

**Second Reading**

**The Hon. GREG PEARCE** (Minister for Finance and Services, and Minister for the Illawarra) [2.52 p.m.]: I move:

That this bill be now read a second time.

Residential parks are an important part of the housing mix in New South Wales, particularly in regional and rural areas. The residential park industry has changed significantly since caravan parks first began to operate up and down the coast many years ago. As the name implied, caravan parks were originally designed for people who towed their own caravans to a particular spot, stayed for a weekend or a short while, and then moved on. However, some came to like the idea of park living so much they decided to stay and rigged up a flexible or rigid annex to the side of their van. This led to the law being changed in the mid 1980s to recognise permanent living arrangements.

Today the industry offers a broad range of options for tourists and holiday makers as well as those who want to live in what are now known as residential parks. Residential parks provide an attractive and affordable lifestyle choice, especially for many retirees. Residents are able to purchase a dwelling in a residential park for much less than it would cost them to buy an equivalent type of home in a retirement village or strata scheme. The dwellings that people are able to buy now in a residential park are very different from those available in the early caravan park days. They are more like an average suburban home, the main difference being that they are manufactured off-site.

The close living environment in residential parks provides a sense of community that many feel has been lost in the cities and suburbs. A lot of residents develop strong networks of support within their park that they value highly. It is important to recognise that some parks also rent out on-site dwellings under residential tenancy arrangements. Renting in a park is an affordable housing option for many itinerant workers, people who have been locked out of the rental market for various reasons and those who cannot afford to buy a home. In 1998 the previous Government introduced the Residential Parks Act to regulate living arrangements in residential parks. Yet for too many residential park operators and residents the current governance framework is confusing and cumbersome, and too often leads to conflict and disputes.

In the lead up to the March election the Liberals and Nationals gave a commitment to reform the legislation and to improve the governance of residential parks. This commitment included carrying out a thorough review of the Residential Parks Act, in particular, examining ways to license park operators, ensuring better education for new operators and providing options to improve the process for resolving excessive rent increase claims by residents. The Liberal-Nationals Government is committed to ensuring that the right balance is struck between park residents and operators so that residents can feel secure within a viable and vibrant industry. The aim is to provide greater certainty for residents and the industry by simplifying the legislation and ensuring that disputes are resolved more quickly and with less acrimony.

I thank the member for Albury in the other place, who laid the groundwork for this important policy plan when he was the shadow Minister. I also thank the member for Lane Cove, the Minister for Fair Trading, for moving so quickly to introduce this initiative. Part of the election commitment the Government gave made reference to establishing and maintaining a

register of all residential parks in New South Wales. This bill brings forward that commitment as the first step towards improving the governance of residential parks.

I will now outline the elements of the bill. It is a relatively simple and straightforward bill, with only a handful of provisions. It proposes to insert into the Residential Parks Act 1998 a new part 13A, dealing with the establishment and maintenance of a register. Proposed section 142A will require park owners or park managers to provide certain information about their park for entry in the register. The obligation to provide this information will apply once the owner or manager receives a written request from the Commissioner for Fair Trading along with the approved registration form. Park owners and managers will be given at least 30 days in which to register the required details. This is more than enough time for such a simple and straightforward task.

The bill sets out the information that will be captured by the register. This includes the name, address and contact details of each park, as well as the names and contact details of park owners, managers and resident representatives. Information will be requested about the usage of sites within each park, such as how many sites are being occupied by permanent residents, how many people live on those sites and whether they own or are renting the dwellings. Information gathered on the experience, training and qualifications of the park owner or manager will also be particularly useful in considering the issues of licensing and mandatory education.

The approved registration form will contain quite specific questions to ensure park owners and managers are clear on the details being sought. It is intended that the option of registering online be made available to make it even easier for owners and managers. Under proposed section 142 either the park owner or manager will need to notify the Department of Fair Trading if they open a new residential park or if there is a significant change to the information they have previously registered. This will apply to events such as a change of name of the park, a change of park owner or when a park closes. Such notice will need to be given within 30 days. This will help to ensure that the register is kept up to date. Proposed section 142C will make it an offence for any person to knowingly provide false or misleading information in relation to the register. This is an important deterrent to the handful of operators who may otherwise have been tempted to dishonestly complete the registration form. The offence and penalty is consistent with the existing offence under section 74A of the Act against any person who knowingly gives residents or prospective residents false or misleading information.

Finally, proposed section 142D will require the Commissioner for Fair Trading to establish and maintain a register of residential parks recording the information supplied by park owners and managers. The provision also enables a public register of the names, addresses and contact details of all registered residential parks to be made available. This will most likely be in a searchable format on the Department of Fair Trading website. The Minister for Fair Trading has met with key representatives from within the residential park industry. He has also visited a number of parks to see firsthand how they operate. I visited a number of parks before the last election because owners and residents in the parks were concerned. We were happy to talk to them to resolve their issues. Stakeholder groups representing both operators and residents have welcomed the initiative of a register. A draft of this bill was circulated to key stakeholders for feedback. Faye Urquhart from the Northern Alliance of Park Residents Association said:

I am very impressed those things are starting to happen and that changes are to be made. I have read the draft bill and I do not have any amendments.

Dr Gary Martin, President of the Affiliated Residential Park Residents Association, asserted that the bill is an excellent way forward. The Caravan and Camping Industry Association raised a small number of issues with the draft bill, most of which have been addressed in the final bill. Clearly, there is across-the-board support from representatives of both residents and industry for the creation of a register.

The introduction of a one-off, simple, low-cost registration system, as this bill proposes, will provide a range of benefits. For the first time, it will provide accurate statistical data on the size and scale of the residential park industry. We know that around 950 approved caravan parks and manufactured home estates are operating in New South Wales. Many, but not all, of these would be residential parks. We do not know which ones are residential parks, who runs them, where they are or how many people live in them. The creation of a register will provide these answers. More importantly, the register will provide a comprehensive mailing list of those covered by the Residential Parks Act. This will help to ensure that the Government consults as widely as possible on its residential parks policy and that park owners and residents directly affected by the proposals are given every opportunity to have their say during the review.

The register will play a vital role in disseminating information as part of the implementation of the reforms once the review has been completed. It will also play an ongoing role in assisting Fair Trading with its education and compliance programs well into the future. Public access to the names, locations and contact details of all residential parks will assist prospective residents compile a short list of those parks in which they are interested. Few bills will be introduced of which the benefits so clearly outweigh the costs. The proposal will result in a small, one-off administrative cost for park operators in terms of the time taken to fill out and lodge the registration form. The form is expected to be no more than a page in length. This should take most operators all of five minutes to complete.

The Government is mindful that many residential parks are run by small family businesses. The last thing they need in this difficult economic climate is a new fee to pay. Consequently, the bill does not provide for a registration fee to be levied. The small cost associated with setting up and maintaining the register will be met from the existing Fair Trading budget. This bill and the review that will follow are focused on issues involving permanent residents covered by the Residential Parks Act. While some of the issues may be similar, the review will not encompass the rights and responsibilities of long-term casuals covered by the separate Holiday Parks (Long-term Casual Occupation) Act 2002. Having said this, one of the side benefits of establishing a register of residential parks is that it will also help to identify parks that are covered by the Holiday Parks Act without needing to replicate the registration provisions in that Act.

The definition of a "residential park" in section 3 of the Residential Parks Act encompasses all caravan parks and manufactured home estates. The registration form will ask operators to advise how many sites are occupied by permanent residents, how many are under long-term casual occupation arrangements and how many are used as short-term tourist sites. This will ensure that we get the full picture about the use of park sites. We plan to write to every known park in New South Wales and we anticipate finding that the majority of them have a mixture of usages. It is common for parks to include a combination of permanent residents and holiday makers, with their separate rights appropriately set out under different pieces of legislation.

A park owner will not be able simply to change its "residential park" to a "holiday park" and

evict residents. It makes no difference what the park is called or whether sites are classified as short or long term. If a person has an agreement with the park owner to live in the park as his or her place of residence, that person is protected by the Residential Parks Act and has rights against termination. For example, if the park owner wants to change the use of the site to a non-residential purpose, the park owner, firstly, needs to have development approval or a Consumer, Trader and Tenancy Tribunal order. Residents who own their dwelling must be given a minimum of 12 months notice and are entitled to be paid compensation in advance for all their relocation costs. Having information on those covered by the Holiday Parks Act will be of tremendous assistance when the Act is next reviewed.

I place on record my thanks to the Hon. Jan Barham for her support of the bill and her strong interest in this area. Today, following discussions with the crossbench, the Government has decided to make minor amendments to the bill to reflect some of the concerns raised by the Hon. Jan Barham. These six amendments will help improve the bill, whilst not departing from the original intent of the bill to establish a register with as little red tape as possible. I will speak more about the amendments at the appropriate time during the Committee stage. Overall, this bill will help develop accurate demographic data on the industry and facilitate Government consultation with residents and operators on possible reforms to the laws. The establishment of a register is a simple and practical measure that will provide a range of other benefits, as I have outlined. This is a further demonstration that the Liberal-Nationals Government honours its election commitments and is willing to take action to fix the problems left behind by those opposite. I commend the bill to the House.