



Supporting Queensland Manufactured Home Owners

AMHO Update – May 2024

The Housing, Big Build & Manufacturing Committee Report regarding the ***Manufactured Homes (Residential Parks) Amendment Bill 2024*** has now been presented to Parliament. As with the review in 2017, the government has listened, but not heard! This despite the fact that Committee member, Don Brown (Capalaba) from the Logan hearing stated: ***“I have done a lot of committee hearings in my nine years and I do not see rooms like this for every piece of legislation ... if park owners and park managers do not keep up their end of the bargain to people in this room, the reforms are just going to keep on coming, because there are a lot more voters than park owners.”***

Attendance at Committee Hearings

Hervey Bay: 350+	Deception Bay: 60+	Bribie Island: 120+	Logan: 100+
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Through the legislative change process, we have been told that the proposed amendments seek to change the MHRP ***to improve consumer protections*** in residential parks balanced with reasonable industry viability. However, the amendments proposed will do little to ensure that the objects are achieved or to correct the imbalance of power in the relationship between the Park Owner and the Homeowner. A copy of the report is available on the parliamentary website [Report No. 6, 57th Parliament - Manufactured Homes \(Residential Parks\) Amendment Bill 2024](#) and we encourage you to read this. You will see that despite all the effort, submissions, meetings over the past eighteen months or so, the Committee have accepted the options as presented in the Consultation – Regulatory Impact Statement (C-RIS).

AMHO has written to **ALL** Members of Parliament in Queensland to ask them to consider the following views of homeowners throughout Queensland as they vote on the amendments to *The Manufactured Homes (Residential Parks) Act 2003* which is the only protection you have.

Market Rent Review: AMHO agrees with this amendment. The removal of the Market Rent Review as one of the mechanisms to increase site fee is welcomed by AMHO and the tens of thousands of homeowners in residential parks throughout Queensland. This method of increasing rent is grossly unfair and given that increases as a result of the review are in the vicinity of 10% or more, providing no certainty of tenure for those on fixed incomes.

Capping the annual general site rent increase, ie 3.5% or CPI whichever is the greater. Under no circumstances should this amendment be passed in its current form. The methodology used is incorrect. This is not a cap at all – not only is 3.5% more than the annual pension increase (usually about 2% per year) – the proposed percentage has already outstripped income! So, if the annual increase is the **greater** of 3.5% or the CPI, the homeowner is still unable to predict their annual site fee increase.

AMHO asks: ***How can the Committee be satisfied that the balance achieved by the site rent limit proposed by the Bill and the definition of CPI by the Bill is appropriate when it means the homeowner is still unable to predict expenses in order to balance their budget making them vulnerable to influences over which they have no control.***

Comparison Document and the Maintenance, Capital Replacement Scheme and Registration of Parks: AMHO agrees with these amendments. These are both “*nice to haves*” and may assist buyers to make an informed decision, but it is difficult to see how they will achieve the objects of the amendment and the MHRP.

Providing homeowners with options for the method of payment of their site rent fee. AMHO agrees with this amendment – this will give homeowners some control over their finances and will have little impact on accounting processes.

The simplification of the sales process. AMHO’s view is that this just validates what is happening now. At least 75% of site agreements are not assigned, with Park Owners preferring to issue a new contract, increasing the weekly site fee at the same time, resulting in homeowners paying different levels of site fees for the same product.

The Buy-back scheme. AMHO does not agree with this complicated and drawn-out process. All that needs to happen is that payment of rent is put on hold at the time the home becomes vacant, with funds owing paid as part of the disbursements at settlement of the sale.

Additional issues which have not been addressed:

Why has the additional C-RIS recommendation around retirement village-style exit fees become a ***Non-legislative response?***

At least two parks in Toowoomba are charging existing homeowners exit fees, disguised as a “communal refurbishment fee” amounting to tens of thousands of dollars. The park owners included this in the site agreement because there is nothing in the MHRP to prevent this. This aspect of the sales process should be included in the amendments – specifically stating that exit fees in any form cannot be charged as the park owner has no proprietary interest in the home.

Why is the Dispute Mechanism remaining with QCAT which we have always maintained is the wrong forum for these matters? *We have advocated for an Ombudsmen whose decisions are binding and who will have specialist knowledge of the MHRP – removing highly paid lawyers from the equation. We know there are QCAT cases where homeowners won their case, however the park owner appealed, and using their legal might the matters are still not settled 5 years later, while homeowners are forced to pay the demanded increased rent to park owners until the Tribunal rules? It should also be noted that QCAT rulings are not binding and if the*

park owner appeals, and this happens very frequently, the homeowner must proceed to the court system.

Why does the MHRP Act which seeks to ensure the viability of the industry not see that if this model becomes unsustainable for homeowners then there will be no industry?

It is becoming obvious that the industry is developing in a different direction from what was originally “affordable” housing with some parks offering homes upwards of one million dollars. There will be a definite divide between actual “removable” homes and the resort style homes.

Why has **Section 71** not been addressed? This clause allows site fee increases as a result of increased operational, repair or upgrade costs? The legislation states that the Park owner only has to give notice to at least **4 (four)** sites, and, if 75% of them – **3 (three)** sites agree in writing, the increase proceeds. If homeowners do not agree then the park owner can implement the dispute mechanism (QCAT). Why would the MHRP only require four sites to be consulted? The Committee report states that it is 75% of homeowners – **this is incorrect!**

Why are park owners including infrastructure charges (Service and Access fees) in Utility accounts? **Section 99A** needs to be clarified because as renters, recognised for the purposes of rent assistance, homeowners should only be paying for usage.

You should note that:

- **The rent cap in its current form was soundly rejected by all parties during the hearings, including Park Owners**
- **The QCAT system was also rejected with recommendations for the appointment of an Ombudsman so the current adversarial process can be eliminated.**
- **The Buy-back scheme was rejected by park owners, representative groups, and reservations were expressed by homeowners.**

SO WHAT DO YOU DO?

Write to The Honourable Meaghan Scanlon, Minister for Housing, Local Government and Planning and Minister for Public Works, housing@ministerial.qld.gov.au

And copy in Ali King, Assistant Minister for Housing, Local Government and Planning and Public Works, pumicestone@government.qld.gov.au

Use the below format and wording if you wish.

Email subject: *The Manufactured Homes (Residential Parks) Amendment Bill 2024*

Re: Capping the annual general site rent increase, ie 3.5% or CPI whichever is the greater.

Dear Minister,

*I am a homeowner in a residential park (NAME PARK). Please be advised that **under no circumstances should this amendment be passed in its current form.***

*The methodology used is incorrect. This is not a cap at all – not only is 3.5% more than the annual pension increase (usually about 2% per year) – the proposed percentage has already outstripped income! So, if the annual increase is the **greater** of 3.5% or the CPI, homeowners are still unable to predict their annual site fee increase. CPI is currently higher than 3.5%, and is not expected to decrease until at least the latter part of 2024 or early 2025. And what happens if it increases substantially in the future? There is no guarantee that pensions will keep pace. Where is the certainty which is the object of the amendment?*

The review of the MHRP by this government in 2017-2019 made amendments that did not address the issues raised, the same issues that the evidence shows are still occurring in 2024. It is time for you to listen to homeowners and to ensure that they have the protection they require so that the industry can remain viable, and that homeowners can sustain their living costs so that they can enjoy this excellent housing model to the fullest.

This Update is being issued to AMHO members. Please distribute this to other homeowners in your park and encourage them to have their say. The Report is set to be tabled in Parliament for the second reading on 21 May 2024. So it is urgent that you tell the Minister of your concerns about the cap or any other aspect of the amendments. If not, these will be passed at the third reading.

Alliance of Manufactured Home Owners Inc.

Supporting Queensland Manufactured Home Owners

PO Box 349, Burpengary Qld 4505 Website [www.https://amho.com.au](https://amho.com.au)

m 0418 527 041 e secretary@amho.com.au