



SUPPORTING HOME OWNERS WITH GOVERNMENT
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to

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**Alliance of Manufactured Home Owners – Response to the Department of
Communities, Housing and Digital Economy – Strategic Policy and Legislation
– Issues Paper Manufactured Homes (Residential Parks) Act
2003**

**Including Issues and Problems affecting Manufactured Home Owners, with the
potential for improvements, to the Manufactured Homes (Residential Parks) Act
2003**

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Introduction

The Alliance of Manufactured Home Owners Incorporated, has sought the opportunities provided to date, to consult with The Liberal National Party Qld Coalition, The Queensland Greens, Independent, One Nation Party, The Katter Party, and The Labour Party Members of Parliament, to amend the Manufactured Home (Residential Parks) Act 2003. (the Act)

This submission supports the previous recommendations provided to the government, the opposition, and Members of Parliament to prescriptively amend the Queensland Legislative Act the Manufactured Homes (Residential Parks) Act 2003 (the Act).

These amendments are and will be an ongoing concern in Queensland local communities and therefore are not exhausted in this document by their very nature and will evolve over time to be added to, thereby bringing the Act back into a state of equitability for both home owners and park owners.

This specific submission relates to the way a corporation or park owner of a Manufactured Home Village can raise rents on an annual basis in line with affordability policies, rate of inflation, average wage rates, costs of living, and viability of the manufactured home market sector.

It has been noted that with meetings and conversations with certain Members of Parliament that they do not understand, nor have they read the recommendations submitted. It is therefore suggested that these recommendations be taken seriously and read in conjunction with previous submissions to the government.

Background of AMHO:

AMHO is a non-profit, volunteer staffed association assisting Manufactured Home Owners in residential parks and villages for all of Queensland and provides its members with information and insights on matters pertaining to the Manufactured Homes (Residential Parks) Act 2003 (the Act). The main thrust of AMHO's endeavours is to provide maximum assistance and advice when problems arise concerning residential park living.

Feedback and matters of concern from our members throughout the State, allow AMHO to keep abreast of problems and matters which can, and do, affect all manufactured home owners, and that may require further investigation or action.

Additionally, AMHO is active in seeking changes to current legislation and has participated in advisory committees and related bodies in past reviews and consultations as a major stakeholder in this housing sector and is continuing to do so at this time in respect of the Housing and Homelessness Action Plan 2021 – 2025 and the Queensland Housing Strategy 2017 – 2027.

AMHO is cognisant of the main intent of the Act and that it must address a balance of rights between park owners and home owners, but nevertheless hopes that the concerns expressed in this submission will be addressed in future framing and consideration of amendments of the present Act.

AMHO submits that manufactured home owners are *unique*, because manufactured home parks (MHP's) have specific characteristics which cause them to comprise a unique way of living and accommodation. Manufactured Homes fall into an obscure area of owning real estate, a freehold title but not owning the land it is sited on, hence not coming under tenants as in rented premises, or owners of a private home and land scenario.

Thus, this can lead to aspects that demand careful consideration and focus when drafting or amending Legislation for this area. The future legislation and amendments should be able to move with the change in the Manufactured Homes growth and modifications of Parks / Resorts of different formats and designs.

"One rule fits all" no longer applies, with changes in Manufactured Home Parks / Villages structures now including Lifestyle Resorts, with more expensive and upmarket facilities that then bring in more complex site agreements and many more rules put in place by the Park Owners and their agents. Because the site agreement is a licence and not a lease it can be manipulated in favour of the Park Owner and makes the home owner open to issues outside of the Act that infringes on their rights and legal status.

Restrictions and rules are part of living in a Manufactured Home Park / Resort / Village, and the Act has managed to address many unfair, and illegal rules, and behaviours, of those who own and operate this housing sector. Now that there is an Act and legislation to support Manufactured Home Owners, and being relatively new in its formation and standing, it is time to continue to address some areas of concern by home owners in the Act, and to continue to maintain and amend it as a living document so it is a fair and equitable benchmark for their rights.

Summary of Submission

This submission outlines the relevant topics being brought to the table with the current issues paper and also has addressed points from previous submissions as major problems raised by the Alliance and Queensland Manufactured Home Owners under the Manufactured Homes (Residential Parks) Act 2003 to the relevant departments and their agents.

The Amendments made to the Act and passed under royal assent in 2010 and 2017/2019 under the Regulations umbrellaed by the Covid Emergency Bill 2020 provided a huge power inequity and imbalance in conscious favour of the corporate park owners and failed to address the Main Object of the Act:

**** The Specific content of this submission is to address the Communities, Housing and Digital Economy – Issues Paper Released for Consultation ****

The **Main Object** of this Act is to regulate and promote fair trading practices in, the operation of residential parks – An objective that has been mismanaged and circumvented by the Queensland State Government bolstering corporate park owners' unscrupulous business practices at the expense of the Queensland home owners in real time on a daily basis.

1(a) to protect home owners from unfair business practices;

2(b) to enable home owners, and prospective home owners, to make informed choices by being fully aware of their rights and responsibilities in their relationship with park owners.

Having met and spoken to many Members of Parliament, the Alliance is drawing their attention to a housing sector in crisis where rent increases are outstripping the fixed incomes of many of the home owners. This housing market sector predominantly consists of older Australians and many disabled pensioners who are presently being outpriced out of their own homes. It will continue to follow this trend if the Manufactured Homes Act is not revisited in all areas that have been raised and to bring this legislation more in line to protect the homeowner's future and restrain these unfair and unethical corporate business practices, as well as holding these entities more accountable in all areas.

The Queensland State Government now has the opportunity to make the necessary amendments required and immediately write and pass these amendments to the Manufactured Homes Act now before the crisis in the manufactured homes sector deepens to the point it is irrecoverable, irreparable and the Act will not be fit for the purpose it was established for.

The Act was not created to protect corporate park owners and their shareholders profits.

Recommendations to Protect Home Owners

The Alliance has submitted recommendation solution papers and submissions to both the current majority Queensland State Government and members of Parliament from every political party in the Queensland State Parliament.

The Department of Communities, Housing and Digital Economy Issues Paper released in June 2022 for consultation is addressed and dissected in the following pages. The Alliance outline the following points raised, which, from the Queensland Home Owners and the Alliance as their State Representatives and advocates' viewpoint are adamant about their need for change now!

The major points at present that every home owner and the Alliance are forcibly pushing to be changed, can be condensed into the bullet points below. The other many other contentious points of the 2010, 2017/ 2019 Amendments within the Manufactured Home (Residential Parks) Act 2003 will also be raised as the progress of discussions and meetings with stakeholders continues.-

Dissection of Community, Housing and Digital Economy – Strategic Policy and Legislation – Issues Paper

Page 3.

- **Paragraph 5 *Secure compliance with the Manufactured Home Residential Parks Act 2003.***

What is secure compliance?

Is this overarching general statement meant to be that the park owners must comply with the various components of the legislation? The CHDE has been informed over the years that these park owners are not adhering to, nor following the legislation, along with the relevant government department not enforcing the legislation, so who will ensure secure compliance without a change to legislation?

Consultation Regulatory Impact Statement (RIS) will also provide source documents that are used to substantiate conclusions. The Alliance looks forward to reading the supporting evidence for the conclusion. Should these documents be found to be insufficient or deficient in their conclusions, the Alliance will advise the CHDE to re-evaluate and amend the statements made or redo the analysis report so that it is factual.

- Paragraph 7 There is a requirement to change and amend the Manufactured Homes ACT by Government, keeping the status quo will not be acceptable. Intervention must be made to create amendments to the Act as outlined above on pages 6 - 9 in this submission immediately to take effect before the end of the calendar year 2022. A cost benefit analysis by the government will need to be provided, and our evidence can dispute any actions by the Government or the CHDE that no amendments or changes to the Act are required.

Page 4.

- Paragraph 5 Definition of a manufactured home as a structure within the ACT requires a redefinition and complete rewrite as the construction of the new homes in the new "Lifestyle

Parks” are being purpose-built homes by corporate park owners and has become the ‘norm’ in this housing sector. These are not relocatable.

- Paragraph 9 The Act’s objectives also include supporting the growth and viability of the residential park industry and providing certainty for the residential park industry in planning for future expansion. The Alliance has written a separate Viability Submission as additional documentation to this formal response, that outlines the incorrect assumptions made by the Minister for Housing and CHDE advisors. The corporate park owners are operating under a Stapled Structure and do not require further protection from government. These structures provide for major taxation benefits, as the corporation trustee entities pay no tax and conduct no tax returns, allowing the corporation park owners to make 60%+ profits while continuing to increase rents of home owners.
- Paragraph 10 The Act was reviewed in 2017 with the passage of the Housing Legislation (building better futures amendment Act 2017). These amendments related to site rent increase processes, dispute resolution and precontractual disclosure, which sought to improve consumer knowledge, park owner transparency, and reduce disputes. The Alliance has seen a document where Chief Executive Officer of the Department of Housing, Mark Francis admits to the failure of the last amendments to deal with rent ratcheting as was intended and that there is a need for a deeper review of the industry. (document available for perusal).
- Paragraph 12 The Act allows for three types of site rent increases: This is exactly where the damage to this manufactured housing sector has occurred, creating a complete imbalance of power between the corporate park owners and the home owners. There is an urgent need to restore the rights of home owners and restore the equity to the manufactured homes Act, which these changes will do.

Page 5 General Increases In Site Rent

The Act limits general increases to once per year, using a single basis at a time, however, this does not mean that the one site rent price is set for the year for everyone. All parks have many different site rents, as every time a house is sold, the park owners take the opportunity to raise the rent with a new site agreement, even though Legislation permits the site agreement to be assigned. This ensures when Market Rent Review comes around there is a large disparity in the rents paid in the village and the park owner claims that those paying the higher amount prove that this is the true market price, when it has actually been illegally inflated by park owners over time. RSU knows this happens and has made no attempt to stop this method of ratcheting up rents over the year.

Annual increases in rent could be applied at a flat 1% and no greater or less. This is to ensure the affordability of rental site fee increases so that it does not outstrip the fixed incomes of residents that consolidate the majority percentage of village residents across Queensland. Given the corporate park owners with overseas investors are operating under Stapled Structures with Corporate Trustee Entities that lodge NO Tax Return in Australia with the Australian Taxation Office and that approximately 70% of on-flows are transferred to these business entities, the viability of these corporate park owners are without question financially buoyant, structurally financially sound and given they pay no lax tax, minimalised GST payments, they are NOT at risk of becoming financially unviable.

Hence the expansion plans that are already underway across the State of Queensland and Australia in real time. It is the home owners who need protection as they are the park owner's income stream and must remain viable for this sector to survive.

Page 5 Market reviews of site rent

This is a contentious basis point by which to raise rent and the Alliance of Manufactured Home Owners has submitted multiple recommendation papers to Members of Parliament and The Government that this basis point by which to raise rents is akin to a Cabal price fixing the rent price and we have proven through the valuer at Ironbark Aspley by Hometown Communities that the valuation process IS NOT Independent and supplied evidence that supports this to Regulatory Services Unit in 2020.

Several communities received a Market Rent Review across Queensland in 2020 and the same valuation company used the same valuer. Surprisingly these different Hometown Communities villages received exactly the same rent increase figure and offer, across all these villages proving that the process is NOT Independent. The Alliance recommends strongly that market reviews be taken out of the Act as these have been open to abuse of the homeowners financially.

Page 5 How general increases in site increases can be disputed

The entire dispute process is broken and the processes that are in place are cumbersome, overly legalistic for an older demographic and multiple senior members of QCAT do not apply the interpretation of the Manufactured Home Residential Parks 2003 et al 2019 consistently.

Park Owners are not always invested in the Form 11 process, as many home owners have found park management do not bother to attend the first stage of negotiation at the park level, forcing home owners to pay their fee and go to mediation. Home owners have reported that Mediators have told them to settle now as if they go to QCAT the park owners will have a Barrister or at least a Lawyer and unless you can afford that, you will not win. Those who do go to QCAT and win, often find it is a hollow victory as the park owners appeal, or refuse to comply with the QCAT ruling, leaving the only option for home owners is to pursue them through the Magistrates Court.

It has also been noted that if home owners start the Form 11 process with their own valuer and lawyer, the matter can usually be settled at the first stage of negotiation, however, this option is expensive and not how site rent disputes should be settled. The Horror Stories Submission the Alliance has provided to the Members of Parliament and The Government in 2021 outlines the complete inconsistencies across every department that deals with disputes under the Manufactured Home Residential Parks 2003 et al 2019.

This is also contained with the ARTD Consultancy Report that the Queensland State Government contracted out to provide a written report back to the CHDE and Minister for Housing, which the Alliance had major input into, that outlined every problem being experienced with the entire dispute process, from negotiation to mediation to lodgement with QCAT to obtain a legal outcome of breaches of the Manufactured Home Residential Parks 2003 et al 2019. We still await the document that was produced from all this consultation. The dispute process is completely broken.

Page 5 Site Rent Decreases

This has never occurred on a substantial scale where the effort and legally drawn-out process of up to a three (3) year QCAT wait / backlog could justify the minimal decrease in rent, usually leaning heavily in favour of the corporate park owners. See above. When facilities are not to the original standards then an independent appraiser chosen by the homeowners should be brought in by the park owner (at the park owner's cost) to assess the request by the residents for a decrease in rent due to certain factors such as loss of services. Then if the park owner disputes this, they have to take it to the body (ombudsman) to prove why it should not be reduced. Not the homeowners taking on the park owners.

Page 5 Special increases in site rent

This is a contentious basis point by which to raise rent and the Alliance of Manufactured Home Owners believe park owners should, as every other Australian business conducting operations in Australia must as part of their business structures and accounting, provide a contingency fund for any operational increase in costs.

Given the speculation circulating after the Queensland floods 27/02/2022 that corporate park owners were considering enacting this clause within the Manufactured Homes Act to substantially raise rents across Queensland and then claim on their insurance to repair damaged facilities and amenities due to the severe flooding. This in itself, though not initiated at this stage, is open to corporate park owners abusing the Act financially and profiteering at the expense of their income stream – the home owners. This undue and abusable mechanism must be removed entirely from the Act.

The Alliance and the homeowners DO NOT agree to the retention of this unfair business practice.

Issues related to site rent increases for manufactured home owners

Page 6 1.1 Affordability of site rent increases for manufactured home owners

“The Act seeks to protect consumers by regulating the process and limiting the frequency of site rent increases, but not the amount of, or basis for, an increase (other than limiting increases to using only a single basis at a time)”

Unfortunately, the power balance in the park is biased toward the park owners, who can, using the Act demand site rent rises that must be paid on the date specified, forcing home owners to pay the higher rent while they go through the onerous three stage journey to QCAT which can take up to three years. There are parks that are still waiting on the results of a market review when the next CPI% rent rise becomes due.

Page 6 1.2 Rising cost of park expenses

There is no risk of the corporate park owners being unviable due to the financial structures currently operating in Queensland where the corporate park owners are operating under Stapled Structures, where Corporate Trustee Entities are created to lease back flow-ons from the operating business. Meaning the real estate (villages / land) are leased from the Corporate Trustee Entity and 70% of profits are legally transferred to this legal accounting entity that provides NO Tax Return in Australia

effectively allowing these corporate park owners to generate 60%+ profits where no other Australian corporations make these levels of profits without proper and fit taxation by the Australian Tax Office.

Price Waterhouse Cooper, Deloitte, Ernst and Young, KPMG the big four corporate tax conglomerates confirmed that these Stapled Structures are indeed in operation in Australia and that the Australian Taxation Office has not completely outlawed these accounting structures.

Therefore, as the manufactured home corporate park owners are protected by the taxation laws that were implemented under the John Howard Government at an Australian Federal Level, these corporate park owners should not be provided further protections at the expense of the home owners, who are the major source of income and profit for the corporate park owners.

Corporate Park owners should, as most responsible Australian businesses conducting operations in Australia, must as part of their business structures and accounting provide a financial contingency fund for any operational increase in costs. If they are to continue to have the "tax perks" then they should return some of those significant profits back to the place they came from, the homeowners.

Manufactured Park Owners are also exempted from paying land tax, therefore, with the large profits generated, along with Federal and State assistance, these companies are very well served financially by Government, unlike the home owners who have only the Act to rely on for financial security and secure tenure in this housing sector.

Page 7 1.3 Prospective manufacturing home owners may not understand arrangements for site rent increases when purchasing their manufactured home

Legal advice does not come cheap, and many lawyers do not have a full understanding of the Act, site agreement implications, and this lifestyle, and we feel there needs to be a body that these home owners are directed to and have to meet with either by phone, video or in person and be "indoctrinated" on how these parks operate and the future financially for them.

We suggest mandating that new home buyers must obtain a pre-contractual certificate signed by a person or department representative appointed to act as an advocate and advisor on residential parks for prospective homeowners, not Caxton and themselves attesting to the fact that they have received advice prescribed on a standard checklist that covers ALL areas of living in a residential park, not just legal. Personal interaction, not just legal advice will have more impact and give these prospective purchasers more awareness of the housing sector they are buying into, thus guaranteeing fewer dispute actions in the future.

Page 7 1.4 Difficulty in predicting future cost of site rent

If the recommendations solutions outlined in the well-researched and documented recommendations to Protect Home Owners Page 6-9 section of this response paper from the Alliance of Manufactured Home Owners are implemented, then the unsupported statements made by the CHDE will make predicting future costs of site rent transparent, possible, and future home owners purchasing into this housing sector knowledgeable about how rent is calculated and applied, making this statement by the CHDE completely redundant.

Page 7 1.5 Limited options for home owners unable to afford site rent increases

Residents who buy into these villages come for affordable housing, security in a gated community, and the community lifestyle, also the Federal Rent Assistance is a major attraction for many. This home is their only asset, and it never occurs to them that they would ever have to pay to move it somewhere else or sell as they can no longer afford their fees. This is an expensive and usually unaffordable option for home owners in the older parks, and is not applicable or an option to the present new parks and manufactured homes. Home owners are captive to the park owners and have NO options as the sale of their home may, in particular in the older parks for whom the Act was set up originally for, not provide enough capital to purchase in the real estate market, or for survival in the rental market. Some of the older parks are paying higher rents than the new five star resort style parks, how is this fair and equitable?

Page 7 1.6 Disparity in bargaining power between home owners and park owners and the difficulty of disputing rent increases

This entire section of the Issues Paper can be addressed and show where the present Act is not fit for purpose in so many areas. Every concern and problem outlined can be addressed by rebuilding the Manufactured Home Residential Parks 2003 et al 2019 from the ground up and making the Act more prescriptive and be able to take this legislation into the foreseeable future. By taking on board the many changes that have occurred in the past five years in this housing sector and where it now falls short in so many areas, it is timely to ensure the protection of the homeowners and their futures

Page 8 1.7 Formulas that can only increase site rent

And

Page 9 1.8 What constitutes a basis for a general increase in site rent

These descriptions within the Issues Paper written by the CHDE are completely negated by the Alliance with what we have found in our research, and we can provide supporting documentation.

Page 9 1.9 CPI increases are being applied inconsistently

It has been pointed out to the Members of Parliament and The Government through two (2) submission recommendation papers provided by the Alliance that the CHDE when they wrote the Manufactured Home Residential Parks Act 2003 et al 2019 and subsequent amendments passed by royal assent in 2010, and 2017 / 2019, that the wrong CPI figure was used. These two submissions can be provided again to the CHDE who has chosen to ignore these recommendations.

This has been confirmed recently by the Queensland Government Statisticians Office (QGSO) where it was stated that CHDE did not even contact the QGSO to verify the CPI figure to be utilised, and questioned the decision made to use the most volatile CPI as a basis point to raise rents by. The question must be asked why?

Given the state of the Queensland economy, inflation rates, and cost of living expenses impacting all of Australia, there is a fairer way and better basis point by which to raise points annually which will provide future predictions set in place on how rents will increase, that will stabilise this housing market sector making an affordable housing market for future retirees, and the viability of this housing market sector.

The current June Quarter CPI All Groups Brisbane for 2022 has come out as 7.3% up from 1.0% just over a year ago. The Queensland Government Statistician Office (QGSO) had confirmed that the estimated forecast for the All-Groups Brisbane June CPI percentage was expected to exceed 6% due to the extreme volatility of the Queensland economy.

Page 9 1.10 Normalisation of higher site rent amounts

Currently across Queensland corporate park owners are using unscrupulous business practices, where a buyer is intending to purchase a site and home from the seller, the corporate park owners are forcing both the buyer and the seller to agree to higher rents and new site agreement contacts or there is no sale.

This is the other reason why the Alliance has submitted submission recommendations previously about this to Members of Parliament and the Government that the CHDE have ignored and done nothing to change the behaviours of these corporate park owners or their business practices, thereby ineffectually holding these corporate park owners to account on any level.

Page 10 1.11 Relationship between park owner and valuer

It has been noted that several Hometown Communities received a Market Rent Review across Queensland in 2020, all using the same valuation company and same valuer. The Communities differ greatly in age and quality of facilities, however, all received exactly the same rent increase figure and Goodwill offers. How can that be independent? The Goodwill Offer is a favourite of Hometown America with villages in the USA, this overseas company is bringing this unscrupulous behavior to the sector, which some other companies in Queensland have now copied.

1.12 Act is unclear on relevant considerations for comparisons and valuation

Park owners are using the selling of houses to drive up the site rent prices in the parks, by demanding a new site agreement each time with a higher rental price. The new resident is dismayed to find their site rental price is more than any other home owner is paying, who had believed everyone was on the same amount they were being charged. Then the next house is sold continuing this method of ratchetting up rents and falsely inflating the site rents.

When it comes time for a Market Rent Review, park owners point to the disparity in the highest and lowest rent and claim the highest rent is proof that this is the “Market Price”, as the resident agreed to pay it.

1.13 Limited basis for comparison between some parks

Market Rent Reviews must be removed from the Act as park owners are using it to falsely inflate site rents. (see our recommendations and notes below)

1.14 Consultation that must occur with home owners in the preparation of a marker valuation

Consultation with the Valuer has NO effect on what the Valuer will prepare for the company that has employed him. We know it is just a “tick a box” required under the Legislation and an opportunity for the Valuer to report back to the employing company. When residents employ their own Valuer at considerable cost, they find the two reports bare no resemblance to each other as each valuer has acted for the needs of their own client.

1.15 Goodwill offers related to market review of site rent

Park owners may claim they are entitled to make a goodwill offer, but what they are actually doing is deciding what rent increase they want, then inflating the figure again to produce the Market Rent Review site rent figure. As they demand when accepting the “so called lower” Goodwill Offer that the home owner **must sign away the right to contest** the excessiveness of any of the rent offers made, this is coercive behaviour, and many consider it a breach of the Act. Those who refuse to sign their rights away must then pay the extremely inflated site rent on the date set by the park owners and continue to pay until settled through QCAT which is an extremely long process. Most cannot afford this, which forces them to accept the “so called” Goodwill Offer.

1.16 Appropriateness of approval process for special increases

This section of the CHDE Issues paper has all been covered in Recommendations to Protect Home Owners.

RECOMMENDATIONS and HIGHEST PRIORITIES

The points below are required urgently to be enacted into the present Manufactured Home Residential Parks Act 2003 et al 2019.

1. **Removal of Market Rent Reviews as a basis to raise rents entirely.** As previously stated in the formal recommendation papers submitted to Members of Parliament and the Queensland State Government, this mechanism is being openly abused by the corporate park owners, their paid contracted valuers, who are NOT independent, acting as an organised Cabal across Queensland, price fixing rental increases.

The valuer is engaged and paid by the park owner. Conversations occur where the valuer will ask the park owner what they want per week and will build the report around what the park owner requests the rent to be, as QCAT will not question a valuer’s report, even though the entire process is in laymen’s terms a guesstimate, not a formalised process based on the quality of the data in comparing “Like” parks and facilities.

By excessively raising rents through a market rent review, park owners are effectively maintaining a profit margin of currently between 50 – 80% clear profit to evaluate and provide large returns to shareholders.

2. **Removal of CPI “ALL GROUPS BRISBANE” in the dictionary as a basis point to raise rents due to extreme volatility entirely.** The current June Quarter CPI All Groups Brisbane for 2022 has come out as 7.3% up from 1.0% over a year ago. The Queensland Government Statistician Office (QGSO) had confirmed that the estimated forecast for the All-Groups Brisbane June CPI percentage was expected to exceed 6% due to the extreme volatility of the Queensland economy. The QGSO also confirmed that the All-Groups Brisbane CPI percentage figure was **NOT** to be used as **Rent does not** fall under this category.

Indexing increases to similar measures of inflation to those used to increase the aged pension as indicated in point 3, and at the same time tying the increases to a measure of the increases in the costs of what the rents are paying for; that is the use of the land on which homes are situated and the services and amenities provided in the park. From a financial perspective of park owners operating budgets, proper analysis of accounts receivable ledgers would show that if the

Manufactured Home Residential Parks Act was restricted to an increase in rent / site fees of CPI (Trimmed Mean or Weighted Median) only per year. Companies would on average be obtaining an income source of between 15 – 25% profit once overheads are taken into consideration.

This would be classified as reasonable profits for a return to shareholders of these major corporations and businesses that own and operate these manufactured home villages.

It clearly shows that disparity when one Manufactured home village can be charged a CPI increase of 1.3% annual increase in May 2020 using the March Quarter and another Manufactured home village in the state of Queensland can be charged a 4.9% annual increase in August 2020 using the June Quarter base on the Brisbane CPI and not the State of Queensland.

Supporting Government tables on pages 18 – 19

3. **Annual increases in rent should be applied at flat 1% and no greater or less.** This is to ensure the affordability of rental site fee increases so that it does not outstrip the fixed incomes of residents that consolidate the majority percentage of village residents across Queensland. The protection and long-term viability of this manufactured homes housing market sector is paramount. Consideration that pensions / fixed incomes have not raised more than 2% annually in the last twenty years (20), this would then link any rental site fee increase back to the federally funded increase in pensions of the home owners. Given the corporate park owners with overseas investors are operating under Stapled Structures with Corporate Trustee Entities that lodge **NO** Tax Return in Australia with the Australian Taxation Office and that approximately 70% of Flow-Backs, Leasing of the land villages are located, profits are transferred to these Corporate trustee entities. The viability of these corporate park owners is without question financially buoyant, structurally financially sound and given they pay no tax, minimalised GST payments, are NOT at risk of becoming bankrupt. Hence the expansion plans already underway across the State of Queensland in real time. (See attached Excel Document “20 Year Pension Increase”)

4. **Removal of Special Costs Raising Rents Section 71 entirely.** Given the speculation circulating after the Queensland floods on 27/02/2022 that corporate park owners were considering enacting this clause within the Manufactured Homes Act to substantially raise rents across Queensland and then claim on their insurance to repair damaged facilities and amenities due to the severe flooding. This in itself, though not initiated at this stage is open to corporate park owners abusing the ACT financially and profiteering at the expense of their income stream – the home owners. This undue and abusable mechanism must be removed entirely from the Act.

The park owners should have a contingency fund for such things as fire, flood, or major damage to any facilities, they need to take responsibility for costs incurred as standard operating financial practices. They have insurance and are able to absorb more costs, under lower margins, given they are the highest profit earning industry in Australia, with 60+% profit margins, which can effectively be lowered considerably without major impact on operational activities.

These special cost rent / site fee increases should be removed entirely as a way for park owners to increase rents as they are under the current laws. This section of the Act can be used by park owners to raise rent to maintain their excessive profit margins, using the excuse they need to pass on operating overheads that are a part of everyday operations, simply because a park owner conducts their business in an ineffective and inefficient manner.

Manufactured Homes (Residential Parks) Act 2003

Sections to be Included for Removal

2.2 Division 3 Increase in site rent to cover special costs

Section 71 Application of division

Clause (1, 2 & 3)

Section 71A Notice of special increase in site rent

Clause (1, 2 & 3)

Section 71B Agreement to proposed increase for upgrade cost

Clause (1, 2 & 3)

Section 71C Dispute Resolution and application to tribunal about special increase in site rent

Clause (1, 2, 3, 4, 5 & 6)

Section 71D Criteria for tribunal to confirm or reduce proposed increase

Clause (a, b & c)

5. Reversal of Rent Payment clause 69E Notice of General Increase in Site Rent. The amendment legislated in the Act in 2017/19 must be removed - Section 69E (4) which makes home owners pay an increase until QCAT makes a ruling and produce an order or direction under a formal Form 11 Dispute. The current Fundamental Legislative Principles state that home owners upon receipt of notification within the prescriptive time frames within the Act from the park owners must commence payment of increased rent site fees from the date specified within any correspondence issued by the corporate park owners.

This is to be reversed to the extent that any rent site fee increase is only to be paid, after and NOT before a formal hearing is scheduled and has taken place, where a senior sitting member of the tribunal or the new ombudsman rules as to whether there are substantiated determination of facts to decide that the increase is fair, equitable and in the best interest of the home owners. The corporate park owners must open their financial records for audit to prove that any rental increase is warranted to all those involved in the dispute.

It must also be known that under the Act Section 69E (4) Notice of General Increase in Site Rent that park owners are currently operating in the following manner with new buyers. Currently, new buyers do not have the current highest rent in a village disclosed, allowing the park owners to fraudulently add an increase of \$10 or more to a new buyers rent / site fees per week.

Then when the General Increase date arrives the new buyer is once again hit with a site fees / rent increase for a second time within a 12-month period. This business practice is a breach of the current Act and must be legislated against and eradicated immediately. As any increase that is being contested as excessive, should be by accountability to park owners to counteract the current issue where park owners do not need to provide proof of proposed increases to rent / site fees. This

requires amendment, to where park owners under all circumstances are required to provide all financials, (no redacted financials) in detail (open ledger) as to the proposed increase in rent / site fees to the park in question via the home owners committee / association and / or the homeowners disputing the increase. Park owners must justify to the tribunal why an increase is entitled to be enforceable, however home owners should not pay any increase unless it is accepted formally by a QCAT order or direction at a state level under the Act.

Having orders and directions issued before any increase takes effect leads to a fairer way to raise rents, and by forcing the relevant ombudsman or tribunal to make a decision that must directly link rent increases back to the increases in fixed incomes / pensions of residents living in manufactured home villages. This way the park owner must justify any increase in rent / site fees where the residents can be represented at a Tribunal hearing, who in due course must issue an order or direction before any increase can be applied that cannot be challenged and is final.

It must be noted that this practice also breaches section 95 Fraudulent or misleading conduct The park owner for a residential park for which site agreements are in force must not engage in conduct that is fraudulent or misleading in the operation of the park.

6. Establishment of a new authority, specifically an independent autonomous Ombudsman with the sole purpose of managing all disputes in residential manufactured home parks. This independent, autonomous ombudsman's ruling cannot be contested by corporate park owners once a judgement has been ruled and they are to be provided the authority to enforce further financial penalties where corporate park owners do not comply with the ruling of law.

The approach to be undertaken to managing and resolving disputes in this housing sector be more ombudsman-like and less litigious and legalistic than those currently adopted in the Queensland Civil Administration Tribunal. Be more equitable, clear, fair, user friendly, economical for the user, less formal, and timelier. More emphasis is to be that on stringent, consistent case management, providing assistance to homeowners and support. This will ensure a speedy resolution and mandate these requirements. Too many cases are being ignored or made more legalistically difficult than required.

It should also be noted that at present home owners under the current dispute process must attend a QCAT Dispute / Hearing 'Unrepresented' when park owners are allowed access to engaging barristers on their behalf in an adversarial legal process. There must be an avenue provided to assign legal counsel to home owners to engage on a level legal playing field with legal representation at tax payers expense or negate the park owner's ability to hire legal professionals.

8. That new Site Agreements and Contracts cannot have the site fee increased over what the current park's rent per week is set. Park owners are not abiding by the Act and ratcheting rents up with every new sale and not allowing assignment of site agreements by using unscrupulous business practices. They must be fined and prosecuted by crown law upon proof of these business practices occurring in Queensland by these corporate park owners as evidence can be provided as proof that this has occurred.

In most parks, there are many different levels of site fees due to this unethical practice. This section of the Act must be prescribed and enforced to make the park owners accountable and prosecuted for breaching this section of the Act. This is also then used to later support the market reviews implementing higher site fees due to the park having homeowners paying the higher rate set at the time they took on the new site agreement. It must also be stipulated in the ACT Section 69E (4)

Notice of General Increase in Site Rent that park owners are currently operating in the following manner with new buyers.

9. That Regulatory Services Unit be directed to enforce and prosecute corporate park owners that are presently financially abusing home owners and use the Government Authority assigned to the Department of CHDEC – Strategic Policy and Legislation to subsequently issue breaches of the Act to park owners as infringement notices, prosecute the park owners or revoke the right to operate in Queensland in any economic capacity. That the Regulatory Service Unit conduct their role, tasks, and processes involving crown law regarding the prosecution of real time events presently occurring. Not since its inception has it given an infringement notice, prosecuted this protected entity of park owners, and ALL breaches should be taken seriously.

10. Financial Reporting by Park Owners. The mandating of measures designed to ensure that park owners provide homeowners each year with transparent and verified evidence of the maintenance standards they are aiming for, the budgets they have allocated, and amounts they have expended on the operations of the park. Thus, providing homeowners with some guarantee of value for money for the site rents they pay. There should be more transparency and willingness to disclose.

11. Vacant homes in parks. Mandating of a reduction in site rents (recommended to be 50%) for unoccupied homes pending sale. This must include homes when a person passes away and the estate is selling the home.

12. Pre contractual advice. Mandating that new home buyers must obtain a pre-contractual certificate signed by a person or department representative appointed to act as an advocate and advisor on residential parks for prospective homeowners, not Caxton and themselves attesting to the fact that they have received advice prescribed on a standard checklist that covers ALL areas of living in a residential park, not just legal. Legal advice does not come cheap, and many lawyers do not have a full understanding of the Act, site agreement implications, and this lifestyle. AMHO recommend the need for a body that these home owners are directed to and have to meet with either by phone, video, or in person and be "indoctrinated" on how these parks operate and the future financially for them. Personal interaction, not just legal advice will have more impact and give these prospective purchasers more awareness of the housing sector they are buying into, thus guaranteeing fewer dispute actions in the future.

13. Registers. Establishment of a register of home ownership in residential parks. All homeowners are to be provided such documentation. There is a fundamental right for home owners to be given a title for the homes or some document to prove ownership where this is not occurring as standard practice. Also, establish a register of park owners with contact details that are not just the managers of the parks who often do not pass on communications, and to enable complaints about managers' unlawful behavior.

14. Security of Tenure. Homeowners in Residential (Manufactured Home) Parks are to be guaranteed security of tenure for the site on which their home is situated. Prescriptive Fundamental Legislative Principles where corporate park owners or their agents / managers, who are threatening homeowners with eviction over perceived breaches must be controlled and prosecuted if evidence cannot be provided by the corporate park owners that show the home owners are in breach of park rules.

The Regulatory Services Unit must act in this area where they have failed to do so historically, to prosecute and fine these park owners/agents for breaches of the Act. Advocacy with home owners in this area recommends substantial increases to financial penalty clauses to deter these coercive business practices by the corporate park owners and their agents.

15. Deed of variation. Prohibition should also be placed on park owners implementing and enforcing individual home owners site agreements, Deed of Variation amendments that are intended to place the park owner at a distinct advantage financially, given that the park owners can at any time vary the site agreement to insert coercive financial clauses. Under the Act, the home owner must agree to any Deed of Variation in good faith, and where the home owners do not agree to alter their site agreement no variations take place, and no rental increase occurs.

16. Additional Fees. It is noted that park owners have also abused the site agreement process by adding into these contracts under additional charges a weekly fee for any additional occupant or vehicle above one. This is required to be prohibited and amended so that this form of financial abuse is abolished.

17. Percentage rate increase. The same can be accounted for with park owners who mandate a percentage rate increase plus CPI. This effectively acts as compounding interest on a yearly basis which in turn can be classified as unfair, excessive, and inequitable, forcing rents up on home owners on fixed incomes (pensions - aged / disability / DVA). This fixed percentage rent rises +Plus CPI should also be removed from the Act along with the park owner's ability to enforce such content in site agreements.

The past 2 years from 2020 to 2022 have shown that the Manufactured Homes (Residential Parks) Act 2003 can be extremely volatile when using the Schedule 2 Dictionary in the Act to apply CPI of the All Groups consumer price index for Brisbane.

It clearly shows that disparity when one Manufactured home village can be charged a CPI increase of annual increase in May 2021 using the March Quarter and another Manufactured home village in the state of Queensland can be charged a 4.9% annual increase in August 2021 using the June Quarter base on the Brisbane CPI and not the State of Queensland. (All Groups Brisbane June 2022 figure is 7.3%)

18. Solar systems on homes. There is a need to investigate the way solar panels, their use, and the application of the electricity gained. We are increasingly getting contact from residents about how the park owners control the network and that there are many issues with how the costings are managed by the park owners. Also in some of the newer parks as they grew the grid could not manage the amount coming back into it and the park owners will not pay for an upgrade to allow ALL electricity generated by the panels to go to the grid, therefore, lessening the benefit to the homeowners. There also needs to be a clearer account of how the costs are distributed and the amounts of power and money that are changing hands.

Supporting Government tables

Year-ended percentage change

Date	Consumer price index		Other consumer price measures	
	All groups	Excluding volatile items	Weighted median	Trimmed mean
2018/2019				
Sep	1.9	1.2	1.8	1.7
Dec	1.8	1.6	1.7	1.8
Mar	1.3	1.3	1.4	1.6
Jun	1.6	1.5	1.3	1.5
2019/2020				
Sep	1.7	1.9	1.3	1.5
Dec	1.8	1.7	1.3	1.5
Mar	2.2	2.1	1.6	1.7
Jun	-0.3	0.4	1.2	1.2
2020/2021				
Sep	0.7	0.9	1.2	1.1
Dec	0.9	1.5	1.4	1.2
Mar	1.1	1.4	1.3	1.1
Jun	3.8	3.1	1.5	1.6
2021/2022				
Sep	3.0	2.5	2.1	2.1
Dec	3.5	2.6	2.4	2.6
Mar	5.1	4.0	3.0	3.7
Jun	6.1	5.3	4.2	4.9

Sources: ABS Cat No 6401.0

<https://www.rba.gov.au/inflation/measures-cpi.html>

Table 1 Percentage change in the CPI

Capital city	June qtr 2022		March qtr 2022	
	Quarterly	Annual	Quarterly	Annual
Brisbane	2.1	7.3	2.2	6.0
Sydney	1.6	5.3	1.7	4.4
Melbourne	1.8	6.1	2.3	4.5
Adelaide	2.1	6.4	1.9	4.7
Perth	1.7	7.4	3.3	7.6
Hobart	1.8	6.5	2.0	5.8
Darwin	2.1	6.6	2.1	5.5
Canberra	1.6	6.3	2.2	5.4
Australia	1.8	6.1	2.1	5.1

<https://www.qgso.qld.gov.au/issues/3441/consumer-price-index-202206.pdf>

The Manufactured (Home Residential Parks) Act 2003, Schedule 2 Dictionary CPI means the All-Groups consumer price index for Brisbane published by the Australian statistician should be amended to remove rental increases based on the All Groups CPI, and replaced with the lower CPI Index of The Trimmed Mean or Weighted Median.

If CPI is calculated using the '**All Groups**' Brisbane CPI Dictionary meaning - Section 69A Basis for site rent increase, then this is encouraging park owners to charge rent at unrealistic levels and should be changed and replaced with the lower CPI Index of The Trimmed Mean or Weighted Median.

If consensus is failed to be reached by the government on a fairer calculation of CPI where rents are not included in volatile items, then as another avenue of raises rents, **CPI should also be abolished as a mechanism of raising rents.**

Given the volatility of the quarterly CPI All Groups figure shown above in the Year-ended percentage change issued by the Australian Bureau of Statistics, spiking to a June 2021 increase of 3.8%, this becomes a major issue when compared to the Brisbane City Year Ended Percentage rate change that is much higher than the National figure.

Therefore, this is the reason for this submission to provide recommendations into changing the way site rent in manufactured home villages are increased to provide not only a fair and equitable

methodology for rent increases, but it also aligns with affordable housing policies being advocated for by the various political parties in Queensland Parliament.

Sale of Manufactured Homes

2.1 Complexity of sale process and lack of clarity around timing and notifications

2.2 Assignment

2.6 Delays in Sale

When a home owner notifies and presents the appropriate paperwork, once the home owner has a buyer for their home, there have been incidents of a Park Owner or their agent, prolonging this process even though there are time limits in the Act for this response, and return of the documents or notices. Many home owners are too intimidated to question or complain to the Park Owner or their agent regarding the hinderance of their sale or assignment, as this may further hinder or delay their selling.

Forms:

1. One for notifying the park owner of selling
2. One for notifying the park owner of the sale.

Once the notification form for a sale of the home has been presented to the park owner they should only have seven (7) days to sign off the sale approval and also to allow the assignment.

If this is not done within the prescribed time period then the park owner is reported to RSU who have seven (7) days to issue a breach and ensure that the park owner complies. Time is the issue in sales of preowned homes and sales can be lost if long delays in on selling with park owners compliance.

A new site agreement should not be an option. This has proven to be a way of the park owners ratcheting up the site rents and then using these higher figures that some homeowners then pay, to support their case for a market review and then pushing and intimidating other homeowners into raising their site fee to meet with the new site agreements site fee. Removal of this option of a new site agreement for raising the site rent will stop this unfair business practice.

Removal of the Market Reviews will also not allow this unfair business practice to continue. If the point that park owner make is that a new site agreement is required when they want to update the older one, then why do they need to change the site fee if only for changing rules, and annexures and include new clauses. One does not fit with the other.

When homes are not selling there have been cases of park owners or their agents offering to buy the homes at a low cost, there is a requirement in the Act to ensure ALL sales by the park owner or their agent be appraised and sold or bought at the approximate appraisal value and the seller to be aware of this appraisal.

Proposal:

To have the wording in all areas concerning on selling be "Park Owners and their Agents".

Proposal:

That is where there is the presentation of paperwork to the Park Owner or their Agent, the time limit to be 7 days for return, to the home owner, of this documentation.

Proposal:

That there is an increase in the penalty for noncompliance or liability on the Park Owner or their Agent to have compensation awarded if there is a financial loss to the Home Owner due to the delay. Breaches occur in circumstances where there is a blurring of the line between interference and acceptable practice by the Park Owner or their Agent, the Act needs to clearly define the rights of the seller.

Proposal:

That if the home is vacant due to death or changing residence such as to a nursing home, the site fee is reduced by 50% until the home is sold or the estate settled.

2.3 Parks Owners are incentivised to sell newly developed manufactured homes over pre-existing ones.**2.4 Hindering of the sale process****2.5 Home owners' ability to place 'for sale' signs to market manufactured home****2.9 Home ownership and deceased estates**

On selling is hindered by the park owners' agents not allowing prospective buyers to view all homes that are for sale. It is mostly the newer 'lifestyle villages' that have this situation as they sell while the new park is being constructed. In the case of Gem Life Bribie Island this took five years for five stages, and they consistently interfered in the on selling by homeowners.

The park owners make more money from selling the newer homes and hence they will not promote the on selling of pre-owned homes as they gain less. The only way that the playing field can be levelled is that the park owners are required to inform prospective purchasers of all properties that are available for purchase.

There have been many cases of park agents hindering sales by making it difficult for outside agencies to operate within the park. Also, cornering pre-arranged prospective buyers and using their sales tactics to push them to buy a new home over as they say a "second hand" home. There are many instances where there has been intimidation and unfair business practices by the park owners and their agents.

When this situation occurs, the requirement of a home owner, to apply to the tribunal for mediation or adjudication, due to the Park Owner or their Agent not consenting to the sale, or in any way interfering or hindering the sale by the home owner, this can be a lengthy process. There is more than ever a requirement for a separate entity such as an ombudsman to have this avenue of recourse done in a timelier way. The present Act does not meet the present needs in this area, the period for any resolution can lead to disadvantaging the home owner in:

- (a) the home owner may lose the purchaser due to the delays.
- (b) the home owner may incur expenses in having to take this matter to the tribunal if the buyer of the property cancels the purchase.
- (c) the home owner can find all this a very stressful exercise, given the age group of those living in manufactured homes, and the procedures involved in on selling, health issues are a concern if there is perceived negative or intimidating behaviour by the Park Owner or their Agents.

For a resident to be able to provide witnesses or evidence to this interfering or hindering behaviour, it is rarely able to be obtained, due to people not wanting to be involved in such an action, or it being done in a manner that can be addressed as hearsay or easily denied. This then makes this point in the Act unactionable in most cases irrelevant for the purpose for any seller to be able to gain actual evidence to proceed with a case of hinderance or interference.

Proposal:

That the wording is included that the home owner may apply for compensation if there is a case against the Park Owner or their Agents of hinderance and unreasonable actions for on selling of homes and loss of sale due to those actions, or that the sale of their home was affected due to the delays by the park owner or their agent in processing the forms.

This should not require a mountain of evidence and witnesses.

The park agents and park owners do not have the right to stop homeowners from having a sign in their windows, but many intimidate the homeowner into thinking this is not an option. Signs should be permitted, of a type and size agreed upon with the park owner or provided by the park owner or an outside selling agent and can be placed in front of the property. Many park agents avoid taking prospective buyers up streets where homes have for sale signs in their windows.

There also should be the opportunity for outside agents to place for sale signs outside the park with the number of the villa they are selling displayed on it. Many will not allow open houses or that the resident must accompany the agent and the prospective purchaser at all times. This is unfair on the homeowners and is not allowable in the area of free market practice and again hinders the seller and the sale process that is available in the private market.

Proposal:

That these points should be available to be negotiated or included in consultations and meetings between the park owner, agent, and the homeowner, when selling, not as part of a site agreement or the Act. Their restrictiveness is only there for the benefit of the park owner, not the homeowners, and is not fair market practice and is certainly unfair business practice. Some scope of the availability of negotiation between the home owner and the park owner can lessen selling being so restrictive and difficult as it is presently for home owners and give the power balance back.

Proposal:

That the park owners or their agents cannot force the homeowners to provide information about personal dealings with outside agents or details of prospective buyers, or arrangements they are making with other agents.

2.7 Use of associated third-party selling agents to avoid restrictions on park owner sales in the Act.

2.8 Use of 'exit fees'

2.10 Park owners may not understand their obligations as sellers

2.11 Lack of clarity around proof of ownership of a manufactured home

Use of a third party by the park owner is a way of avoiding the Act's defined guidelines and procedure for selling a home, and more importantly, permits them to override the set costings that they would have to abide by if the home was sold by the park owner or their own agent. This is another example of unfair business practices, park owners abusing the system for their own gains and misusing the Act intentionally.

Proposal:

That the Act includes that if a park owner uses a third-party agent then that agent is still governed by the Act in the fees and structure for the sale of the manufactured home. That high penalties apply if this is breached.

Park owners and their agents are under no obligation to inform a prospective buyer that they can have the site agreement assigned. This has given rise to many disputes and issues within the park regarding many different levels of site fees.

Proposal:

That the site fee for new site agreements, must be set at the site fee that was obtained at the most recent site fee increase, and the seller is made aware of when the next site fee increase was due, on their contract.

This will then not require a site contract to be assigned and this can be removed from the Act. and this will stop all areas of dispute in this area. If the site agreement must be changed to reflect changes in the Act and rules of the park, there is no need to change the site fee.

Proof of ownership**Proposal:**

The Department of Housing implements and hold a register of every home in Queensland that is a manufactured home in a residential park and who the owner of that home is. Also, there is a form that can be provided to the homeowners on purchase to complete and lodge.

Proposal:

That another register should be implemented that also shows the park owner details for all the parks in Queensland and contact details for them, not the park managers who often do not pass on documents and correspondence to the park owners.

Highest priorities:

1. To stop the actions of the park owners and their agents in using interfering and coercive behaviour towards the homeowners when they are selling their homes.
2. Stronger consequences of non-compliance and breaches, and actually doing something not just a slap on the wrist.
3. Being able to engage with the park owner or their agent in selling without restrictive clauses in the act or in their site agreements. Making it a free-market environment controlled by the homeowner, not the park owner.
4. Ability to home owners to be able to use the same avenues when selling that are available in the private sector.
5. Removal of the ability to raise site fees with new site agreements and purchasers.

Conclusions

As the Act is a living document, therefore the amendments the Alliance has recommended should be implemented with expediency through Queensland parliamentary procedure. The due process considered does not mean taking over three years, as was the case in the 2017 amendments, these homeowners need their rights to be ensured and protections to be put in place in this present Act in a far timelier manner and period. Then the Act will stay functional and fit for purpose not just in the short term.

The Alliance in addition to the above conclusions has previously submitted these and other recommendations to CHDE and Members of Parliament and the Government and these recommendations are unwavering and will be aggressively pursued to be included in any amendments.

The main objective of the Manufactured Home Residential Parks Act 2003 et al 2019 is to protect home owners from unscrupulous unfair business practices from corporate park owners – This is no longer the case and amendments written by the Department of Communities, Housing and Digital Economy – Strategic Policy and Legislation Senior Executive in 2010 and 2017 / 2019 has systematically damaged this housing sector by writing legislation favouring corporate parks owners and shifting the balance of power away from home owners, who are being systematically financially abused by aspects of this Legislation that is now not fit for the purpose it was implemented.

The ownership and unfair aspects of the Act of this housing sector, rest solely and wholly with the Department of Communities, Housing and Digital Economy – Strategic Policy and Legislation Senior Executive and who now need to ensure that it will be fit for purpose moving forward.

AMHO strongly recommends that the RSU be conducted by people that are prepared to enforce the legislation once rewritten to prosecute corporate park owners for breaches of the Act and the issue of infringement notices, which will in effect see a reduction in disputes through a broken dispute resolution system that is also outdated and requires reconstruction of both staffing and processes.

AMHO requires that the decision makers recognise and take into account the fact that a large proportion of the Manufactured Home Owner demographic, are older and aged persons, unversed in legal and organisational matters, and often without the health or energy to battle bureaucracy, or to persist in the face of park owner inaction or non-compliance.

Older persons should be able to enjoy human rights and fundamental freedoms when residing in any residential park, including full respect for their dignity, beliefs, needs, and privacy, and for the right to make decisions about their care and the quality of their lives. Where there is a large population of older Australians in an enclosed environment such as a manufactured homes park, this can create a habitat of availability for management or owners of these parks to act in a manner that is contrary to the law and human rights, without fear of retribution due to having a perceived “captive audience” and all-consuming power of the residents.

Around 15 percent of the Australian population is aged over 65 – approximately 3.7 million people. Australia has an ageing population, and this number is predicted to rise to 23 percent of the population by 2055. Older persons should be treated fairly regardless of age.

There is a lack of reliable prevalence data on elder abuse. The Australian Institute of Family Studies reports that it is likely that between 2 percent and 10 percent of older Australians experience elder abuse in any given year. In the residential parks there is an abundance of this age group, and therefore more open and susceptible to abuse.

Working with relevant stakeholders such as AMHO enables the Government bodies to keep in touch with the residents of the manufactured homes parks and the issues that they are facing on a daily basis. AMHO works face to face with the residents and the management in many matters and can be a voice of reason and a mediator at times of conflict and disputes, as a front-line service.

Communication, conflict resolution, and safety requirements are all part of the skills and support needed for parks and villages to function in the best interests of all involved, and connection to services and organisations that can support these processes is fundamental.

AMHO can address information gaps for government bodies working in the area of older Australian abuse and in the area of manufactured home parks, support and resources are needed to ensure residents are able to live safely, securely and connected.

No access to the internet by residents is a factor that requires addressing due to those residents being unable to obtain more readily the information that addresses these issues. Government departments are pushing more information and services online and residents have difficulty accessing many services and support organisations and are less able to access to services and support organisations.

Site rents in manufactured home villages already are applied at 40% or above for residents who are on the fixed aged and disabled pensions, well above the wider community of 24% rents against the average income of workers. This style of housing must be viewed over the long term of a minimum of twenty years (20) plus at sustaining financial viability and affordability for home owners and the sector in general.

If the present trajectory of how the site rent is applied is ignored and the status quo kept without the changes recommended in this document and other submissions, there is a possibility of an exodus of people becoming homeless, due to not being able to afford to find a rental or new property.

People are dying or giving up while waiting for disputes to be resolved at the Queensland Civil Administration Tribunal now taking up to three years, and are needing to sell their homes and having to move out due to disputes and financial stress, some unable to afford to live in these villages with basic human rights of necessities such as insurances, food, medical supplies, utility costs, communications, and daily living expenses will increase significantly, beyond the point of being able to support a basic lifestyle.

This is also occurring more in many of the independently and privately owned parks, and usually, older parks, where there are rising issues with maintenance and the cost of site fees where these older parks were the original basis for the implementation of the Act for affordable housing now fails them significantly. These are homes that are relocatable, but it is too expensive to do so and where would they go.

Our recommendations are to ensure the affordability of rental site fee increases so that it does not outstrip the fixed incomes of residents that consolidate the majority percentage of village residents across Queensland. The protection and long-term viability of this manufactured homes housing

market sector are paramount. Consideration of the fact that pensions / fixed incomes have not raised more than 2% annually in the last twenty years (20), this would then link any rental site fee increase back to the federally funded increase in pensions of the home owners.

Any rent increase should be connected to and fixed in line with rises in the fixed income of pensioners living in manufactured home villages. With the majority of people living in manufactured home villages on aged or disabled pensions, the viability of this housing sector must come before protecting park owners' profits as this **IS NOT** the "Main Object" of the Act.

Pensioners on fixed incomes (Aged/Disabled) have an annual income percentage increase connected to inflation and the cost of living which has rarely risen above 2% in the last 5 years, and not expected to rise over that in the foreseeable future. Therefore, any increase in rent should be directly connected to the increase in fixed incomes and be a set percentage below that of any rise in these fixed incomes.

Using this basis as a fairer way of applying rent increases, then as pension incomes do not and have not increased above 2.5% over the past 5 years, to bring rents in manufactured home villages back into line with the wider community:

Given the corporate park owners with overseas investors are operating under Stapled Structures with Corporate Trustee Entities that lodge NO Tax Return in Australia with the Australian Taxation Office and that approximately 70% of profits on-flows are transferred to these business entities, the viability of these corporate park owners are without question financially buoyant, structurally financially sound and given they pay no land tax, minimalised GST payments, are NOT at risk of becoming unviable. Hence the huge expansion plans already underway across the State of Queensland, and Australia in real time.

Many Park Owners are making 60% plus profit per year, a 1% increase annually in rental site rent, which will still maintain the viability of this housing sector and profitability for decades to come and ensure that the homeowners have financial security and to protect the viability of the park owner's income stream – the home owners.

AMHO request that any cost benefit analysis report conducted by CHDE – Strategic Policy and Legislation be open and distributed to the Major Stakeholders Committee Groups so that there is complete transparency and not open to political or departmental manipulation or mismanagement. That any recommendation cost benefit analysis be open to forensic accountancy standards to determine that the report is factual, and that all source documents also be distributed for accountability. Our elected leaders being the decision makers direct the public servant on what to write into legislation, not to continue as the current process stands.

The majority of homeowners go into this housing sector with the thought that the site fee is for the renting of the land and use of the facilities, if this is not the case then these homeowners need to have the correct information as to what their site fee consists of and why it has to rise every year. At present, there is no accountability for this.

