



Response to the Consultation Regulatory Impact Statement

Addressing concerns about site rent increases and sale of homes

We will respond first to the three introductory sections of the Consultation Regulatory Impact Statement (C-RIS) and then consider the proposals and recommendations as they relate to the following 4 topics we believe are of concern to home owners:

- Topic 1: Affordability and Fairness of Site Rent Increases.
- Topic 2: Ensuring that the Quality and Standard of Services, Facilities and Amenities in Parks are maintained.
- Topic 3: Ensuring that the process of selling homes does not disadvantage home owners unnecessarily.
- Topic 4: Other improvements to strengthen consumer protection in the Manufactured Home (Residential Parks) Act and associated regulations

Key Problems

We accept the summaries of the issues outlined in the C-RIS as being reasonably accurate and comprehensive.

Causes / Contributors

We agree that the 6 causes described in the C-RIS are major contributors to the concerns of home owners about the problems outlined.

We believe however, that there is a seventh underlying problem that leads to and exacerbates all of these causes. That is, the failure of the current Act and regulatory systems to provide adequate consumer protection to home owners. In particular, it fails to mitigate the effects of an imbalance in power between individual citizen home owners and corporate park owners; and fails to ensure the ongoing affordability of retirement living in residential parks.

Policy Objectives

We agree with the three policy objectives as stated:

- Residential parks which are fair and transparent;
- A legislative framework which is contemporary and meets community expectations;
- Residential parks which are sustainable for home owners and park owners

We are however, extremely disappointed to note that in expanding on the third of the policy objectives, “Residential parks which are sustainable for home owners and parks owners”,

there is significant difference between the way the interests of home owners and park owners are treated. Ensuring that park owners are able to meet costs and make a profit are specifically mentioned, but ensuring that home owners are able to afford continually escalating site rent increases is not. We have expressed the same concern about the objectives of the current Act (see 4.1 below) and in our response to the Issues Paper and yet the financial viability of home owners has not been canvassed in this C-RIS except in vague terms around fairness. It needs to be borne in mind that the future viability of residential parks and the industry is solely dependent on the continued ability of home owners to meet increasing site rents.

It is our contention that the Objects of the Act under Division 2, Section 4(1)(a) be amended to include words to ensure that home owners enjoy the same protections park owners.

1. Affordability and Fairness of Site Rent Increases

This is the topic in the reform process that is by far of greatest concern to home owners.

QMHOA believes that the elements of the package of preferred options put forward in the C-RIS, together with some of the additional recommendations, go some way to achieving the goals of site rent increases which are fair to park whilst ensuring the affordability of the rents which result from them for home owners. As they stand at the moment however, they are likely to be only partially successful in doing so. We submit that more can and should be done to ensure that these objectives will be achieved when amendments are finally put to parliament.

In order to do that it is necessary to be clear about what we would like to see achieved. As a starting point, It must be recognized that the issue under consideration is not the level of site rents per se, but rather, the rate at which they increase. We believe that it can be assumed that at the time when the level of site rent was initially set in the site agreement which was signed by the home and park owners, both parties were satisfied with it. The home owners were satisfied that the rent would be affordable for them, and the park owner that it would be sufficient to cover both the costs of operating the park and to assure them of a suitable return on their investment. It is the position of our Association that the key aim in determining methods for increasing site rents is that they must result in this balanced state of affairs being maintained.

We refute any suggestion that if this was achieved it would be a disincentive to investment in the residential parks industry. It is important to keep in mind that it was envisaged that the return on investment that was established when the site agreement was signed satisfied park owners and their investors and we suggest that nothing in this C-RIS or in the amendments we suggest to it endangers this state of affairs. We are also confident that the sort of incentives for investment put forward by Stockland to their shareholders in relation to their takeover of Halcyon which we cited in our submission to the Issue Paper (ARPQ, 2022, p. 8). The included:

- Long average lease tenure
- Minimal vacancy risk
- High tenant diversification and strong tenant covenant
- Low capex requirements

- Government rental support, would be more than sufficient to convince existing investors to stay as well as to attract new ones.

QMHOA is firmly of the opinion that the way to achieve the maintenance of the sort of balance in agreements about site rent that we desire, is to align increases in site rent as closely as possible to increases in the costs of operating a residential park whilst also assuring that as far as possible there is parity between site rent increases and increases in the aged pension, which for the majority of home owners in residential parks is their main or only source of income.

As we pointed out in our submission to the Department's 2022 Issues Paper, it is the failure in the past of increases in site rents calculated as they have been in that past to assure alignment with increases in park costs and parity with increases in home owners income that is the problem home owners want to see addressed in any proposals for reform. Both our critiques of the options and recommendations for changes proposed in the C-RIS, and the suggestions we make for variations to them, are grounded in our evaluation of the extent to which they have the potential to mitigate this problem and contribute towards maintaining the balance, established when the site agreement was signed, between the self-interests of home owners and park owners

Comments on C-RIS Proposals as they relate to site rent increases

1.1. Additional Recommendation – That the Act should be amended to specify a definition for CPI that must be used for a CPI-based increase of site rent in the future.

We welcome and strongly support a proposal to specify an index which measure inflation that must be used. QMHOA is however, firmly of the opinion that the index defined should not be a version of the CPI and therefore do not support this recommendation as it stands. We believe that that none of the versions of CPI accurately indicate inflation (or deflation) in the costs of operating a residential park. It is our view that this leads to it being unfair to home owners, while park owners are benefiting from windfall increases in their profits.

The Australian Bureau of Statistics (2023) goes to some length in recommending that consideration is given to the use of the indexes it publishes. They argue that an appropriate index should be chosen carefully to represent the item or items subject to indexation that best relate to the situation under review and the intention of the parties in the contract.

The problem with the CPI in the context of site rent increase residential park site agreement contracts is that most of the items it takes into consideration are irrelevant to the costs of operating a park. It has been designed for a completely different purpose, which is to measure the costs of items purchased by an Australian household. It does this by measuring changes in the price of 87 items, only 10 to 15 of which can be argued to have a significant influence on the costs borne by a park owner in operating a residential park. Moreover, with the exception of electricity and insurance, these 10 to 15 items have not been the fast growing parts of the CPI in recent times.

QMHOA strongly recommends that a new "Residential Parks Costs Index"(RPCI) be created using relevant elements of exiting ABS indices and that the Act be amended to stipulate that

it be used wherever a site agreement indicates the use of CPI. There is strong evidence that park owners are reaping the benefits of large unmerited windfall profit as a result of the use of CPI rather than something like a RPCI and that conversely home owners are being significantly and unfairly disadvantaged by it. It is clear that use of CPI rather than something akin to the RPCI we propose fails to maintain the balance between the interests of home and park owners that was agreed to by both parties when they originally signed a site agreement. The park owner is getting a higher rate of profit while the site rent is becoming less affordable for the home owner.

If our recommendation for the creation and use of a RPCI is not accepted and acted upon, then of the versions of CPI commonly cited, our strong preference is for the trimmed all Australian cities mean which avoids unusual peaks and troughs and which is used in the indexing of the aged pension. That would help to ensure that site rent increases are approximately the same as increases in the income of pensioner home owners.

Mandating the use of the Brisbane All Groups CPI would not be acceptable to us. It is not closely enough aligned to increases in the costs of operating a residential park nor does it ensure that as far as possible there is parity between site rent increases and increases in the aged pension.

1.2. Option 6 - Prohibit market rent reviews

We very much welcome and strongly support this proposal. We are pleased to see that it is included in those preferred by the writers of the C-RIS.

As stated in our submission in response to the 2022 Issues Paper(ARPQ, 2022) it is QMHOA's firm view that in the context of residential parks determining site rent increases using a market rent review as the key metric for doing so is not fit for purpose. The rationale for that position is outlined in some detail in our 2022 response(ARPQ, 2022).

Every conversation we have with home owners in residential parks about market rent reviews confirms that their retention as a basis for increasing site rents would be unacceptable to them. It is an approach that has a well proven record of leading to site rents which have a significant negative impact on their financial and overall wellbeing of home owners whilst enhancing what they believe to be the already high profits of park owners. Thus, it fails completely in satisfying the criteria outlined above of maintaining the balance between the interests of home and park owners that was agreed to by both parties when they originally signed a site agreement.

1.3. Option 5 - Improve the market rent review process

We are strongly opposed this option. It would not be acceptable to us or we believe to the great majority of home owners in residential parks in Queensland,. We wish to see market rent reviews prohibited rather than improved. We believe that it would not be possible to improve the approach so that it could satisfy the criteria outlined above of maintaining the balance between the interests of home and park owners that was agreed to by both parties when they originally signed a site agreement.

Any attempt to improve market rent reviews would in our opinion be likely to lead to more ambiguity, confusion and inevitably lead to more disagreement, disputes and QCAT hearings.

1.4. Option 7 - Limit (Cap) site rent increases to the higher of CPI or a fixed percentage (for example, 3.5%)

We strongly support the concept of having site rents capped to limit the size of any increases that result from the calculation method included in new site agreements or existing ones minus market reviews.

We believe however, that setting a cap at the higher of CPI or 3.5%. as suggested in the C-RIS, would disadvantage home owners while benefiting park owners. When CPI is low it would mean increases in rent would exceed those in the aged pension. If for example CPI was at 2% then the aged pension could be expected to rise by a maximum of 2%. It could be less depending upon which CPI was used given the historical difference between the Brisbane and All Cities versions of CPI. However site rent increases of up to 3.5% would be allowed. If this sort of discrepancy were compounded over a number of years it would become a significant threat to the financial wellbeing of home owners. At the same time the park owner will be receiving a windfall increase in their profits due to CPI being higher than is needed to cover increases in costs. This unfair state of affairs would be exacerbated if the fixed rate were set higher than 3.5% as the C-RIS suggests it could be. We note with some concern that even at 3.5% the fixed rate suggested is above the target range for inflation set by the Reserve Bank of Australia is between 2 and 3%, so if that target is reached, the above scenario will play out frequently.

When CPI is above 3.5% then increase up to whatever level it was at would be allowed. As we have shown in the arguments presented above, whichever version of CPI was used this would mean that home owners would be paying more than is needed to cover increases in park costs. From our experience in 2022 and 2023, the higher the level of inflation (CPI) the greater this problem becomes. Again the home owners are disadvantaged while the park owner receives a windfall increase in their profit.

As stated earlier in this submission we argue that CPI as a means of determining site rent increases is not a valid option.

We advocate strongly for setting any cap in a way which does not disadvantage home owners in these ways.

It would be acceptable to us if the cap was set to be the same as either:

- The average of increases in the costs of running a park over the past 5, 10 or 15 years as calculated drawing on previous CPI data as is suggested in our proposal for the creation of a RPCI (see above and Appendix A)
- The CPI that is used to index the aged pension;
- The Queensland Government's own Indexation Rate for Fees and Charges (set at 3.4% in 2023) or
- A combination of two or more of them, e.g. the lower of the CPI used to calculate pensions and a fixed percentage based on the average increase in park costs.

1.5. Option 8 - Limit site rent increases to CPI

We understand this proposal to be the mandating of CPI as the only method of calculating site rent increases that can be used in any new or existing site agreement.

While we concede that if the version of CPI used were the one that is used to calculate increases in the aged pension it would offer some protection to pensioner home owners, we do not support this proposal.

As stated above we believe that the use of any version of CPI will frequently lead to site rent increases exceeding what is needed to cover increases in the costs of operating a park and thus produce windfall increases in the profits of park owners.

Furthermore, along with the problems it would pose for home owners outlined in the C-RIS, we also believe that it would disadvantage those who currently have agreements to increase site rents at a fixed percentage in years when CPI is above that fixed rate.

Replacement of a version of CPI by a RPCI (see above) would make this proposal more acceptable to us, but even then our support would have to be dependent upon home owners currently with agreements for fixed percentage increases not being disadvantaged.

1.6. Option 9 - Require expense-based calculations for increases above CPI

We do not support this option.

Any measure which increases site rents at a greater rate than CPI will have a negative impact on the financial wellbeing of the majority of home owners due it being greater than the increase they will get in their aged pension whilst providing park owners with increased income over what would be required to cover any increased park operating costs. Should unexpected and significant increased costs occur, park owners have the benefit of Section 71 of the current Act.

Furthermore, we believe that in practice it would be very difficult if not impossible for home owners to verify that the costs being claimed for any individual park were fair and accurate.

1.7. Option 4 – Limit site rent increases to a prescribed basis

We support this measure in principle but not as outlined.

We believe that prescribing the basis for site rent increases would prevent park owners creating new bases which disadvantage home owners as they have done in the past.

It is, however, our view that there should be only one prescribed basis and that is the one suggested in the C-RIS being a formula which increases site rent in proportion to increases in park operating expenses. In its simplest form this would be the adoption of a RPCI

Topic 2: Ensuring that the Quality and Standard of Services, Facilities and Amenities in Parks are Maintained

2.1 Option 10 - Require maintenance and capital replacement plans

We welcome and strongly support this proposal.

This is a measure we suggested in our response to the 2022 Issues Paper (ARPQ, 2022), as a means of addressing a major concern of many home owners - Diminishing levels of service and standards of maintenance of communal facilities in parks whilst rents are increasing.

An advantage we see in the proposal is the greater level of transparency it brings to an important aspect of living in a residential park for home owners. It will also make it easier for home owners to hold the park owner accountable by using section 72 of the Act. As stated in our submission to the Issues Paper (ARPQ, 2022) a key problem in that process has always been assembling evidence of a decrease in the standard of maintenance and facilities without anything to measure them against.

In advocating for its inclusion in the amendments to the Act we strongly believe that it should be mandated that:

- i. Homeowners have a significant role in the development of the plans and monitoring how they are being implemented. A significant grievance of home owners is the failure of their park owner to recognise them as partners in the enterprise which is the park they live in and to give them a say in how it is maintained and improved;
- ii. Details of the plans be included in the comparison documents published by parks which are suggested in Option 2.

1.8. Option 2 - Require residential parks to publish a comparison document

We welcome and strongly support this concept.

The benefits it would offer to new and prospective home owners are clear, but we believe that it would also be advantageous to existing residents in that it will foster greater competition between park owners to attract residents and thus encourage them to maintain higher quality of facilities and service. Such documents would also enhance the capacity of home owners to hold their park owners accountable to maintain the standards outlined in their comparison document.

In voicing our support we note that the effectiveness of this measure will depend heavily upon both what information is included in the comparison documents and the accuracy of it. We strongly urge that how both of these aspects of the proposal are to be addressed be made clear in the wording of the amendments to the Act which are finally adopted, including the means by which the latter will be assured.

3. Ensuring that the process of selling homes does not disadvantage home owners unnecessarily

3.1. Option 3: Simplify the sales and assignment process.

This option is obviously aimed at the sale of pre-owned homes. In the case of the sale of new homes, park owners still have an opportunity to nominate increased site rents or amendments to the utilities and services provided. In these instances, it must be incumbent on park owners to disclose in full in the pre-disclosure documents all relevant information relating to existing home owners in the park.

Under current legislation the process of assignment of site agreements appears too complex, difficult to understand and difficult to achieve due to the limited opportunities for prospective home owners to be educated on the process. This is exacerbated by anecdotal reports of some park owners actually informing buyers that assignments are no longer available and that a new site agreement is required or otherwise discouraging buyers from this path.

The proposal presented in this Option 3 would appear to avoid these complications and provide a consistent, simpler, more transparent process whereby the interests of home owners are better protected and park owners are provided with a pathway which is devoid of the angst and disputes that the current Act engenders.

This Option 3 has the support of our Association with the following provisos:

1. The prescribed terms must include, at a minimum:-
 - a) Current rent payable for the site
 - b) The basis for increasing site rent
 - c) The regularity of these increases
 - d) Nominate what utilities are included in the site rent
 - e) What services are included eg community bus, meals if provided, rubbish collection, etc
2. The actual prescribed terms to be transferred to be mandated in legislation.
3. These prescribed terms to be included in any pre-disclosure documents provided to prospective purchasers of pre-owned homes before presentation of the site agreement for signature as provided in Section 29(2) of the current Act.

It is our belief that the adoption of this Option 3 will provide a simpler, more transparent process for the sale of pre-owned homes for all parties and meets the 3 Policy Objectives in the C-RIS under the heading "Residential parks which are fair and transparent".

3.2. Additional recommendation – The presentation of information in pre-contractual disclosure documents and site agreements should be improved, particularly in relation to the future costs of site rent.

This additional recommendation has our support with the following comments:-

- a) That the current Act, Section 29A, be amended to include financial advice on the likely increases in site rent in future years compared to the likely increase in the home owners income over that period.
- b) That the pre-disclosure document include details of other rents payable in the park and included utilities so as to provide transparency and avoid future anger and disputes when this information becomes known after moving in.
- c) That the pre-disclosure document include the information required to be transferred from seller to buyer under the proposed Option 3.
- d) That the pre-disclosure document include detail of all services provided by the park owner to again provide transparency and avoid ambiguity.
- e) That the Comparison Document, as suggested in Option 2, be included as part of the pre-contractual disclosure.

3.3 Option 11 – Establish a limited buyback and site rent reduction scheme.

Buyback scheme:

- a) On considering this Option it appears that the eligibility criteria is complex, convoluted and difficult for the lay person to understand.

Although we have some understanding of the rationale behind the eligibility requirements, it is our belief that for simplicity this buyback scheme should apply to all sales where the park owner is the appointed agent. This would avoid copious wording in legislation, would be transparent to all parties and as the number of homes that were not sold by the park owner at some stage would, in our opinion, be small, the necessity for the eligibility requirements seems unnecessary.

We see great difficulty in the education of sellers to the intricacies of this proposal particularly the need to opt in after 6 months and the problems associated with setting a value (despite the suggestion of using a valuer and at whose cost?).

To our minds the time frames suggested do not provide any great incentive for park owners to act expeditiously in promoting sales particularly in instances of developing parks where there are greater profits in selling their own homes in preference to pre-owned.

Rent reduction scheme:

We have similar concerns to this aspect of Option 11 as presented above in that the time frames are too long. The idea of a rent reduction after 12 months does little to entuse a park owner to promote a sale and is of limited value to the selling home owner.

We have long argued that site rent should be considered in two parts, the first being a rent for the site and secondly a fee for services and the use of the facilities. In the event that the home is unoccupied, if for example the resident(s) have moved into care or it is a deceased estate, then the facilities are not being used and that portion of the rent should be reduced sooner rather than later.

Buyback & rent reduction together:

To be effective in achieving the stated objectives it is our view that:

- Buyback opt in should apply at 4 months
- Buyback should become mandatory at 12 months
- Rent reduction of 25% should apply at opt in time , 4 months
- If not sold in 8 months rent reduction of 50%
- If an extension is allowed by QCAT after 12 months the rent reduction should be increased to 75%

We see some advantages provided by this Option 11 but consider it requires more detailed discussion to make it fairer, simpler, more transparent and user friendly for both home owners and park owners.

3.4 - Park owners' sales commission:

This is an area that does not appear to have been canvassed in the options included in the C-RIS and in our opinion is worthy of consideration.

The Manufactured Homes Act allows for commissions on home sales by park owners/managers to be claimed at a similar rate as that allowed for licensed real estate agents. In our opinion this is inequitable in that park owners/managers are not bound by the same licensing regulations as real estate agents nor are they required to adhere to their onerous financial and ethical requirements.

On this basis we believe that park owners' remuneration for selling a home should be limited to an amount to cover the work involved plus a small percentage markup.

4. Other improvements to strengthen consumer protection in the Manufactured Home Residential Parks Act and associated regulations

4.1. Additional Recommendation - The objects of the Act should be amended to include protecting home owners from unfair site rent increases and to preserve security of tenure for home owners.

We support a recommendation to amend the objects of the Act but in our opinion, worded in this way it does not go anywhere near far enough to ensure the financial viability of home owners.

We support having an objective to protect home owners from unfair site rent increases. We note that it is a stated policy objective in the C-RIS, namely "Ensure site rent increases and variations are fair". Our concern, however, goes beyond fairness to the heart of the problem which is affordability. Will home owners have the financial capacity to afford the site rent demanded going forward? This is the question that requires the attention of all stakeholders.

In the current Act the Objects are among other things defined as:

- To protect home owners from unfair business practices
- To encourage the continued growth and viability of the residential park industry, and
- To provide a clear regulatory framework to ensure certainty for the residential park industry in planning for future expansion.

In the Policy Objectives, in this C-RIS, are stated as:

- Ensure site rent increases and variations are fair
- Allow park owners to meet the costs of operating and maintaining their residential park and derive a reasonable profit from the parks operation to encourage growth, supply and competition in the industry.

Clearly little has changed from the thinking in current Act to the objectives set out in the C-RIS. An emphasis is placed on park owners' profitability and the future viability of the industry with little or no recognition toward the financial viability of home owners.

In our opinion it needs to be acknowledged in the legislation that the ongoing viability of the residential park industry is dependent on home owners ability to pay the ever increasing site rents when their incomes, whether pensions or other, don't keep pace with the rent increases. The relationship between home owners and park owners must be acknowledged as a partnership with each party dependent on the other for future viability.

It is our view that the Objects of the Act need to be amended to include words to the effect "ensuring the ongoing financial viability and wellbeing of home owners to meet their rent obligations and to thereby contribute to the future viability of the park and industry".

The issue of "security of tenure" will be dealt with in our response to a subsequent recommendation (see 4.3 below).

4.2. Additional Recommendation - The Act should be amended to require registration and suitability requirements for residential parks and park owners, similar to those applying to retirement villages

We support this recommendation.

In our view it will assist considerably in ensuring that the Act satisfies the Policy Objective of "A legislative framework which is contemporary and meets community standards" as proposed in the C-RIS. In particular it will ensure that protections for home owners are not significantly less than those applying to retirement village residents.

We are however aware that one of the recurring themes in the complaints that home owners make about life in their parks centre around the competence and practices of their community manager. In our response to the Issue Paper (ARPQ, 2022) we pointed out that at the moment there are neither any requirements upon park owners to ensure that the persons they appoint to the role of manager of a park is suitably qualified; nor are there standards for the sort of training and support they are given. We would like to see a requirement for qualification and training standards for park managers included in some way in the Act or associated regulations..

4.3. Additional Recommendation - A registration system for manufactured homes should be developed which allows home owners to register ownership of manufactured homes, and supports buyers to confirm that the seller of their home is the legal owner.

We strongly support this recommendation.

At present there is no similar means available to home owners in residential parks to prove ownership of their home to that provided by the Titles Register available to owners of homes and other properties in the rest of the community.

We are aware that one disadvantage that home owners in residential parks currently face is their inability to use the equity they have in their homes as collateral for any form of mortgage including reverse mortgages or home equity loans, which are commonly used by other retirees to bolster their cash flow. Indeed it is very difficult for them to use their home to secure any kind of bank loan. It is our understanding that the absence of any form registration of ownership similar to a Certificate of Title, together with the way Manufactured Homes are defined (see our comment in 4.7 below) in the Act are factors which contribute to this problem. We recommend that strong consideration be given to how this problem could be mitigated, at least in part, by the way this recommendation is implemented.

Perhaps some form of perpetual or long term lease registered with the Titles Office would be sufficient to provide certainty of ownership.

In making this recommendation we point out that equity in their home is for most retirees a substantial proportion of their wealth. Having the option of converting it so that it is available to them to meet the costs they face in living out the rest of their lives would be welcomed by many home owners in residential parks.

4.4. Additional Recommendation - The Act should be amended to allow a manufactured home owner to sell their home where their site agreement is terminated by QCAT under s.38 of the Act, for example where there are unremedied breaches of the site agreement. This would allow a home owner to recover their investment in the home as positioned on the site rather than being required to give vacant possession of the site.

We strongly support this recommendation

Under section 39 of the current Act there is a requirement that in the event of a QCAT order under section 38 for the termination of the site agreement then vacant possession of the site must be given to the park owner.

We agree that this stipulation is unjust and the suggestion that the home owner has the right to sell the home appears to us to be eminently sensible.

4.5. Additional Recommendation - The Act should be amended to clarify that where a site agreement is terminated because the park owner is seeking to use the land for another lawful purpose, the compensation order by QCAT may consider the reasonable purchase price for the home if it was sold as positioned on the site.

We strongly support this recommendation.

All of the provisions of section 40 of the current Act are set around the premise of moving the manufactured home from the existing site to another in the same park or elsewhere.

This scenario is generally impractical as most contemporary homes are not capable of being moved and the availability of an alternative site would be very problematic.

Under these circumstances the recommendation that QCAT, in considering compensation, could consider the reasonable purchase price for the home as positioned on the site, seems eminently sensible.

Furthermore, we note that it permits a park owner to obtain a QCAT order to have a manufactured home removed from the residential park on no more than a non-binding claim that he 'wishes' to use the land for another purpose, provided that zoning permits this. It is thus open to abuse by a park owner who has no genuine intention to change the use, and who uses the wording of the Act to obtain a vacant site. It is our firm view that this anomaly needs to be corrected.

4.6. Additional Recommendation - The Act should be amended to resolve any ambiguity around retirement village-style exit fees and clarify that such fees are prohibited

We strongly support this recommendation.

It would address the issue of some park owners managing to find legal loopholes which enable them to get around the intentions of the current Act to prohibit any kind of exit fees in residential parks. Any regulation or legislative change will need to be all embracing as some park owners are using other descriptions such as "refurbishment fee" etc.

4.7 Additional Recommendation - The Act should be amended to provide a more contemporary definition of a 'manufactured home'.

We strongly support this recommendation.

We believe that that the current definition in the Act is extremely outdated and does not reflect the reality of the nature of homes in contemporary parks.

As stated in our comments on the additional recommendation in relation to the creation of register of manufactured homes (see 4.3 above) we also believe that the way a manufactured home is defined in the Act is a factor in making it impossible or very difficult for

home owners to use the equity they have in their home as collateral to either raise a loan or gain a mortgage or reverse mortgage. We would like to see the possibility of mitigating this problem investigated and pursued as part of the way that this recommendation is implemented.

References

- ABS. (2023). Use of Price Indexes in Contracts. Retrieved from [https://www.abs.gov.au/statistics/detailed-methodology-information/information-papers/use-price-indexes-contracts#:~:text=Price%20indexes%20are%20also%20often,of%20prices%20\(Indexation%20Clauses\).](https://www.abs.gov.au/statistics/detailed-methodology-information/information-papers/use-price-indexes-contracts#:~:text=Price%20indexes%20are%20also%20often,of%20prices%20(Indexation%20Clauses).)
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