

NEW ZEALAND RETIREMENT VILLAGES *Residents Update* Mid 2021

Nationwide Issue

IMPORTANT PETITION ENCLOSED - PLEASE RETURN BY 15 JULY 2021

From the President's desk

It amazes me that 6 months can go by so swiftly since our previous newsletter. And what a hectic half year it has been.

Many kilometres have been travelled. Dozens of formal presentations given to interested groups of residents. Some being enmeshed in local problems with their village managers while others are turning up to hear what all the fuss is about, and becoming imbued enough to join the organisation. Our membership has more than doubled over the past twelve months which is testament to the hard work of our regional leaders and Nigel our national manager. Leaders who are at an age when rest and pleasant recreation should be the order of the day. But they are driven by the fact that the retirement village industry is long overdue for an overhaul - which is what the Retirement Commissioner's White Paper was at pains to point out. This was further confirmed by the clarity of the January report of Consumer NZ.

In addition to speaking at large village residents' groups we are also addressing the political scene. On both sides of the aisle of Parliament. Involving face-to-face meetings with both ministers and local political representatives of both the red and blue hue. The upcoming owners' group conference in late May will be another opportunity to address the issues.

Finally, I would like to recognise our outgoing National Secretary Dick Williams. He has held that important and busy role together since our organisation was a fledgling. Thank you Dick for your professional and wise counsel.

2021 is shaping up to be a momentous year for the retirement village industry and we look forward to you joining us on the journey.



Peter Carr, RVRANZ President



If you're an RVRANZ member, then thank you.

If you're not yet a member...

Then please consider becoming one. Improvements to the Retirement Villages legislation, including exit conditions, weekly fees, transfer fees and capital gains will only happen with your support - and your \$20 support makes a huge difference. You'll also find a petition inside that will help remind the government of the changes that are needed to bring fair and equitable terms for ALL village residents, both now and in the future.

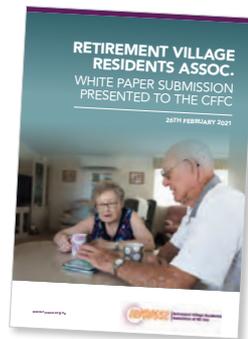
Inside you'll find:

- White Paper Submission (pg 2)
- Case Studies (pg 4)
- PETITION: Take 10 minutes and have your say... (pg 7)
- Meetings with the Minister for Seniors, Assoc. Minister HUD & the CFFC (pg 12)
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White Paper Submissions

A huge thank you to all of you that took the time to write in or complete a submission form. A total of over 3000 submissions were received by the CFFC from residents, of which 1900+ were received by the RVRANZ, collated and forwarded onto the CFFC. Although submissions officially closed on 26th February, an extension was granted for operators (at their request) so final submissions did not close until 31st March.

We are pleased to include a brief summary of the submission below. A full printed copy of our submission has also accompanied delivery of these newsletters to each village and you can download the submission from the RVRANZ website.



SUMMARY:

Short answer responses to CFFC questions

[Q1] **Yes.** We, and the 94.5% of respondents believe that the White Paper **has canvassed the issues fairly and accurately.** Only 1.5% claimed that the paper had not canvassed issues fairly and accurately, and 3% did not answer. A total of 10 comments were added to either reflect not having seen the White Paper in full, or to make points better suited for Q2. [Appendix A]

[Q2] **Yes.** 75% of respondents stated there were no important points missing and most comments from members to the Executive related to points that the white paper had covered. We make further comments regarding specific issues raised by the paper.

The RVRANZ would recommend the additional important point be included;

Fixed deductions (DMF) not yet amortized on the date of termination **should NOT continue** to accrue past the date of termination until the vacant unit has been sold and paid for - Clause 54(4) of the Code. eg. Currently, if an ORA provides for a DMF to accrue over 5 years and the ORA is terminated after 3 years - the DMF continues to accrue until the unit is reoccupied which may take 4 to 24+ months.

[Q3] **Yes.** It is the RVRANZ's strong opinion and that of 98.5% of the respondents, that it is **'timely, effective and efficient for a [full] policy review'** of the retirement villages framework to be undertaken. Only 1% of respondents disagreed.

[Q4] Although only 1% answered 'No' to Q3, 9.4% of respondents indicated there were issues that still needed attention. Those issues were either addressed by the white paper or added into the comments for Q5.

[Q5] **42% of respondents added additional comments in response to the general invitation in Question 5. Most of these also referred to issues already addressed well in the white paper. However, 22% of the specific comments received related to introducing a mandatory requirement for capital gain sharing.**

The top 5 comments of 647 comments received in response to Q5 related to

Time for a change / a review is needed now to make the act fair	18.4%
Thank you to RVRANZ, its representatives and the CFFC	17.0%
Introduce capital gain sharing for both parties	13.9%
Review/shorten time limit to pay back	11.4%
Review/stop charging of weekly fee after vacating dwelling	8.2%

Further comments on 9 specific issues raised in the white paper

The RVRANZ has raised issues addressed by the white paper with various Ministers, CFFC and MHUD over the last 4-5 years. It has built a database of case study examples for most issues mentioned below and is happy to furnish CFFC with further case study material. Appendix B describes how we gather and vet case studies as evidence of these issues which may be fit for publication.

1. Resale & buyback times:

WE SUPPORT

- 'introducing a guaranteed timeframe for 'buybacks'
- 'interest payable during vacant period'.

WE DO NOT SUPPORT

- restricting any changes only to larger, for-profit operators

WE RECOMMEND

- that such amendments, in particular, to the buyback times being made to the Code, as priority, to bring relief for residents holding existing ORAs, as was implemented by New South Wales recently.
- an early 'partial percentage' of the capital returned on exit.
- that a fairer outcome for consumers would be linking buyback timeframes to the percentage

of any capital gain allocation on sale between the resident (or their estate) and the operator.

2. Weekly Fees continuing after termination:

WE SUPPORT

- restricting the charging of weekly fees after a resident vacates a unit.

WE DO NOT SUPPORT

- weekly fees reducing by 50% after 3 months

WE RECOMMEND

- that weekly fees be reduced to 50% **immediately** on exit with a maximum time limit of 3 months.

3. Transfers from independent units to serviced care / care facilities:

WE SUPPORT

- a review on how to improve and standardise information about transferring into higher levels of care.

4. Code compliance:

WE SUPPORT

- a review of the Code including the ORA provisions.

WE RECOMMEND

- urgent attention** be given to Exit Provisions in the Code as identified in the White Paper.
- a **clear path of legislative recourse** be made available for an affected resident.

5. Lack of a simple complaints system or authorised advocate:

WE SUPPORT

- a review of the complaints function to streamline and formalise a clear and simple process.

WE RECOMMEND

- that this incorporates an authorised advocate, Commissioner or Ombudsmen with the legislated powers to enforce decisions without a stressful, drawn out process.

6. A voice for residents:

WE SUPPORT

- a review

WE RECOMMEND

- that changes need to be made to better support retirement village resident welfare.

7. Emerging consumer issues:

WE SUPPORT

- a review to "consider if consumer protections are strong enough"
- "investigate whether different models should be encouraged."

WE RECOMMEND

- Again, linking Code changes to the percentage of shared capital gain offered by operators as an incentive to diversify models.

8. Understanding the legal framework:

WE SUPPORT

- a review of disclosure statements with a view to producing simplified and accessible documentation.

WE RECOMMEND

- any change be legislated rather than left to an operators group to make mandatory as part of membership.
- that residents have a clear and simple path of recourse if any disclosure statements or marketing documents that make statements or offer 'inducements' that are then relied upon but do not eventuate or are changed.

9. The interface of care and residence:

WE SUPPORT

- the need to "explore the extent to which the presence of care changes the nature of a retirement village and whether the definition of a retirement village needs modifying".

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Case studies

Consultation – and what residents can do if it's not happening

The RVRANZ receives emails from members relating to decisions being made within their village, without proper consultation, if any. While operators have a business to run and decisions need to be made and actioned, the process of consultation is in the Code of Practice to ensure residents have the opportunity to be heard and be a part of any process that may have a direct impact on their lives within the village.

One recent story highlights how residents can influence the outcome of a decision within a village.

A village was upgrading its community facilities. This included a large hall, small hall and proposed shared kitchen and toilet facilities. Plans were drawn up and presented to the residents. While 2 toilets were included off the main hall, the new design lacked a toilet attached to the small hall. This design would require residents to either walk through the large hall or walk outside and then up steps to enter the toilet.



Residents asked verbally and in writing for the design to be reworked to include the extra toilet. They pointed out that when the large hall was being used, including by several outside groups, toilet access would be restricted for residents using the small hall. The issue of navigating steps for some was mentioned, along with the fact that many in their 80's and 90's were on fluid retention medication so close access was important, and that council regulations would actually require a facility of this size to have 4 toilets if built from new. Their written request also included a petition from over 70% of the residents, along with suggestions on how the change could be achieved, if space was the issue.

However, these requests appeared to fall on 'deaf ears'. With word that a contractor had already been selected and work about to commence, residents contacted the RVRANZ.

Part of the email to the RVRANZ said *"We have, today, emailed the accompanying letter to [the statutory supervisor] alongside the signatures of 93 residents. We very much doubt that we will be listened to but you just have to try anyway!"*

Our advice was to file a 'formal complaint' with the operator (which had not happened - even with the residents petition). Under the Code of Practice, submitting a **formal complaint** specifically relating to the build and lack of communication/consultation as to why the residents submissions for the toilet appear to have not been considered would;

1. Require the operator to acknowledge receipt of the complaint within 5 working days.
2. Require the operator to stop any action associated with the build (if it is not to the detriment of the majority of the residents) until the complaint is resolved 'to the residents' satisfaction. The formal complaint need only be from one person - however, several individuals can also file the same (or similar) complaint.
3. Require the complaint to be resolved within 20 working days - to the residents satisfaction.

We were delighted to hear back from the residents a few weeks later with the following;

I wanted to thank you for your good advice to [our] Residents' Association. Our Formal Complaint had a good outcome as the plans were put on hold. The Operational Manager advised us that an adjustment had been made to the existing plan and a toilet accessible from our smaller hall was added. A plan was sent to the manager who photocopied it and put it on display last Friday. Tomorrow the Operational Manager is coming to a meeting (they called) to discuss the matter.

I think that the Management was amazed that 93 residents out of a total of about 130 had signed the letter. I'm sure we would not have had such a good result if you hadn't told us of the magic words "Formal Complaint!"

Thank you again for your help and keep up the good work!"

Note: A formal complaint is as simple as an email or letter with the words "Formal Complaint" at the top and a brief description of what has happened, how it impacts / impacted you and the outcome you would like and then dated and signed.

RVRANZ Village contact a huge help to fellow residents when operator tries to pull 5 year promise at the eleventh hour



What do you do if you're promised something by the operator for 5 years, only to have it withdrawn by them in less than 5 weeks? That was the situation a few residents found themselves in last month. This story involves an old Christchurch village with 22 independent ORA/Unit Titles and rental cottages and a care home. In 2011 the care home was damaged in the earthquake beyond repair. From 2016 residents were 'verbally' told that plans were underway for a new facility with apartments and care and that once this was built that they would likely be demolishing the cottages. Over the next 5 years they were given multiple verbal assurances that they would be looked after, as in, offered alternative accommodation either in the new apartments or at one of the operators other facilities.

Some residents passed away, some were relocated, leaving 2 single, elderly lady residents (late 70's/ early 80's) remaining in ORA/Unit Titles (and 3 residents in rentals).

On March 5, 2021 the remaining residents were given letters detailing the specific arrangements for transferring to the new apartments built on

the same location. One was offered a 1 bedroom while 3 others were offered 2 bedrooms. This required them to supply their solicitors details to the operator, which they did. Five weeks later the operator requested individual meetings with the residents. These 'individual' meetings then occurred on the 15th April. The residents had no idea about the actual content of the meeting other than it was to discuss "ongoing developments". At that meeting the new CEO advised that the opportunity of moving to the new apartments was no longer financially viable (Note - The operator is a publicly listed company with a market capitalisation of just under \$1 billion). Instead they could 'have the opportunity' to stay where they were and the operator would wipe the \$80 per week fee. Simply put, the operator would forgo collecting \$8000 per year from both ladies so it could then market the 2 apartments at over \$1.5 million combined. The residents were totally shocked and angry.

An RVRANZ village contact raised the concern with the RVRANZ and a local rep met with the ladies. The RVRANZ then made contact with the operator who disputed the matters raised, and said that residents (and family) were 'adamant they wanted to stay onsite - in their existing situation'. This could not have been further from the truth. After a further 45 min phone discussion with the RVRANZ, the CEO (finally) verbally agreed to honour the original letters only to have the ladies escorted off the premises hours later when they tried to view the apartments.

At this point, the RVRANZ involved the Statutory Supervisor and cc'd in the CFFC, RVA and Registrar of Retirement Villages. The operator then tried to rush signatures from both ladies (after hours) after the RVRANZ advised the operator that the residents would need time to consider seeking legal representation and/or family involvement.

[Continued over...]

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"Bay Audiology were absolutely wonderful, they became like family."
- Marianne, a Bay Audiology client

Case studies [continued]

The RVRANZ's position was that the operator had not shown good faith and there were clear grounds for 'specific performance' of the March 5 letters, which the RVRANZ made the operator aware of.

The Good News - Both ladies were re-offered (and accepted) two bedroom apartments. We thank the Statutory Supervisor for their assistance in helping resolve the matter, and for a village contact bringing it to the RVRANZ's attention.

Our Advice - If you believe you or someone in your village have not been listened to by your operator, or have been mistreated then we would suggest you involve family, the Statutory Supervisor and the RVRANZ. Operators must act with integrity and be respectful of residents' situations. Some residents may not speak out and it requires others to seek help. Again, the RVRANZ supports the recent White Paper's call for a dedicated Ombudsman or Commissioner, with the legislative power to intervene and resolve situations promptly.

Ongoing Nightmare

Residents in a South Canterbury village are finding out, firsthand, the futility of the current legislation to fix the systemic failure of poorly designed villages. Nearly two dozen accidents have occurred at this village due to the poor construction of roading, kerbs and footpaths. One resident was in hospital for 3 months with a shattered femur while trying to navigate the kerb. Another resident sustained a head injury when her walker lost control due to the non-compliant slope of the kerbing, and fell into the road.

The villages disclosure for years had said that it met the New Zealand Standards, when it didn't. Now after almost a year of discussions, formal complaints, engineers and investigations the operator has chosen to remove the offending wording from any new disclosure statements, rather than fully address the failings causing the injuries. (Note, the old disclosure statements still stand as a legal document for current residents). Letters to the Statutory Supervisor, The Registrar of Retirement Villages (RORV), even the RVA (the operators association) have produced minimal results. The RORV pointed out;

- the disclosure statement has been updated and there do not appear to be any concerns about the accuracy of the current registered disclosure statement;
- the Registrar has very limited powers in respect of any earlier potentially misleading disclosure statements and does not have any powers to determine your dispute; and
- your complaint is currently being dealt with under the Village's complaint system which is the most appropriate mechanism for dealing with your concerns.

The villages complaint system has not worked and residents continue to count the number of resident injuries sustained due to accessibility of the poorly constructed roads, kerbs and footpaths - that should have never been signed off or allowed to deteriorate to today's state.

If you have a concern or issue at your village, please contact us on 0800 787 699 or email secretary@rvranz.org.nz

Know someone that isn't yet a member? How do they join?

1. As an individual or couple

ONLINE - Visit www.rvranz.org.nz and use the online membership form to register and pay by credit card or online banking.

By BANK DEPOSIT - Westpac 03 0389 0004586 05 (Include your Name, Village & town/city as reference)

By POST - Simply complete the membership form, and post it in with your credit card details or banking reference.

Via your RESIDENTS COMMITTEE or RVRANZ Rep - Give your membership form to one of them with your cash payment. Check with your committee first.

2. As a Village or Residents Association

Download a Village registration form from www.rvranz.org.nz or email treasurer@rvranz.org.nz

3. Contact your village reception or regional RVRANZ Representative

4. Phone 0800 RVRANZ (787 699)

Take 10 minutes and have your say...

It is recognised that the best form of marketing is 'word of mouth'. It is also the best way to influence change. The following pullout section is for you to help make a difference and let others know by completing and then FREEPOSTing back to us.

1 IMPORTANT & URGENT Petition

While New Zealand is waiting for the CFFC's findings from the recent White Paper, the RVRANZ has initiated a petition to help stress the urgency of these matters. The petition is available online, from your local committee or by submitting the following form. Please choose only ONE method for adding your name to the petition. We've created space for up to 10 names (family or friends outside the village) to complete and sign on the form enclosed. Even if only 10% of residents completed the form below by finding 9 other people, we would have over 45,000 signatures!

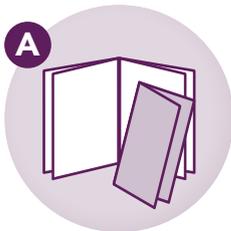
2 Membership

If you're not yet a member then we've included a form for you to sign up with (or you can register online at www.rvrnz.org.nz). If you only do one of these things, this is it. It will help us be a voice for more than 45,000 residents throughout New Zealand and help ensure that all residents receive fair and equitable terms for their choice and payment to move into a lifestyle/retirement village.

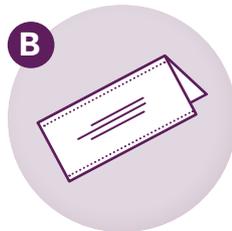
3 Your Feedback (sponsored)

Your feedback can be the 'word of mouth' that creates change. Each year AgedAdvisor asks residents to share their own personal experience of life in a village or care facility. You have the opportunity to give a glowing report on the place that you call home or comment on the things that could be better. It's up to you. Simply complete the enclosed review form.

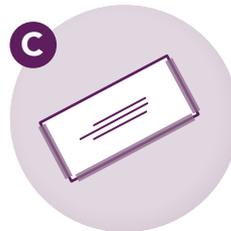
Once you've completed one or more of the sections, simply pull out the middle section, fold along the dotted lines (with the Freepost address on the outside), tape or staple closed and then post.



Pull out this middle section



Fold section along dotted lines
Make sure Freepost address is on the outside



Tape or staple edges



Post!

AgedAdvisor will sponsor the cost of every Freepost form (with a completed review) allowing you to either post in your membership or send in your petition signatures to us for free.

1 Petition

"We the undersigned respectfully request;

1. That the government initiates an urgent review of the Retirement Villages Act of 2003 and 2008 Code of Practice to address the imbalances between operator and resident.
2. That where a resident with an Occupation Rights Agreement has no share in the capital gain nor any involvement in the sales process of their unit, the operator guarantees to return the capital (less the deferred management fee) to the departing resident on resale/relicensing of the unit or within 28 days of exit, whichever comes first."

Full Name	Signature	Date
1 _____	_____	_____
2 _____	_____	_____
3 _____	_____	_____
4 _____	_____	_____
5 _____	_____	_____
6 _____	_____	_____
7 _____	_____	_____
8 _____	_____	_____
9 _____	_____	_____
10 _____	_____	_____

RETIREMENT VILLAGE RESIDENTS ASSOCIATION OF NZ - PETITION TO THE HOUSE OF REPRESENTATIVES 2021

2 Membership/Support



Individual Membership Form (1st April 21 - 31st March 22)

NEW RENEWAL (please tick one)

RVRANZ Bank Account: Westpac 03 0389 000 4586 05

If renewing, simply enter your name and CH number, if you have it.

Retirement Village Name _____

Your Name _____ * Year born 19 _____

Partners Name (if applicable) _____ * Year born 19 _____

Address _____

Phone _____

Email Address _____

Membership Type:

- Annual Single \$20
- Platinum (10yr) Single \$195
- Annual Couple \$30
- Platinum (10yr) Couple \$295
- Donation _____

Method of Payment:

- Bank Deposit Ref: _____
- Given to your village RVRANZ contact person _____
- Credit Card (Visa/Mastercard) _____ Exp ___/___
- Cash (less safe option)

Send to: RVRANZ,
C/- Private Bag 4707, Christchurch

* Year born is optional but helps us inform government policy makers on the average age of residents in retirement villages.

FOLD TOGETHER

3 Your Feedback

1. Enter your review online at www.agedadvisor.nz/review and we will donate the saved postage cost to Parkinsons / Multiple Sclerosis
2. Every completed review received either online or via post before our Annual Awards close-off date will **GO INTO THE DRAW TO WIN One of Ten \$100 Prezzy Cards/Gift Vouchers.***

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1. Name of Retirement / Lifestyle Village or Care Home

Town / City

Type of village / care (please tick the one that relates to your experience)

- Independent Living
 Serviced Apt.
 Care Suite
 |
 Resthome / Hospital
 Dementia
 Other

2. The Positives

The Negatives

3. Please rate the following where 1 is poor and 5 is excellent (please circle)

Quality of Care	Poor	1	2	3	4	5	N/A	Indoor Entertainment	Poor	1	2	3	4	5	N/A
Knowledgeable/Caring Staff		1	2	3	4	5	N/A	Social Atmosphere		1	2	3	4	5	N/A
Responsive Management		1	2	3	4	5	N/A	Enjoyable Food		1	2	3	4	5	N/A
Outdoor Activities		1	2	3	4	5	N/A	OVERALL RATING		1	2	3	4	5	

4. Would you recommend this facility to a friend?

- Yes
 No
 Not Sure

5. In choosing a facility, what is important to you?

6. At this facility, I:

- live / have lived there
 have / had family or friends there
 visit / have visited there
 work / have worked there

7. General Comment / Suggestions to Management

and, I have lived or visited there for... (tick one)

- less than 1 year
 more than 1 year but less than 5 years
 more than 5 years

If required, attach an extra sheet for further comments

8. Verification Please tick if completed on behalf of someone by: Family Friend Staff Other

We need the following details to validate the review. These details will not be displayed or shared. We will only display a username consisting of your first name and a unique ID (or you can request 'Name withheld at users request').

First Name (of the person giving the review - required)

- Please withhold displaying my first name

Email

(We will let you know when the review is posted)

Last Name

Phone

(We need an email or phone number for the review to count)

Nationality

- NZ European
 Asian
 Maori
 Middle Eastern/ Latin
 UK / European
 American/ African
 Pacific Peoples
 Other Ethnicity

Finally, where did you find this form? (Just to help us)

Thank you! Please tick to be kept informed by email

Note: A name and valid email / phone no. are required for a completed review

By posting in this form you agree to our feedback guidelines and terms of use.

*See https://www.agedadvisor.nz/terms_and_conditions for details.

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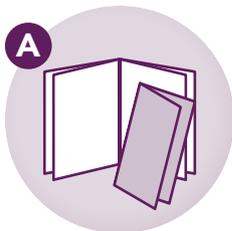
Go into the draw to win One of Ten
\$100 Prezzy Cards or Gift Vouchers*

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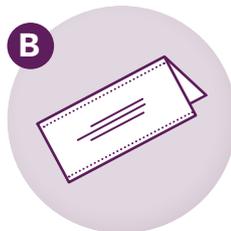


FREEPOST RVRANZ
C/- PRIVATE BAG 4707
CHRISTCHURCH 8140

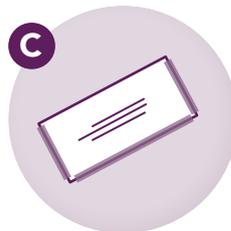
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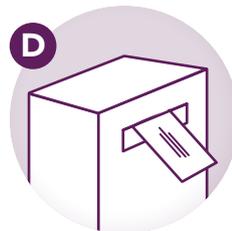
A
Pull out this middle section



B
Fold section along dotted lines
Make sure Freepost address is on the outside



C
Tape or staple edges



D
Post!

Forms **MUST** be returned by 15th July 2021. Thank you!

Reflections from Troy Churton (Former Retirement Village Lead, CFFC)



The White Paper - My Reflections: This paper was not intended as a brow beat against the industry or the framework. It reflected insights I gleaned from over five years of close engagement with different participants in the sector. The paper, in my view, serves as an opportunity for the sector to decide if it wants to genuinely innovate with its business model. As the paper sets out, the current legislative settings requiring an ORA and capital-based consideration may even be holding back some innovation. I have had conversations with staff from both corporate and not for profit operators. Some are very determined that everything stays the same. Some are eager to see changes.

For innovation of models I recall the range of ways Australian operators provided LTOs, leases, unit ownership etc we both saw in the RVA conference held in Brisbane a few years ago. The white paper refers to last year's ANZ RV report and how the different types of financing and returns on investment probably dissuade NZ operators from wanting to innovate the dominant LTO model we have today. I hope the white paper extends that conversation into whether our framework actually allows for market-led innovation should some participants want to start, for example, occupancy through a lease rather than an occupation right agreement, occupancy through a rental agreement rather than an occupation right agreement and so on.

From five years of leading public facing education seminars the most common consumer questions changed over time from - what happens (to me / my rights) if the village is hit by an earthquake to - what happens if I need care and there is no bed available in a care facility in the RV.

From five years of facilitating resident-only forums in villages, the range of questions or issues were far more varied and more aligned to the common 8 or 9 themes the RVRANZ provided feedback on to the white paper.

Introducing Michelle (New Retired Persons Lead, CFFC)



I joined the CFFC as Retired Persons Lead in February 2021, having previously worked in the finance industry and more recently as an academic at Massey University in the School of Economics and Finance. In my new role I will be looking at the various issues faced by retired people, and those approaching retirement, to inform retirement policy development. I am also responsible for the operation of the CFFC's statutory role to oversee a fair regulatory framework for retirement villages.

One of my first major tasks is to review the submissions that were made following the release of the White Paper on the retirement village legislative framework. Many thanks to everyone who made submissions on this paper, we received over 1000 submissions via our online portal, many of them from retirement village residents and their families. We are also grateful to the RVRANZ, who went to great effort to make sure that as many residents as possible were able to have a say in this submission process, collecting over 1900 responses! Once we have had time to work through all the submissions we will produce a summary report, which we are planning to release in mid-2021.

Our mission at the CFFC is to help improve retirement outcomes for New Zealanders, with trusted information, informed advocacy and effective collaboration. I look forward to working collaboratively with the RVRANZ, the RVA, and other key sector stakeholders to drive good outcomes for retirement village residents.

You can contact either Michelle or Suzy by emailing: retirementvillages@cffc.govt.nz

Both the CFFC and RVRANZ also have a number of helpful resources for prospective and existing residents. Visit www.cffc.govt.nz or www.rvrnz.org.nz

The sector uses a number of acronyms. Here are some of the ones used in this publication;

AGM Annual General Meeting

CEO Chief Executive Officer

CFFC Commission for Financial Capability

DMF Deferred Management Fee

KTS Key Term Summary

LTO Licence to Own

MHUD Ministry of Housing and Urban Development

ORA Occupation Rights Agreement

RVA The Retirement Villages Association of New Zealand

RVRANZ Retirement Village Residents Association of New Zealand

Meetings with the Minister for Seniors, Assoc. Minister HUD & the CFFC.

Meeting with Ministers Verrall and Williams on 18 March 2021

Present: Minister Ayesha Verrall Minister for Seniors and Associated Minister of Health, with several support staff, Minister Poto Williams, Minister of Police and Associate Minister of Housing with several support staff including Claire Leadbetter, Manager, Construction and Housing Policy at Ministry of Housing and Urban Development

Representing RVRANZ: Peter Carr, Glynis Denz and Anton Coetzee

Summary of Discussion

1. After a very friendly welcoming by both Ministers and their respective private secretaries we were introduced and seated at a table.
2. Peter provided a general introduction and background of the Association.
3. Minister Williams asked a few questions that indicated that she had read the pre-meeting reading that had been provided.
4. Anton then explained that RVRANZ does not begrudge Operators making reasonable profits provided that it is achieved in a fair manner bearing in mind the new resident entering into an occupation contract is the minor party contracting.
5. Glynis explained the vulnerability of single women and told the story of her mother's undesirable experience and that of an elderly resident in Kapiti whom she is currently supporting on behalf of RVRANZ.
6. Both Ministers acknowledged the sad stories and outcomes with interjections.
7. Anton then explained that notwithstanding the views of RVA that NZ has world class RV legislation, the fact that NSW, Queensland and WA have changed their legislation to make compulsory buy-back and ceasing of fees on departure compulsory as well as the fact that those changes came into effect retrospectively.
8. Poto Williams showed much interest in this aspect and requested Claire Leadbetter to look into that and provide feedback to the Minister.
9. Minister Verrall indicated that she is presently first working on a role of a Commissioner for aged care and initially that role will not include RVs.
10. Anton suggested that if the Government does not intend to provide for an ombudsman role in the near future then it would be prudent to increase the powers of the Retirement Commissioner to provide the ability to enforce compliance with the Act and Code.
11. Anton has met Clair Leadbetter at the 2019 stakeholders conference and is on a good footing with her. She seems to be the person that we should remain in contact with.
12. Minister Williams closed the meeting stating that the conversation should be continued and a follow-up meeting should be arranged.
13. It is our view that the meeting was very successful and that we would be able to build on the groundwork established.

CFFC meeting:

Later in the day we had a very fruitful meeting at CFFC with Dr Suzy Morrissey, Director Policy and the Retired Persons Lead, Dr Michelle Reyers. The discussions were mainly about the pending report on the feedback relating to that White Paper.

Dr Reyers indicated that the CFFC will not be undertaking explanatory meetings for prospective residents, as had previously happened.

We were advised that the next National Forum is set for 23 August in Wellington.

MYTH BUSTER #002

"The Code of Practice protects residents."

Designed more as an addendum to the Retirement Villages Act 2003, the government of the time felt a Code of Practice (CoP) was needed to help fill some of the gaps that the RV Act did not address. When it came to drafting one up, the RVA was quick to supply a copy of its own CoP to assist. Their Code, designed by the operators association for the operators - was then adopted, by in large, as the Code of Practice 2008 we have now. It does a pretty good job of protecting... but just not residents.



Putting Anyone? Aspiring Lifestyle Village

Last year the Aspiring Lifestyle Retirement Village, in Wanaka, opened a significant extension to their Lifestyle Centre. When planning the associated landscaping, village management took the initiative of establishing a putting green. Jeff Farrelly, Chairman of the Residents' Committee, says 'this is a most welcome addition to the many sporting activities on offer'. The family of the Village's first couple have donated, in their memory, a silver salver trophy which will be awarded to the winner of a monthly putting competition.



Recording Conversations

Ever had one of those meetings where you wished you had recorded the conversation but decided not to because it might be illegal? Well, it turns out you can. When it comes to recording a personal conversation that you are directly involved in, without advising the person, the law is silent. The Privacy Act primarily covers businesses and organisations and, in most cases, does not extend to individuals making their own recording, unless it is being used for "threatening, coercive, or misleading behaviour". If you do not have a support person, or you want to make sure you understand any issues covered, or you are concerned that

stories may change down the track, then using a smartphone to record may be one way to help. Just make sure to turn it onto flight mode - as any incoming call may automatically stop the recording.

Serving for over 10 years, Legend! Dick Williams THANK YOU!



After more than 10 years serving at both a Regional and then National level as Secretary, Dick Williams will be passing the baton to a new incoming secretary at the National AGM in June.

Dick Williams started with the BOP Region in 2006. It was Dick Williams and (the late) Rob Wilson (President) who attended the first stakeholders forum run by the CFFC. Dick recalls, "It was full of operators, lawyers and statutory supervisors. Only the two of us and some staff from AgeConcern were there representing the consumer side. I remember standing up and explaining that the most common reason people leave is to go into care - and that it was unfair to continue to charge weekly fees! Within a few weeks of that meeting our village (part of a publicly listed company) stopped charging weekly fees and offered \$20k upfront on exit."

Prior to the RVRANZ having an online registration system, Dick inputted all memberships into a spreadsheet, reconciling payments, banking cheques - along with managing and updating the website and handling queries. It was virtually a full-time job. Even the logo we still use today, was thanks to Dick.

When asked why he did it, and he said "*The residents are the biggest stakeholders and they must have a voice.*" It was Dick who coined the phrase 'A local ear, a national voice' - and it's still what drives this association today. Thank you Dick!

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As the statutory supervisor to over 70% of all retirement villages throughout New Zealand, Covenant welcomes this opportunity to introduce residents to our dedicated team of retirement village specialists and to provide an overview of the work we do.

Our relationship managers are based throughout New Zealand, which is important given the wide geographical spread of villages we supervise. Garreth Heyns and Jan Signal are based in Auckland, with Raylene McMeekan based in Christchurch and Malcolm Gray in Cambridge. Our general manager, Richard Spong and our senior analyst, Celina Freymark are also based in our Auckland office.

Our team:



Garreth Heyns



Jan Signal



Raylene McMeekan



Malcolm Gray



Richard Spong



Celina Freymark

The role of the statutory supervisor is an important one and provides protection for village residents in a way that sets New Zealand apart from other countries. That difference is the requirement for village operators to appoint an independent statutory supervisor to look after the interests of residents. Statutory supervisors are licensed by the Financial Markets Authority and are accountable to them for the work they do.

Our role is carried out through a range of statutory and contractual powers and requires us, amongst other duties, to keep a constant check on the financial position of each village to ensure that there are no issues of concern. As a further protection for residents, all deposits and payments

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for new occupation right agreements ("ORA") must be paid to our trust account, which we hold until the cooling off period under the Retirement Villages Act has expired. If an ORA is cancelled during this period, we have to pay this money back directly to the resident.

In addition, we hold a registered security interest against the village land on behalf of residents. This ensures that residents' interests rank ahead of any bank or operator should a village experience financial difficulties. To prevent such issues arising, operators also need our consent before doing certain things that could impact residents' interests like borrowing money, providing guarantees, developing the village or selling the village. We then review those proposals to ensure that they do not disadvantage the interests of residents.

If we did consider that the financial position or the management of a village was inadequate at any time, we have various powers that we can exercise, which includes the ability to apply to court for orders if necessary.

Another important part of our role is to review and be satisfied with the insurance cover in place for each village. This is to ensure that there is sufficient cover to rebuild in the event of damage to the village or to repay residents the money they paid when entering the village in the event of a natural disaster, such as an earthquake, where the village is unable to be rebuilt.

Once a year we provide a report to the Registrar of Retirement Villages telling them how we have carried out our duties and whether we have had to exercise any of our powers. We also provide a similar report to residents at the AGM, which is generally chaired by one of our relationship managers.

Another area where we play an important role is in the complaints process. Where a resident makes a formal complaint, we become involved if the operator is unsuccessful in resolving the complaint to the resident's satisfaction. Our role is to bring an impartial perspective to the complaint, work with the parties and recommend a way forward.

So although a lot of the work we do occurs behind the scenes, residents can be comforted by the fact that there is an independent third party constantly monitoring the village and ensuring that the collective interests of residents are being protected.



National AGM

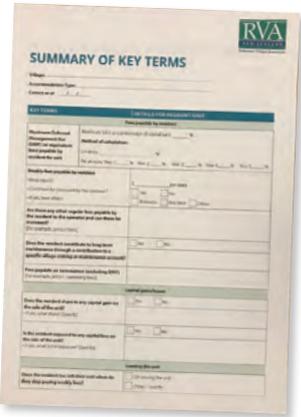
Join us: Thursday 24 June at 1.30pm
Waikare Golf Club
66 Waerenga Road, Te Kauwhata

Guest Speaker: Dr Doug Wilson,
medical academic, renowned writer
and open dyslexic.

Can you help? Seeking copies of the Key Term Summaries

If you moved into your village within the last 12 months - then you should have received a KTS as part of your documentation. If you didn't then we would encourage you to request one. This simple 2 pager with all the key points is a great reference sheet. When the RVRANZ travels to talk to residents, one of the regular questions is "Who here has read their ORA and Disclosure statement since they moved in." The response is normally less than 2% of the people in the room. We strongly support operators supplying this form and encourage our members to have it to remind themselves and any family of what has been signed.

If you have yours, the RVRANZ would be keen to receive a copy. Please feel free to remove your name and the purchase price - otherwise we will blank those out at this end. Your copy will help us to see what terms villages are offering around New Zealand and advise the government on the proportion of villages using various terms.



Please email a photo or scan of the KTS to; manager@rvranz.org.nz

Residents Committee Handbook

We often receive questions on the setting up and running of a residents committee. In conjunction with the CFFC, the RVRANZ is pleased to be able to distribute the following resource to help administer and run smooth committee meetings for the benefit of both village residents and management. A hardcopy has been provided to most villages throughout New Zealand, and is also available for download from www.rvranz.org.nz and www.cffc.govt.nz



Retirement Village Residents Association of NZ

Phone 0800 787 699
Membership Queries: registrar@rvranz.org.nz
Legal Queries: legal@rvranz.org.nz
Admin: manager@rvranz.org.nz

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