



Government of **Western Australia**
Department of Mines, Industry Regulation and Safety
Consumer Protection

So you're thinking about moving into a retirement village



- > If you're thinking of moving into a retirement village, but aren't sure what you should look for, this booklet will help.

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So you're thinking about moving into a retirement village

If you're thinking about moving into a retirement village, but are not sure what you should look for, this booklet will help. There are many issues to consider and questions to ask. The checklist at the back of this booklet should assist you in making your final decision. However, you should consult your legal and financial advisors to get specific information in relation to your individual situation.

Rights and obligations relating to retirement villages are set out in the following legislation:

- *Retirement Villages Act 1992 (the Act)*
- *Retirement Villages Regulations 1992 (the Regulations)*
- Code of Practice for Retirement Villages (the Code)

Copies of the legislation may be purchased from the State Law Publisher (phone: 6552 6000) or can be viewed and downloaded from the Parliamentary Counsel's Office website www.legislation.wa.gov.au

What is a retirement village?

A retirement village is a complex of residential premises specifically designed or geared for people who no longer work and is restricted to those over 55 years of age.

You will need to make a payment known as a 'premium' to secure the right to live in the village. This will usually be a one-off or up-front payment that confers a right to occupy premises, or involves the purchase of a lot and residential premises in the retirement village.

As well as paying a premium, you will likely be required to sign a residence contract or agreement. This most often is a standard form agreement drafted by the owner or administering body of the village.

You should be aware that as well as the premium there may also be body corporate fees and other various ongoing fees to cover village operation costs and support services.

Residents do not have an automatic right of transfer to any Commonwealth funded residential aged care facility or eligibility for community care services. The administering body of a retirement village cannot guarantee any proposed aged care facility will actually be made available or any existing aged care facility will continue to be made available.

Entry to these facilities and services is subject to eligibility and assessment requirements administered by the Commonwealth and/or State Government, and is not regulated by the **Act**.

Choosing a retirement village

Retirement villages vary greatly. Some provide a full range of special purpose accommodation from self-care units to serviced units. A range of other amenities and services may also be provided such as communal rooms, swimming pools, meals, laundry and cleaning.

An alternative arrangement simply provides accommodation with no on-site support, amenities or services.

It is important that you think about your future needs as well as your current lifestyle. For instance, stairs may become a problem, doorways might be too narrow for wheelchairs, an absence of public transport could become a major drawback if you reach a stage where you are no longer able to drive.

Features like 24-hour call buttons for medical and emergency assistance which may seem unnecessary now may become a necessity in years to come.

Questions to consider

Take a moment to consider the following questions. They may help you to decide whether to move into a retirement village. The questions may also help you to decide whether a particular village is right for you.

- Have I fully discussed my decision to choose a retirement village with my family, friends and/or financial and legal advisers?
- If I am considering moving to a retirement village because the housework, gardening and general maintenance have become too much, have I fully considered other options? For example obtaining home help or handyperson help, or moving to a smaller unit in the same neighbourhood may address these problems.
- If I am considering moving to a retirement village because I have recently lost my spouse or partner, have I given myself enough time to grieve before I make such a major lifestyle decision?
- Have I received adequate information about the retirement village I have chosen? Have I shown any documents provided by the retirement village to my solicitor or financial advisor? Do I fully understand the legal and financial arrangements set out in the contract(s) that I am signing?
- Am I sure that the lifestyle of the village (including social activities and any religious affiliation) will suit me?
- Have I been able to speak to existing residents of the village about how they find life there?

- Will the village and my unit be readily accessible if I develop a disability and need a wheelchair or walking aid? What alternatives do I have if my unit no longer suits my needs?
- Does the village provide personal care or nursing care, an emergency call system and other services that are likely to meet my present or future needs?
- Have I looked at a number of villages to compare the financial and legal arrangements along with the services, facilities and amenities provided?
- Can I afford the expenses associated with the village that I have chosen? Will I be able to afford these if they increase in the future?
- What are the financial consequences if I need to move out?
- Is the village I have chosen accessible to my friends and family? Are there any residence rules about having visitors in the village?
- Can I keep a pet?
- Can I take my own furniture to the village and, if so, will it be suitable?
- Am I able to make modifications to my unit? At what cost and will I have to pay for the removal of these on departure?

Before you sign

Now that you have decided to move into a retirement village, here are a few things to consider before you sign a contract.

You should make yourself aware of the financial arrangements for the village of your choice. Information about financial arrangements must be provided by the village administering body before you sign a contract.

Contracts are legally binding documents. It is important to take the time to understand the contract and be sure you agree to all the terms and conditions. You should check that any verbal agreements or claims made by salespeople are written into the contract. If you are unsure about any of the terms and conditions in the contract, you should contact your solicitor to get legal advice before signing the contract.

Before you sign a contract to reside in a retirement village, the administering body of the retirement village is required by law to provide you with the following information:

- A copy of the current Code. The code sets out the rights and responsibilities of residents and administering bodies of retirement villages.
- A copy of every contract required to be entered into in order to reside in the retirement village and details of any costs associated with entering into each of those contracts.
- A list of questions with answers, as specified by Form 1 in Schedule 1 of the Regulations. It is the responsibility of the owner/ operator of the retirement village to answer all the questions fully.

In answering the questions, the owner/operator of a retirement village is required to disclose such things as:

- the costs payable to enter the village;
 - all ongoing charges or fees payable by the residents and the method of determining any variation;
 - any additional or optional services provided and their respective cost;
 - details of costs associated with moving to and living in alternative accommodation within the village; and
 - a clear explanation of any refund entitlement (including any deductions from this amount) upon termination of a residence contract.
- A copy of the residence rules of the village. The rules may include limitations on visitors, pets, use of common areas, parking or gardening.
 - If applicable, a copy of any by-laws of the body corporate under the ***Strata Titles Act 1985***.
 - A copy of the following financial documents:
 - the previous financial year's audited or actual accounts of income and expenditure and the operating budget for the current year; or
 - the proposed operating budget if the village is under construction.

The administering body of the retirement village should provide all of this information to you at least ten working days before you sign any contract. You should use the information provided by the administering body of the retirement village to help you compare villages and work out the likely costs of your preferred choice. The information should also help you decide if a village will suit your lifestyle.

Changing your mind

When you sign a contract with a retirement village but have not yet taken up residence, there will be a 'cooling off' period of seven working days from the date the contract is signed. The contract will not become binding until those seven working days have passed.

If the administering body of the village has not given you all the required information at least ten working days before you sign the contract, the cooling off period will be extended to 17 working days after the day on which you do receive the information, otherwise the cooling off period is seven working days after the date of the residence contract.

During the cooling off period, you can change your mind - at no cost to you. But, the cooling off period doesn't apply if you move into the village before the seven (or 17) day period has expired.

If you decide to withdraw from the contract within the cooling-off period, you must give notice in writing to all other parties to the contract. You should also advise other interested parties such as your bank manager or real estate agent.

If you pay a deposit on your accommodation, the law says this money must be held in trust (in a bank account or invested as trust funds under the *Trustees Act 1962*) until:

- you occupy the residential premises;
- the cooling off period expires and you are entitled to occupy the residential premises; or
- it becomes apparent that you are not going to enter and occupy the residential premises.

Before you sign, check your contract for details about how much of your deposit will be refunded if you change your mind after the cooling off period has expired.

Residence or service contract

Your residence or service contract should include the following information:

- The legal basis of your occupancy, for example whether you are leasing or buying the premises.
- The type of occupancy, for example self care or serviced unit.
- The length of time you are entitled to reside in the village in return for any payment.
- The fixtures, fittings and furnishings which will be provided.
- The facilities, such as carport, garage, storage or other areas allocated for your use.
- All amenities and services provided or made available by the administering body of the retirement village and any charges for access to, or use of, those amenities and services.
- Any conditions that apply to a resident's access to, or use of, amenities and services.
- The cost of securing accommodation and your right to a refund, if any, on termination of the contract and how this is calculated.
- The fees or charges you must pay to meet the ongoing village operating costs, when they are to be paid and what is provided in return for those fees or charges.
- The basis for the future determination of those fees or charges.

- Any ongoing fees or charges for which you will be responsible if you leave and your unit is not immediately sold, leased or occupied (see section 23 of the Act for the time caps on a former non-owner resident's liability to continue paying recurrent charges after permanently vacating a village).
- Who is responsible for the cost of replacement and maintenance of fixtures and fittings.
- The circumstances under which you can be transferred or relocated from a self-care unit to other accommodation in the village and the financial arrangements that would apply.
- The fees you have to pay if you decide to leave the village, and how they are calculated.

If the village is still under construction, the contract must contain plans showing the location, floor plan and significant dimensions of your intended accommodation, and any facilities allocated to you. You may also request a map showing all buildings and grounds that form, or will form, the communal property.



Where to get further information or assistance

- For advice about your rights under the *Retirement Villages Act 1992* and the Code of Fair Practice for Retirement Villages call:
Department of Mines, Industry Regulation and Safety Advice Line
1300 304 054 (local call costs apply)
National Relay Service **13 36 77** (for the hearing impaired)
Website: **www.dmirs.wa.gov.au**
Email: **consumer@dmirs.wa.gov.au**
- Copies of the Act, regulations and code can be purchased from the State Law Publisher **(08) 6552 6000** or be downloaded from **www.slp.wa.gov.au**
- For details about the information and services available for seniors call:
Seniors Information Service (08) 6551 8800 or
1800 671 233 (country)
Commonwealth Carelink Centre 1800 052 222
Council on the Ageing (WA) Inc (08) 9472 0104
- For information about villages that are members of the Retirement Living Council of the Property Council call:
Retirement Living Council (08) 9664 4234
- For information about retirement village accommodation provided by members of Aged and Community Services Western Australia call:
Aged and Community Services Western Australia
(08) 9244 8233
- For information about the availability of retirement villages in a certain locality, call your local council.

A checklist for deciding which retirement village is best for you

Name of village: _____

Premium (Cost of entry) \$ _____

Maintenance fee \$ _____

Other charge \$ _____

Rent (if any) \$ _____

The village is close to:

My family and friends Yes No

Transport Yes No

Village facilities include:

- | | | |
|---|--|---|
| <input type="checkbox"/> a pool table | <input type="checkbox"/> storage areas | <input type="checkbox"/> gardens |
| <input type="checkbox"/> an activities room | <input type="checkbox"/> dining areas | <input type="checkbox"/> computer access |
| <input type="checkbox"/> a swimming pool | <input type="checkbox"/> library | <input type="checkbox"/> restaurant |
| <input type="checkbox"/> workshop | <input type="checkbox"/> shop | <input type="checkbox"/> medical services |

Comments: _____

Are there social activities for residents? Yes No

Comments: _____

The unit has:

- | | | |
|--|--|---|
| <input type="checkbox"/> stairs | <input type="checkbox"/> airconditioning | <input type="checkbox"/> heating |
| <input type="checkbox"/> wide hallways | <input type="checkbox"/> ceiling fans | <input type="checkbox"/> smoke detectors |
| <input type="checkbox"/> carpet | <input type="checkbox"/> laundry | <input type="checkbox"/> outdoor lighting |
| <input type="checkbox"/> tiles | <input type="checkbox"/> kitchen | <input type="checkbox"/> views |
| <input type="checkbox"/> good security | <input type="checkbox"/> deadlocks | <input type="checkbox"/> safety chain |
| <input type="checkbox"/> window locks | <input type="checkbox"/> peepholes | <input type="checkbox"/> covered walkways |
| <input type="checkbox"/> single garage/carport | <input type="checkbox"/> double garage/carport | |

The unit:

- | | |
|---|--|
| <input type="checkbox"/> has an emergency call system | <input type="checkbox"/> is serviced |
| <input type="checkbox"/> is self care | <input type="checkbox"/> has a single room |
| <input type="checkbox"/> has shared rooms | <input type="checkbox"/> has an ensuite |
| <input type="checkbox"/> has shared bathrooms | |

Can I get assistance with:

- | | | |
|------------------------------------|-----------------|----------|
| <input type="checkbox"/> cleaning? | additional cost | \$ _____ |
| <input type="checkbox"/> laundry? | additional cost | \$ _____ |
| <input type="checkbox"/> cooking? | additional cost | \$ _____ |
| <input type="checkbox"/> other | | \$ _____ |

The rooms are:

- | | | |
|--------------------------------|---------------------------------|--------------------------------|
| <input type="checkbox"/> small | <input type="checkbox"/> medium | <input type="checkbox"/> large |
|--------------------------------|---------------------------------|--------------------------------|

Can I take my own furniture? Yes No

If yes, will it be suitable? Yes No

If no, do I like the furniture in the unit? Yes No

Comments: _____

Can I have pets? Yes No

Are there limits on how many visitors I can have? Yes No

Comments: _____

When I spoke with residents of the village they:

were happy in the village Yes No

thought the village met their needs could be improved

Comments: _____

Department of Mines, Industry Regulation and Safety

Consumer Protection Division

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(for the cost of a local call statewide)

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This publication is available on request in other formats to assist people with special needs.