



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

***Urgent amendments are required to the legislation NOW on the issue of the
CPI formula presently being used and abused!***

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Submission dated 12th August 2022

The purpose of this submission from the Alliance of Manufactured Home Owners Inc. is to raise again to your knowledge and awareness why we are advising the Minister for Housing and the Department of Communities, Housing & Digital Economy of the urgent and immediate need for action on the issue of the present use of the CPI All Groups Brisbane being used for the raising of site fees in residential parks.

When this Act was written in 2003 the CPI rate stated to be used in the Dictionary was the “**All Groups Brisbane**”, which is extremely volatile and includes tradable items of the Queensland economy, such as electricity, gas, fuel etc. Rent does not belong in this category, the correct CPI measure was the **Weighted Median** being the lesser of the two percentage categories that rent is aligned. The Queensland Government Statistician has confirmed that the “All Groups Brisbane” figure should not be used, raising the question – why did the Department of Communities, Housing & Digital Economy (CHDE) have this incorrect formula placed in the Act?

Back in 2017 in a Press Release on the 9th of 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.*

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 change is required”. This government can do one thing now and we request that they rectify this injustice and part of the Act, that is not fit for purpose and is now causing such financial abuse to these homeowners.

Many residents in manufactured home parks now cannot afford a viable 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 area of CPI as a site fee increase factor.

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% in this quarter. Each park has a different date to process a site fee so it will get higher.

Example -

A present site rent of \$187.50 per week for the land your asset sits on, increases to \$201.19 per week with no avenue for dispute because the All Groups Brisbane CPI is written into the Dictionary of the Legislation. The graph below shows the implications if this measure of CPI with its volatility continues to be used. Homeowners are subjected to large 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 of whom are living off their capital in the present economic climate.

The graph below shows the implications for home owners if the All Groups Brisbane CPI continues to rise as verbally forecasted by the Queensland Government Statisticians Office.

June 2022	Sept 2022	Dec 2022	Mar 2023	June 2023
CPI Confirmed	CPI Forecast	CPI Forecast	CPI Forecast	CPI Forecast
7.3%	8.6%	9.8%	10.1%	10.5%
\$201.19	\$203.63	\$205.87	\$206.43	\$207.18
An increase of \$711.36 pa	An increase of \$838.76 pa	An increase of \$955.24 pa	An increase of \$984.36 pa	An increase of \$1,023.36 pa

AMHO has presented two submissions to the government about this problem and has 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 caused by CPI rises.

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 the Government which plans 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 existing 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.

This government department made this error and the homeowners are paying for it. This financial abuse is on the shoulders of this department and government and you need to fix it now.