

Submission
No 60

INQUIRY INTO HOMELESSNESS AND LOW-COST RENTAL ACCOMMODATION

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**Submission to Social Issues Committee
Park Owners Exploit Vulnerable Pensioners.**

Jim Clark Patron ARPRA nsw inc

Attached from Hansard, Speech by Chris Hartcher MP 5th April 1989

Throughout NSW Residential Park Homeowners, a significant number of whom are aged pensioners face troubled times with Park Owners taking advantage of their vulnerability to raise rents to the point that some single pensioners in some Residential Parks are paying up to half their pension for the small piece of land on which they have their own home. This is an intolerable situation.

In 1987 Caravan Park Owners were given a virtual monopoly on this alternate housing lifestyle by the introduction of Local Govt Ordinance 71 which legalised permanent living in Caravan Parks. Manufactured Homes also came on the market at the same time, one could be forgiven for thinking they knew this was going to happen. In fact the Caravan & Camping Industries Association CCIA added another name Manufactured Home Industries Association MHIA. Consolidating their monopoly on this lifestyle.

Between them they set out on a deliberate campaign to encourage pensioners to adopt this new and "AFFORDABLE HOUSING LIFESTYLE ???" This included a special display at Rosehill racecourse in which they erected an entire village of Manufactured Homes, also later on if there was any doubt as to who the target was they had a 10 page supplement in the Pensioners Newspaper extolling the virtues of this alternate affordable housing lifestyle, and it was true "then"?

Like thousands of pensioners throughout NSW my wife Betty and I were impressed, purchased a new manufactured home and arranged to have it placed on a site at Spinnakers Leisure Park in Belmont and settled into what we thought would be a long and affordable lifestyle; and it was then? It cost 20% of our age pension for the site rent, for the single pensioner it cost 29% of their pension in rent. However as time went on Park Owners could not resist. A captive market so up went the rents up to 50% of Single Pension & 26% of a Couples Pension in rent

Following the amendments to the Residential Tenancies Act in 1989, saw rapid growth of this alternate housing lifestyle particularly in the area of manufactured homes. The need for an organization to represent the Homeowners in this new alternate housing lifestyle became quite clear given that the Landowners were represented by the CCIA {*Caravan & Camping Association*} and MHIA {*Manufactured Home Industry Association*} that the homeowners also needed to have a strong lobby group. At Nambucca Heads Bowling Club 11th September 1993 APRA was officially launched with 5 affiliates. The first officers were President Darrell

Dawson, Port Stephens PRA, Secretary Bill Clamp, Far North Coast PRA, Jim Clark was appointed State Co-ordinator Jim traveled up and down the coast of NSW organizing more affiliates, as a result in 1994 Seven, 1995 Nine in 1996 Eleven at one stage reached Fifteen. Mainly based in Local Govt areas where this alternate housing lifestyle existed.

ARPRA's Role since 1993

1994: Involvement in positive amendments to Act

Worked with Coalition Government of the day to achieve, abolishment of Visitors Fees, Premiums & No Fault Evictions, also introduced compensation for re-location.

1997: Conducting review of all Legislation

Jim Clark appointed Member of Working Party to examine and come up with more appropriate legislation for alternate housing lifestyle, he held 17 consultation meetings throughout NSW. The need for special legislation was made loud and clear

1998: Residential Parks Act introduced

Despite strong opposition from CCIA, MHIA and their friend's in Parliament legislation was passed. ARPRA proved to be effective lobby.

Main Functions of ARPRA

- **WORKING CLOSELY WITH AND INFLUENCING THE GOVERNMENT**
- **AWARENESS OF THE INEVITABILITY OF ALTERNATE GOVERNMENT**

Priorities for 2008/09

The savage attack on the living standards of age pensioners by way of excessive rent increases by greedy park owners must be stopped.

Quite obviously Park Homeowners are in a captive situation and equally obvious is that Park Owners have taken full advantage of this to swell there profits at the expenses of the most vulnerable people in our society Aged Pensioners. Many of whom are reaching the stage of not being able to afford these outrageous continual rent increases and also cannot afford to leave.

Despite the commendable efforts of ARPRA and its affiliates to combat these increases in the Tribunal, the fact remains, despite success in some cases, the Act needs urgent amendments. The Tribunal needs to be given teeth to take into account the special circumstances of this alternate housing lifestyle.

In recent months many conferences and meetings have been held on the question of Affordable Housing and it is generally recognized that anyone paying more than 30% of their income is suffering housing stress and remember they are referring to renting a home or paying off a home.

In the Residential Park situation Pensioners who own their home and only rent a small piece of land are virtually a Captive Market at the mercy of unscrupulous Park Owners who take full advantage of this and continually raise rents. At a Residential Park in Lake Macquarie with a Land Value of \$2million dollars, 180 Homeowners pay approximately \$1million & 48thousand in rent payments per year for a small piece of this Land on which they have their own home.

TRIBUNAL part of the answer??

While recognizing the important role of the Tribunal, we must also recognize that as it functions at present it is extremely difficult for homeowners to get true justice under the present laws, therefore our main aim should be to convince the Govt of the need to amend these laws to ones more suitable to the special circumstances of this alternate housing lifestyle, where the renter owns the home.

I hesitate to raise the question of Rent Control, but I would submit that in the obvious captive market that Park Homeowners find themselves in, it could be argued that something must be done to even up the quite clear advantage the Park Owner has. Park Homeowners many of whom are Aged Pensioners, the most vulnerable in our society, are trapped in this captive market and need help.

Single Pensioner

01/02/1995: Single Pension was \$163.05 per week. Rent \$73.00 per week
20/09/2007 Single Pension is \$268.85 per week. Rent \$104.00 per week

Pension have increased by 60.64% Rent have increased by 70.19%

Pensioner Couple

01/02/2007 Couple Pension was \$272.00 per week. Rent was \$73.00 per week
20/09/2007 Couple Pension is \$449.10 per week. Rent \$104.00 per week.

Pension has increased by 60.58% Rent has increased by 70.19%

Since September 1994 pension increased from Single \$160.80 to \$281.05 2009-03-04
 = 57.22% increase in single pension

Same period RENT increased from \$73.00 to \$125.00 = 58.4 % in rent increases

Couples pension has increased from \$268.20 in 1994 to \$469.50 = 57%

Same period RENT has increased \$73.00 to \$125.00 = 58.4%

The information in column 1 & 2 supplied by Mr Moore legal representative for Park Owners. The figured in column 3 are my calculations based on information from homeowners.

Name	Land Value, the Rental Property	Rents Charged for the Rental Property
Macquarie Shores	\$954,000.	230 sites at approx rent of \$116.00 a week = \$1,387360.00 annually, which is \$433360.00 more than the value of the RENTAL PROPERTY, THE LAND
Valhalla	\$1,430,000	258 sites at approx rent of \$118.00 a week = \$1,583088.00 annually which is \$153088.00 more than the value of the RENTAL PROPERTY
Heritage Toukley	\$2,030,000	239 sites at approx rent \$120.00 a week = \$1491360.00 which is 73.46% of the value of the RENTAL PROPERTY collected annually
Lakeland Buff Point	\$1,240,000	140 sites at \$117.25 a week = \$853580 annually, which is 68.84% of the Land Value of the RENTAL PROPERTY
Bevington Shores	\$1,230,000	130 sites at approx rent of \$130.00 = \$1,264,120.00 annually which is \$34120.00 more than the value of the RENTAL PROPERTY

Value of the premises.

The premises means the Rental Property being rented, in the case of Residential Parks it means the land on which the RENTER have their own home. The table above show that in some Residential Parks Park Owners are collecting more in rent annually than what the Rental Property {LAND} is valued at.

In Parliament on the 5th April 1989 Chris Hartcher MP from the Central Coast made a speech in Parliament in which he pointed out the need for legislation that was more appropriate to the fact there is 2 investors, the Land Owner and the Homeowner and that legislation should represent this factor.

We agree with Mr Hartcher's views on this and call for an inquiry into all aspects of this alternate housing lifestyle. He pointed out those homeowners deserve a fresh approach to be taken to their legal rights. They should not fall under the residential tenancies legislation. Copy of Mr Hartcher's speech is included with this submission.

We strongly urge that this committee initiate a full inquiry into all aspects of this alternate housing lifestyle

A complete copy of Mr Hartcher's speech is available from Hansard 5th April 1989
Pages 5935 & 5936