

**Submission
No 251**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE
HOUSING**

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The Director
Select Committee on Public & Affordable Housing
Parliament House
Macquarie St
SYDNEY NSW 2000

Dear Sirs,

Submission to the Inquiry into social, public and affordable housing

This submission aims to give an overview of our locality, being the Tweed Shire, and in particular address item (f) the role of residential parks.

Tweed Shire has more than 3500 park residents living in a mix of dedicated manufactured park home estates and residential/holiday parks. Some of these residential/holiday parks are morphing into residential only parks. The waiting list for public housing has blown out from 16 years to 20 years and there is a less than 1% vacancy factor in the housing rental market. There are no vacant long term residential sites available and park owned rentals are much sought after. Consequently these parks (excluding the dedicated holiday parks) play an important role in providing both affordable homes for purchase and affordable rentals.

At this point of this submission I would respectively draw to the attention of the select committee the following reference papers;

- 1. e-brief 11/2011 August 2011 Caravan Parks** by Louise Flynn. This 10 page brief is an excellent historical summary compiled by NSW Parliamentary Library Research Service
- 2. PAVS Outasite Publication dated November 2013** – This publication was the final issue by Parks and Village Services (due to loss of government funding) on pages 13,14&15 is an article titled **Residential parks: Affordable housing or not?**
- 3. Submission to the Economics and Industry Standing Parliamentary Committee with relation to its enquiry into the Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia** - This is a six page submission presented by the WA Department of Housings Director General. The Executive Summary, Possible Ways Forward and Recommendations are of particular interest.

Our residential parks experience to date

I am 72 years of age and my wife is 69 and being treated for cancer. In 1999 we commenced living in Banora Point Caravan Park on arrival from WA in our Caravan, soon after we purchasing an installed Manufactured Park home from a 70 year old pensioner couple. The park owner interfered in the sale and a CTTT case ended up in the Supreme Court and took almost a year before we could move in.

Between 2000 and 2006 as the residents representative I appeared in the Supreme Court, Local Court and CTTT hearings as a witness for Fair Trading, Land & Environment Court as a witness for Tweed Shire Council and many CTTT hearings for residents. In 2006 the Park Owner walked away from the park ordering residents to send rent to PO Box in Surfers Paradise.

2007 saw the Tweed Shire broker the sale of the park to Lifestyle Resorts Australia Pty Ltd. The sale price was 9 million dollars and the Council sought to recover more than \$300,000 rates owed. The new owner never took possession of the park but advised residents by letter dated 11 September 2007, to pay rents into a Lifestyle Resorts Development Company bank account.

As our situation deteriorated we informed the new owner on 29 October 2007 that if no action was taken to improve our situation we would seek relief through an application to the CTTT. We received a hand delivered letter on 6 November advising they would take possession the next day.

7th November arrived with the arrival of a Police contingent, Park Owner and a Council Officer all followed by heavy duty demolition equipment. The next day the Park owner handed out 90 day Termination notices citing Section 101 of the Residential Parks Act.

To cut a long story short my wife and I now reside on a specially provided long term site situated on Crown Land at the Pottsville North Holiday Park in our relocated home, by way of a dispensation by the Minister for Lands at the time. This was despite there being vacant long terms sites available in that section of the park **owned** by the Council. Council's position was that we could not access these sites as council had plans to put homes on these sites (11 sites) and raise a \$million to spend elsewhere in the shire. Previously council had allowed homes from the Banora Point Park to be placed on vacant sites.

Conditions of our tenancy are that we cannot sell our home on site and in the event we leave, the site must revert to a short term site. Effectively we have lost the onsite sale of our home estimated at \$150,000. We remain the only residents terminated who kept their home.

Lifestyle Resorts were forced to sell the park which never reopened, however the new owners Palm Lake Resorts are advertising new homes from \$420,000 with the riverfront site that we had occupied even more!!!. Palm Lake Resorts specialise in Manufactured Park Home estates.

What does the future hold for Residential Park resident's

It is my opinion that the two most important aspects of living in a Residential Park is a) security of tenure and b) rent. The papers I have referred you too above clearly show this. These are closely followed by a right to quiet enjoyment and general amenity.

,We are currently facing a situation where the Residential Parks Act is about to be replaced by the Residential (land Lease) Communities Bill 2013 (R (LL) C). In addition the Consumer, Trader and Tenancy Tribunal (CTTT) will come under the auspice of the new NSW Civil and Administrative Tribunal (NCAT).

As residents we are facing an entirely new Act with new regulations and a new tribunal system also awaiting new NCAT rules and regulations. At the same time we note we have lost our most valuable resource Parks and Village Service (**PAVS**), whose role of advice, advocacy and education will be sorely missed. We further note that the Tenancy Advice and Advocacy Service (TAAS) also had its funding reduced.

The new R (LL) C Bill distinctly favours Park Owners and residents have lost the legislative protection afforded by the RPA. One has only to peruse the websites for **Ingenia** and **Alceon** both investment groups who have accumulated hundreds of millions of dollars to purchase selected residential and holiday parks. They openly admit their strategy for obtaining improved profits (see attached Australian Financial review article 'Humble Home, smart profit')

The quality of life in a residential park is very much determined by the park owner and management. Compliance with Local Government regulations, Residential Parks Act and Holiday Parks Act are essential for good governance. Proper oversight by Council and Fair Trading are essential. For example here in the Tweed we have two parks side by side located on the banks of the Tweed River, both are owned by the same park owner using two separate companies. One has 97 long term sites and 99 short term sites (park A) the other has 129 long term sites and 43 short term sites (park B).

Both parks are operated from park A with park B office having closed and both parks have common staff arrangements. Park B has morphed to a solely residential park and no longer caters for holiday visitors. The residential rents have increased by more than 6% per year of late with rents ranging from \$166 to \$240 per week. A new rent increase notice of approximately 5% is has just been issued. Percentage rent increases always increase the difference between lowest and highest and is inherently unfair.

However of most concern is the fact that approximately 76 residents across both parks are living on **short term** sites as their principal place of residence and have been issued with occupation agreements under the *Holiday Park (Long Term Casual Occupation) Act 2002*. Many residents on long term sites have also been issued these agreements. Residents are also finding that the homes that they have purchased have not received Council approval.

Residential Parks, an Affordable Housing Option

Despite my personal experiences both as a resident and voluntary advocate I note that the majority of residential parks in NSW are well managed and most home owners enjoy the village type living and close companionship that these communities offer. Providing rents

remain affordable they provide a valuable option for homeowners who wish to retain their independence and not be an impost on government.

As with most housing markets trends change, there is an increasing demand for Manufactured Park Home estates with resort style facilities aimed at over 55's who can afford to pay \$300.000 - \$600.000 for a home. While at the other end of the market there is a growing demand for low cost rentals and low cost park homes for low income residents.

Many of the low income residents of parks are either financially and/or socially disadvantaged. Given the ever increasing public housing lists, Caravan/residential parks are and have become a resource for organisations seeking to house their clients.

Conclusions and suggestions

1. Compliance with Approval's to operate and other regulations are an issue and should be removed from Council jurisdiction and possibly transferred to Fair Trading compliance section.
2. Rents are a major issue and take up most of complaints to the CTTT (now NCAT) why not appoint a Rent Commissioner to monitor and approve rent increases and have any meetings required held onsite.
3. There is an urgent need for housing both for purchase and rental. A sub committee could be formed to identify pockets of Crown Land suitable for establishing residential parks where needed and homes could be sold or rented with long term leases transferrable on resale. NSW Crown Holiday Park Trust currently manages 26 coastal and 8 inland Holiday Parks, the same or similar trust could be used to manage residential parks. Tweed Shire Council manages 7 Holiday Parks (through a Trust) including the park I reside on which already has a residential component.

Finally I thank you for the opportunity to present this submission and apologise if it appears somewhat disjointed.

L Hogg