



New South Wales

# Residential (Land Lease) Communities Amendment Bill 2024

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The object of this Bill is to amend the *Residential (Land Lease) Communities Act 2013* (the *principal Act*) as follows—

- (a) to make certain amendments relating to voluntary sharing arrangements in site agreements, including to prohibit the payment of entry and exit fees,
- (b) to require operators to test emergency evacuation procedures at least once per year,
- (c) to limit the circumstances in which the operator of a community can enter a home on a residential site,
- (d) to allow home owners to make certain minor alterations or additions to their home without the operator's consent,
- (e) to limit the circumstances in which the operator of a community can issue a notice to rectify dilapidation to a home owner,
- (f) to require the operator of a community to give potentially affected residents notice before lodging a development application or planning proposal that may affect the community or a residential site,
- (g) to limit the number of fixed method site fee increases in a 12-month period and provide that a fixed calculation for site fee increases can use a single element only,
- (h) to make changes relating to utility bills and utility charges payable for electricity,
- (i) to increase the notice period for vacating a residential site, and expand a home owner's entitlement to compensation, where a termination notice is given on the ground that the site is not lawfully useable for the purposes of a residential site,

- (j) to prohibit termination of a site agreement on the ground that the residential site has not been used as a place of residence for at least 3 years,
- (k) to make other minor and consequential amendments.

## Outline of provisions

**Clause 1** sets out the name, also called the short title, of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

## Schedule 1      **Amendment of Residential (Land Lease) Communities Act 2013 No 97**

**Schedule 1[1] and [2]**—

- (a) replace the definition of *utility charge* to make it clear that, for electricity, a utility charge means a daily supply charge or usage charge for the supply of electricity, and
- (b) replace the definition of *tenant* to provide that a tenant means a person who has the right to occupy a residential site in a community under a tenancy agreement under the *Residential Tenancies Act 2010* relating to the residential site, and
- (c) insert other definitions consequent on other amendments in Schedule 1.

**Schedule 1[3]** amends existing provisions of the principal Act that relate to voluntary sharing arrangements in site agreements to—

- (a) prohibit payment, by a home owner to the operator of a community, of entry and exit fees under a site agreement that includes a voluntary sharing arrangement entered into after the proposed amendments commence, and
- (b) require that the operator of a community—
  - (i) first offer to enter into a rent only site agreement with a person before entering into a site agreement that contains a voluntary sharing arrangement, and
  - (ii) provide the person with information regarding the relative costs of each option.

**Schedule 1[28]** omits the existing provisions amended by Schedule 1[3] from Part 10, which deals with the sale of homes, as a consequence of the provisions being relocated to Part 4, which deals with entering into site agreements.

**Schedule 1[4]** requires the operator of a community to test emergency evacuation procedures at least once per year and to keep a record of tests conducted.

**Schedule 1[5] and [6]** limit the circumstances in which the operator of a community can enter a home located on a residential site while a site agreement is in force to the following circumstances—

- (a) with the consent of the home owner given at the time of entry,
- (b) in an emergency if necessary to avert danger to life,
- (c) to comply with an obligation under another Act or law,
- (d) in accordance with an order of the Civil and Administrative Tribunal (the *Tribunal*).

**Schedule 1[7]** makes a consequential amendment.

**Schedule 1[8]** allows a home owner to make certain minor alterations or additions to their home without the operator's consent and provides that modifications must not contravene certain Acts and regulations or an approval, consent or certificate under those Acts or regulations.

**Schedule 1[9]** clarifies that the Tribunal cannot make an order that an alteration, addition or replacement can be carried out without consent if the modification would contravene certain Acts and regulations or an approval, consent or certificate under those Acts or regulations.

**Schedule 1[10]** makes it clear that the operator of a community can only issue a notice to a home owner requiring the home owner to rectify significant dilapidation of the residential site on which the home is located if the operator reasonably believes that the home owner caused the dilapidation.

**Schedule 1[11]** requires the operator of a community to give affected residents at least 30 days written notice before lodging a development application or planning proposal that may affect the community, or a residential site in the community, including a brief summary of the development application or planning proposal.

**Schedule 1[12]** limits the number of elements that can be used in a fixed calculation, in determining an increase in site fees according to a fixed method, to a single element only.

**Schedule 1[13]** limits the number of fixed method site fee increases in a 12-month period to not more than twice, if linked to a variation in the age pension, or otherwise once only.

**Schedule 1[14]** provides that if an increase in site fees is wholly or partly attributable to an increase in the cost of specific items, the operator of the community must give a home owner details about the items, the increase in the cost of the items, and how the operator has apportioned the costs for the items when calculating the increased site fees.

**Schedule 1[15]** omits a reference to the value of the land comprising a community so that it is no longer specified as a factor that the Tribunal may have regard to when deciding whether to make an order relating to excessive increases in site fees.

**Schedule 1[17]** provides that the daily supply charge or usage charge payable by home owners and certain tenants for the use of electricity supplied to the residential site through an embedded network must be no more than, respectively, the daily supply charge or consumption rate of the median market offer made by the community's network service provider, as determined by the Independent Pricing and Regulatory Tribunal under the regulations. **Schedule 1[18]** requires operators of communities and third party suppliers who operate embedded networks to give home owners and tenants written notice of the charges payable for the supply of electricity to the parent connection point from which electricity is supplied to each residential site. The proposed section also requires contracts for the supply of electricity to the parent connection point to be reviewed periodically. **Schedule 1[19]** makes it clear that fees for late or dishonoured electricity payments must be not more than the amount that the operator or third party supplier can charge as a retailer or exempt seller within the meaning of the *National Energy Retail Law (NSW)*. **Schedule 1[22]** makes it clear that the operator of a community or third party supplier, or a person who issues utility bills on behalf of the operator of a community, must comply with the applicable electricity and gas billing requirements of the *National Energy Retail Rules* and the AER Exempt Selling Guidelines. The proposed section also introduces billing requirements for utilities other than electricity and gas that are similar to the requirements of the AER Exempt Selling Guidelines. **Schedule 1[26]** requires the Minister to review the principal Act, Part 7 within 3 years of the commencement of the proposed Act to determine whether the policy objectives of the part relating to utility charges for electricity remain valid and whether the provisions of the part remain appropriate for securing the objectives. **Schedule 1[16], [20], [21] and [23]–[25]** make consequential amendments to Part 7.

**Schedule 1[27]** makes it clear that, in determining fair market value for the purposes of a new site agreement, the site fees currently payable for residential sites of a similar size and location within the same community must be considered.

**Schedule 1[29]** increases the notice period for vacating a residential site, where a termination notice is given on the ground that the site is not lawfully useable for the purposes of a residential site, from 90 to 120 days. **Schedule 1[30]** provides that a home owner whose site agreement is terminated on this ground is entitled to compensation if the site became not lawfully useable through some action of the operator after the agreement was entered into.

**Schedule 1[31]** omits section 128 of the principal Act, which allows the operator of a community to terminate a site agreement on the ground that the residential site has not been used for at least

3 years as the place of residence of the home owner or another person permitted to reside at the site. **Schedule 1[32]** makes a consequential amendment.

**Schedule 1[33]** inserts transitional provisions consequent on the amendments in Schedule 1[12] and [13]. The proposed provisions give operators of communities 3 years, from the commencement of the proposed amendments, to identify all existing site agreements that provide for increases in site fees by a fixed calculation that uses more than 1 element and to vary those agreements so that only a single element is used in the calculation. The proposed provisions provide that, if those agreements are not varied within 3 years after the commencement of the proposed amendments, site fees under the agreements may only be increased by notice until the agreements are varied so that only a single element is used in the calculation.

## **Schedule 2      Amendment of Residential (Land Lease) Communities Regulation 2015**

**Schedule 2** makes consequential amendments, including to the standard form of a site agreement, that relate to maximum utility charges and discounted daily supply charges for electricity.



New South Wales

# Residential (Land Lease) Communities Amendment Bill 2024

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*This PUBLIC BILL, originated in the LEGISLATIVE ASSEMBLY and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.*

*Legislative Assembly*

*Clerk of the Legislative Assembly*



New South Wales

## **Residential (Land Lease) Communities Amendment Bill 2024**

No. \_\_\_\_\_, 2024

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### **A Bill for**

An Act to amend the *Residential (Land Lease) Communities Act 2013* to implement various recommendations arising from the statutory review of the Act; and for other purposes.

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*The LEGISLATIVE COUNCIL has this day agreed to this Bill with/without amendment.*

*Legislative Council*

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*Clerk of the Parliaments*

**Tabling copy**

**The Legislature of New South Wales enacts—**

1

**1 Name of Act**

2

This Act is the *Residential (Land Lease) Communities Amendment Act 2024*.

3

**2 Commencement**

4

This Act commences on a day or days to be appointed by proclamation.

5

<b>Schedule 1</b>	<b>Amendment of Residential (Land Lease) Communities Act 2013 No 97</b>	1
		2
<b>[1] Section 4 Definitions</b>		3
	Omit section 4(1), definitions of <i>tenant</i> and <i>utility charge</i> .	4
<b>[2] Section 4(1)</b>		5
	Insert in alphabetical order—	6
	<i>capital gain</i> , for Part 4, Division 3—see section 34A.	7
	<i>capital share amount</i> , for Part 4, Division 3—see section 34B(b)(i).	8
	<i>embedded network</i> , for Part 7—see section 75A.	9
	<i>exempt seller</i> , for Part 7—see section 75A.	10
	<i>National Electricity Rules</i> , for Part 7—see section 75A.	11
	<i>on-site premium</i> , for Part 4, Division 3—see section 34B(b)(ii).	12
	<i>retailer</i> , for Part 7—see section 75A.	13
	<i>tenant</i> means a person who has the right to occupy a residential site in a community under a tenancy agreement relating to the residential site.	14
	<i>third party supplier</i> , for Part 7—see section 75A.	15
	<i>utility charge</i> means—	16
	(a) for electricity—a daily supply charge or usage charge for the supply of electricity, or	17
	(b) for another utility—a service availability charge or usage charge for the supply of the utility.	18
	<i>voluntary sharing arrangement</i> , for Part 4, Division 3—see section 34B.	19
	<i>VSA site agreement</i> , for Part 4, Division 3—see section 34C(2).	20
<b>[3] Part 4 Entering into site agreements</b>		21
	Insert after Division 2—	22
		23
<b>Division 3</b>	<b>Voluntary sharing arrangements</b>	24
<b>34A</b>	<b>Definitions</b>	25
	In this division—	26
	<i>capital gain</i> , for a home, means the increase, if any, between the amount the home owner paid for the home and the amount for which the home owner subsequently sells the home, without regard to site fees or other fees or charges payable under the site agreement in relation to the site on which the home is located.	27
	<i>capital share amount</i> —see section 34B(b)(i).	28
	<i>on-site premium</i> —see section 34B(b)(ii).	29
	<i>VSA site agreement</i> —see section 34C(2).	30
<b>34B</b>	<b>Meaning of “voluntary sharing arrangement”</b>	31
	A <i>voluntary sharing arrangement</i> means the terms of a site agreement under which the home owner agrees to pay the operator of the community either or both of the following—	32
	(a) site fees the payment of which is deferred as specified in the site agreement,	33
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(b)	if the home owner sells the home—either of the following amounts —	1
(i)	a specified share of any capital gain for the home realised by the home owner (a <i>capital share amount</i> ),	2
		3
(ii)	a portion of the total sale price of the home determined in the way specified in the agreement (an <i>on-site premium</i> ).	4
		5
<b>34C</b>	<b>Voluntary sharing arrangements in site agreements</b>	6
(1)	A site agreement may include a voluntary sharing arrangement.	7
(2)	A site agreement that includes a voluntary sharing arrangement (a <i>VSA Site agreement</i> ) must not include—	8
		9
(a)	a term that requires the home owner to pay an entry fee or exit fee, or both, to the operator of the community, or	10
		11
(b)	a term that requires the home owner to pay a capital share amount or on-site premium to the operator of the community if the home—	12
		13
(i)	is sold to be removed from the residential site, or	14
(ii)	is purchased by—	15
	(A) the operator of the community, or	16
	(B) a close associate of the operator.	17
(3)	Subsection (2)(a) does not apply to a site agreement entered into before the commencement of this section.	18
		19
(4)	In this section—	20
	<i>entry fee</i> means a fixed fee relating to the entry into or establishment of the site agreement that is payable by the home owner—	21
		22
(a)	on or before entry into the site agreement, or	23
(b)	as otherwise specified in the agreement.	24
	<i>exit fee</i> means a fixed fee payable by the home owner if the home owner sells the home or the home is removed from the residential site, but does not include—	25
		26
		27
(a)	a capital share amount, or	28
(b)	an on-site premium.	29
<b>34D</b>	<b>Payment of amounts payable under voluntary sharing arrangements</b>	30
(1)	If the home owner sells the home and the operator of the community is the selling agent, the operator may deduct the amounts payable to the operator under a voluntary sharing arrangement from any proceeds of the sale held by the operator in accordance with the site agreement.	31
		32
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		34
(2)	If the home owner sells the home and the operator of the community is not the selling agent, the home owner must pay the amounts payable to the operator under a voluntary sharing arrangement within 14 days of the sale being finalised.	35
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		37
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(3)	The Tribunal may, at any time, on application by the operator of the community, make an order requiring the home owner to pay an amount owing to the operator under a voluntary sharing arrangement together with interest determined by the Tribunal.	39
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<b>34E</b>	<b>Requirements for entering into voluntary sharing arrangements</b>	1
(1)	The operator of a community must not enter into a VSA site agreement with a person (the <b>contracting party</b> ) unless the operator first offers to instead enter into a rent only site agreement with the contracting party.	2 3 4
(2)	Before entering into the VSA site agreement with the contracting party, the operator of the community must—	5 6
(a)	provide the contracting party with written information regarding the costs under a VSA site agreement compared with the costs under a rent only site agreement, and	7 8 9
(b)	advise the contracting party to seek independent advice about the voluntary sharing arrangement included in the proposed VSA site agreement.	10 11 12
(3)	The VSA site agreement must include—	13
(a)	a declaration, signed by both parties to the agreement, that the operator of the community offered to instead enter into a rent only site agreement with the contracting party and the contracting party declined the offer to enter into the rent only site agreement, and	14 15 16 17
(b)	a declaration, signed by the contracting party, that the contracting party—	18 19
(i)	obtained independent advice about the voluntary sharing arrangement included in the VSA site agreement before entering into the VSA site agreement, or	20 21 22
(ii)	waived the contracting party’s right to obtain independent advice about the voluntary sharing arrangement included in the VSA site agreement before entering into the VSA site agreement.	23 24 25
(4)	The voluntary sharing arrangement is void if this section is contravened.	26
(5)	The regulations may prescribe information, or the kinds of information, that must be provided to the contracting party under subsection (2)(a).	27 28
(6)	In this section—	29
	<b>fair market value</b> means the higher of the following—	30
(a)	the site fees currently payable by the home owner occupying the residential site,	31 32
(b)	the site fees currently payable for residential sites of a similar size and location within the same community.	33 34
	<b>rent only site agreement</b> means a site agreement—	35
(a)	that does not include a voluntary sharing arrangement, and	36
(b)	under which the site fees payable do not exceed fair market value.	37
<b>[4]</b>	<b>Section 37 Operator’s responsibilities</b>	38
	Omit section 37(1)(h). Insert instead—	39
(h)	to have in place emergency evacuation procedures and to—	40
(i)	take reasonable steps to ensure that all residents are aware of the procedures, and	41 42
(ii)	test the procedures at least once per year and keep a record of tests conducted,	43 44

<b>[5] Section 39 Access to residential site by operator</b>	1
Omit “and any home located on it,” from section 39(1).	2
<b>[6] Section 39(1A)</b>	3
Insert after section 39(1)—	4
(1A) The operator of a community, or a person acting on the operator’s behalf, may enter a home located on a residential site while a site agreement is in force for the site in the following circumstances only—	5
(a) with the consent of the occupier of the home given at the time of entry,	6
(b) in an emergency if necessary to avert danger to life,	7
(c) to comply with an obligation under another Act or law,	8
(d) in accordance with an order of the Tribunal.	9
<b>[7] Section 39(2)</b>	10
Insert “or (1A)” after “subsection (1)”.	11
<b>[8] Section 42 Alterations and additions to, and replacement of, homes</b>	12
Insert after section 42(3)—	13
(3A) A home owner may, without the operator’s consent—	14
(a) install door screens or window locks, screens or shutters on the home, or	15
(b) make any other minor alterations or additions to the home prescribed by the regulations.	16
(3B) The alteration of, an addition to, or the replacement of, a home must not contravene—	17
(a) the <i>Environmental Planning and Assessment Act 1979</i> and the regulations made under that Act, or	18
(b) the <i>Local Government Act 1993</i> and the regulations made under that Act, or	19
(c) an approval, consent or certificate under an Act or law referred to in paragraphs (a) and (b).	20
<b>[9] Section 42(5)</b>	21
Omit the subsection. Insert instead—	22
(5) The Tribunal must not make an order under this section if the alteration, addition or replacement would contravene an Act or law, or an approval, consent or certificate, referred to in subsection (3B)(a)–(d).	23
<b>[10] Section 43 Dilapidation</b>	24
Omit section 43(1). Insert instead—	25
(1) If the operator of a community reasonably believes any of the following defects exist, the operator may issue a written notice to the home owner requiring the home owner to carry out work to rectify the defect within 60 days—	26
(a) significant dilapidation of the home owner’s home,	27
(b) significant dilapidation of the residential site on which the home is located that was caused by the home owner,	28

	(c) either of the following, made by the home owner in a way likely to cause serious health or safety risks to other persons—	1
		2
	(i) the alteration of, or an addition to, an external feature of the home,	3
		4
	(ii) the alteration or addition of a fixture on the residential site.	5
<b>[11]</b>	<b>Section 49A</b>	6
	Insert after section 49—	7
<b>49A</b>	<b>Notice of development application or planning proposal</b>	8
(1)	This section applies if the operator of a community intends to lodge a development application or planning proposal that may affect the community (the <i>affected community</i> ).	9
		10
		11
(2)	The operator must give each potentially affected resident written notice of the operator's intention to lodge the development application or planning proposal.	12
		13
		14
(3)	The notice must—	15
(a)	be given to each resident at least 30 days before the operator lodges the development application or planning proposal, and	16
		17
(b)	include a brief summary of the development application or planning proposal.	18
		19
(4)	In this section—	20
	<i>potentially affected resident</i> means a person who—	21
(a)	is a resident of the affected community, and	22
		23
(b)	will potentially be affected by the development application or proposal.	23
<b>[12]</b>	<b>Section 65 How site fees may be increased</b>	24
	Omit section 65(2)(a)(ii). Insert instead—	25
	(ii) by a fixed calculation that does not use more than 1 element to calculate the increase,	26
		27
	<b>Examples—</b>	28
	• the increase is calculated using Consumer Price Index rates	29
	• the increase is calculated using the variation in the age pension	30
<b>[13]</b>	<b>Section 66 Increase of site fees by fixed method</b>	31
	Insert after section 66(8)—	32
(9)	Site fees must not be increased under this section—	33
(a)	if the fixed method is a fixed calculation that uses the variation in the age pension to calculate the increase—more than twice in a 12-month period, or	34
		35
		36
(b)	otherwise—more than once in a 12-month period.	37
<b>[14]</b>	<b>Section 67 Increase of site fees by notice</b>	38
	Omit section 67(4)(e). Insert instead—	39
(e)	if the increase in site fees is wholly or partly attributable to the increase in the cost of specific items—	40
		41
(i)	include details of the items, and	42

	(ii) include details of the increase in the cost of the items since the previous increase in site fees, and	1 2
	(iii) include details of how the operator has apportioned the costs for the relevant items when calculating the increased site fees, and	3 4
	(f) be in the approved form, if any.	5
<b>[15]</b>	<b>Section 74 Matters to be considered about excessive increases</b>	6
	Omit section 74(1)(f).	7
<b>[16]</b>	<b>Section 75A</b>	8
	Insert before section 76—	9
	<b>75A Definitions</b>	10
	In this part—	11
	<i>embedded network</i> has the same meaning as in the <i>National Electricity Rules</i> .	12
	<i>exempt seller</i> has the same meaning as in the <i>National Energy Retail Law (NSW)</i> .	13 14
	<i>National Electricity Rules</i> has the same meaning as in the <i>National Energy Retail Law (NSW)</i> .	15 16
	<i>retailer</i> has the same meaning as in the <i>National Energy Retail Law (NSW)</i> .	17
	<i>third party supplier</i> , for a community, means a person that the operator of the community has entered into an agreement with to operate an embedded network or provide billing services, or both, for the community.	18 19 20
<b>[17]</b>	<b>Section 77</b>	21
	Omit the section. Insert instead—	22
	<b>77 Utility charges payable to operator or third party supplier</b>	23
	(1) This section applies if—	24
	(a) a home owner is required, under a site agreement, to pay utility charges—	25 26
	(i) to the operator of the community or a third party supplier for the community for the use of electricity supplied to the residential site through an embedded network, or	27 28 29
	(ii) to the operator for the use of a utility other than electricity at the residential site, or	30 31
	(b) a tenant is required, under a tenancy agreement, to pay utility charges to the operator of the community or a third party supplier for the community for the use of electricity supplied to the residential site through an embedded network.	32 33 34 35
	(2) The home owner is not required to pay the utility charges unless—	36
	(a) usage is separately measured or metered, and	37
	(b) the operator or third party supplier gives the home owner an itemised account in accordance with section 83, and	38 39
	(c) the home owner is given at least 21 days to make the payment.	40
	(3) The tenant is not required to pay the utility charges for the use of electricity unless—	41 42
	(a) the operator or third party supplier gives the tenant an itemised account in accordance with section 83, and	43 44

(b)	the tenant is given at least 21 days to make the payment.	1
	<b>Note—</b> See the <i>Residential Tenancies Act 2010</i> , section 40 and the <i>Residential Tenancies Regulation 2019</i> , clause 34 in relation to the metering requirements relating to a tenant's liability to pay utility charges.	2 3 4
(4)	The operator or third party supplier must not charge a daily supply charge, or usage charge per kWh, for the use of electricity that is more than, respectively, the daily supply charge, or usage charge per kWh, that would be payable under the community's comparable market offer. Maximum penalty—20 penalty units.	5 6 7 8 9
(5)	For the purposes of subsection (4), the Independent Pricing and Regulatory Tribunal must determine the median retail market offer for residential customers for each distribution district in accordance with the regulations.	10 11 12
(6)	The operator must not charge an amount for the use of a utility other than electricity that is more than the amount charged by the utility service provider for the quantity of the service supplied to, or used at, the residential site. Maximum penalty—20 penalty units.	13 14 15 16
(7)	The regulations may—	17
(a)	prescribe maximum utility charges payable to the operator of a community or a third party supplier for a community, and	18 19
(b)	make it an offence for the operator of a community or a third party supplier for a community to request or receive payment for a utility charge that is more than the relevant maximum utility charge, and	20 21 22
(c)	provide for discounts to daily supply charges payable for electricity if less than 60 amps is supplied to the residential site, and	23 24
(d)	provide for the publication of comparable market offers for communities.	25 26
(8)	In this section—	27
	<b>comparable market offer</b> , in relation to a community, means the median retail market offer for residential customers, determined by the Independent Pricing and Regulatory Tribunal under subsection (5), for the distribution district of the community's network service provider.	28 29 30 31
	<b>distribution district</b> has the same meaning as in the <i>Electricity Supply Act 1995</i> .	32 33
	<b>market offer</b> has the same meaning as in the <i>National Energy Retail Law (NSW)</i> .	34 35
	<b>network service provider</b> has the same meaning as in the <i>National Electricity Rules</i> .	36 37
[18]	<b>Section 77A</b>	38
	Insert after section 77—	39
	<b>77A Embedded network electricity charges</b>	40
(1)	This section applies if—	41
(a)	electricity is supplied to residential sites in a community through an embedded network, and	42 43
(b)	the operator of the community or a third party supplier for the community sells the electricity to home owners or tenants, or both, in the community.	44 45 46

- (2) The selling entity for the community must, at least once per year, give each home owner and tenant written notice of the charges payable by the selling entity for the supply of electricity to the parent connection point from which electricity is supplied to each site. 1  
Maximum penalty—10 penalty units. 2  
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5
- (3) The selling entity must review the offer under the selling entity’s contract with the retailer for the supply of electricity to the parent connection point (the *supply contract*)— 6  
7  
8  
(a) if the current supply contract has a contract period of more than 2 years—before entering into the next supply contract, or 9  
10  
(b) otherwise—at least once every 2 years. 11  
Maximum penalty—10 penalty units. 12
- (4) However, if the selling entity is both a third party supplier for the community and the retailer supplying electricity to the parent connection point, a review under subsection (3) must be carried out by the operator of the community. 13  
14  
15
- (5) The person carrying out a review under subsection (3) must, for the purposes of ensuring the offer under the supply contract is the best available offer for the embedded network, compare the offer with at least 1 other comparable offer from another retailer. 16  
17  
18  
19
- (6) The person carrying out a review under subsection (3) must, within 30 days of completing the review, give each home owner and tenant written notice of the review, including details of— 20  
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22  
(a) the comparable offers considered by the person, and 23  
(b) the outcome of the review. 24  
Maximum penalty—10 penalty units. 25
- (7) In this section— 26  
*selling entity*, for a community, means— 27  
(a) if the electricity is sold to home owners or tenants, or both, by a third party supplier for the community—the third party supplier, or 28  
29  
(b) otherwise—the operator of the community. 30  
*parent connection point* has the same meaning as in the *National Electricity Rules*. 31  
32
- [19] Section 78 Unpaid utility charges** 33
- Omit section 78(1). Insert instead— 34
- (1) The operator of a community or a third party supplier may charge a fee for a late or dishonoured payment if— 35  
36  
(a) the payment relates to utility charges payable by a home owner or tenant for the use of electricity, and 37  
38  
(b) the fee is not more than the amount that the operator or third party supplier can charge as a retailer or exempt seller. 39  
40
- (1A) The operator may charge a fee for a late or dishonoured payment if— 41  
(a) the payment relates to utility charges payable by a home owner or tenant for the use of a utility other than electricity, and 42  
43  
(b) the fee is not more than the amount that could have been charged if the service was supplied directly to the home owner or tenant by the utility service provider. 44  
45  
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<b>[20] Section 78(2)</b>	1
Insert “or third party supplier” after “operator” wherever occurring.	2
<b>[21] Sections 78(2) and (3)(a) and 85(1)</b>	3
Insert “or tenant” after “home owner” wherever occurring.	4
<b>[22] Section 83</b>	5
Omit the section. Insert instead—	6
<b>83 Bills for utility charges</b>	7
(1) The billing entity for a community must comply with the requirements relating to billing for electricity and gas specified in—	8
(a) if the operator of the community or a third party supplier for the community is a retailer—the <i>National Energy Retail Rules</i> , or	9
(b) if the operator of the community or a third party supplier for the community is an exempt seller—the AER Exempt Selling Guidelines.	10
(2) The billing entity for a community must issue a bill to the following person for utility charges payable for the use of a utility, other than electricity and gas, at least once every 3 months—	11
(a) if the utility charges are payable by, and billed directly to, a tenant in a residential site—the tenant,	12
(b) otherwise—the home owner required to pay the utility charges.	13
(3) A bill issued under subsection (2) must include the following—	14
(a) the home owner’s or tenant’s name,	15
(b) the operator’s name and trading name, if any,	16
(c) the operator’s contact details,	17
(d) the name and address of the community,	18
(e) the number or other identifier of the residential site,	19
(f) the number or other identifier of the meter, if any, for the home,	20
(g) the date of issue,	21
(h) the date on which payment is due,	22
(i) the billing period,	23
(j) the charges, fees and tariffs that apply and how each was calculated, including the following—	24
(i) the service availability charge,	25
(ii) the number of days in the billing period,	26
(iii) the usage rate,	27
(iv) the total usage charge,	28
(k) in relation to meter readings or estimates, if applicable—	29
(i) whether an estimate has been applied, and	30
(ii) the dates on which meter readings were taken, or for which an estimate applies, during the billing period, and	31
(iii) the meter reading or estimate, and	32
(iv) the meter reading or estimate for the last bill issued, and	33
(v) the quantity of the service used, or estimated to have been used, during the billing period,	34
	35
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(l)	the amount, if any, deducted or credited under—	1
(i)	a concession, rebate or relief scheme, or	2
(ii)	a payment plan,	3
(m)	details of the available payment methods,	4
(n)	a telephone number for the purpose of making a billing enquiry or complaint, if not included in the operator's contact details.	5 6
(4)	The billing entity for a community, must give a home owner or tenant reasonable access to utility bills and other documents relating to utility charges payable by the home owner or tenant. Maximum penalty—10 penalty units.	7 8 9 10
(5)	In this section—	11
	<b>billing entity</b> , for a community, means—	12
(a)	if utility bills are issued by a third party supplier for the community—the third party supplier, or	13 14
(b)	if utility bills are issued by another entity on behalf of the operator of the community—the other entity, or	15 16
(c)	otherwise—the operator of the community.	17
	<b>National Energy Retail Rules</b> has the same meaning as in the <i>National Energy Retail Law (NSW)</i> .	18 19
	<b>National Electricity Rules</b> has the same meaning as in the <i>National Energy Retail Law (NSW)</i> .	20 21
	<b>AER Exempt Selling Guidelines</b> has the same meaning as in the <i>National Energy Retail Law (NSW)</i> .	22 23
<b>[23] Section 84</b>		24
	Omit the section. Insert instead—	25
<b>84 Receipts for utility payments</b>		26
(1)	If a home owner or tenant pays for utility charges in person, the person receiving the payment must immediately give the home owner or tenant a receipt that includes the following—	27 28 29
(a)	the home owner's or tenant's name,	30
(b)	the name and address of the community,	31
(c)	the number or other identifier of the residential site,	32
(d)	the date on which payment was received,	33
(e)	the billing period for which the utility charges are paid,	34
(f)	the amount paid,	35
(g)	the amount, if any, by which the home owner is in debit or credit as at the date of payment.	36 37
	Maximum penalty—10 penalty units.	38
(2)	If a home owner or tenant pays for utility charges in another way and asks for a receipt, the person receiving the payment must, as soon as practicable after receiving the payment, give the home owner or tenant a receipt that includes the information specified in subsection (1)(a)–(g). Maximum penalty—10 penalty units.	39 40 41 42 43

<b>[24]</b>	<b>Section 85 Recovery of amounts paid under a mistake of law or fact</b>	1
	Insert “of a community or a third party supplier” after “operator” in section 85(1).	2
<b>[25]</b>	<b>Section 85(3)</b>	3
	Insert “, tenant” after “home owner”.	4
<b>[26]</b>	<b>Section 85A</b>	5
	Insert after section 85—	6
	<b>85A Review of part</b>	7
	(1) The Minister must review this part to determine whether the policy objectives of the part relating to utility charges for electricity remain valid and whether the provisions of the part remain appropriate for securing the objectives.	8 9 10
	(2) In undertaking the review, the Minister may investigate related matters that the Minister considers appropriate.	11 12
	(3) The review must be undertaken within 3 years of the day this section commences.	13 14
	(4) A report on the outcome of the review and related investigations must be tabled in each House of Parliament within 4 years of the day this section commences.	15 16 17
<b>[27]</b>	<b>Section 109 Operator to enter new site agreement</b>	18
	Insert “same” before “community” in section 109(6)(b).	19
<b>[28]</b>	<b>Sections 110 and 111</b>	20
	Omit the sections.	21
<b>[29]</b>	<b>Section 127 Termination by operator for lack of authority for use of residential site</b>	22
	Omit “90 days” from section 127(2). Insert instead “120 days”.	23
<b>[30]</b>	<b>Section 127(3)</b>	24
	Omit the subsection. Insert instead—	25
	(3) A home owner whose site agreement is terminated under this section is entitled to be paid compensation in accordance with Division 6 if the residential site—	26 27 28
	(a) was, unknown to the home owner, not lawfully useable for the purposes of a residential site at the time the agreement was entered into, or	29 30
	(b) became, through some action of the operator of the community after the agreement was entered into, not lawfully useable for the purposes of a residential site.	31 32 33
<b>[31]</b>	<b>Section 128 Termination by operator for non-use of residential site</b>	34
	Omit the section.	35
<b>[32]</b>	<b>Section 139 Application of this Division</b>	36
	Omit “, 128 (for non-use of residential site)”.	37
<b>[33]</b>	<b>Schedule 2 Savings and transitional provisions</b>	38
	Insert after Part 2—	39

<b>Part 3</b>	<b>Provisions consequent on Residential (Land Lease) Communities Amendment Act 2024</b>	1
		2
<b>21</b>	<b>Definitions</b>	3
	In this part—	4
	<i>amended</i> , in relation to a provision of this Act, means the provision as in force on and from the commencement day.	5
	<i>commencement day</i> means the day on which this clause commences.	6
	<i>compliant site agreement</i> means a site agreement that—	7
	(a) replaces an existing site agreement that provides for the increase of the site fees payable under the agreement by a fixed method that does not comply with amended sections 65 and 66, and	8
	(b) complies with requirements of the Act as in force from the commencement.	9
	<i>existing site agreement</i> means a site agreement between the operator of a community and a home owner that is in force at the commencement day.	10
	<i>previous</i> , in relation to a provision of this Act, means the provision as in force before the commencement day.	11
	<i>transition day</i> means the day that is 3 years after the commencement day.	12
	<i>variation agreement</i> , for an existing site agreement, means a written agreement to either—	13
	(a) vary the fixed method by which site fees are increased under the existing site agreement so that it complies with amended sections 65 and 66, or	14
	(b) vary the terms of the existing site agreement to provide for the increase of site fees by notice under section 67.	15
<b>22</b>	<b>Continuing application of previous sections 65 and 66 to particular existing site agreements until transition day</b>	16
	(1) This clause applies in relation to an existing site agreement if, on the commencement day, the agreement provides for the increase of the site fees payable under the agreement by a fixed method that does not comply with amended sections 65 and 66.	17
	(2) Despite amended sections 65 and 66, previous sections 65 and 66 continue to apply in relation to the increase of site fees under the existing site agreement until the earlier of the following—	18
	(a) the transition day,	19
	(b) the day on which the parties to the existing site agreement enter into either—	20
	(i) a variation agreement for the existing site agreement, or	21
	(ii) a compliant site agreement.	22
<b>23</b>	<b>Effect of failure to enter into variation agreement or compliant site agreement by transition day</b>	23
	(1) This clause applies if the parties to the existing site agreement have not entered into a variation agreement or compliant site agreement by the transition day.	24
	(2) From the transition day, despite the terms of the existing site agreement—	25
	(a) clause 22 stops applying in relation to the existing site agreement, and	26

	(b) the site fees payable under the existing site agreement may only be increased by notice, and	1 2
	(c) section 67 applies to the site agreement as if the site agreement provides for the increase of the site fees by notice.	3 4
<b>24</b>	<b>Effect of entering into variation agreement or compliant site agreement after transition day</b>	5 6
	(1) This clause applies if the parties to the existing site agreement enter into a variation agreement or compliant site agreement after the transition day.	7 8
	(2) On and from the day the parties enter into the variation agreement or compliant site agreement and subject to Part 6, Division 3—	9 10
	(a) if the parties entered into a variation agreement for the existing site agreement—	11 12
	(i) clause 23 stops applying in relation to the increase of site fees payable under the existing site agreement, and	13 14
	(ii) site fees payable under the existing agreement are to be increased in accordance with the existing site agreement as varied by the variation agreement, or	15 16 17
	(b) if the parties entered into a compliant site agreement—site fees payable under the compliant site agreement are to be increased in accordance with the terms of the compliant site agreement.	18 19 20

<b>Schedule 2</b>	<b>Amendment of Residential (Land Lease) Communities Regulation 2015</b>	1
		2
<b>[1] Clause 10A</b>		3
	Insert after clause 10—	4
<b>10A Determination and publication of comparable market offers—the Act, section 77(5) and (7)(d)</b>		5
		6
(1)	The Independent Pricing and Regulatory Tribunal must determine the median retail market offer for residential customers (the <i>median retail offer</i> ) for each distribution district at least once every 12 months.	7
		8
		9
(2)	As soon as practicable after determining the median retail offer for each distribution district, the Independent Pricing and Regulatory Tribunal must give the Commissioner written notice of the following—	10
		11
		12
(a)	the median retail offer for each distribution district,	13
(b)	the date from which the determination takes effect.	14
(3)	As soon as practicable after receiving written notice under subclause (2), the Commissioner must publish the following information on a publicly available website—	15
		16
		17
(a)	the median retail offer for each distribution district,	18
(b)	the date from which the determination takes effect.	19
<b>[2] Clause 11 Maximum service availability charge generally</b>		20
	Omit “or regulated offer retailer” from clause 11(1).	21
<b>[3] Clause 13</b>		22
	Omit the clause. Insert instead—	23
<b>13 Requesting or receiving payment that is more than maximum utility charge</b>		24
(1)	For the Act, section 77(7)(b), the operator of a community or a third party supplier for a community must not request that a home owner or tenant pay, or receive payment from a home owner or tenant for, a daily supply charge that is more than the daily supply charge referred to in the Act, section 77(4). Maximum penalty—10 penalty units.	25
		26
		27
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(2)	The operator of a community must not request that a home owner pay, or receive payment from a home owner for, a service availability charge for a service that is more than the maximum service availability charge prescribed for the service under clause 11 or 12. Maximum penalty—10 penalty units.	30
		31
		32
		33
		34
<b>[4] Clause 14</b>		35
	Omit the clause. Insert instead—	36
<b>14 Discounted daily supply charges for electricity</b>		37
	For the Act, section 77(7)(c), if less than 60 amps of electricity is normally supplied to a residential site, the following discount must be applied to the daily supply charges payable by the home owner or tenant for the supply of electricity—	38
		39
		40
		41
(a)	if less than 30 amps is supplied—a 60% discount,	42

(b)	if at least 30 amps but not more than 60 amps is supplied—a 30% discount.	1 2
[5]	<b>Schedule 1 Standard form of residential site agreement</b>	3
	Omit “service availability” from clause 9.2 under the heading <b>Utilities</b> .	4
	Insert instead “daily supply”.	5
[6]	<b>Schedule 1, Utilities, clause 10.1</b>	6
	Insert “other than electricity” after “a utility”.	7
[7]	<b>Schedule 1, Utilities, clause 10.2</b>	8
	Omit “clauses 10.3 and 9.2”. Insert instead “clause 10.3”.	9
[8]	<b>Schedule 1, Utilities, clause 10.3A</b>	10
	Insert after clause 10.3—	11
	10.3A subject to clause 9.2 of this agreement—a daily supply charge, or usage charge per kWh, for the use of electricity that is more than, respectively, the daily supply charge, or usage charge per kWh, that would be payable under the community’s comparable market offer.	12 13 14 15 16
[9]	<b>Schedule 1, Definitions, interpretation and operation of this agreement</b>	17
	Insert in alphabetical order in clause 31—	18
	<i>comparable market offer</i> , in relation to a community, means the median retail market offer for residential customers, determined by the Independent Pricing and Regulatory Tribunal under the Act, section 77(5), for the distribution district of the community’s distribution network service provider.	19 20 21 22