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30 January 2015

Residential (Land Lease) Communities Regulation 2014  
NSW Fair Trading Policy  
PO Box 972  
Parramatta  
NSW 2124

By email: [policy@finance.nsw.gov.au](mailto:policy@finance.nsw.gov.au)

Dear Commissioner

### **National Seniors response to the draft *Residential (Land Lease) Communities Regulation 2014***

National Seniors Australia welcomes the opportunity to submit comments to the draft *Residential (Land Lease) Communities Regulation 2014* (the Regulation).

National Seniors Australia is the country's largest organisation representing the interests of those aged 50 and over, with 200,000 individual members nationally. National Seniors provides a well informed and representative voice on behalf of its members and contributes to public education, debate and community consultation on issues of direct relevance to older Australians.

National Seniors supports option three outlined within the Regulatory Impact Statement which proposes to apply the Regulation under the *Residential (Land Lease) Communities Bill 2013* (the Act). Home owners in residential parks will greatly benefit from the reformed standard form of site agreement and condition report in the draft Regulation. These documents protect residents from unfair contract terms and enhance transparency of contracts. Option three provides the greatest benefit and protection to park residents and the least cost to the community.

As demand for public housing continues to outstrip supply, more and more people, of all ages and backgrounds, have looked to manufactured homes and caravan parks as an 'affordable' permanent, interim or crisis housing option.

Long term agreements are essential to home owners in maintaining the value of their homes and to provide security of tenure. National Seniors

supports the fixed term agreement stated in the Regulation of a minimum of three years. Many prospective residents have sold or are in the process of selling their family homes and pay substantial amounts to purchase homes in residential parks for retirement living.

Without the certainty of long-term site leases, this type of retirement living would not be a viable option for residents. Park owners do face constraints in offering sites, knowing that their investment property will be tied up indefinitely. However, under the Act park residents can continue to reside within the park for twelve months following notice of a park sale or closure, or until the end of their fixed term agreement. National Seniors believes that this provides assurances and rights for both park residents and the park operator.

The Act also makes provisions for compensation for agreements that are terminated for other varying reasons.

National Seniors recommends that resident rights regarding termination of agreements should be stated within the Regulation, including timeframes for vacating once a park is sold or closed.

The timeframe (30 days once notice is given by the park operator) for homeowners to lodge an objection against site fee increases on the grounds that the increase is excessive should be included within the Regulation and the standard form of site agreement to enhance transparency.

Both the Act and the Regulation make provisions for park operators to increase site fees in accordance with variations to the single or couple age pension, whichever is applicable to the resident. National Seniors seeks clarification to the inclusion of this provision in the Act and the Regulation.

For age pensioners residing in a residential park, site fee increases should be capped at a proportion of the pension rise. Increases to the age pension occur to ensure recipients are able to keep up with the rising costs of living. Not only does this include housing costs, but also increases to utilities, public transport and other daily essentials.

National Seniors supports the inclusion of the equitable utility provisions in the Regulation as stated in the *Customer Service Standards for the Supply of Electricity to Permanent Residents of Residential Parks*. Such provisions, for example separate metering for homeowners, deliver protections to residents regarding their utility charges.

National Seniors recommends that the Regulation include a provision for the park operator to pass any business or government subsidies or concessions on to park residents in the same way that these concessions are available to other eligible homeowners or renters living in the wider community. This includes the NSW Low Income Household Rebate, NSW Life Support Rebate, and the NSW Medical Energy Rebate.

Thank you for the opportunity to comment on the draft *Residential (Land Lease) Communities Regulation 2014*. If you have any queries please contact Kylie Ullmann, Policy Advisor, on (07) 3233 9131 or at [k.ullmann@nationalseniors.com.au](mailto:k.ullmann@nationalseniors.com.au).

Yours faithfully

**Michael O'Neill**  
**Chief Executive**