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Statutory Review of the Residential (Land Lease) Communities Act 2013

Policy and Strategy Division

Department of Customer Service, 4 Parramatta Square 12

Darcy Street PARRAMATTA NSW 2150.

Email rlcreview@customerservice.nsw.gov.au

PETITION

Review of the Residential (Land Lease) Communities Act 2021

We the undersigned residents of the Land Lease Community "Myrtle Glen" make the following contribution and express our concerns for our ongoing future unless the 2021 Review of the Act provides a fair and equitable outcome for Residents.

The 2013 review relates more to caravan parks providing long-term caravan with annex accommodation, not to the modern purpose-built manufactured homes in communities on land owned by well-resourced large, some international, companies. This upcoming 2021

review of the Act must reflect those changes and the financial reality and lack of housing options of ageing pensioners who are the primary demographic in these communities.

This review must also address the interests of Homeowners and Operators by placing both on an equitable footing. The current Legislation is weighted to the protection of Operators and their investors, with minimal thought given to any moral and ethical obligations to Homeowners, their security of tenure, their vulnerability due to age and their inability to deal with the arduous processes to successfully challenge or complain.

A major issue for Residents is the annual site fee increase in which the current Act requires only an explanation for any increases to be given by the Operator. This review must include a requirement for the Operator to be open and transparent in disclosing its Operating Expenditure and not blatantly and dishonestly include items of a capital nature, i.e. infrastructure spends such as roads. Residents who are not single pension recipients have reached capacity in their ability to pay site fees. We have Residents on a single pension of **\$1050.00** who are paying **49% of their pension in site fees.**

Homeowners can more readily accept a site fee increase if validated, evidenced, operational expenditure for the 12-month period is provided. As well as the means used to determine individual site fee increases.

Due to a typo, in the review of the Act in 2013, the ability of the owner to Re-assign their lease to the new owner was removed. This has allowed the Operator to gain a higher site fee on homes purchased by incoming Homeowners, then the site fee paid by the resident selling their property at the time. This has resulted in new residents paying significantly higher rental than the previous resident and continues to expand the site fee divide, causing considerable discontent amongst new residents with the Operator. This action changes the "market value" and therefore allows the Operator to further increase site fees of each new home purchased. It also allows the Operator to add many pages of additional terms that were not on the seller's site agreement.

The ability to Re-Assign a lease must be reinstated in the revised Act to stop the Operator from indiscriminately inflating the site fee increase for new homebuyers. This will also stop them changing the method of site fee increases to "Fixed method" when the majority of Homeowners are on "By notice" as this further creates a disparity of Site fees throughout the community.

Residents' recourse against unfair treatment by an Operator is through the Fair-Trading Tribunal, with prior mediation compulsory for Homeowners, NOT OPERATORS. This is a cumbersome, legalistic, and complicated exercise, Pensioners with limited resources are required to challenge within a legal setting Operators with in-house solicitors and the resources of a large Association behind them. This is an unconscionably unfair state of affairs. The Act needs to provide further powers to Members within the Tribunal, to ensure orders provided to Operators are completed, and referrals are made when other agencies should be involved.

Current operators are targeting the Over 55s with no consideration for the needs, physical, emotional and financial realities of this group as we age. The Act needs to reflect this. Unless Operators are transparent and fair in their site fee increases, they will eventually, in pursuit of greater profit, force out many residents of "Myrtle Glen", which has 362 homes consisting of a large number of Aged pensioners, many of those on single incomes and the remaining Residents relying on affordable housing. For many, there is nowhere else to go and the fear has become palpable within Communities. We feel our future security is constantly under threat and at the mercy of the Operator. We are still awaiting an NCAT hearing for the 2020 increase. We have now also raised an application for the 2021 increase. In November 2021 we will receive yet another

increase for 2022. Residents are literally living in fear of how much more our fees will rise in the coming months.

We continue to remain confident that the upcoming review of the Act will remove many of the current imbalances and provide residents with some security for their future. We trust you will give our Petition your due consideration, taking in consideration that many of our elderly residents were more comfortable signing this petition than writing to you individually.