RETIREMENT VILLAGE EXIT REPAYMENTS

What is changing

A comparison of current settings, the November 2025 Cabinet package and the strengthened package now agreed

Issue	Current settings	Cabinet decisions - November 2025	Strengthened package now agreed
Maximum repayment	No general statutory maximum. Repayment is commonly linked to the unit being relicensed, subject to the ORA.	A 12-month maximum after ORA termination, subject to targeted exemptions and extensions.	A nine-month maximum after ORA termination, subject to the same targeted exemptions and extensions.
Money soon after exit	No automatic statutory partial payment for all eligible former residents.	No automatic initial payment. Interest would have applied after six months.	10 percent of net termination proceeds within four weeks of ORA termination for an eligible former resident leaving to live elsewhere.
Interest	No general statutory requirement to pay interest on outstanding exit repayments.	Interest required from six months if the unit remained vacant.	Interest requirement removed and replaced by the automatic 10 percent payment.
Hardship pathway	Arrangements are voluntary and inconsistent across the sector.	A statutory application pathway for eligible former residents (i.e. those who are not in exempt villages) with specified needs, including aged care, hardship or more suitable accommodation.	Retained. Eligible residents may apply for early access to funds of an amount up to their full net termination proceeds.
Who the key changes cover and when they will commence	Existing residents remain covered by their current ORAs and existing law.	New ORAs of eligible residents signed after a one-year transition following Royal assent (the 10 percent payment application pathway, and nine-month maximum repayment timeframe). There will be phased commencement dates for other parts of the package.	No change: new ORAs of eligible residents signed after a one-year transition following Royal assent. Existing ORAs are not altered. There will be phased commencement dates for other parts of the package.
Exemptions and extensions	Not applicable.	Targeted exemptions, including villages with fewer than 50 units, specified alternative sales models and insolvency. Extensions for operators of up to six months on specified grounds available for the maximum repayment deadline.	The same exemptions apply. Extensions of up to six months remain available for the maximum repayment deadline on specified grounds.
Legislative timing	Current law remains in force.	The amendment Bill was expected to be introduced in the current Parliamentary term.	The Bill will be introduced in the next Parliamentary term to allow the strengthened package, safeguards and enforcement settings to be drafted.

Other exit protections agreed by Cabinet in November 2025 include stopping weekly fees and fixed deductions accruing after ORA termination; restrictions on passing on marketing and sale costs; and requiring monthly progress reports.

Implementation sequence: September 2026 Cabinet decisions; Bill introduced next Parliamentary term; Royal assent; phased commencement; some new requirements apply only to new ORAs and some to new and existing ORAs.

Important: This fact sheet summarises policy decisions. The strengthened settings are not yet law and remain subject to the parliamentary process. Actual entitlements will depend on the legislation, applicable exemptions or extensions, and the terms of an ORA.

- In December 2025, the Government announced a 12-month maximum repayment period, interest after six months and a hardship pathway. These decisions have not yet been enacted.
- Cabinet has shortened the maximum period to nine months and replaced interest with an automatic 10 per cent payment within four weeks.
- The Bill will be introduced in the next Parliamentary term. A one-year transition will follow Royal assent before these requirements apply to new occupation right agreements.
- The new requirements will not alter existing occupation right agreements. Applying them immediately to all existing agreements would bring the full financial impact forward, potentially affecting village affordability, services and viability.
- The payment will be 10 per cent of the resident's net termination proceeds. The indicative $60,000 is based on a projected average unit value in 2028/2029 of approximately $800,000 minus a 25 percent deferred management fee. Actual payments will vary.
- The initial payment applies when a former resident leaves to live elsewhere. It will not apply to a resident's estate following their death.
- Residents needing to enter aged residential care, experiencing financial hardship or requiring more suitable accommodation will be able to apply for early access for an amount up to their full net termination proceeds.
- Weekly fees will stop and fixed deductions will stop accruing after an occupation right agreement ends. Operators will also be required to provide monthly updates on the progress of relicensing a unit.
- Operators will still be required to take all reasonable steps to enter into a new occupation right agreement for the unit of a former resident in a timely manner and for the best price reasonably obtainable, keep the former resident updated regularly, and get the unit valued after six months (if not relicensed by then).
- A more efficient and effective dispute resolution system will be introduced to resolve disputes where operators are not meeting their obligations.
- Villages with fewer than 50 units will be exempt. Exemptions will also apply where the resident controls the sale and price, at least half the capital gain is shared with the outgoing resident or their estate, or the village is in receivership.
- Extensions of up to six months to the maximum repayment timeframe may be available for village operators on specified grounds.
- Failure of an operator to make the initial or final payment within the required timeframe will be subject to civil penalties of up to $25,000 for an individual and $50,000 in any other case. The Registrar or a statutory supervisor can bring civil liability proceedings.
- The estimated $3.2 billion to $4.1 billion is the capital the sector would need to hold or access for a three-month maximum repayment timeframe. The potential increase in entry costs assumes operators pass all estimated costs on to residents.