



Palmpoint Enterprises Pty Ltd

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LAPCSESC
Law Reform
Submission 008

17 January 2012

Research Director Legal Affairs, Police, Corrective Services and
Emergency Services Committee,
Parliament House
George Street,
Brisbane Qld 4000 by email: lapcsesc@parliament.qld.gov.au

Dear Sir/Madam

REF: To submissions regarding the amendment of Section 99A –
Manufactured Homes (Residential Parks) Act 2003 Part 22
Clause 102.

The Government is asking for Park owners input in amendments to section 99a of the Act, in past amendments to the Act, I participated in several feedback sessions and submitted our concerns with the amendments, little notice was taken either from ourselves, or indeed from our industry representatives including Hopgood Gamin or the Caravan Park and Manufactured Homes Association. But, I will voice my concerns regarding this amendment.

Palmpoint Enterprises Pty Ltd trading as Bribie Pines Island Village and Island Breeze Resort, on Bribie Island, Qld, was a mixed park, catering for tourist, permanents and manufactured homes, basically a caravan park. Our company was able to acquire an adjoining 15 acres where we introduced a further 150 sites. Where we were once operating under R.T.A, we are now governed by the MHA, in hindsight we should have gone in the other direction and stayed under the R.T.A, in fact some parks are buying back homes. Palmpoint applied and was granted permission by the local council to redevelop the caravan park into a manufactured home park. Palmpoint is now a purpose built over 50's manufactured home park trading as Island Breeze Resort and Bribie Pines Island Village.

To my knowledge the inclusion of Section 99A in the MHA was done without any consultation with the industry and added to the reprint of the Act in March 2011, again without any knowledge to myself or any other park owners. Section 99A states a park owner must on-sell utility to residents for an amount the park owner is charged by the relevant supply authority.

When Palmpoint acquired this park all profit was taken into account, whether it be electricity, red public phone, shop, laundry etc. This bottom line was produced to the bank to obtain finance – this relates to all businesses. The introduction of s.99a is certainly anti to business, in fact we are aware of 4 parks in Qld that have gone into receivership in the last 6 months. Should a service station only make profit from fuel sales? or other products sold at cost. Should a news agent only make a profit from paper sales? Should the Government reduce its profit line on bulk water supply or reduce the levy on rubbish/recycling? The Government would certainly find it hard to upgrade any grids or infrastructure if this were the case.

All profit obtained from the on sell of electricity has helped park owners to maintain their grids and help pay for the supply of electricity to recreation rooms, street lights, swimming pools etc.

The electricity civil work costs were borne by the park owner, indeed the last 76 sites cost the company \$140,000.

Some years ago the park had an underground electricity failure, this entailed replacing underground cable, hiring a very large generator for over a 2 week period, costing over \$15,000. Should this occur again the cost will have to be borne by the residents. As stated in correspondence I have received from the Government and Hon. Dean Wells If a park owner wants to increase the amount of site rent to cover these costs outside the terms of the Site Agreement, they must follow the procedures outlined in the Act. It is hard enough to increase site rents as per the resident s agreements and justifying these increases. With Hon Well's comments, he no doubt refers to section 71, Mr Wells might do well to sit down with Park Owners who have been to Tribunal with reference to section 71.

If this amendment is granted the Act/Government is restricting a legal business (manufactured park owners) from making a legitimate and fair profit. We are told by the government that we cannot under any circumstance make a profit from buying a product and then selling that product to an individual for again. This is the staple of all commerce.

It certainly makes you wonder if the MHA Act/or the Government Minister/department which deals with the Act are in breach of any other act. By this, are they contravening the Competition and Consumer Act 2010 which was known as the Trade Practises Act 1974 or the Australian Consumer Law which came into effect on 1 January 2011 or breaching any consumer or business protection clause under the Australian Competition and Consumer guide lines or any other that are unknown to us.

Tight and unnecessary control by a government department is certainly not conducive to the continued existence of this type of inexpensive and affordable accommodation. As per statements made by the Government/ Minister wishes to encourage growth in the industry and encourage park owners to supply sites, the amendments certainly seem to discourage and make the park owner feel victimised by the Government.

If these amendments continue to undermine the park industry, all the park owner will have to sell is a Government controlled rent roll. In a time of aging population, development difficulties, and affordable housing shortages, the Government needs to be incentivising private developers in this area, Instead, increased regulation and unwarranted 'resident protection' means that investment in this area will and has fallen away.

Palmpoint Enterprises has been proactively involved in this Industry for over 20 years, have introduced over 200 sites in this time, unfortunately however, we will no longer be investing in this industry.

In fact, should the Government be interested in purchasing this park, I would like to hear from them.

P.G. Forrester

Peter Forrester (Director/Owner)