



Department of
Building and Housing
Te Tari Kaupapa Whare

Responses to ‘What do you think should be included in a Retirement Village Disclosure Statement?’

Introduction

This document collates the public responses received by the Department of Building and Housing (the Department) to its consultation on 'What do you think should be included in a Retirement Village Disclosure statement?'

This document reflects the views given by respondents in the consultation and was used to inform the Department and Minister for Building and Construction, the Hon Maurice Williamson of options for change. The views within this document are not the Department's or Minister's.

The consultation contained two parts. Part A contained separate questions for operators, residents and intending residents, lawyers and statutory supervisors. Part B asked all the respondents to rate the prescription of the current disclosure statements. Respondents were also asked to indicate an acceptable level of prescription for disclosure statements in the future, if disclosure statement requirements were changed.

The responses presented follow the order of the consultation document.

Part one: A Operators

Twenty-four individual operators responded.

The Retirement Villages Association's (the Association) submission included feedback from five member meetings (of approximately 60 operators) across the country and the Association's Executive Committee.

1 Are you a:

Commercial operator	10
Religious, welfare or charitable operators (this includes trusts and other not-for-profit operations)	14

2 Do you operate:

One village (on a single site)	16
A multi-site single village	1
Between two and no more than five villages (either complete or in development)	5
Between six and no more than 10 villages (either complete or in development)	1
Between 11 and no more than 15 villages (either complete or in development)	-
More than 16 villages (either complete or in development)	1

3 Should intending residents be able to understand the disclosure statement before consulting a lawyer?

Yes	21
No	1

Two operators submitted that intending residents have a better chance of understanding a disclosure statement if it is written in plain English.

- 4 Should the Government provide a standard disclosure statement template that all operators must use?

Yes	14
No	9

Please explain you answer.

Respondents were split on whether a template should be mandatory or voluntary.

Responses supporting a mandatory template

- only a mandatory template would provide value or be helpful for intending residents
- the benefits of a template are:
 - consistency
 - reduction of compliance costs
 - better product for intending residents
- a template should be simple and statements should contain only the important information. Providing headings is a better way of achieving this goal
- a template would set the Government’s standard.

Responses opposing a mandatory template

- the disclosure statement is a living document, specific to each village – a standard template is not feasible
- not convinced that standardisation will reduce compliance costs for operators or residents
- the statement does not protect our residents instead its production has stopped us from providing low cost housing and slowed down our building programme
- a template is anti-competitive
- operators should have the freedom to decide the best way to present information about their village
- one size fits all does not work, unit title villages are struggling with the current Department template
- we have spent too much in start costs developing our statement and do not want to incur further costs.

- 5 What would be the benefits of using a standard disclosure statement template for:

	Operator	Residents/ intending residents	Statutory supervisor
It is a guide	✓		
Easier to prepare reducing legal costs	✓		
Reassurance that competitors are equally constrained	✓		✓
If the statement does not meet the consumer needs, Government can be blamed	✓		
None so long as residents learn about our village	✓		

Comprehensive	✓	✓	
Consistency and lower costs	✓	✓	✓
Everyone (rural and urban operators) would be working to the same standard	✓		
To use as background information		✓	
Comparison		✓	✓
Simpler for those advising intending residents		✓	
Informed choices		✓	
Ongoing reference document		✓	
Easier to monitor			✓
Easier to find key information.			✓
Greater understanding by statutory supervisors			✓

6 What would be the disadvantages of using a standard disclosure statement template for:

	Operator	Residents/ intending residents	Statutory supervisor
A poorly designed template risks confusing intending residents	✓	✓	
More than template is needed to meet different business models and should enable operators to provide specific information about their village	✓	✓	✓
Complex and expensive	✓	✓	✓
A badly designed template may make it more difficult to sell residential units	✓	✓	
It may not provide the information intending residents want		✓	✓
Possibly less detail and less transparency		✓	✓
Inflexible	✓	✓	

7 Should the disclosure statement contain information about services and facilities that the village **does not** offer?

Yes	4
No	18
Don't know	1

Please explain your answer.

- no, intending residents are not stupid
- common sense should dictate, if it is not listed, it is not provided
- good business is about concentrating on what you do and doing it well
- information should be provided to intending residents that is relevant now and in the future
- intending residents can find out about the facilities offered through marketing literature and visits
- providing intending residents with a spreadsheet of services and facilities, marked with 'provided now', 'in the future' and 'will not be provided' is better
- exclusions provide clarity, as many intending residents think all retirement villages provide the same sorts of services and facilities

- the statement should be factual, short and simple
- providing information about what is not offered increases the size of the document and adds nothing.

8 Considering your current disclosure statement:

How much did it cost you to develop?	Lowest cost given	Highest cost given
	\$1,000	\$85,000

The cost of \$85,000 was the total compliance cost for a religious, welfare and charitable retirement village operator for all the villages it runs.

The most common cost was between \$20,000 and \$30,000. Some of the operators were unable to separate out the costs for the disclosure statement from their overall costs to comply with the Act.

Are there ongoing costs?

Only one operator reported no ongoing costs.

Fifteen operators indicated their ongoing costs. Not all the respondents gave details about their expenditure on the disclosure statement.

	Lowest cost given	Highest cost given
Administration costs	\$250	\$5,000
Legal fees	\$750	\$16,000
Lay-up costs	No figures provided	
Printing costs	\$100	\$1,000
Registrar fees	These are set in the Retirement Villages (Fees) Regulations 2006	
Other	\$500	\$5,000

Please explain your answer.

- some operators pay lawyers to make all amendments to the disclosure statement
- some operators review and amend the statement annually, whilst others undertake this on a six-monthly basis
- many operators review and amend the statement every time they have a new resident
- to save money, the amendments are made in-house
- some operators had to borrow to cover compliance costs resulting in substantial deficits
- compliance has cost \$189,000 in the past four years
- registration cost \$40,000
- the effect of the Act for residents is confusion and an increase in entry and exit costs
- the document has a high unit cost as it cannot be bulk produced
- some information has to be updated annually that is not helpful to residents (eg the age of the villa)
- it would be more cost effective to state the years that each building or group of buildings were built so that this information does not have to be updated
- more guidance is needed on whether minor amendments have to be

updated every time there is a change.

9 How do you pay for the disclosure statement?

Through the residents' weekly fees	11
From your reserves	9
From lowering your dividends to shareholders	1
Borrowing money from a financial institution	-
Other	4

Please explain your answer.

- some operators pay for the initial costs and pass ongoing legal fees to the residents through weekly fees
- the disclosure statement is paid by the incoming residents in the 'sale' fee, as the disclosure statement is most relevant to these residents
- existing residents pay when operators do not control the unit sales and cannot recover costs from incoming residents
- some operators redirected future development savings to pay for compliance as their residents cannot afford to absorb the costs in the weekly fees
- this is paid for from our marketing budget
- via the residents to ensure quick sales
- initially the reserve fund, which is recovered in the facilities fee charged the residents
- the disclosure statement is paid for from the body corporate fees.

10 Do you have a statutory supervisor?

Yes	19
No	4

11 Thinking about the future, if the disclosure statement framework is changed, do you think the Deed of Supervision (the contract between the statutory supervisor and the retirement village operator) would need to change as well?

Yes	3
No	5
Don't know/not sure	14

Please explain your answer.

- it depends on the changes proposed
- residents do not understand what the Deed of Supervision is or why they need to know about/understand it
- the duties would be modified to reflect any changes to the statement
- no, as the statement is unnecessary
- the statement benefits the statutory supervisor and ensures that they are included in the occupation right agreement, which they charge us for
- a statutory supervisor has to be assured the statement is compliant and intending residents are not misled (not an easy read for either party)
- we use the template created by the Trustee Corporations Association and do not know how this would be affected

- depends on what else is changed ie the Act.
- 12 Any other comments about the disclosure statement.
- remove sections duplicating the occupation right agreement
 - cut down on details
 - the Act including the disclosure statement has made unreasonable assumptions about the legal structure of retirement villages and greatly increased operator costs for little or no benefit to residents
 - small operators have raised the entry price for intending residents
 - financial details (of loans and mortgages) should reflect the requirements of the Act
 - the information should be meaningful
 - the statement is stopping operators from making sound business decisions or else risk misleading intending residents
 - some of the language in the regulations needs to be better to give intending residents correct information
 - information in the disclosure statement should be general or averages not specifics.

Part one: B Residents/intending residents

Eighty-eight submissions came from residents and intending residents.

Age Concern New Zealand and Grey Power made a joint submission. Their submission reflected the general needs of older people for accessible information and specific comments on the need for full disclosure for intending residents of retirement villages.

The questions for residents were based on the premise that all retirement villages' residents had received a copy of their retirement village disclosure statement as required by the Retirement Villages Act 2003 (no later than 1 May 2008). A number of respondents reported that they had not received a copy, or only received a copy as a result of wanting to participate in this consultation. Some had received a copy before May 2008 but been informed that the disclosure statement did not apply to them, so paid little attention to it.

1 Do you live in a village/are you considering a village that is

Commercial	56
Religious, welfare or charitable (this includes trusts and other not-for-profit operations)	26

2 What size is your village/what size of village are you interested in?

Two or more units but no more than 34	7
35 or more units but no more than 84	16
85 or more units	61

3 At what stage were you given a disclosure statement?

At an open day	3
At your initial enquiry	18
When you asked for a copy	8
As part of your contract	34
Other	25

4 Did you/can you understand the disclosure statement without legal advice?

Yes	49
No	32

5 Did you find/are you finding the disclosure statement helpful in choosing your village?

Yes	22
No	34
Unsure	13
No answer/not applicable	8

Please explain your answer.

Helpful

Respondents listed the following topics as helpful to their decision making:

- financial information
- facilities in the village, particularly residential care facilities so residents do not have to move twice
- information about the wider community
- policies and conditions of living in the village
- as a reference document to unanswered questions
- choice of apartment/availability of residential units
- proximity to family, friends and amenities.

Unhelpful

Reasons given for the disclosure statement being unhelpful are below:

- a number of responses came from residents who had moved into villages before the Retirement Villages Act 2003 came into force, and so had not used the disclosure statement or prospectus to help them choose the village
- many respondents reported the disclosure statement was too long, language inappropriate (too legal or technical), incomplete or inaccurate
- other reasons were villages cannot be easily compared
- unit title holder residents stated they either received simple disclosure statements or the disclosure statement provided to them was not relevant to their situation
- many respondents made their decisions without using the disclosure statement information
- some intending residents do not understand the importance of the statement
- some residents only received the disclosure statement with their contract or after they had signed the contract.

- 6 How easy is the information in the disclosure statement to understand?

Very easy to understand	3
Easy to understand	33
Hard to understand	18
Very hard to understand	11
Neither easy nor hard to understand	18
Don't know	-
No answer/not applicable	5

- 7 If you are a resident, do you use the disclosure statement now that you live in your village?

Yes	41
No	35
Not a resident	2
No answer	5

- 8 If the disclosure statement was/is helpful, please describe how it helped/helps you.

The disclosure statement was helpful in:

- defining the rights and responsibilities and owner/resident obligations
- setting out the levels of care including dementia care facilities, the financial arrangements of moving between residential units including decline in capital at the end of the contract
- setting out resident expectations of the managers
- detailing the services and facilities within the village
- explaining the procedures and policies
- giving residents as much information as possible as some residents will live in these villages for many years
- explaining less clear clauses in the occupation right agreement
- moving into the village.

- 9 If the disclosure statement was/is unhelpful, please explain why.

The reasons given for the disclosure statement being unhelpful fall into two main categories: presentation and content.

Presentation

- statement should be shorter and simpler, with no jargon or legal terms
- statement was confusing
- information goes out of date quickly and we do not receive updates
- statement needs to be written in Plain English
- there is too much use of 'not applicable' in the statement
- page numbering is too small.

Content

- statement reports on issues outside of the operator's control (such length of time to sell residential units)
- conflicts of interest need to be clearer especially in the role of the manager
- important charges are omitted
- statement has not provided any consumer protection
- other residents' advice holds more sway than the disclosure statement
- statement should be a stand alone document – not to be read in conjunction with the occupation right agreement

- content changes too often for the statement to be a useful document
- disclosure statement does not meet the needs of consumers rather it meets the requirements of the Retirement Villages Act 2003
- some residents requested more information should be provided on 'fair wear and tear'
- statement was not clear about weekly fees and the requirement to continue to pay them when residents move out
- there is insufficient information in it
- some of the information is inadequate or misleading
- more clarity is needed about financial, replacement costs and repayment to the estate
- statement is not applicable to unit title retirement villages.

Other

- statement only helps residents if they receive a copy before they move in (a number of respondents reported they had been given a copy after they moved in)
- some residents had to ask for a copy in order to participate in the consultation
- many residents reported their operator's covering letter stated that their existing contracts were unaffected by the statement.

10 Were/are there parts of the disclosure statement that were/are not relevant to you?

Yes	31
No	30
No answer/not applicable	18

11 What parts were/are not relevant? Please list and explain your answer.

The most irrelevant parts of the statement were given as:

- monetary information, services and legal
- capital deduction information is irrelevant as some operators have changed the percentage
- verbatim inclusion of parts of the Retirement Villages Act 2003
- charging information as charges are subject to change
- personnel information should be kept to title of position and short description (as every time a staff member changes the statement has to be updated)
- duplication of information from other documents
- statutory supervisor sections.

Other

- all information is relevant, but not all information is necessary as most residents only move into one retirement village
- unit title residents reported that most of the statement is irrelevant and was designed to meet the needs of residents in villages offering a licence to occupy
- residents also noted that parts of the statement were too wordy or complicated
- a single one size fits all template has led to irrelevant information being included in statements
- possible solutions included splitting the document into two: the first part being short and factual, and the second part providing more of a narrative, so solicitors could use to advise their clients.

- 12 Is there any information that was not included in the disclosure statement that should be?

Yes	46
No	24
No answer/not applicable	13

- 13 Please list the information that you think should have been included (these have been listed in themes):

Financial information:

- responsibility and billing details when damage is less than the insurance excess
- amount a resident may lose when the operators sells the residential unit at a capital loss (and what this means)
- calculation of capital return at the end of the contract
- ownership arrangements and shareholdings of the operator
- impact of liquidation or receivership on the residents
- clear explanation of refurbishment and fair wear and tear
- clear explanation of adapting a residential unit to accommodate disabilities.

Care facilities:

- information about the on-site care facilities
- whether rest home and hospital facilities on site are subsidised.

Quality of buildings:

- details of the thermal rating and insulation levels of the residential units
- statement about responsibilities and financial obligations regarding maintenance of electrical switchboards, garage door, water supply, drainage and piping.

Transfer between residential units:

- rules and financial implications of transferring between independent villas or transferring to another village owned by the same operator.

Chattels:

- definitive list of the chattels supplied within the residential units and who is responsible for their maintenance
- statement about who is responsible for the replacement of chattels at the end of their lifetime.

Known future developments:

- intended developments inside of the village (controlled by operator)
- intended developments outside of the village that may affect residents' quality of life (outside of operators' control).

Other

- executive summary
- statement about the role of the statutory supervisor
- statement that residents may have different contracts
- date the statement was prepared, who prepared it and who approved it.

- 14 Should the disclosure statement contain information about services and facilities that the village **does not** offer? (For example, being told that there is no minibus, or hairdresser in the village etc.)

Yes	53
No	20
Don't know	3
No answer/not applicable	5

Please explain your answer.

Many respondents wanted the operators to supply lists of what they do and do not offer as a way of 'keeping operators honest'.

Reasons for including information about services and facilities that the village does not offer:

- helpful for decision-making
- will avoid confusion by making it clear what is and is not offered
- operators can't mislead intending residents
- very important for people with limited mobility or do not drive to know what is available within the village, and what is available within the locality (distance and transport links)
- it is wrong to expect people to ask, especially as moving into a retirement village is considered to be a 'one-off'
- services should be described and marked against a common standard
- legal requirement to list everything stops misleading promotional material
- helpful for intending residents who do not realise that services and facilities vary between villages.

Reasons against including information about services and facilities that the village does not offer:

- statement should be brief and only include information on what is offered to shorten the document
- villages should sell themselves on the positives and not be 'judged' for what they do not offer
- it should be up to intending residents to ask
- this information is included in the promotional material
- limit duplicating information.

- 15 Should there be a standard disclosure statement template that all operators must use?

Yes	69
No	9
Unsure	2
No answer/not applicable	2

- 16 What would be the benefit of using a standard disclosure statement template for you?

Responses have been categorised below:

Comparison

- choice between a number of villages
- residents and operators can learn from similar villages (could be a way to settle complaints and disputes)
- competition between villages may increase
- helpful if you do move village as you will know what to look for.

Simplicity

- others would find it easy to support us in decision making (lawyers, advisors, families and friends)
- enable us to assess whether our expectations have been met.

Fairness

- all important and relevant information is included
- rights and obligations will be clearer
- value for money assessment would be easier.

17 What would be the disadvantage of using a standard disclosure statement template for you?

Residents listed the following comments on why a template would not work or be beneficial:

- villages are different and statements should reflect this
- information can be omitted because operators cannot find the 'right' place to provide the information
- it disadvantages small villages with limited services and facilities
- one size does not fit all
- unit title villages are disadvantaged.

18 Any other comments about the disclosure statement.

Summary documents:

- moving at this age is traumatic, trauma can be reduced by providing summary documents of salient points and a checklist to highlight the most important information
- current statement/template should be retained for lawyers and a shorter, more consumer friendly document provided for residents
- try and get all the important information into four pages.

Consumer focused:

- this review should ensure the information received by residents is factual and understandable – length of a document is irrelevant in achieving these goals
- given that some residents live in villages for over 30 years, the statements should be written in a style residents can understand, rather than having residents rely on their lawyers.
- purpose of the statement is to provide residents with information - not a marketing tool
- statement should be organised to meet the consumers' needs not the legislators or operators
- base it on the Retirement Commissioner's book and include checklists, plain English and be comprehensive, include an executive summary of the really important issues: costs, services and village rules
- be careful about shortening the document.

Financial information:

- statement should concentrate on the financial aspects. Operators should encourage existing residents to talk to intending residents
- given the complexity of the purchase the statement is a reasonable length
- moving into a village and then discovering information is too high risk
- it is much harder to assess relative prices of a unit than a house on the open market, as you cannot use Quotable Value when buying a unit.

Other

- statement for this village was comprehensive to the point of overkill.
- document should be split in two
 - first part should cover:
 - the legal interest in the village
 - exit agreement
 - fees and charges when moving in, between units and out
 - ongoing charges and fees
 - second part should have all of the information a solicitor needs to advise their clients
- template should serve as a consumer checklist to ensure they have understood all the important information
- Act was well intentioned, but has not protected us - the costs outweigh the

- benefits
- content of the statement should not be watered down - it is not Government's role to decide how much information a resident needs
- most residents choose villages on their needs, likes and location – legal issues are a later consideration, which is where the statement comes in
- villages should be able to update the information quickly and easily.

Part one: C Lawyers

Nine lawyers representing individual legal firms made a submission. The New Zealand Law Society Property Section also made a submission.

1 Do you advise (tick all that apply):

Operators	8
Intending residents	7
Statutory supervisors	4
Other lawyers about the Retirement Villages Act	3

2 Should intending residents be able to understand the disclosure statement before consulting a lawyer?

Yes	10
No	-

3 If you advise operators, how much time does it take to develop and finalise a disclosure statement?

Legal firms

- first one took days
- 15 hours in total
- a significant amount of time even though our firm has an in-house template.
- from scratch 15 hours
- difficult to separate out the work on the statement from other documentation required by the Act
- 12 to 15 hours.

New Zealand Law Society

- Firms who created templates took about two weeks. Each template needs to be reviewed and kept up to date. It then takes between ten to 20 hours of work to fill in a template for the client.

4 If you advise intending residents, how much time does it take you to explain the disclosure statement?

- no more than an hour
- one hour
- between 20 minutes and two hours
- about four hours
- three hours
- one and a half hours.

- 5 If you advise statutory supervisors, how much time does it take you to explain the disclosure statement?
- one hour
 - can't quantify, but some statements prepared by other companies don't comply so we spend time suggesting amendments
 - as clients statutory supervisors are very aware of the legal requirements
 - a statutory supervisor's own lawyer will explain whether a statement is compliant. Even so a consultation could take up to four hours
 - none, as all our client statutory supervisors act for a number of villages and have the experience and knowledge to review the statements themselves.
- 6 If you advise other lawyers, how much time does it take you to explain the disclosure statement?
- as long as is necessary as most lawyers do not undertake retirement villages work regularly
 - questions relate to specific parts of the statement – not the whole, so it is difficult to quantify.
 - if the advice is informal 15 minutes, for formal advice anything up to two weeks.
- 7 Thinking about the future, if you advise operators and statutory supervisors and the disclosure statement framework is changed, would the Deed of Supervision need to be changed as well?

Yes	-
No	3
Don't know/not sure	2
It depends on how the disclosure statement framework is changed	2
No answer	1

Please explain your answer.

- there is no reason for the Deed of Supervision to change
 - from a cost perspective this should be avoided.
- 8 Should there be a set disclosure statement template that all operators must use?

Yes	7
No	2

- 9 What would be the benefits/disadvantages of using a set disclosure statement template for:

The benefits from advising operators and intending residents are:

	Operator	Intending residents
Certainty with compliance as Government sanctioned	✓	✓

Consistent format for meaningful comparisons	✓	✓
Simpler, less cost and less paper	✓	✓
Operators would be able to fill in some/most of the information themselves, saving them time and money	✓	
The client's will understand the paperwork	✓	✓
Increased familiarity with the document		✓

The disadvantages from advising operators and intending residents are:

	Operator	Intending residents
Market differential would be lost	✓	
Less beneficial for larger operators	✓	
Some schemes won't fit into the template	✓	
It will be very difficult to design a 'one size fits all' template	✓	✓
A template could work against some operators	✓	
Too little flexibility in describing the village, its structure and offer	✓	✓
A template does not help explaining the implications to intending residents		✓

10 Any other comments about the disclosure statement.

- whole legislation is based on the premise of consumer protection, but the result is overkill, high costs for older people and a bureaucratic nightmare
- there should be a template that does not duplicate information in other documents
- need to distil exactly what information residents' need and give them this in a standard format
- all other information should be provided through other sources
- terms needing clarification: manager of a village, 'occupied' and 'unoccupied' in relation to disposal, re-sale dates
- information included in the occupation right agreement should not be included in the statement unless it is absolutely necessary for residents understanding
- statement is too difficult for elderly clients to understand by themselves
- important information is:
 - who is the operator and manager and what is their interest in the village
 - details of the village including services and facilities
 - financial information: entry and exit payments and periodic payments
 - other matters that may affect the resident
- financial obligations to residents should be up front in the statements
- Marketing material often does not include financial material
- competition between villages should be encouraged
- a definitions section is needed for key terms
- it should be written in plain English.

Part one: D Statutory supervisors

Two statutory supervisory companies made a submission. The Trustees Corporations Association made a submission on behalf of its four members who supervise retirement villages.

1 How many villages do you/your company supervise?

One, but no more than 10	-
More than 10, but less than 30	-
More than 30, but less than 50	1
More than 50	2

2 Should intending residents be able to understand the disclosure statement before consulting a lawyer?

Yes	3
No	-

3 Is the current disclosure statement 'fit for purpose'?

Yes	-
No	3

The disclosure statement is not fit for purpose because:

	Operator	Intending residents
Too detailed	✓	
This should be a fact sheet and not a legal document. The legal rights, duties and obligations should be in the occupation right agreement	✓	
The statement should only provide information about the operator and the village	✓	✓
Should be restricted to essential financial terms. Currently it is too complex	✓	✓
Residents should after reading a statement understand the basics: price and financial structure	✓	✓

4 Does the current disclosure statement provide all the important financial information (in comparison to a financial prospectus) for intending residents?

Yes	1
No	2

5

5 If there is financial information missing, please list it below:

There is little information about the operators' financial position in particular the operators' debt levels.

6 Should there be a standard disclosure statement template that all operators must use?

Yes	3
No	-

- 7 What would be the benefits/disadvantages of using a standard disclosure statement template for:

The disclosure benefits of using a standard disclosure statement are:

	Operator	Intending residents
Less confusing for residents	✓	
Greater facility to compare villages	✓	✓
Easier to understand		✓

- 8 Thinking about the future, if the disclosure statement framework is changed, would the Deed of Supervision need to be changed too?

Yes	-
No	3
Don't know/not sure	-
Cannot answer the question until an alternative disclosure statement framework is proposed	-

- 9 Any other comments about the disclosure statement.

- it must targeted towards intending residents – informative, yet easy to read
- Deed of Supervision would not be affected by amending the disclosure statement
- occupation rights agreement information should be removed from the statement
- Act only requires lawyers to explain the occupation right agreements not the statement, therefore the statement should be written in plain English
- statement should be no longer than it needs to be
- residents have complained to us that the statement is overly long, difficult to navigate, a waste of paper and contains unnecessary detail
- statement should not include information on what is not provided, as this confuses residents.

Part one: Other organisations

The New Zealand Nurse's Organisation and Retirement Commissioner also made submissions on the disclosure statement.

The Nurse's Organisation's submission focused on health and care issues related to retirement villages noting information should be about the services and facilities they provide in relationship to the continuum of care model.

Many retirement villages are part of complexes offering residential and hospital care. Well-designed villages make a serious contribution to reducing public health and ACC costs and meet the Government's Ageing in Place strategy.

District Health Board's Aged Residential Care contracts forbid the use of subsidised staff in assisting in non-subsidised villas and apartments. The Nurse's Organisation noted almost all villages use subsidised staff and in villages where units have call-

buttons this can leave the rest home/hospital with inadequate staffing levels, putting other older people at risk.

- Operators should include information about insulation and heating methods in residential units as these are important factors in keeping older people healthy.
- People chose villages for 'safety' and access to care. Financial decisions include the affordability of care. There is a blur between subsidised and privately funded care that could be a barrier to robust costing and accountability from operators to residents.
- The disclosure statement should address:
 - ownership
 - management
 - contracting
 - funding
 - staffing
 - ratios to private and subsidised consumers
 - qualifications of staff
 - management and funding arrangements.
 - services
 - “profiteering”
- The statement should contain details about clinical and personal care provided within villages so the transition to higher levels of care is managed better.

It is important that disclosure statements are adequate so that people fully understand what they are buying into to. This is especially important, as the State has to bear the costs when private funding runs out.

The Retirement Commission shared findings from their work on financial disclosure statements.

The key principles of disclosure are making things clear and understandable. Disclosure provides consumers with information they need to make informed decisions. The Retirement Commission stated intending residents should be able to use the statement to compare villages, especially weekly fees and services. The Retirement Commission’s suggested:

- not assuming everyone knows much about the retirement village industry
- use plain english and written for the consumer
- documents should be well structured and always have a table of contents
- be in a suitable font
- have well-designed with headings and sub-headings appropriately
- use bullet points
- use questions and answers as these are considered user friendly
- put the most important information up front (limited to two pages)
- design a disclosure statement to be flexible so that operators can use of the document at open days and other information giving events.

Part two: Ratings scale

Respondents were asked to rate the current and future disclosure statements , (if disclosure statement requirements were changed) on a scale of one to ten.

One counted as too prescriptive/inflexible and ten was not prescriptive/flexible.

Scale	Responses received	
	Current disclosure statement	Future disclosure statement
1	9	6
2	13	3
3	10	3
4	12	7
5	12	12
6	9	11
7	2	9
8	4	8
9	1	8
10	-	1
1 to 2	1	1
2 to 3	4	4
3 to 4	2	1
4 to 5	1	3
5 to 6	3	5
6 to 7	2	-
7 to 8	2	3
8 to 9	-	1
9 to 10	2	2
1 to 3	1	1
2 to 8	-	1
3 to 8	1	-
4 to 6	3	1
6 to 8	-	1
7 to 9	-	1

The majority of respondents want to see a less prescriptive disclosure statement.

If the disclosure statement is less prescriptive operators will be able to tell intending residents about aspects of the village that interest the intending resident.

Intending residents should receive a statement that tells them what they need to know and provide the basis for further enquiries.

Part two: Retirement Villages Disclosure Statement

The Department provided respondents with a table listing all of the information required for the current disclosure statement. Respondents were asked to tick whether they thought the information is needed or not needed.

One hundred and nine respondents completed this section.

The Department did not undertake a counting exercise because counting analysis would not produce a better disclosure statement. Instead, the Department looked at each section to determine the key information intending residents need, to make informed decisions. The Department focused on what respondents told us was 'not needed' to assess how to best inform consumers.

Responses were clearly split between residents who wanted almost all of the current information and operators and their lawyers wanting to reduce the amount of information provided in a disclosure statement. Operators often highlighted the information that must be included in an occupation right agreement, suggesting this should be removed from the disclosure statement.

Operators and residents in unit title retirement villages are frustrated that the disclosure statement is designed to report on the licence to occupy retirement villages, so that their disclosure statement appears to contain much irrelevant information.

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