



25 June 2014

Responses to questions on notice

1. Do you know of other jurisdictions that have that longer minimum period (for leases)?

In Germany and the Netherlands leases are indefinite because it is generally expected that tenants will rent the property for many years. In Germany, terminations of a tenancy agreement are very strict, and rents may only be increased once per year. There is a mechanism that restricts the amount by which rents may rise.

In Austria, domestic dwellings are leased for fixed three-year terms. Leases are offered on a three-year basis in Flanders as well, except if the lease is not terminated after that three-year period, it automatically rolls over into a nine-year lease. In Ireland, tenants have a six-month 'trial period' lease. If both the tenant and landlord wish to continue with the lease, the lease rolls over into a four-year period.¹

2. Have you kept a catalogue or any data about the calls you have been getting about the proposed changes to the GP co-payment and the cuts to the concessions?

CPSA has received approximately 300 contacts regarding changes in the 2013/14 Federal Budget as they affect pensioners, via telephone, email, letters and social media platforms. This figure would have been higher if CPSA's telephone line was not down over the two days following the Budget (14 & 15 May).

3. Can you give us a list of offices you have spoken to and they have not provided assistance?

The following Housing NSW offices don't provide any assistance:

Bathurst

Bega

Burwood

Batemans Bay

Strawberry Hills

Corrimal

Cowra

¹Hulse, K., Milligan, V. & Eastthorpe, H. (2011). AHURI Final Report No. 170: Secure occupancy in rental housing: conceptual foundations and comparative perspectives. Australian Housing and Urban Research Institute: Swinburne-Monash Research Centre & UNSW-UWS Research Centre, pp. 126-128.

Dee Why

Fairfield

Gosford

Goulburn

Griffith

Maroubra

Newcastle

Orange

Parramatta (The person contacted also said that tenants who chose to stay in their home would be charged \$30 extra per room in rent)

Shellharbour

Wollongong (tenants may apply for assistance to move)

Provide removalist assistance with moving

Albury

Bankstown

Armidale/Tamworth

Bidwill

Campbelltown

Claymore

Coffs Harbour

Dubbo

Liverpool

Port Macquarie

Tweed Heads

Assistance determined on a case by case basis

Charlestown

Hurstville

Lismore

Tamworth

Nowra (depends on urgent need of the property, not tenant's circumstances)

Unsure

Cootamundra

Lithgow

Attached is correspondence from the former Minister for Family and Community Services the Hon. Pru Goward, MP, regarding the bedroom tax and moving costs. Also attached is a NSW Housing factsheet which states that "if Housing NSW asks you to move to a house which better suits your needs, they will work closely with you to support you to move when a property becomes available and **will cover reasonable costs associated with the move**" (p.2).

4 & 5: What are the projections for post that era (2036)? How do we plan the number of houses for those target groups in 2045 or 2055? & The statistic I have heard is that the number of people over 65 will grow by 5 million: added to the current 2 million that means there will be 7 million people over 65. Are your statistics based on a figure like that?

CPSA engaged Judith Stubbs & Associates (JSA) to provide projections of affordable housing demand for the over-65 cohort through to 2036. JSA produced these projections using data from the Department of Planning & Infrastructure's 'NSW State and Regional Population Projections (2010)' and the Australian Bureau of Statistics. This is all the information which CPSA has and questions regarding further projections or details on what the projections were based should be directed to JSA.

6. Do you have comment on minimum lot sizes?

CPSA believes that dwellings should at least meet the Platinum Level standard space ratios outlined in the Liveable Housing Australia guidelines (attached) to ensure accessibility.

7. Recommendations regarding the Residential (Land Lease) Communities Act 2013

1. Voluntary sharing arrangements (s110)

The opportunities for operators to secure a share of home owner's capital have been expanded in the RLLC Act. The provision in the RLLC Act permits: entry fees; exit fees; deferred site fees and no limit on capital gain or on-site premiums.

Rent only agreements have to be offered in some circumstances but site fees can be increased when entering rent only agreements. There must be genuine choice.

Recommendation re voluntary sharing arrangements (s110) :

Remove the whole of sections 110 and 111.

2. Site fee increases (s65, s69, s73 & s74)

The legislation should not enable operators to grab increases in the Age Pension by linking such increases to site fee increases (s65(2)(a)(ii)).

The value of the land has no relevance to site fees as an individual factor. Rates payable by the operator are set according to the value of the land and therefore considered in the outgoings.

Removal of an individual's right to challenge an excessive rent increase and replacing it with a requirement that 25% of home owners must challenge is a serious undermining of home owners' rights. There is merit in dealing with the whole community in rent increase matters but 25% is too high a percentage.

Section 73(4) removes the NSW Civil and Administrative Tribunal's discretion and will seriously affect rent increase decisions.

Home owners should not be required to pay in advance for projected costs or planned improvements that may never eventuate.

Recommendations re site fee increases (s65, s69, s73 & s74):

Delete any reference to the Age Pension from (s65(2)(a)(ii)).

Reduce the percentage of home owners required to challenge a rent increase to 10%.

Delete s73(4) completely.

Delete "projected costs" and "planned improvements" from the matters to be considered by the NSW Civil and Administrative Tribunal when determining excessive site fee increases.

Delete s74(f).

Require operators to distinguish between costs associated with the residential (land lease) community and those associated with tourist or other operations operating from the premises.

3. Site fee increases upon entry into site agreements (s109 & s111)

Site fees are by and large determined by the NSW Civil and Administrative Tribunal or by agreement by the home owners and residential (land lease) community operator. These site fees are the "fair market value" for the residential (land lease) community because a whole range of factors have been considered when setting the site fees.

Recommendations re site fee increases upon entry into site agreements (s109 & s111):

Delete s109 (5) and (6) and replace with:

(5) The site fees under a new site agreement must not exceed the site fees currently payable by the home owner occupying the residential site.

Renumber s109 accordingly.

Delete s111 (3) and (4) and replace with:

(3) A rent only site agreement is a site agreement under which the site fees charged do not exceed the site fees currently payable by the home owner occupying the residential site and which does not contain any voluntary sharing arrangement.

Renumber s111 accordingly.

4. Special Levy (s50 & 51)

This section is still seriously flawed, unfair and unnecessary. Home owners should not be paying for park infrastructure. The provision has the potential to divide communities and create conflict between neighbours.

Recommendation re special Levy (s50 & 51):

Remove s50 and s51 completely.

5. Compensation for termination (s140)

Whenever a home is being relocated due to an operator terminating a site agreement for closure or change of use, or when an operator requires a home owner to relocate, compensation must be paid in advance and the Act must specify what must be paid. It is unnecessary to have different provisions for different circumstances – the impact on a home owner is the same in each circumstance and compensation must therefore be equivalent.

Recommendation re compensation for termination (s140):

The compensation provision set out in s140 should also apply to s135 (if the operator instigates the relocation) and s136 and it must apply no matter who owns the residential (land lease) community to which the home is relocated.