



## Supporting Queensland Manufactured Home Owners

### YOUR CPI BASED ANNUAL RENT RISE

#### Why it may be unfair under the QLD MHRP Act

We are all used to CPI% site rent increases and are aware that these are worked out with reference to the CPI figure for the stated quarter. However, there is more than one CPI figure. There are actually three, and they are affected by lists of "Tradable" and "Non-tradable".

As you can see below Tradable has the most volatile items.

Tradables - food items (meat, fish, fruit, vegetables etc), alcohol (wine & spirits), tobacco, clothing, footwear, transportation (fuel, motor vehicles, parts & accessories), pharmaceuticals and more.

Non-tradables - food items (milk, bread, eggs, etc) beer, clothing services & shoe repair, house rents, electricity, gas & other household fuels, water & sewerage, house purchase, property rates & charges, house repairs & maintenance, Hospital & medical services, transportation (vehicle repair & servicing, urban transport fares), communication, recreation, education, Insurance services, hairdressing & personal care services, childcare and more.

The MHRP ACT states in the Dictionary section that the "Brisbane all groups" figure must be used for the CPI Indexation rate. However, this index uses all major volatile components of the Australia and Queensland economies and rents are NOT normally included in this rate/group.

After having a conversation with the Queensland Government Statistician, they advised this is a very volatile CPI% figure which rents DO NOT sit under and should not be used and also raised the question - why the department of housing used this wrong CPI% figure? We also asked this question at a meeting with the CHDE who could not give a satisfactory answer as to why this volatile CPI figure had been legislated and appeared to be totally unaware of the consequences of their actions.

On Wednesday 12<sup>th</sup> October 2022 the Shadow Minister for Housing the Hon. Tim Mander at AMHO's request asked Housing Minister Hon. Leanne Enoch, the following Question on Notice –

**Question 1007** – *With reference to the Manufactured Homes (Residential Parks) Act 2003 – Will the Minister provide the rationale for why the 'Consumer Price Index' – all groups consumer price index, Brisbane, was chosen as the indexation instrument in the Act?*

**Answer** – *The Manufactured Homes (Residential Parks) Act 2003 (the Act) does not prescribe an indexation instrument that must be included in site agreements. The Act requires that a site agreement must state the basis for calculating an increase in site rent but does not specify a particular basis that must be used. Where a site agreement includes an increase in site rent based on the Consumer Price Index (CPI) the Act does not require a particular CPI to be used.*

However, the CPI entry in the MHRP Act – Current as at 1<sup>st</sup> May 2022 Authorised by the Parliamentary Counsel is -

Schedule 2 Dictionary .....Page 136

**CPI means the All Groups Consumer Price Index for Brisbane published by the Australian statistician.**

This is why all Park Owners place the All Groups Brisbane CPI in their site agreements. Home owners are forced to pay the highest rate and there is no path to QCAT for relief.

AMHO continues to demand that we must have the CPI, Market Rent Review and Section 71 Special Costs Raising Rents removed from the Act completely. The Annual Site Fee increase should be applied at a flat 1% and no greater to ensure affordability, so that it does not outstrip the fixed incomes of residents and to protect the long-term viability of this housing market sector. Pensions have only risen by more than 2% annually once in the last decade (in 2022 because of inflation increases pensions rose by 4%).

**URGENT ACTION IS NEEDED NOW!**

**THE “All Groups Brisbane” CPI FIGURE MUST BE REMOVED FROM THE ACT!**

February 2024