

Statutory Supervisors

AT A GLANCE

Statutory supervisors are appointed to monitor the interests of village residents. Every retirement village operator is legally required to appoint a statutory supervisor upon registration (unless it's exempt from this requirement under [section 41 of the Retirement Villages Act 2003](#)). Statutory supervisors are independent bodies licensed by the Financial Markets Authority.

Duties of the statutory supervisor

Statutory supervisors have four principal duties under the Retirement Villages Act 2003.

Independent stakeholder for payments

Statutory supervisors provide a stakeholder facility for payments made to village operators by prospective village residents, including deposits and progress payments.

Annual reporting

Every year, statutory supervisors report to the Registrar of Retirement Villages, and to residents (at the village's Annual General Meeting) on the performance of its duties and the exercise of its powers.

Financial monitoring

Statutory supervisors monitor the retirement village's financial performance as part of their role to monitor the interests of residents.

Abide by relevant legislation and the 'deed of supervision'

Statutory supervisors must perform any other duties that are imposed by the Retirement Villages Act or any other Act, any regulations made under the Retirement Villages Act, and any document of appointment, including a deed of supervision. The deed of supervision sets out the terms agreed between the statutory supervisor and the village operator.

How statutory supervisors protect residents' financial interests

Most statutory supervisors take the below steps to protect residents' financial interests. However, please refer to the village's deed of supervision for exact details (you can find this by searching for the village on the NZ Companies Office website).

Land-based security

A statutory supervisor usually holds a land-based security over the village's certificates of title. This is to secure performance by the village's operator of its obligations to residents and gives some sway when it comes to negotiating with the village operator (or a liquidator, receiver or statutory manager if required).

Financial monitoring

The statutory supervisor must exercise reasonable care and skill to ascertain whether the financial position of the retirement village, the security of the interests of residents and the management of the village is adequate.

Monitoring for red flags

Statutory supervisors keep an eye on the overall performance of a village and monitor for any red flags. For example, they might take action if a village is slow to carry out maintenance, struggling to sell occupation right agreements, or showing signs that it's not meeting its obligations to residents as set out in their occupation right agreement.

Receiving complaints from residents

Village residents may approach statutory supervisors with complaints about any alleged breach of rights. If a resident raises a complaint directly with the operator and it's not resolved, the operator must refer the complaint to the statutory supervisor.

Facilitating AGMs

A representative from the statutory supervisor will usually chair the village's Annual General Meeting (AGM). The statutory supervisor will also be in attendance to hear any concerns from residents and to facilitate a productive discussion between residents and the village operator.

Further information

You can check whether a village has a statutory supervisor by reading the village's disclosure statement, which can be found by searching for the village on the [NZ Companies Office website](#) (go to Other Registers, click retirement villages and you can search for a village). Alternatively, you could ask the village sales manager.