

**From:** [Andrew Tribe](#)  
**To:** [Residential Land Lease Communities Review](#)  
**Cc:** [REDACTED]  
**Subject:** Review of Residential (Land Lease) Communities Act 2013 Discussion Paper Feedback  
**Date:** Thursday, 21 January 2021 3:06:48 PM  
**Attachments:** [REDACTED]

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Dear Sir/Madam,

Please see below our comments and feedback regarding the Discussion Paper - Statutory Review of the Residential (Land Lease) Communities Act 2013.

Comments and input are noted below using the point numbering in the Discussion Paper;

5. It is unfair that an operator be required to provide the range of fees paid in a community within the disclosure document. If a buyer and operator agree on a price, shouldn't that be satisfactory in an free and open market? In what other industry is this considered reasonable? If a person were to rent an apartment, it would be considered strange to share the rates paid by each tenant.

16 - 17. Operators should be permitted to continue to allow to use the fixed method in calculating rent increases. It provides certainty for new buyers in a community and the operator's ability to plan and budget for their business' future. It is by far the preferred method by people wanting to purchase a home. It reduces conflict and wasted time in the tribunal. It is a measure which partially brings the rental value of the land at least partially back to a true market rate, being the rate at which both the seller and buyer are willing to exchange the money and land use. I believe it would be fair to do away with the 'by notice' method all together which is effectively artificial rent control. This is easily evidenced when park owners are regularly buying homes for \$80,000 or more and then paying for them to be disposed of in order to get a site back.

19. There should not be grounds on which a site fee increase that is based on a fixed method is able to be challenged in the Tribunal. Doing this will return us to the days of conflict between management and home owner outside and within the tribunal. Improve disclosure information of the fixed calculation method if this is deemed an issue.

20. The process of resolving site fee increases by notice has reduced the number of disputes within our community and is an improvement on the previous versions of the Act. That said, it could be further improved by making it clearer what weight is placed on each component of section 74.

22. It would reduce conflict and permit easier planning if there were more certainty in how a tribunal member would determine an order under section 74. Members can take extraordinarily different views on weighting these components.

23. The provisions for new site agreements are fair and effective. They permit some return to market value only effecting a potential new home owner.

24. The voluntary sharing arrangements are fraught with potential problems. The uptake of this option speaks for itself.

30. There needs to be changes to the Act that deal with repairs, maintenance and replacement of the home. Many homes in older communities are extremely old. Painting or re-cladding them isn't enough to prevent our communities becoming slums. Relocatable homes built 50 years ago were not designed to still be in operation. I would suggest there have been very few cases where the tribunal has ordered that a home be replaced or removed due to it not being 'fit to live in'. The result being that older communities are slowly turning into last resorts for the desperate without the ability for an operator to maintain the community in the manner it was constructed. Since the act keeps rent levels below a real market value, many very old homes sell for large sums of money and are therefore not replaced. There needs to be some mechanism for 'urban

renewal'. For example, the Act might say "an operator may require a home be replaced or removed from a community upon it's sale when the home reaches an age exceeding 50 years based on chassis or compliance plate or other reasonable proof.

39. Community rules regarding age restrictions are valuable to both home owners and operators. They help maintain the lifestyle of homeowners, effective management by operators and the value of homes within communities.

50. Option 3 is preferable. It removes our industry from providing 'welfare electricity' and returns it to similar guidelines that apply for those outside of communities.

54. We are unable to recover the costs associated with operating an embedded network. The availability charge used to provide some offset of this however this is now removed following the Reckless case. The return from the installation of environmentally friendly initiatives such as solar generation entirely go to the residents now as their charges are based on what we pay for electricity. There is no offset of capital cost.

55. The issue of discounts in amperage charge to residents are no longer relevant as all residents get 100% discount since the Reckless case. It's impossible to increase the amperage availability in older communities without removing all the homes and replacing all the underground cabling. The cabling and conduit in these communities is designed for smaller homes that drew less power. Possible changes in solar and battery technology could increase amperage from within the homes as opposed to supplied too the homes in the future.

65. The Act should stand as is. In addition to the reasons noted in the discussion document;

- Entering a new agreement permits the incoming homeowner and operator to negotiate new terms based on current legislation.

- Old agreements align with old Acts.

- When does a Site Agreement effectively end if a new one can't be established? Can the intent of indefinite assignments be that an incoming resident in 2100 still be on one prepared a century earlier?

- An incoming homeowner has the opportunity to accept or not accept the terms of the new site agreement and so is not disadvantaged.

- It is unreasonable to expect a purchaser of a community, or a prospective homeowner to be held to agreements formed between two parties long departed who now have nothing to do with the community.

- Assignment of a Tenancy Agreement likewise should not be in practice for much the same reasons.

68. There needs to be an eventual 'Sunset clause' on Site Agreements. When communities were originally established and residents moved in, it was never the intension of operators to effectively 'sell' the land via a perpetual agreement. The land was 'leased'. Even Hong Kong was only a 99 year lease. There needs to be an end date however long that may be for it to be fair and equitable.

Yours sincerely,

Andrew Tribe

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