




Speech By
Robert Skelton

MEMBER FOR NICKLIN

Record of Proceedings, 22 May 2024

**RESIDENTIAL TENANCIES AND ROOMING ACCOMMODATION AND OTHER
LEGISLATION AMENDMENT BILL; MANUFACTURED HOMES (RESIDENTIAL
PARKS) AMENDMENT BILL**

 **Mr SKELTON** (Nicklin—ALP) (4.12 pm): Whilst it is wonderful to follow that contribution, for the record I want to clarify that obviously the attack on our Labor Prime Minister should not go unanswered. I will name some Greens who own multiple investment properties: Mehreen Faruqi, Elizabeth Watson-Brown and Nick McKim all own multiple investment properties. It is a bit hypocritical to point to one person when lots of members of parliament are doing the same thing.

I want to speak about the Manufactured Homes (Residential Parks) Amendment Bill 2024. There are six such parks in my electorate. I have talked to a lot of stakeholders and heard a lot of stories. As late as Wednesday of last week, I was at Palmwoods Tropical Village doorknocking to let people know about the cost-of-living reforms. Residents there brought up this topic. They are very thankful that we have listened to them.

As part of our Homes for Queenslanders plan, we are committed to further modernising the legislative framework for manufactured home parks. The way that these parks operate is that home owners own their homes but not the land underneath them, with site rent set by park operators. During our consultations, dating back to 2022, we have heard from thousands of home owners in residential parks, many of whom highlighted significant financial pressures caused by unpredictable and unsustainable site rent increases.

Most of these home owners are pensioners on low fixed incomes who often buy a manufactured home with the proceeds from the sale of their family home, making them particularly vulnerable to unaffordable site rent increases and, potentially, unfair business practices, which we heard a lot about. Sometimes home owners have limited understanding of the risks posed by increased site rent and the inability to sell their home. They have a limited capacity to move or downsize if rents become unaffordable. The bill will rebalance the relationship between park operators and home owners by limiting the grounds on which rent can be increased, limiting the amount by which rent may be increased annually, introducing a scheme requiring park owners to reduce rent and buy back vacant park homes that remain unsold after 18 months, implementing responsible incentives to apply downward pressure on site rent and upward pressure on quality, and increasing transparency for home owners and prospective home owners about residential parks.

Currently the act does not limit the methods that can be used to increase site rent or the amount of rent increase that can be applied. The bill addresses this by prohibiting market rent review based increases in any new site rent agreements. It will void terms in current site rent agreements that provide for market rent review based increases and provide an alternative framework for park owners to increase site rent more fairly and predictably. The bill will cap annual general site rent increases at the higher of CPI or 3.5 per cent. It will create a regulation-making power to prescribe the approved bases

for site rent increases that can be used to prevent unclear formulas being used in site agreements. This will provide clarity and certainty for residents in manufactured homes parks, particularly about future costs when they buy a manufactured home and enter into a site agreement.

To ensure a reasonable balance for park owners, the bill removes provisions that allow a home owner to assign their current site agreement at the time a home is sold, including site rent terms. This will enable park owners to update the basis for site rent increases and the amount of site rent paid at the time when homes turn over. In turn, this prevents long-term misalignments with market prices and reduces the impact of site rent increase restrictions that will apply while home owners are living in the park.

The bill will also provide greater transparency by requiring residential parks to produce a park comparison document on the park's website, enabling customers to be better informed about affordability and the facilities and services on offer. There will be a requirement for park owners to provide home owners with a maintenance and capital replacement plan for the park, advising how income from site rent is spent in the park. The bill will introduce a requirement for new parks to provide information to the regulator and become registered to operate a residential park. These reforms will mean cost-of-living certainty to thousands of Queenslanders in residential parks.

Our government has listened to manufactured home owners across the state who are facing site rent increases. I am happy to commend this bill to the House.