered securities in or over the retirement village land to which the notice relates, whether or not the security was registered before the statutory charge was notified to the registrar of titles.
- (2) However, a statutory charge does not have priority over the following registered securities—
  - (a) a charge created, and given priority over other charges, under a Commonwealth law or another law of the State;
  - (b) securities registered in or over the retirement village land before 1 November 1989.

## **Division 3 Enforcing a statutory charge**

### **120 Enforcing a charge**

- (1) This section applies if—
  - (a) retirement village land is subject to a statutory charge under section 116 or 117; and
  - (b) a court orders an amount be paid by a scheme operator to a retirement village resident in relation to a right of the resident mentioned in section 118(a) to (c) (the *original order*); and
  - (c) the amount is not paid by 6 months after the end of the day by which it was required to be paid under the original order.
- (2) The person in whose favour the original order was made may apply to the District Court for an order that the retirement village land be sold.

- (3) However, a person may make an application under subsection (2) only if—
  - (a) the person has given the chief executive written notice of the person's intention to make the application; and
  - (b) for an amount payable under the original order by way of an exit entitlement, the amount is at least \$10,000 or another higher amount prescribed under a regulation.
- (4) Each resident of the retirement village, and anyone else who appears to the court to have a sufficient interest in the application, is entitled—
  - (a) to be joined as a party to the proceeding; and
  - (b) to be heard on the application.
- (5) Unless the court orders otherwise, the applicant must give the residents notice of their right to be heard on the application.

## **121 Orders court may make**

- (1) On hearing an application under section 120(2), the court may order that the retirement village land be sold only if the court is satisfied—
  - (a) the original order is unsatisfied and is not likely to be satisfied in any other way open to the applicant; and
  - (b) it is not contrary to the interests of any resident of the retirement village that the land be sold.
- (2) Without limiting the orders it may make, the court may appoint a person to act as the vendor's agent for the sale.

## **122 Effect of court order**

- (1) An order for the sale of retirement village land under section 121—
  - (a) authorises the sale of the land free of all existing securities, other than the securities the court preserves in its order; and

- (b) has effect despite—
  - (i) an existing caveat or lien affecting the land; or
  - (ii) any Act, other than this Act.
- (2) A person appointed as the vendor's agent under section 121(2) has the power to convey the land to a purchaser and to do all things necessary to effect the conveyance.
- (3) On settlement, the vendor is to apply the sale proceeds in the following order—
  - (a) paying the sale costs and the applicant's costs in seeking the order for sale;
  - (b) paying amounts payable under securities ranking in priority to the statutory charge;
  - (c) satisfying the original order;
  - (d) paying exit entitlements payable to residents if, because of the court order, the retirement village scheme stops operating or the residence contracts under the scheme terminate;
  - (e) paying amounts payable under securities ranking in priority after the statutory charge;
  - (f) paying the balance to the person who owned the retirement village land immediately before the sale, or to someone else at the person's direction.
- (4) For ensuring compliance with subsection (3)(d), the vendor must take reasonable steps to locate any former resident to whom an exit entitlement is payable.

## **Division 4                      Extinguishing and releasing a statutory charge**

### **123      Extinguishing a charge**

- (1) A statutory charge created over retirement village land under this part is extinguished on—



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- (a) its release by the chief executive under section 125; or
  - (b) the sale of the land under a court order under section 121.
- (2) However, subsection (1)(b) does not apply if—
- (a) the land continues, or is to continue, to be used under a registered retirement village scheme; and
  - (b) under the scheme's residence contracts, a person does not obtain a freehold interest or a leasehold interest in the retirement village land.

#### **124 Scheme operator may ask for release of charge if land stops being retirement village land**

- (1) A scheme operator may ask the chief executive to release the statutory charge created over the retirement village land if—
- (a) the land stops being retirement village land; or
  - (b) the scheme operator proposes to stop using the land for the retirement village.
- (2) A request under subsection (1) must be in writing.
- (3) The scheme operator must also—
- (a) give each resident of the retirement village a notice in writing stating the following—
    - (i) the scheme operator has asked the chief executive to release the statutory charge over the retirement village land;
    - (ii) how it will affect the resident if it is released;
    - (iii) that, within 60 days after the resident receives the notice, the resident may, by written notice given to the chief executive, object to the release; and
  - (b) give the chief executive—
    - (i) a statutory declaration made by the scheme operator stating the following—

- (A) the fact of the scheme operator's compliance with paragraph (a);
  - (B) whether the scheme operator knows or reasonably suspects a person has started, or is likely to start, proceedings to enforce the charge under section 120; and
- (ii) a copy of the notice given to residents under paragraph (a).
- (4) In this section—
- resident* includes a former resident who has not received an exit entitlement to which the former resident is entitled under the former resident's residence contract.

## **125 Chief executive to release charge**

- (1) The chief executive must release the statutory charge over a retirement village's land if the chief executive is satisfied—
- (a) the scheme operator has complied with section 124; and
  - (b) having regard to the objections made under the section, it is appropriate to release the charge over the land.
- (2) If the chief executive releases a statutory charge under subsection (1), the chief executive must give the registrar of titles written notice of the release of the charge.
- (3) On receipt of the notice, the registrar of titles must register the release of the charge over the land.

## **Division 5 Exemption from charges**

### **126 Exemption from charges**

A notice by the chief executive under section 116(2), 117(4) or 125(2) and any other instrument given to the registrar of titles to give effect to the recording of a charge or the release of a charge mentioned in those sections by the registrar of titles, is exempt from the payment of titles registry fees under

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the *Land Title Act 1994* for the giving of the notice or instrument.

## **Part 7 Residents participation**

### **Division 1 Residents committee**

#### **127 Residents committee**

- (1) The residents of a retirement village may establish, by election conducted among themselves, a residents committee.
- (2) A member of the residents committee—
  - (a) holds office for not more than 1 year, but may be re-elected; and
  - (b) may be removed, at any time, by special resolution at a meeting of the village residents.
- (3) The residents committee may, subject to section 128—
  - (a) decide its own procedures; and
  - (b) form subcommittees and decide a subcommittee's procedures.
- (4) If invited by the residents committee, the scheme operator may attend a residents committee meeting and address the members at the meeting.
- (5) If the scheme operator attends a residents committee meeting, the scheme operator must leave the meeting after the scheme operator has addressed the members, or been given a reasonable opportunity to address the members, unless the residents committee invites the scheme operator to remain.

#### **128 Residents constitution**

- (1) The residents of a retirement village may, by a majority vote of the residents at a residents meeting, adopt a constitution.

- (2) The constitution—
  - (a) may not be inconsistent with this Act; and
  - (b) must provide for a matter prescribed under a regulation.
- (3) The committee must conform with the constitution.

## **129 Committee's function**

The function of the residents committee is to deal with the scheme operator on behalf of residents about the day-to-day running of the village and any complaints or proposals raised by the residents.

## **129A Minutes of meetings**

- (1) The residents committee must ensure full and accurate minutes are taken of each meeting of the residents committee.
- (2) For subsection (1), the minutes must include at least the following particulars—
  - (a) the date, time and place of the meeting;
  - (b) the names of persons present and details of the capacity in which they attended the meeting;
  - (c) issues discussed and how each issue was decided or dealt with;
  - (d) details of correspondence, reports, notices or other documents tabled.
- (3) The minutes must be presented at the next residents committee meeting for confirmation, and if confirmed, a member of the residents committee must sign the minutes as accurate.
- (4) At the request of a resident, the residents committee must give the resident access to, or a copy of, the minutes of a residents committee meeting.
- (5) The minutes of a residents committee meeting are to be kept by the residents committee for the retirement village and, if

there is no residents committee for the retirement village, the scheme operator.

**129B Residents committee may require scheme operator to attend meeting about budgets**

- (1) The residents committee may, by written notice given to the scheme operator, ask the scheme operator to attend a meeting of the residents committee that is to be held before the start of a financial year to discuss a draft budget for the financial year.
- (2) The notice must be given at least 28 days before the beginning of the financial year.
- (3) The scheme operator must comply with the notice.

**Division 2 By-laws**

**130 Residents may make, change or revoke by-laws**

- (1) The residents of a retirement village may, by special resolution at a residents meeting and with the agreement of the scheme operator, make, change or revoke by-laws for the village.
- (2) The scheme operator's agreement must not be unreasonably withheld.
- (3) A by-law may be made about the non-exclusive use and enjoyment of the village.
- (4) If there is an inconsistency between a by-law and a provision of a residence contract for the village, the provision prevails to the extent of the inconsistency.
- (5) Subsection (3) does not limit the residents' power under another law to make, change or revoke by-laws.

## **Division 3                      Residents meetings**

### **131      Annual meeting**

- (1) In each year, a scheme operator must call an annual meeting of the residents of the retirement village as soon as reasonably practicable after the annual financial statement and audit report mentioned in section 113 are available.

Maximum penalty—100 penalty units.

- (2) However, the scheme operator must give each resident at least 21 days written notice of the meeting.
- (3) The annual meeting may not be held simultaneously with a meeting that must be held under another Act.

*Example—*

The meeting may not be held simultaneously with a meeting that is required under the *Body Corporate and Community Management Act 1997*.

- (4) The scheme operator must present the statement and report to the meeting.

Maximum penalty for subsection (4)—100 penalty units.

### **132      Other meetings**

- (1) A scheme operator or a residents committee of a retirement village may, by 14 days written notice given to each resident of the village, call a meeting of all the residents.
- (2) However, in urgent circumstances, the scheme operator or the residents committee may call a meeting of the residents by giving each resident the written notice of the meeting that is reasonable in the circumstances but not less than 2 days.
- (3) The scheme operator may attend a residents meeting and address the residents at the meeting—
  - (a) if the residents meeting is called by the scheme operator; or

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- (b) if the residents meeting is called by the residents committee to vote on a special resolution; or
  - (c) if invited by the residents committee.
- (4) If the scheme operator attends a residents meeting called to vote on a special resolution, the scheme operator must leave the meeting after the scheme operator has addressed the meeting, or been given a reasonable opportunity to address the meeting, and the special resolution has been voted on, unless the residents committee invites the scheme operator to remain.
- (5) If the scheme operator attends a residents meeting at the residents committee's invitation, the scheme operator must leave the meeting after the scheme operator has addressed the meeting, or been given a reasonable opportunity to address the meeting, unless the residents committee invites the scheme operator to remain.
- (6) In this section—
- urgent circumstances* means circumstances in which it is not prudent to wait for the usual 14 days written notice of a meeting to be given.

## Division 4                  Voting

### 133      Voting

- (1) The following persons are entitled to vote at a meeting of the residents of a retirement village—
- (a) either—
    - (i) 1 resident of each accommodation unit in the retirement village; or
    - (ii) if the residents have, by special resolution, agreed that each resident of the retirement village should be entitled to vote—each resident of the retirement village;

- (b) while a former resident of an accommodation unit is required under section 104 to pay the whole or a proportion of the general services charges—1 former resident of the accommodation unit.
- (2) The resident's vote may be cast by—
    - (a) the resident; or
    - (b) a person who the resident has appointed by power of attorney; or
    - (c) any other person, other than the scheme operator, who the resident has appointed by signed notice to vote by way of proxy vote at a particular meeting stated in the notice.
  - (3) A signed notice under subsection (2)(c) appointing another person to vote by way of proxy vote must not relate to more than 1 meeting.
  - (4) A person may not hold more than 2 proxy votes for the meeting.
  - (5) A resident of a retirement village may cast a vote (*postal vote*) for a residents meeting by placing the resident's written vote in a container provided by the scheme operator for the purpose in the common area of the village at least 24 hours before the time when the meeting is to be held.
  - (6) The scheme operator must provide a secure locked container for postal votes in the common area at least 24 hours before the time the meeting is to be held.

Maximum penalty—10 penalty units.
  - (7) The scheme operator must not open, or allow to be opened, the container before it is delivered to the chairperson of the meeting.

Maximum penalty—10 penalty units.
  - (8) The scheme operator must deliver the container to the chairperson of the meeting immediately before the chairperson opens the meeting.

Maximum penalty—10 penalty units.



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## **Part 8**                      **Rights and obligations of scheme operator, residents and others**

### **134 Purpose and enforceability of part**

- (1) This part states requirements relating to the behaviour of scheme operators and residents, or former residents, of retirement villages.
- (2) A dispute about the person's rights and obligations under this part is a retirement village dispute.

### **135 Scheme operator to respect rights of residents**

- (1) A scheme operator of a retirement village must respect the rights of residents of the retirement village.
- (2) Without limiting subsection (1), the scheme operator—
  - (a) must not unreasonably interfere with, or allow interference with, the reasonable peace, comfort or privacy of a resident; and  
*Example—*

It may be reasonable for a scheme operator to interfere with a resident's access to a communal facility to make repairs to the facility.
  - (b) must take reasonable steps to ensure a resident or a resident's guest does not interfere with the reasonable peace, comfort or privacy of another resident; and
  - (c) must use the scheme operator's best endeavours to ensure each resident lives in an environment free from harassment and intimidation; and
  - (d) must not restrict the right of a resident to autonomy over the resident's personal, financial or other affairs or possessions; and

- (e) must not restrict a resident from exercising self-reliance in matters relating to the resident's personal, domestic or financial affairs; and
  - (f) must, within 21 days after receiving relevant correspondence from a resident or former resident, or the representative of a resident or former resident, give the resident, former resident or representative a complete response to the relevant correspondence.
- (3) Nothing in this section prevents the scheme operator, or another person, from entering the resident's accommodation unit—
- (a) if the operator reasonably believes the health or safety of a person in the accommodation unit is at risk; or
  - (b) in order to carry out urgent repairs; or
  - (c) otherwise in an emergency; or
  - (d) if the entry is authorised under a law.
- (4) In this section—

***complete response***, to relevant correspondence, means a written response addressing each complaint, proposal and question in the relevant correspondence.

***relevant correspondence*** means a written complaint, proposal or question about the operation of the retirement village.

***representative***, of a resident or former resident, means an entity—

- (a) established to represent the interests of—
  - (i) the resident or former resident; or
  - (ii) residents or former residents generally; and
- (b) that is authorised by the resident or former resident to give relevant correspondence to the scheme operator.

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### **136 Residents to respect rights of others**

- (1) A resident of a retirement village must respect the rights of other residents of the retirement village and other persons in the retirement village.
- (2) Without limiting subsection (1), a resident of a retirement village—
  - (a) must not unreasonably interfere, or unreasonably cause or permit interference, with the peace, comfort or privacy of another resident; and
  - (b) must respect the rights of the scheme operator and the scheme operator’s representatives to work in an environment free from harassment and intimidation; and
  - (c) must not act in a way that adversely affects the occupational health and safety of a person who is—
    - (i) working in the retirement village; and
    - (ii) employed, or otherwise authorised to work in the retirement village, by the scheme operator.
- (3) In this section—

*representative*, of a scheme operator, means—

  - (a) if the scheme operator is a corporation—an executive officer, employee or agent of the corporation; or
  - (b) if the scheme operator is an individual—an employee or agent of the individual.

## **Part 9 Dispute resolution**

### **Division 1 Preliminary**

#### **153 Parties’ rights under this part preserved**

To remove any doubt, it is declared that if a provision of a residence contract requires or permits a dispute under or about

the contract to be referred to arbitration or be heard by any court or tribunal, the provision does not limit a party's rights under this part.

## **154 Preliminary negotiation**

- (1) The parties to a retirement village dispute may refer the dispute to a mediation process under this part only if the parties have attempted to resolve the dispute under this section.
- (2) A party to the dispute (the *first party*) must give the other party to the dispute (the *second party*) written notice—
  - (a) stating the matters in dispute; and
  - (b) nominating a day, no earlier than 14 days after the notice is given, (the *nominated day*) for the parties to meet within the village to attempt to resolve the dispute.
- (3) The second party must give the first party a written response to the notice within 7 days after receiving the notice.
- (4) On the nominated day, or another day within 7 days after the nominated day and agreed by the parties, the parties must meet in the retirement village and attempt to resolve the dispute.

## **Division 2 Mediators**

### **155 Mediator's function**

A mediator's function under this Act is to seek to resolve, by mediation, retirement village disputes within a mediator's jurisdiction.

### **156 Matters that may be mediated**

- (1) A mediator may mediate retirement village disputes, other than a retirement village dispute about an issue between the parties that—

- (a) is the subject of arbitration; or
  - (b) has been the subject of an award (interim or final) in an arbitration proceeding; or
  - (c) is before, or has been decided by, a court.
- (2) For subsection (1)(a), a retirement village dispute is only the subject of arbitration if the arbitration proceeding has started.

### **Division 3                      Mediation of retirement village disputes**

#### **157      Notice of retirement village dispute**

- (1) A party to a retirement village dispute that a mediator may mediate may apply to the registrar to have the dispute referred to mediation.
- (2) The application (the *dispute notice*) must be—
  - (a) in the approved form; and
  - (b) accompanied by the fee prescribed under a regulation; and
  - (c) given to the registrar.
- (3) However, if the resident's residence contract has been terminated, the dispute notice must be given within 4 months after the payment of the former resident's exit entitlement.

#### **158      Registrar to act on dispute notice**

- (1) Within 14 days after receiving the dispute notice, the registrar must—
  - (a) appoint a mediator to mediate the retirement village dispute; and
  - (b) give written notice to the parties to the dispute of—
    - (i) the mediator who is to mediate the dispute; and

- (ii) the time, date and place of the conference (*mediation conference*) to be conducted by the mediator.
- (2) The notice under subsection (1)(b) must be given at least 7 days before the mediation conference.

### **159 Right of representation**

At a mediation conference, a party to the retirement village dispute may be represented by a lawyer or an agent unless the mediator is satisfied the party should not be represented.

### **160 Conference to be held in private**

A mediation conference is not open to the public.

### **161 Parties' attendance at conference not compellable**

A party to a retirement village dispute can not be compelled to attend a mediation conference.

### **162 Parties to mediation conference**

- (1) A mediator may allow a person to take part in a mediation conference if the mediator is satisfied the person has a sufficient interest in the resolution of the dispute.
- (2) However, the person does not become a party to the dispute.

### **163 Mediation agreements**

- (1) This section applies if the parties to a retirement village dispute reach a mediated agreement on the dispute.
- (2) The mediator must record the agreement (the *mediation agreement*) in writing and have it signed by or for the parties.
- (3) The mediator must give a copy of the signed agreement to the registrar as soon as practicable after it is signed.

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## **164 No official record of mediation conference**

- (1) A person must not make a record of anything said at a mediation conference.

Maximum penalty—40 penalty units.

- (2) However, the mediator does not contravene subsection (1) if—
- (a) the mediator makes notes during the mediation conference the mediator considers appropriate and destroys them at the end of the mediation; or
  - (b) records an agreement under section 163(2).

## **165 Withdrawal of dispute**

- (1) A person who has given a dispute notice to the registrar may, by written notice (the *withdrawal notice*) given to the registrar, withdraw the dispute notice.
- (2) The withdrawal notice may be given before or after a mediator has started mediating the dispute.
- (3) The registrar must advise the mediator, if appointed, and the other parties to the dispute of the withdrawal as soon as practicable after receipt of the withdrawal notice.

# **Part 10 Applications to tribunal**

## **Division 2 Applications about retirement village disputes**

### **167 Application for reference of dispute**

- (1) A party to a retirement village dispute may apply to the tribunal if—
- (a) the parties to the dispute can not reach a mediation agreement to the dispute; or

- (b) a party to the dispute does not attend the mediation conference for the dispute; or
  - (c) the dispute is not settled within 4 months after the dispute notice is given to the registrar; or
  - (d) the party claims that another party to a mediation agreement has not complied with the agreement within the time specified in it or, if no time is specified, within 2 months after the agreement is signed.
- (2) Also, a party to a building work dispute or mandatory buyback dispute may apply to the tribunal even if the parties to the dispute have not first attempted to resolve the dispute under section 154 or referred the dispute to a mediation process under part 9.

- (3) In this section—

*building work dispute* means a retirement village dispute about reinstatement work or renovation work under part 3, division 5.

*mandatory buyback dispute* means a retirement village dispute mentioned in section 63A(7).

## **Division 3                      Applications about other retirement village issues**

### **169      Resident’s right to apply for an order if threatened with removal, deprivation or restriction**

- (1) This section applies if a resident of a retirement village—
- (a) is threatened with removal, or is removed, from the village by the scheme operator of the retirement village; or
  - (b) is threatened with deprivation, or is deprived, of the resident’s right to reside in the village under a residence contract by the operator; or



- (c) is threatened with restriction of, or is restricted in, the resident's use of the retirement village land under the residence contract by the operator.
- (2) The resident may apply to the tribunal for an order that the scheme operator do, or not do, a stated thing.

### **170 Resident may apply for order if scheme operator contravenes particular provisions**

- (1) This section applies if—
  - (a) a scheme operator of a retirement village contravenes section 84 or 86; and
  - (b) a resident of the retirement village is materially prejudiced by the contravention.
- (2) The resident may apply to the tribunal for an order to have the resident's residence contract set aside.
- (3) Subsection (2) applies even if the resident was a prospective resident at the time of the contravention.

### **171 Former resident may apply for order for payment of exit entitlement**

- (1) This section applies if—
  - (a) a retirement village scheme operator fails to comply with former section 58(2) or section 59A(4), 60(2), 65 or 67(2); and
  - (b) a former resident of the retirement village is materially prejudiced by the failure.
- (2) The former resident may apply to the tribunal for an order that the operator pay to the former resident the former resident's exit entitlement.
- (3) In this section—

*former section 58(2)* means section 58(2) as in force immediately before the commencement and applied in relation to a current residence contract under section 237K.

### **171A Operator may apply for extension of time for payment of exit entitlement or mandatory buyback**

- (1) A scheme operator may apply to the tribunal for an order extending the time by which the operator must—
  - (a) pay the exit entitlement of a former resident under section 63(1)(c); or
  - (b) complete the purchase of a former resident’s freehold property under a contract under section 63A.
- (2) The tribunal may make an order fixing a later day by which the operator must do the thing mentioned in subsection (1)(a) or (b) if satisfied—
  - (a) for a payment mentioned in subsection (1)(a)—the operator is unlikely to be able to sell the right to reside in the former resident’s accommodation unit before the day payment is required under section 63(1)(c); and
  - (b) if the order is not made, the operator is likely to suffer undue financial hardship; and
  - (c) the order would not be unfair to the former resident, having regard to any submissions made by the former resident about hardship he or she is likely to suffer if the order is made.

## **Division 4 Group applications**

### **173 Application to tribunal by group of residents**

If, under this Act, a resident of a retirement village may apply to the tribunal, a group of residents of the retirement village may apply jointly to the tribunal about a matter arising from the same or similar facts or circumstances.

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## Division 5 Representation

### 174 Who may represent a resident before the tribunal

A resident of a retirement village who is an individual may be represented before the tribunal—

- (a) by another resident of the retirement village who is not a lawyer; or
- (b) by a relative who is not a lawyer; or
- (c) with the leave of the tribunal, by a lawyer or another person.

## Part 11 Tribunal hearings of retirement village issues

### Division 2 Tribunal orders

#### 191 Tribunal orders generally

- (1) The tribunal may make the orders the tribunal considers to be just to resolve a retirement village issue.
- (2) For example, the tribunal may make any 1 or more of the following orders—
  - (a) an order for a party to the issue to do, or not to do, anything (an *enforcement order*);
  - (b) an order requiring a party to the issue to pay an amount (including an amount of compensation) to a specified person (a *payment order*);
  - (c) an order that a party to the issue is not required to pay an amount to a specified person;
  - (d) if the issue is a retirement village dispute—
    - (i) an order setting aside the mediation agreement between the parties to the dispute; or

- (ii) an order giving effect to a settlement agreed on by the parties to the dispute.
- (3) An order may specify a time for compliance with it.
- (4) Without limiting subsection (1), this section applies if a person applies for a tribunal order under section 169, 170, 171 or 171A.

### **192 Tribunal orders under section 169**

- (1) This section applies if a resident applies for a tribunal order under section 169.
- (2) In making the order, the tribunal must be satisfied that the actual or threatened removal, deprivation or restriction mentioned in the application—
  - (a) is, or would be, a breach of the resident’s residence contract; or
  - (b) is not, or would not be, reasonably justified.
- (3) Without limiting subsection (2), the tribunal in deciding the application may have regard to the rights and interests of all persons who may be affected if the order is made.
- (4) The order may be made on the conditions and for the period the tribunal decides is appropriate.

### **193 Tribunal orders under section 170**

- (1) This section applies if a resident applies for a tribunal order under section 170.
- (2) In setting a contract aside, the tribunal may make the orders it considers appropriate including, for example, the following—
  - (a) an order that the scheme operator refund to the resident the ingoing contribution or another amount paid under the contract;
  - (b) an order that the scheme operator compensate the resident for damages or loss caused by the contravention.

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## **194 Tribunal orders under section 171**

- (1) This section applies if a resident applies for a tribunal order under section 171.
- (2) In ordering a scheme operator to pay the exit entitlement to the former resident, the tribunal must base the exit entitlement on the following—
  - (a) if the resale value of the right to reside in the unit has been agreed under section 60 or 67—that value;
  - (b) if the resale value of the right to reside in the unit has not been agreed—the resale value of the right to reside in the unit decided by the tribunal under subsection (3).
- (3) For subsection (2)(b), the tribunal must obtain an independent valuation of the right to reside in the unit from a valuer.

## **195 Tribunal order under section 171A**

- (1) This section applies if a scheme operator applies for a tribunal order under section 171A(1)(a).
- (2) Without limiting section 191, the tribunal may make an order that the operator pay the exit entitlement by instalments on stated days.

# **Part 12 The tribunal**

## **209 Tribunal's function**

The tribunal's function is to hear retirement village issues that—

- (a) are within the tribunal's jurisdiction; and
- (b) it is appointed to hear.

## **210 Tribunal's jurisdiction**

- (1) The tribunal has jurisdiction to hear retirement village issues, other than a retirement village dispute—
  - (a) about an issue between the parties that—
    - (i) is the subject of arbitration; or
    - (ii) has been the subject of an award (interim or final) in an arbitration proceeding; or
    - (iii) is before, or has been decided by, a court; or
  - (b) if the amount, value or damages in dispute is more than the monetary limit of the District Court within the meaning of the *District Court of Queensland Act 1967*, section 68.
- (2) For subsection (1)(a)(i), a retirement village dispute is only the subject of arbitration if the arbitration proceeding has started.

# **Part 13 Other provisions for mediation conferences and tribunal hearings**

## **Division 2 General**

### **215 Exclusion of other jurisdictions**

- (1) On and after an application about a retirement village issue under part 9 or 10 is given to the registrar, the issue must not be referred to arbitration or heard by any court.
- (2) Subsection (1) does not apply if—
  - (a) the application is withdrawn; or
  - (b) a proceeding about the issue in dispute was started in a court before the application was given to the registrar

and the proceeding has not been removed to the tribunal;  
or

- (c) an application for an order in the nature of an injunction about the issue is made to a court; or
- (d) the tribunal orders the issue to be removed to a court under section 210.

## **Part 14                      Miscellaneous**

### **219      Starting offence proceedings**

A proceeding for an offence against this Act must be started within—

- (a) 1 year after the offence is committed; or
- (b) 6 months after the offence comes to the complainant's knowledge, but within 2 years after the offence is committed.

### **220      Appointments and authority**

- (1) It is not necessary to prove in a proceeding under this Act—
  - (a) the chief executive's appointment; or
  - (b) the registrar's appointment; or
  - (c) the authority of the chief executive or the registrar to do anything under this Act.
- (2) Subsection (1) does not apply if reasonable notice is given to the party relying on the appointment or authority that the appointment or authority is to be challenged.

### **221      Evidentiary provisions**

- (1) This section applies to a proceeding under this Act.
- (2) A signature purporting to be the signature of the chief executive is evidence of the signature it purports to be.

- (3) A certificate purporting to be signed by the chief executive or the registrar and stating any of the following matters is evidence of the matter—
  - (a) a particular retirement village scheme has or has not been registered at a time stated in the certificate;
  - (b) the documents relating to a particular retirement village scheme that are or were, at a time stated in the certificate, included in the register under this Act;
  - (c) on a stated day, a stated person was given a stated notice under this Act;
  - (d) a stated fee or other amount is payable by a stated person to someone else and has not been paid;
  - (e) any matter within the control or knowledge of the chief executive or the registrar and relevant to the proceeding.
- (4) A certificate signed by the chief executive or the registrar and stating that a stated document is a copy of a financial or other record, contract or document is evidence of the matter.
- (5) A copy of a condition report stating the condition of a stated accommodation unit is evidence of the condition of the unit—
  - (a) if the report is signed by the resident—when the report was signed; or
  - (b) otherwise—when the report was made.
- (6) However, if the report is signed by the resident and marked to show the resident's disagreement with the report, the report is evidence of the condition of the unit only as far as its contents are unmarked.

## **222 Act's remedies not exclusive**

Nothing in this Act prevents a party to a residence contract from seeking or enforcing another remedy the party may have under another law.



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## **223 Protection from liability**

- (1) An official does not incur civil liability for an act done, or omission made, honestly and without negligence under this Act.
- (2) If subsection (1) prevents civil liability attaching to an official, the liability attaches instead to the State.
- (3) In this section—  
*official* means—
  - (a) the chief executive; or
  - (b) an employee of the department.

## **224 Responsibility for acts or omissions of representatives**

- (1) Subsections (2) and (3) apply in a proceeding for an offence against this Act.
- (2) If it is relevant to prove a person's state of mind about a particular act or omission, it is enough to show—
  - (a) the act was done or omitted to be done by a representative of the person within the scope of the representative's actual or apparent authority; and
  - (b) the representative had the state of mind.
- (3) An act done or omitted to be done for a person by a representative of the person within the scope of the representative's actual or apparent authority is taken to have been done or omitted to be done also by the person, unless the person proves the person could not, by the exercise of reasonable diligence, have prevented the act or omission.
- (4) In this section—  
*representative* means—
  - (a) of a corporation—an executive officer, employee or agent of the corporation; or
  - (b) of an individual—an employee or agent of the individual.

*state of mind* of a person, includes—

- (a) the person's knowledge, intention, opinion, belief or purpose; and
- (b) the person's reasons for the intention, opinion, belief or purpose.

## **225 Review of operation of s 63(1)(c)**

- (1) A review of the operation of section 63(1)(c) must be conducted, under this section, to determine the impact of the provision on the following persons—
  - (a) residents;
  - (b) former residents;
  - (c) the families of residents or former residents;
  - (d) scheme operators.
- (2) The review must be conducted by a panel of not more than 4 appropriately qualified persons appointed by the Minister.
- (3) The Minister must prepare, and give to the panel, terms of reference to guide the conduct of the review.
- (4) The review must start no later than 2 years after the commencement.

## **226 Chief executive may make guidelines**

- (1) The chief executive may make guidelines, not inconsistent with this Act, to inform persons about—
  - (a) the attitude the chief executive is likely to adopt on a particular matter; or
  - (b) how the chief executive administers this Act; or
  - (c) matters that may help persons comply with their obligations or responsibilities, or lawfully and appropriately exercise powers, under this Act.

- (2) The chief executive must publish the guidelines on the department's website.

## **227 Approval of forms**

The chief executive may approve forms for use under this Act.

### **227AA Requirements about approved forms for residence contracts and other documents**

- (1) Without limiting section 227, a form may be approved for use as a residence contract, contract under section 63A or other document that—
  - (a) applies to documents of that type generally; or
  - (b) is limited in its application by reference to stated matters.
- (2) A requirement in this Act for a document to be in the approved form does not apply if there is no approved form at the time the document is adopted, entered into or otherwise used under this Act.

### **227A Delegation of chief executive's powers**

- (1) The chief executive may delegate the chief executive's powers under this Act to an appropriately qualified public service officer.
- (2) In this section—

*appropriately qualified* means having qualifications, experience or standing appropriate to exercise the power.

*Example of standing—*

a person's classification level in the public service

## **228 Regulation-making power**

- (1) The Governor in Council may make regulations under this Act.

- (2) In particular, a regulation may—
  - (a) provide for the fees payable under this Act; or
  - (b) create offences and prescribe penalties of not more than 20 penalty units for each offence.
- (3) A regulation may impose a requirement about the provision of equipment in a retirement village for public safety.

## **Part 15                      Transitional and savings provisions**

### **Division 1                      Transitional provisions for Act No. 71 of 1999**

#### **229      Existing retirement village schemes**

- (1) An existing retirement village scheme is taken to be registered under this Act if, at the commencement of this section the scheme was approved under the repealed Act and the approval is in force.
- (2) The chief executive must promptly give the scheme operator of the existing retirement village scheme a registration certificate in the approved form.
- (3) The scheme operator must, within 6 months after the commencement—
  - (a) give the chief executive the following—
    - (i) the public information document for the retirement village;
    - (ii) the particulars mentioned in section 27(2)(a); and
  - (b) give each resident of the retirement village a written statement detailing the changes to the resident's residence contract required by this Act.

Maximum penalty for subsection (3)—540 penalty units.

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## **230 Existing exempt organisations and retirement villages**

- (1) An exemption given to an organisation or an existing retirement village under the repealed Act and in force at the commencement of this section continues under this Act and is to be read with the changes necessary to adapt its operation to the provisions of this Act.
- (2) If the exemption operated to exclude a person or retirement village from the operation of a provision of the repealed Act, the exemption continues to operate to exclude the person or village from the operation of a corresponding provision of this Act, other than this provision.
- (3) The exemption remains subject, after the commencement, to any condition or time limitation that applied to the exemption immediately before the commencement.
- (4) The exemption expires 2 years after the commencement of this section.
- (5) Despite subsections (1) to (3), a regulation may prescribe provisions of this Act to which the exemption does not apply.

## **231 Releasing certain existing charges**

- (1) This section applies if the land of an existing retirement village was subject to a statutory charge under section 33 of the repealed Act immediately before its repeal and either—
  - (a) the existing retirement village is not a retirement village for this Act; or
  - (b) a person's right to reside in the existing retirement village depends on the person holding a registered lease over a part of the retirement village land.
- (2) The operator of the existing retirement village may apply to the chief executive to release the charge.
- (3) The application must be in writing and state the particulars of a ground mentioned in subsection (1) on which it is made.
- (4) The chief executive's decision whether or not to release the charge must be made within 60 days of the later of—

- (a) the day the application is received; or
  - (b) if the particulars with the application do not conform with the requirements of subsection (3) and the chief executive requests further particulars, the day the particulars are given.
- (5) If the chief executive decides to release the charge—
- (a) the chief executive must, as soon as practicable after making the decision, give the registrar of titles written notice that the charge is released; and
  - (b) on receipt of the notice, the registrar of titles must register the release of the charge.
- (6) If the chief executive refuses to release the charge, the chief executive must give the operator a signed notice stating—
- (a) the reasons for the refusal; and
  - (b) the operator may appeal against the decision under section 29.
- (7) Sections 29 to 33, other than section 30(1)(b), apply to an appeal under subsection (6)(b) as if the decision to refuse to release the charge were a decision to refuse an application to register a retirement village.

## **232 Apportionment of balance where separate funds maintained**

- (1) This section applies if immediately before the commencement of this section a scheme operator of an existing retirement village maintains separate funds for the retirement village for—
- (a) capital replacement; and
  - (b) maintenance and repairs.
- (2) The scheme operator must, within 90 days after the commencement of this section, transfer the balance in those funds to—

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- (a) for a fund mentioned in subsection (1)(a)—the capital replacement fund; or
  - (b) for a fund mentioned in subsection (1)(b)—the maintenance reserve fund.

Maximum penalty for subsection (2)—200 penalty units.

**233 Apportionment of balance where single fund maintained for maintenance and repairs**

- (1) This section applies if immediately before the commencement of this section a scheme operator of an existing retirement village maintains a single fund for maintenance and repairs for the retirement village.
- (2) The scheme operator must, within 90 days after the commencement of this section, transfer the balance in the fund to the maintenance reserve fund.

Maximum penalty for subsection (2)—200 penalty units.

**234 Apportionment of balance where single fund maintained for capital replacement and maintenance and repairs**

- (1) This section applies if immediately before the commencement of this section a scheme operator of an existing retirement village maintains a single fund for capital replacement and maintenance and repairs for the retirement village.
- (2) The scheme operator must, within 90 days after the commencement of this section, transfer the balance in the fund to the capital replacement fund and the maintenance reserve fund in the proportion that the amount decided by the quantity surveyor under section 92 as expected capital replacement costs is to the amount decided by the quantity surveyor under section 98 as expected maintenance costs.

*Example—*

If there is \$600,000 in an existing fund for capital replacement and maintenance and repairs for the retirement village and the quantity surveyor has decided the amounts required under sections 92 and 98 as \$500,000 and \$250,000 respectively, out of the \$600,000 available,

\$400,000 is to be transferred to the capital replacement fund and  
\$200,000 is to be transferred to the maintenance reserve fund.

Maximum penalty for subsection (2)—200 penalty units.

### **235 Existing regulations**

- (1) The regulations in force under the repealed Act immediately before the commencement of this section—
  - (a) continue in force under this Act, subject to amendment or repeal by a regulation under this Act; and
  - (b) are to be read with the changes necessary to make them consistent with this Act and adapt their operation to the provisions of this Act.
- (2) The regulations expire 1 year after the commencement.

### **236 Existing by-laws**

- (1) A by-law made under the repealed Act and in force immediately before the commencement of this section continues in force under this Act, subject to amendment or repeal by a by-law under this Act.
- (2) Despite section 130, if there is an inconsistency between a by-law made under section 130(1) and by-law made before 1 November 1989 (an *existing by-law*) and in force immediately before the commencement of this section, the existing by-law prevails to the extent of the inconsistency.

### **237 Retirement Villages Act 1988 references**

In an Act or document, a reference to the *Retirement Villages Act 1988* may, if the context permits, be taken as a reference to this Act.



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## **Division 2**                      **Transitional provisions for Retirement Villages Amendment Act 2006**

### **237A Exit fees**

- (1) This section applies if, before the commencement of this section—
  - (a) a resident had ceased residing in an accommodation unit; and
  - (b) the resident had not paid the exit fee under the residence contract to the scheme operator.
- (2) For calculating the exit fee the resident may be liable to pay to, or credit the account of, the scheme operator, section 15 and any relevant definitions, as in force immediately before the commencement, continue to have effect.

### **237B Notice about inaccuracy in public information document**

- (1) This section applies if—
  - (a) before the commencement of this section, a person had signed a residence contract; and
  - (b) before the commencement, the cooling-off period for the residence contract had not ended; and
  - (c) before the cooling-off period ends, and whether before or after the commencement, the scheme operator becomes aware that the particulars in a public information document are inaccurate in a way that may materially affect the interests of a resident of the retirement village.
- (2) Despite section 36(3)(a), the scheme operator is not required to make a full written disclosure of the inaccuracy to the person before the cooling-off period ends.
- (3) However, the scheme operator must make the disclosure as soon as practicable after becoming aware of the inaccuracy.

Maximum penalty—540 penalty units.

### **237C Notice of end of cooling-off period**

- (1) This section applies if—
  - (a) the cooling-off period for a residence contract entered into before the commencement of this section starts on the day a later event happens or another contract is entered into; and
  - (b) on or after the commencement, the later event happens or the other contract is entered into.
- (2) Despite section 45A(2), the scheme operator is not required to give the resident written notice of—
  - (a) the date the later event happens or the other contract is entered into; or
  - (b) the date the cooling-off period ends.

### **237D Reinstatement work**

- (1) This section applies if, before the commencement of this section—
  - (a) a resident's right to reside under a residence contract, including an existing residence contract, in an accommodation unit in a retirement village is terminated under this Act; and
  - (b) the scheme operator and the former resident have not, under section 58, as in force immediately before the commencement, agreed on reinstatement work; and
  - (c) the tribunal has not made an order that work be done to reinstate the former resident's accommodation unit.
- (2) Sections 56 to 59 and any relevant definitions, as in force immediately before the commencement, continue to have effect in relation to the reinstatement of the former resident's accommodation unit.

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### **237E Budgets**

- (1) If, before the commencement of this section, a scheme operator adopted a budget for the capital reserve fund for the 2006 financial year, sections 92 and 93 and any relevant definitions, as in force immediately before the commencement, continue to have effect for the budget.
- (2) If, before the commencement of this section, a scheme operator adopted a budget for the maintenance reserve fund for the 2006 financial year, sections 98 and 99 and any relevant definitions, as in force immediately before the commencement, continue to have effect for the budget.

### **237F General services charges for former residents**

- (1) This section applies if, before the commencement of this section—
  - (a) a resident of a retirement village has vacated the resident's accommodation unit; and
  - (b) the right to reside in the accommodation unit has not been sold; and
  - (c) the tribunal has not ordered the scheme operator to pay the former resident's exit entitlement under section 171.
- (2) Section 104 and any relevant definitions, as in force immediately before the commencement, continue to have effect for working out and paying the general services charges for the former resident.

### **237G Insurance**

- (1) This section applies if—
  - (a) immediately before the commencement of this section, the insurance for a retirement village taken out by the scheme operator is subject to an excess; and
  - (b) the amount of the excess is more than the maximum excess prescribed under a regulation under section 110(4).

[s 237H]

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- (2) During the transitional period, the scheme operator is taken not to have contravened section 110(4) even though—
- (a) the residents have not, by special resolution at a residents meeting, agreed to the excess; or
  - (b) the excess may be more than 1% of the insured value of the retirement village.
- (3) In this section—
- transitional period* means the period—
- (a) starting on the day this section commences; and
  - (b) ending on the day the insurance contract ends or is renewed or renegotiated.

## **Division 3                      Transitional provisions for Housing Legislation (Building Better Futures) Amendment Act 2017**

### **237H Definitions for division**

In this division—

*amended Act* means this Act as in force from the commencement.

*amendment Act* means the *Housing Legislation (Building Better Futures) Amendment Act 2017*.

*current public information document*—

- (a) means a public information document that was in effect immediately before the commencement; and
- (b) includes any amendment of the document made after the commencement.

*current residence contract*—

- (a) means a residence contract that was in effect immediately before the commencement; and

(b) includes any amendment of the contract made after the commencement.

*former* means as in force immediately before the commencement.

*pre-amended Act* means this Act as in force immediately before the commencement.

### **237I Continued operation of public information documents and particular former provisions**

- (1) This section provides for—
  - (a) the continued effect of current public information documents; and
  - (b) the continued operation of particular provisions of the pre-amended Act relating to public information documents.
- (2) While a current residence contract remains in force, the current public information document relating to the contract continues in effect for the purpose of this section.
- (3) Despite its repeal by the amendment Act, former section 36 continues to apply to a scheme operator in relation to the public information document mentioned in subsection (2) that relates to the operator's scheme.
- (4) However, a scheme operator may not amend the public information document in a way that may materially affect the interests of a resident of the retirement village except to the extent permitted under an approved closure plan or approved redevelopment plan.
- (5) Despite its amendment or repeal by the amendment Act, each of the following provisions continues to apply in relation to a current residence contract while the contract remains in force—
  - (a) former section 18;
  - (b) former section 20;
  - (c) former sections 36 and 37;

- (d) former section 45(3);
  - (e) former sections 74 to 83;
  - (f) former section 103(1);
  - (g) former section 108(2)(c).
- (6) For that purpose—
- (a) a reference in a provision mentioned in subsection (5) to a public information document is taken to be a reference to the public information document mentioned in subsection (2); and
  - (b) a reference in a provision mentioned in subsection (5) to a provision of this Act includes a reference to the relevant former provision.
- Example for paragraph (b)—*
- The reference in former section 37(2) to section 36 is a reference to former section 36.
- (7) Part 5, division 10 does not apply to a running redevelopment if every resident of the retirement village was given written notice of the running redevelopment, before he or she became a resident, in—
- (a) a current public information document; or
  - (b) a document mentioned in section 84(1).

### **237J Approved form of public information documents**

- (1) The power under section 227 to approve forms includes power to approve a form for use as a public information document under this division.
- (2) From the commencement, a current approved form for a public information document continues in effect under section 227 until it ceases to be the approved form under that section.
- (3) In this section—

*current approved form* means an approved form for a public information document in effect under section 227 immediately before the commencement.

### **237K Continued operation of former provisions relating to reinstatement work**

- (1) This section provides for the continued operation of the following provisions of the pre-amended Act—
  - (a) former section 58;
  - (b) former section 59;
  - (c) former section 61;
  - (d) former section 62.
- (2) Despite its amendment or repeal by the amendment Act, each provision mentioned in subsection (1) continues to apply in relation to a current residence contract to which part 3, division 5 applies.

### **237L Village comparison documents**

- (1) This section applies to a retirement village scheme registered before the commencement.
- (2) The scheme operator must prepare a village comparison document for the scheme.

### **237M Prescribed period for repayment of exit entitlement**

- (1) This section applies to the exit entitlement payable in relation to a residence contract for which the resident's right to reside was terminated before the commencement.
- (2) Section 63, as in force from the commencement, applies in relation to the contract as if the reference in section 63(1)(c) to the termination date were a reference to the day this section commences.

### **237N Updating agreed resale value**

Despite its amendment by the amendment Act, former section 67 continues to apply in relation to a residence contract for which the termination date was before the commencement.

### **237O Quarterly financial statements**

- (1) This section applies in relation to a request under section 112(1) for a quarterly financial statement for—
  - (a) a financial quarter ending before the commencement; or
  - (b) the current financial quarter at the time of the commencement.
- (2) So far as it relates to the general services charges fund, the request is taken to be a request for a list, for the quarter, of the expenditure involved in providing each general service.

### **237OA Non-application of pt 2, div 5 to existing contracts**

Part 2, division 5 does not apply to the transfer of control of a scheme's operation under a contract executed before the commencement.

## **Division 4 Transitional provisions for Health and Other Legislation Amendment Act 2019**

### **237Q Timing of mandatory buyback**

- (1) This section applies if—
  - (a) a former resident's right to reside under a residence contract in an accommodation unit was terminated under this Act before the commencement of this section; and



- (b) the former resident's residence contract is based on a freehold interest in an accommodation unit; and
  - (c) since the termination of the right to reside, the former resident's freehold property has not been sold.
- (2) Section 63A applies to the scheme operator in relation to the freehold property.
  - (3) For that purpose, section 63B applies as if section 63B(3)(a) referred to the latest of the following days—
    - (a) 10 May 2019;
    - (b) the day that is 6 weeks after the commencement;
    - (c) the day that is 18 months after the termination date.
  - (4) Also for that purpose, section 63A applies subject to section 63H as if section 63H were in force when the right to reside was terminated.
  - (5) This section applies subject to part 3, division 5B.

## **Division 5                      Transitional provision for Housing Legislation Amendment Act 2021**

### **237R Exemption of schemes**

- (1) This section applies in relation to a regulation under section 70D declaring that an exemption applies to a scheme.
- (2) Section 70E applies in relation to the scheme operator and a former resident even if the former resident's right to reside in an accommodation unit under the scheme was terminated before the day section 70D commences.

## **Division 6**                      **Transitional provisions for Housing Legislation Amendment Act 2023**

### **237S Definitions for division**

In this division—

*amending Act* means the *Housing Legislation Amendment Act 2023*.

*former*, for a provision of this Act, means the provision as in force from time to time before the commencement.

*new*, for a provision of this Act, means the provision as in force from the commencement.

### **237T Application of new ss 35(2)(c), 92(6) and 98(8)**

- (1) This section applies in relation to an independent quantity surveyor's written report obtained or updated before 1 July 2023.
- (2) New sections 35(2)(c), 92(6) and 98(8) do not apply in relation to the report.

### **237U Continued application of former s 74(5)**

Despite the amendment of section 74 by the amending Act, former section 74(5) continues to apply in relation to an amendment of a village comparison document made before the commencement.

### **237V Continued application of former s 99(1)**

Despite the amendment of section 99 by the amending Act, former section 99(1) continues to apply in relation to the adoption of a maintenance reserve fund budget for the financial year ending 30 June 2023.

**237W Continued application of former s 112(2)**

Despite the amendment of section 112 by the amending Act, former section 112(2) continues to apply in relation to a request for a quarterly financial statement received by the scheme operator before the commencement.

**237X Continued application of former s 113**

Despite the amendment of section 113 by the amending Act, former section 113 continues to apply in relation to—

- (a) an annual financial statement for the financial year ending 30 June 2023; and
- (b) an audit report for an annual financial statement mentioned in paragraph (a).

**237Y Continued application of former s 131(1) and (4)**

Despite the amendment of section 131 by the amending Act, former section 131(1) and (4) continues to apply in relation to an annual meeting at which an annual financial statement, for a financial year ending before 1 July 2023, is presented.

## **Part 16 Repeal**

**238 Repeal**

The Retirement Villages Act 1988 is repealed.

## Schedule Dictionary

### section 4

**2006 Amendment Act** means the *Retirement Villages Amendment Act 2006*.

**accelerated wear** means wear that happens more quickly than would have reasonably been expected.

**accommodation unit** means the part of a retirement village in which a resident has an exclusive right to reside.

**affected by bankruptcy action**, in relation to an individual, means the individual, in any jurisdiction—

- (a) is bankrupt; or
- (b) has compounded with creditors; or
- (c) has otherwise taken, or applied to take, advantage of any law about bankruptcy.

**annual meeting** means an annual meeting called under section 131.

**approved closure plan** means a closure plan approved for the scheme under section 40D or 40E.

**approved form** see section 227.

**approved provider** means an approved provider under the *Aged Care Act 1997* (Cwlth).

**approved redevelopment plan** means a redevelopment plan approved for the scheme under section 113F or 113G.

**approved transition plan** means a transition plan approved by the chief executive under section 41F or 41G.

**capital improvement**—

- (a) means the first time provision of a capital item; and
- (b) to the extent it is not inconsistent with paragraph (a), includes a thing that is a capital improvement under a

ruling under the *Taxation Administration Act 1953* (Cwlth) dealing with capital improvement.

**capital items** include the following—

- (a) all buildings and structures located in the retirement village and owned by the scheme operator, including the communal facilities, amenities and accommodation units, other than items that, under the residence contract, are to be maintained, repaired and replaced by the resident;
- (b) all plant, machinery and equipment used in the operation of the village, other than items that are body corporate property;

*Examples for paragraph (b)—*

communal hot water and air conditioning services, kitchen and dining room equipment, community facility furnishings, gardening equipment, village bus or transportation services

- (c) all village infrastructure owned by the scheme operator.

*Examples for paragraph (c)—*

roadways, pathways, drainage, sewerage mains, landscaping, electrical distribution systems, water services and connections and distribution systems

**capital replacement fund** see section 17.

**capital replacement fund budget** see section 93(1).

**capital replacement fund contribution** see section 93(2)(b).

**closure plan** see section 40C.

**community titles scheme** see the *Body Corporate and Community Management Act 1997*, section 10.

**condition report** means a report that, under section 76 or 77, is prepared, signed by a scheme operator and given to a resident or former resident.

**conviction**, for part 5, division 1, see section 87.

**cooling-off period**, for a residence contract, means a 14-day period starting on—

- (a) the day the contract is signed; or

- (b) if the residence contract is subject to a later event happening or another contract being entered into—the day the later event happens or the other contract is entered into.

**day-to-day maintenance**, of a capital item, means maintenance of the item that is carried out regularly and with little expense.

**decision notice** see section 28(5).

**deregistration notice** see section 28A(2).

**dispute notice** see section 157.

**draft budget** means each of the following—

- (a) a draft of a capital replacement fund budget that complies, as far as practicable, with the requirements applying, under part 5, division 4, to capital replacement fund budgets;
- (b) a draft of a maintenance reserve fund budget that complies, as far as practicable, with the requirements applying, under part 5, division 5, to maintenance reserve fund budgets;
- (c) a draft of a general services charge budget that complies, as far as practicable, with the requirements applying, under part 5, division 7 to general services charge budgets.

**excluded contract** means a written contract between an approved provider and another person under which the approved provider agrees to provide residential care to the person that is at least equivalent to the standard of care that would be required for the approved provider to meet the approved provider's responsibilities under the *Aged Care Act 1997* (Cwlth), chapter 4.

**executive officer**, of a corporation, means a person who is concerned with, or takes part in, the corporation's management, whether or not the person is a director or the person's position is given the name of executive officer.

**exemption start day**, for part 3, division 5B, see section 70H.

***exempt scheme***, for part 3, division 5B, see section 70C.

***existing residence contract*** see section 11.

***existing retirement village*** means a retirement village existing immediately before the commencement of this Act.

***existing scheme operator***, for part 2, division 5, see section 41C(1).

***exit entitlement*** see section 16.

***exit fee*** see section 15(1).

***former resident*** includes—

- (a) a person who, personally or for someone else, entered into a residence contract to secure the person's or other person's right to reside in a retirement village; and
- (b) the former resident's personal representative.

***freehold interest*** means a fee simple interest in a lot under the *Land Title Act 1994*.

***freehold property***, of a resident or former resident, see section 11A.

***FTI Act*** see section 3A(1).

***general services*** are services supplied, or made available, to all residents of a retirement village.

*Examples of general services—*

- management and administration
- gardening and general maintenance
- a shop or other facility for supplying goods to residents
- a service or facility for the recreation or entertainment of residents

***general services charge*** see section 18B.

***general services charge budget*** see section 102A(1).

***general services charges fund*** see section 18A.

***gross ingoing contribution*** means the ingoing contribution before any deductions are made.

***ingoing contribution*** see section 14.

***insolvent under administration*** for part 5, division 1 see section 87.

***leasehold interest*** means an interest created by an instrument of lease for a lot under the *Land Title Act 1994*.

***maintenance***, of a capital item—

- (a) means the upkeep of the capital item in good condition and efficient working order; and
- (b) to the extent it is not inconsistent with paragraph (a), includes doing something that, under a ruling under the *Taxation Administration Act 1953* (Cwlth) dealing with maintenance of capital items, is maintenance of the capital item.

***maintenance reserve fund*** see section 19.

***maintenance reserve fund budget*** see section 99(1).

***maintenance reserve fund contribution*** see section 20.

***manager***, of a retirement village, means the person in charge of its day-to-day operation.

***mediation agreement*** see section 163.

***mediation conference*** see section 158.

***mediator*** means a person who is—

- (a) accredited as a mediator under the *Dispute Resolution Centres Act 1990*, section 27AB; or
- (b) approved as a mediator under the *Uniform Civil Procedure Rules 1999*; or
- (c) approved as a mediator by the Bar Association of Queensland or the Queensland Law Society Incorporated.

***new scheme operator***, for part 2, division 5, see section 41C(1).

***personal services*** are optional services supplied or made available for the benefit, care or enjoyment of a resident of a retirement village.



*Examples of personal services—*

- laundry
- meals
- cleaning the resident's accommodation unit

***prospective costs document***, for a prospective resident, means a document complying with section 75(2) containing information relevant to the prospective resident entering into a residence contract.

***QCAT information notice*** means a notice complying with the QCAT Act, section 157(2).

***quantity surveyor*** means a person who holds—

- (a) a member grade, or a fellow grade, membership with the Australian Institute of Quantity Surveyors; or
- (b) an equivalent grade of membership with a successor of the Australian Institute of Quantity Surveyors, by whatever name called.

***quarter*** means the 3-month period ending on 31 March, 30 June, 30 September or 31 December.

***real estate agent*** means a real estate agent under the *Property Occupations Act 2014*.

***redevelopment plan*** see section 113E.

***registered***, for part 6, division 2, see section 115.

***registered company auditor*** means a person registered as an auditor, or taken to be registered as an auditor, under the Corporations Act, part 9.2.

***registrar*** means the principal registrar under the QCAT Act.

***registrar of titles*** means the registrar of titles under the *Land Title Act 1994*.

***reinstatement work***, for part 3, division 5, see section 56(1).

***relative***, of a resident, means the resident's spouse, mother, stepmother, father, stepfather, sister, stepsister, half-sister, brother, stepbrother, half-brother, child or stepchild.

***relevant conviction***, for part 5, division 1, see section 87.

**repairs**, to a capital item—

- (a) means the restoration of the item by fixing or replacing parts of the item; and
- (b) to the extent it is not inconsistent with paragraph (a), includes doing something that, under a ruling under the *Taxation Administration Act 1953* (Cwlth) dealing with repairs to capital items, is repairs to the capital item.

**repealed Act** means the repealed *Retirement Villages Act 1988*.

**replacement**, of a capital item—

- (a) means the substitution of the same type of item or an equivalent item; and
- (b) to the extent it is not inconsistent with paragraph (a), includes doing something that, under a ruling under the *Taxation Administration Act 1953* (Cwlth) dealing with replacement of capital items, is replacement of the capital item.

**residence contract** see section 10.

**resident**—

- (a) see section 9; and
- (b) for part 3, division 4, see section 51.

**residential care** has the meaning given by the *Aged Care Act 1997* (Cwlth).

**residential care subsidy** has the meaning given by the *Aged Care Act 1997* (Cwlth).

**residents committee** means a committee established under section 127.

**residents meeting notice**—

- (a) for part 2, division 4, see section 40B(1)(b); or
- (b) for part 5, division 10, see section 113D(b).

**retirement village** see section 5.

**retirement village dispute** see section 21.

**retirement village issue** see section 22.

**retirement village land** see section 6.

**retirement village scheme** see section 7.

**retirement village scheme operator** see section 8.

**right to reside**, for part 3, division 5B, see section 70C.

**running redevelopment** see section 113C(1).

**scheme** means a retirement village scheme.

**scheme operator** means a retirement village scheme operator.

**security** means an interest, mortgage or other charge in or over land.

**service agreement** see section 12.

**services charge** means a charge payable by a resident for a general or personal service under a residence contract.

**sold**, for a right to reside in an accommodation unit, means when a contract for the sale of the right is settled.

**special resolution**, at a residents meeting, means a resolution passed—

- (a) at the meeting of which the residents are given at least 21 days written notice stating the intention to propose the resolution as a special resolution; and
- (b) by at least three-quarters of the persons entitled to vote who vote—
  - (i) personally or by proxy at the meeting; or
  - (ii) by postal ballot.

**termination date**, for part 3, division 5, see section 56.

**transition plan** see section 41E.

**tribunal** means QCAT.

**valuer**, for part 3, division 5, see section 70.

**village comparison document**, for a scheme, means the following document as amended from time to time—

- (a) for a scheme to which section 237L applies, the document prepared under that section;
- (b) otherwise, the document that becomes the village comparison document for the scheme under section 74(3).

***wind down***, in relation to a retirement village scheme, means gradually reduce the retirement village's operations ahead of the cessation of the retirement village's operations.