

# Media Release

**The Hon Melissa Horne MP**

Minister for Consumer Affairs, Gaming and Liquor Regulation

Minister for Ports and Freight

Minister for Fishing and Boating



Tuesday, 2 February 2021

## NEW LAWS TO PROTECT RETIREMENT VILLAGE RESIDENTS

The Andrews Labor Government is making it easier for former retirement village residents to recover money owed to them, if the owner of the village becomes bankrupt or insolvent.

The changes, which come into effect today, remove the need for legal action to be taken against the retirement village owners before the Supreme court can make an order that the land of the village be sold and the revenue be used to pay former residents owed money.

Previously, former residents had to first take other legal action against the village owners to obtain repayment of the monies owing to them, before the Supreme Court could act.

The changes will also enable the Director of Consumer Affairs Victoria to apply to the Supreme Court on behalf of affected retirement village residents and their estates when it is in the public interest to do so, rather than requiring them to take costly court action on their own.

Minister for Consumer Affairs Victoria Melissa Horne said the changes would make a real difference for residents, who are often caught out when retirement villages go under. In some cases, the refund owed can be more than \$200,000.

These reforms may directly benefit include former residents of the Berkeley Living Retirement Village and their families, who have been seeking to recover their refundable in-going contributions since the village went into liquidation in 2017.

Further protections for retirement village residents include changes that will allow the Supreme Court to make orders to assist with recovering moneys if it is in the interest of the majority of residents, instead of all residents.

The Government is currently undertaking a more substantial Review of the *Retirement Villages Act 1986*, to ensure the key legislation that governs the industry keeps pace with the way the sector is changing.

The Government will shortly be seeking feedback on a range of options that have been developed from the first round of consultation.

Interested parties will be able to view the Options Paper via [engage.vic.gov.au/retirementvillagesact](https://engage.vic.gov.au/retirementvillagesact) and can register for updates by clicking the “follow” button at the top of the page.

### Quotes attributable to Minister for Consumer Affairs Melissa Horne

*“We’re reduce the financial and emotional burden on former retirement village residents and their families by making it easier for them to get their money back.”*

*“No one should have to jump through costly, unnecessary hoops to get money they are owed, particularly those who are already vulnerable.”*

### Quote attributable to Member for Carrum Sonya Kilkenny

*“Berkeley residents and their families have been fighting for years to get their money back – these changes are about making the process easier for them and everyone caught out when a retirement village goes under.”*

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