



Supporting Home Owners Rights with Government

***Submission for Immediate Legislative Changes to the
Manufactured Home Residential Parks ACT 2003 et al 2019***

**To The
Department of Communities, Housing, and Digital Economy**

And

**Minister for Housing Leeanne Enoch
Member of Queensland Parliament**

**Minister for Seniors and Disability Services Craig Crawford
Member of Queensland Parliament**

***“It’s no secret that there is a gross imbalance of power between
Manufactured Home Park Owners and the Home Owners who are residents
living this reality.***

***It is vital that action is taken immediately to ensure that those living in
manufactured parks are treated fairly and with respect.***

Urgent amendments are required to the legislation NOW ! ”.

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The manufactured homes park industry has moved radically away from the original mixed parks of converted caravans or prefabricated homes, when the original Manufactured Homes Act 2003 was proclaimed, with its provision “to protect Home Owners from unfair business practices”.

Today the industry is dominated by large corporations, many funded from overseas who continue to claim benefits from the support offered in the original Act, while using the residents as “cash cows” to provide profits for their shareholders. It’s no secret that there is a gross imbalance of power between Manufactured Home Park Owners and the Home Owners who are living this reality.

It is vital that action is taken immediately to ensure that those living in manufactured parks are treated fairly and with respect. Urgent amendments are required to the legislation now. Those of us who live in these parks cannot afford a repeat of this Governments behaviour in 2017, when it asked the community what the issues were and eventually in 2019 finally legislated more power to the park owners, ignoring the many issues put forward by Home Owner Advocate Associations and Residents.

Back in 2017 in a Press Release on the 9th July from our Premier stating - *New laws will be introduced to protect Queenslanders living in retirement villages and residential parks across the state in a major shake-up of the industry— she promised a major shake-up of the industry—including limitations on rent increases and the simplification of contracts. She then went on to say we must ensure Queensland seniors can enjoy peace of mind in their retirement years by giving them the stringent consumer protection they need and deserve. Finally, she said people have invested significant amounts of money to live in manufactured homes in residential parks and they have a right to be heard.*

Government may have “heard” our many problems in 2017 of excessive rent rises, unfair Market Rents Reviews, park owners ratcheting up rents when houses were being sold both new and preowned, etc ... but chose not to act. Instead, residents received the right to have an Emergency Plan, which should have been in place anyhow, and the opportunity to vote on whether our rent should go up to pay for major repairs and maintenance, to save the park owner the normal business practice of a contingency fund to pay for maintaining their asset. However, park owners received the right to demand rent increases on the day they decreed and home owners must pay this increased fee, until they can prove the rise is excessive or unjustified. If they win at QCAT and the park owner does not agree, the decision is not binding and home owners must take them to the Magistrates Court. Not what was promised by our Premier!

It is now 2022, the major deficiencies in the Act are still the same problems they were in 2017, and now five years later we still have a government unwilling to enshrine the original provision of the Act “to protect Home Owners from unfair business practices”. Once again, we start the long drawn out process, while residents are still being financially abused by the actions of park owners. Most concerning is the government continues to use the phrase “**whether** Legislation is required”.

If government do not address this power imbalance now, the problems that exist will accelerate to the point where they may not be able to resolve them and this sector will fail. Many residents in manufactured home parks now cannot afford a safe standard of living as their site rent, which their only asset stands on, is taking up to 40% of their fixed income. We cannot wait any longer for reform in this sector.

Not all problems come from the park owners, as we advised this government over 12 months ago that the CPI “ALL GROUPS BRISBANE” in the dictionary of the Act as a basis to raise rents is incorrect, due to the extreme volatility of this figure. The Queensland Government Statistician has confirmed that rents do NOT belong in this category and questions why it was legislated into the Act in 2003.

The current June quarter All Groups Brisbane CPI has come out as 7.3%. Therefore, those homeowners who have CPI in their site agreements will have their annual site fee increased by 7.3%.

Example -

Present site rent \$187.50 per week for the land your asset sits on, will increase to \$201.19 per week with no avenue for dispute because this is written into the legislation. The graph below is a simple demonstration of the implications if this measure of CPI with its volatility continues to be used. Home owners would be subjected to increases with NO ability to question in QCAT. It should be noted that over the past 20 years, the pension has not increased annually by more than 2% and the majority of those living in these parks are on fixed incomes or self-funded retirees, many who are living off their capital in the present economic climate.

2021/22	2022/23	2023/24	2024/25
\$187.50	\$ 201.19	\$ 215.87	\$ 231.63

This example only shows the CPI% site increasing at 7.3%, however, we have been advised that the All Groups figure for the next quarter is expected to be over 8% depending on economic influences.

AMHO have presented two submissions to government about this problem and have been ignored. Their answer is always the same, quoting the *Queensland Housing and Homelessness Action Plan 2021-2025* which has nothing in it about problems with the CPI.

We, the Queenslanders who have chosen this once affordable option to live out our retirement, releasing much needed family homes back into the community need action now! We cannot wait for the slow movement of Government who plan to release a Consultation Regulatory Impact Statement by early 2023 and then slowly grind its way through the processes, with our fingers crossed that this time we will be heard and that the Legislative changes will be made in years to come.

We need action and require an Amendment by the Queensland State Government now..

1. Immediate cessation of any increases in rent for manufactured home owners and rents to remain at exiting levels until this entire process reaches a conclusion and is implemented into law by royal accent and agreed upon through parliamentary procedure.
OR
2. Implementation of a 1% ONLY annual increase in rent until this entire process reaches a conclusion and is implemented into law by royal accent and agreed upon through parliamentary procedure.



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