

From:

To:

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

Date: Monday, 22 February 2021 10:25:54 AM

Attachments: [Submission Statutory Review of the Residential \(Land Lease\) Communitiespdf](#)

Submission: 19th February 2021

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

Policy and Strategy Division:

Email: rlcreview@customerservice.nsw.gov.au

Dear Review Committee,

The Residents Committee of Noble Lakeside Park at 34 Monarch Drive Kingscliff
NSW 2487

represents 254 Households that fall under the Residential (Land Lease)
Communities Act 2013.

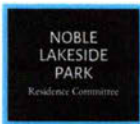
We attach our submission for the Statutory Review of the Residential (Land Lease)
Communities Act 2013

Kind Regards

Richard Griffiths

Chairperson

The Residents Committee- Noble lakeside Park



3/34 Monarch Drive
Kingscliff NSW 2487

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Policy and Strategy Division:

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The Residents Committee of Noble Lakeside Park at 34 Monarch Drive Kingscliff NSW 2487 represents 254 Households that fall under the Residential (Land Lease) Communities Act 2013.

We have reviewed the Discussion Paper for the Statutory Review of the Residential (Land Lease) Communities Act 2013 and make the following Comments:

1. The Act has generally improved the Governance of residential Communities.
2. The Act successfully sets out particular rights and obligations of operators of residential Communities and Home owners in Residential Communities

The areas that we feel are not clear or fair are derived from issues surrounding **Site Fees and methods of Increase**.

In Our Park we have a large percent of Owners on Agreements that stipulate their site fee is adjusted **by notice** and their term of the agreement can vary. **Owners (A)**

All new agreements determine the Site Fees are managed by the **fixed method** and their term is (for the duration of your occupancy) **Owners (B)**

Owners (A)

Our Site has issues with the transition from older site agreements in parks with terms and conditions able to be mediated and heard by the tribunal, which is fair and reasonable. These Owners (A) are protected under the Act against unfair price increases and or loss of amenity. They also have a term on their Site agreement which gives them some ability to renegotiate their new term. Their Site fee increases are by way of **Notice**.

Owners (B)

These Owners have to agree to a **Fixed Method** of increasing Site Fees and although they are offered the following Boxes the **other** Box is preselected and when asked if this is negotiable the reply is *No*. This is despite the stipulation on the agreement, *Note: The methods listed above are negotiable*: There is no negotiation if you want to go forward. "Excerpt below"

Fixed Method

Your site Fees will be increased (select only one option)

- ☒ *In proportion to variation in the CPI*
- ☒ *By \$*
- ☒ *By %*
- ☒ *If your site fee is linked to the aged pension your site fee will increase only by the percentage of the aged pension increased increase specified above.*
- ☒ *Other- 5% increase each year on 1st July rounded up to the nearest dollar.*

Note: The methods listed above are negotiable:

Transition

When **Owners A** have their term of agreement expire they are forced to adopt the new Site agreement incorporating Fee increases of 5% plus rounding up to nearest Dollar together with the term being extended to when they cease to occupy.

Fixed Agreements (No Negotiation)

The 5% increase is cumulative and also the compulsory rounding up on its own represents a windfall of approximately \$637.82 over 9 years per Household. For **Owners B** this will be upwards of 200 households or \$127,564.00.

Rounding Up has been tacked on to check Box **Other** where the base method is a 5% increase. This seems to be an additional method of increase as without the rounding up each Household would be \$637.82 better off. The check box **Other** appears to cover more than one fixed method.

With the rounding up our fee increases over the next 9 years will be:

2020-site fee of \$202.00/week or \$10,504.00/annum

2029- Site fee is \$315.00/week or \$16,380.00/annum

Over the 9 years the **Owners B** will have incurred 55.94 % increase in fees without the ability to object.

Fixed Fee example: Unsustainability

A cumulative fixed fee increase of 5% will be applied when the CPI increase for the year ended December 2020 was just 0.6% and Pensions will not be increasing. It is estimated the CPI for the year 2021 may increase between 1.8% and 2.4%. That is less than 3% over the 2020 -2021 years. A fixed increase of 5% cumulative over this period is 10.25%. There has to be a mechanism that ties all increases to some test for the cost of living.

The home owners in this park understand the need to cover the costs and provide a return for the park Owners but they cannot sustain such increases which cannot go unchallenged under the ACT.

Acknowledgement to Owners of Park

As a result of the Covid 19 lock down, the Park owners did give all house owners a 6 months moratorium on last July 2020 fee increase, which was implemented in full on December 31 2020. Normal pre July 2020 rents were payable. This July 2021 we resume normal timing under our agreements with a further 5% fee increase.

The points we wish to see recognised:

The Fee Increasing mechanisms **by Notice** gives generally a more equitable and fair result and these Home **Owners A** pay less for the same facilities and amenities as Home **Owners B** are afforded under Fixed agreements.

Home **Owners A** can challenge Site fee increases by **notice** and are afforded the ability to challenge terms and conditions of fee increases under the Act. Home **Owners B** have no grounds on which a site fee increase that is based on a **fixed method** is able to be challenged in the tribunal.

The Act has created two classes of Home owners within the same park facility. One Group, **Owners A**, are paying less for the same facilities and amenities of the park, and have access to the tribunal for fair and equitable treatment. The other group **Owners B** pay more for the same facilities and have no rights against price increases under the ACT.

On these grounds we respectfully submit:

Where Fee increases are based on a fixed method, the Fee agreement holders MUST be able to challenge the increase in the tribunal under the SAME Grounds that that Residents may Challenge site fee increases by Notice.

If this is not changed then the ACT is **discriminatory** and creates two classes of Residents Leases under the Act for the same facility and amenities.

The Grounds for challenging a fee increase are detailed on Page 13 and 14 of the Discussion Paper Statutory Review of the Residential (Land Lease) Communities Act 2013

Submitted By:

Richard Griffiths

Chairperson -

The Residents Committee of Noble Lakeside Park