Residential Parks (Long-stay Tenants) Amendment Bill 2018 Standing Committee on Legislation

List of questions for hearing with Department of Mines, Industry Regulation and Safety at Midday on Friday 1 March 2019

Questions to be asked and answered at the hearing

1.1 Please give an outline of the policy intent behind the Bill.

Department response:

The Department's submission fully details the policy intent, but in summary the policy intent behind the Bill is to provide greater protections and security of contract for residential park tenants, while supporting park operators to maintain existing residential parks and create a sustainable housing option for the community.

See the diagram at **Attachment A** for an overview.

- 1.2 Given there are a number of matters in the Bill which are intended to be dealt with by the regulations, such as prescribing matters in park rules in proposed new section 54B:
 - 1.2.1 When is it contemplated the regulations will be ready for gazettal?

Department response:

The Department has commenced work on scoping the regulations and issues that need to be dealt with. The regulations and other approved documents will be prepared in consultation with stakeholders and a sufficient lead time provided for community education and for industry to prepare for the commencement of the changes.

It is estimated that at least 6 to 12 months will be required to consult, draft the regulations and to have them approved and gazetted; however this timeframe will be dependent on whether any significant issues arise during the drafting and consultation processes.

1.2.2 Are you able to provide advance information on the matters that will be included in the regulations?

Department response:

See **Attachment B** for a preliminary analysis of the matters to be included in the Regulations.

- 1.3 I note clause 2(b) of the Bill, on page 2, dealing with commencement provides that all sections other than 1 and 2 will come into operation on a date to be fixed by proclamation and that different days may be fixed for different provisions.
 - 1.3.1 On what day is it planned to proclaim the operation of the Bill other than Part 1?

Department response:

At this time the Department is unable to provide a firm date for commencement.

It is intended that the substantive parts of the Bill (other than part 1) will commence as a package on the same date.

As noted above, a number of amendments to regulations and approved forms will be required before the amendments can commence. As indicated above, sufficient lead time will be required for community education and for operators and tenants to prepare for commencement of the changes.

- 1.4 I refer to subclause (b)(ii) to the definition of residential park, on page 7 of the Bill. In this definition, it is provided that a residential park does not include the following places:
 - A place established as a retirement village under the Retirement Villages Act 1992; and
 - 'a prescribed place or class of place'.

There does not appear to be any criteria in the Bill to govern what sort of places or class of places may or are intended to be covered by this broad regulation-making power (which could exclude a wide range of places from the scope of the Act).

1.4.2 What is the Department's position on providing some criteria and can you give an idea of the sorts of places subclause (b)(ii) is intended to cover?

Department response:

The definition of 'residential park' has been amended to remove references to 'caravan park' and instead frame the definition by reference to the following key elements:

- a place where relocatable homes are placed;
- the homes are occupied in accordance with a tenancy;
- shared premises are provided.

This definition is consistent with those applicable in other jurisdictions.

This broader definition may unintentionally capture places that the legislation is not intended to regulate. Subclause (b)(ii) is intended to allow for those places to be excluded from the application of the Act.

By way of example, legislation in New South Wales;¹ excludes:

- places owned or managed by a co-operative
- a place that is wholly subject to a strata scheme or community scheme; and
- a place owned by a company title corporation occupied by shareholders of the corporation.

As this time it is not intended to exclude any places from the application of the Act.

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¹ Residential (Land Lease) Communities Act 2013 (NSW) section 8(1)

1.5 I refer to clause 5, proposed new section 5(2)(d), on page 10 of the Bill, which provides that an agreement is not a long-stay agreement if it 'is a prescribed agreement or class of agreement'.

There does not appear to be any criteria in the Bill to govern what sort of agreements or classes of agreements may or are intended to be covered by this broad regulation-making power (which could exclude a wide range of types of agreements from the scope of the Act).

1.5.1 What is the Department's position on providing some criteria and can you give an idea of the sorts of agreements this provision is intended to cover?

Department response:

The definition of 'long-stay agreement' has been amended to ensure that relevant tenancy agreements are not inadvertently excluded from the application of the Act.

The current definition of 'long-stay agreement' limits the application of the Act to agreements for a fixed term of three months or longer. This has created an unintended loophole in the legislation, with some tenants being offered rolling fixed term agreements of 89 days in order to avoid the application of the Act. The reference to three months has therefore been removed and replaced with the concept of principal place of residence.

This broader definition may unintentionally capture agreements that the legislation is not intended to regulate. Subclause (2)(d) is intended to allow for those agreements to be excluded from the application of the Act.

By way of example, equivalent legislation other jurisdictions excludes the following types of agreements:

- an agreement for casual occupation of a caravan park;² and
- an agreement giving right of occupancy in a hotel, motel, educational institution, college, hospital, nursing home, club premises, aged care facility or supported residential facility;³

As this time it is not intended to exclude any agreements from the application of the Act.

1.6 I refer again to the definition of long-stay agreement proposed in new clause 5. This definition seeks to deem agreements to occupy a premises or site of three months or longer to be for non-holiday purposes, and therefore falling under the Act. Given that periodic tenancies are for an undetermined period, how do periodic tenancies fall under the definition of a long-stay agreement?

Department response:

The key factor in the definition of long-stay agreement is that it is an agreement to grant a person the right to occupy premises as their principal place of residence. A periodic tenancy is one type of occupancy arrangement where the person's right to occupy the premises as their principal place of residence has no fixed end date.

The exclusion of holiday purposes and inclusion of the rebuttable presumption in relation to holiday purposes reinforces this key element of the definition.

² Residential (Land Lease) Communities Act 2013 (NSW) section 7(1)

³ Residential Park Act 2007 (SA) section 5(7)

- 1.7 I refer to clause 5, proposed new section 5A, on page 11 of the Bill, which sets out what are reasonable grounds for suspecting abandonment of premises.
 - 1.7.1 With respect to proposed new section 5A(a), what is the length of time rent has to have been unpaid?
 - 1.7.2 With respect to proposed new section 5A(b)(i), what amount of uncollected mail or newspapers is sufficient?
 - 1.7.3 With respect to proposed new section 5A(b)(ii), what authority does another long-stay tenant or 'other person' have and what evidence do they need to be able to give the park operator their opinion that a tenant has abandoned the premises?

Proposed section 5A is consistent with an equivalent provision in section 3 of the *Residential Tenancies Act 1987*.

Section 5A outlines several factors that can be used to assist a park operator in determining whether there are 'reasonable grounds' for suspecting a tenant has abandoned their premises. In particular, section 5A provides that 'reasonable grounds' means the tenant has failed to pay rent under their agreement and at least one of the following has occurred:

- uncollected mail, newspapers or other material at the premises;
- reports from neighbours of the tenant indicating the tenant has abandoned the premises;
- absence of household goods at the premises;
- disconnection of services such as gas, electricity and telephone to the premises.

At present, the Act is silent in this regard.

The Bill also provides for certain mechanisms to be activated when a park operator has 'reasonable grounds' for suspecting that a long-stay tenant has abandoned premises. For example, the operator may enter premises to inspect and secure the premises (section 44A) or take action to terminate an agreement on the grounds of abandonment (sections 44B and 70B).

In response to the specific questions raised:

- 1.7.1 No length of time for non-payment of rent is specified, the park operator would make an assessment based on the circumstances in the particular case.
- 1.7.2 It is intended that this would apply to a reasonable amount of mail, so as to
 indicate that the premises are not inhabited. For example, mail that is not collected
 for two weeks by a resident who ordinarily collects mail regularly or who usually
 organises a neighbour to collect mail for them if away, may be one indicator that
 the premise has been abandoned.
- 1.7.3 A park operator would be required to assess whether the advice provided by the tenant or other person is based on relevant facts. For example, if the person saw the tenant packing belongings into a car or a neighbour has not seen evidence of habitation for some time.
- 1.8 I refer to proposed new section 9A, Modification of Act by regulations, which provides the regulations may prescribe that a provision of the Act does not apply to or applies in a modified may to a long-stay agreement or class of long-stay agreement or a residential park or class of residential park.

1.8.1 Could you provide a justification why this clause has been included and whether you regard it as a Henry VIII clause, which allows for delegated legislation to amend primary legislation?

Department response:

One of the primary objectives of the Bill is to provide greater protections to residents in residential parks. As mentioned above, in order to ensure these protections apply as broadly as possible and that relevant persons are not inadvertently excluded from the protections, key definitions such as 'long-stay agreement' and 'residential park' have been drafted in deliberately broad terms.

However, in drafting broadly, there is a risk that certain premises or persons who were never intended to benefit from the protections may also be inadvertently captured by the legislation, particularly as the industry evolves over time.

In addition, due to the diverse nature of the residential parks sector, there are some types of requirements in the Act that may be inappropriate to apply to certain types of park.

It is for these reasons that the Bill has been drafted to allow certain matters to be included or excluded by regulation – thus clarifying the application of the legislation and reinforcing its objectives. The clauses which allow for matters to be prescribed in the regulations give effect to, rather than derogate from the intent of the primary legislation.

The Department is of the view that the regulation making power in section 9A is justified on the basis that this power is only intended to be used to ensure the policy intent of the primary legislation (once approved by Parliament) is not undermined by any unintentional and unforeseen consequence that may subsequently arise (for example, as a result of a drafting anomaly, technical matter or an unforeseeable change in the sector).

For example, there are a small number of residential parks in Western Australia that are strata titled. For these parks the requirements of the Act relating to the establishment of park liaison committees (with representation by the park operator and tenants) are inconsistent with the ownership structure in strata titled parks. The power to make regulations to vary the application of the Act will allow for modification of these requirements to suit strata parks.

Provisions of this nature are included in other tenancy legislation, including:

- Residential Tenancies Act 1987 where the application of that Act has been modified in relation to tenancies provided by the Housing Authority, tenancy arrangements with government employees, employment linked tenancy agreements, heritage places and rural land.
- Commercial Tenancy (Retail Shops) Agreements Act 1985 where regulations have been
 made to exclude the application of that Act to leases of premises for vending machines
 and automatic teller machines. Regulations have also been made to address an anomaly
 that arose in relation to the application of the Act to foreign listed corporations
 following changes to membership of the World Federation of Exchanges.

Any regulations will be developed in consultation with relevant stakeholders, including industry and tenants. The Department is also required to comply with the regulatory impact requirements of the Better Regulation Unit.

As subsidiary legislation – any amending regulations are subject to disallowance and the scrutiny of the Parliament through the Joint Standing Committee on Delegated Legislation.

- 1.9 I refer to proposed new section 10B(2)(b) and (4), on page 15 of the Bill providing that a non-standard term must not be a type of term prescribed as a prohibited term ((10B(2)(b)) and the regulations may prescribe a term as a term that must be included in a long-stay agreement (10B(4)).
 - 1.9.1 Please explain the purpose of including these regulation-making powers, considering that:
 - Division 5 of the Bill already contains a number of standard terms which must be contained in an agreement.
 - It is open for the Bill to prescribe what are prohibited terms or the types of matters terms may not address.

As indicated above, the power to include or exclude terms by regulation is intended to ensure the policy intent of the Bill is not undermined by an unforeseeable or unintended consequence. These matters are more technical in nature and will be developed to respond to market circumstances.

Current section 10 of the Act provides that a long-stay agreement must include such clause, if any, as are prescribed. This requirement is restated in proposed new section 10B.

Other jurisdictions have utilised this power to include or exclude terms. For example, regulations made in Queensland⁴ after commencement of the legislation prohibit prescribed terms from being included in site agreements such as:

- a term that requires a home owner to pay other charges but does not fully explain the charges;
- a term that prohibits an alteration to a home that is not visible from outside the house; and
- a term that states that the park operator may exclude a person from the park without having reasonable grounds to do so.

Regulations in New South Wales⁵ prohibit inclusion of clauses relating to indemnity of operators, insurance requirement and liquidated damages.

Any prescribed clauses will be developed in consultation with industry and tenants.

- 1.10 I refer to proposed new section 11(2), which provides that a park operator must give the required documents set out in proposed new section 11(1) (including the agreement and a disclosure statement) to a person before entering into a site-only agreement at least 5 working days before the agreement is signed but, for all other agreements, before the agreement is entered into.
 - 1.10.1 For all other agreements, how long before the agreement is signed is the park operator required to give the required documents? Is 'before the agreement entered into' satisfied if they are given the day before and, if so, why?

Department response:

For all other agreements (i.e. on-site home agreements) the disclosure documents can be provided any time, including immediately before the agreement is signed. A tenant will be in a position to choose how long they need to review the documents before signing.

⁴ Manufactured Homes (Residential Parks) Regulation 2017 (Qld) regulation 3

⁵ Residential (Land Lease) Communities Regulations 2015 (NSW) regulation 8

1.10.2 Why doesn't the requirement to give these documents at least 5 working days before the agreement is signed apply to all agreements?

Department response:

Advance disclosure requirements are considered necessary for site-only agreements due to the costs and difficulties often involved in moving a home once it is placed on a site. The proposal recognises the vulnerability of tenants under site-only agreements.

The five day disclosure period will allow prospective long-stay tenants in relation to site-only agreements time to understand the agreement before committing to establishing a home on the site or investing in an existing home.

This issue does not arise in relation to on-site home agreements, where both the home and site are provided by the park operator. These types of agreements are similar to normal residential tenancy arrangements, where an advance disclosure period does not apply.

In addition, introduction of advance disclosure requirements for on-site home agreements could impact on the ability of a person to access emergency accommodation.

- 1.11 I refer to proposed new section 20A, which provides a park operator must give long stay tenants who are party to a site-only agreement written notice stating how the tenant's use or enjoyment will be affected as soon as reasonably practicable after the park operator becomes aware of the material change.
 - 1.11.1 Why does this provision only apply to long-stay tenants that are party to site-only agreements? Would not a material change also have the capacity to affect those tenants that are party to long-stay home agreements as they are also occupying/using a site?

Department response:

The proposal recognises the vulnerability of tenants under site-only agreements and the time and cost that might be involved for those tenants in finding a park to relocate themselves and their home to if necessary. It is therefore considered essential that these tenants be provided with advice as soon as reasonably practicable after an operator becomes aware of a change that might affect their tenancy.

It is recognised that tenants with on-site home agreements will also be impacted by a material change, however, the difficulties faced by site-only tenants in relocating their own homes do not apply.

It should be noted that normal notice periods will apply if a tenancy is to be terminated as a result of the material change. These are 180 days for a site-only agreement, 60 days for an on-site agreement and generally not before the end of a fixed term.

- 1.12 I refer to proposed new section 32(b)(ii), which provides that a long-stay agreement may include a term that permits a park operator to require a long-stay tenant to relocate to another site in a residential park only if the other site 'is reasonable comparable to the tenant's current site'.
 - 1.12.1 Please provide guidance on what is meant by 'reasonably comparable'.

Department response:

A comparable site is a site within the residential park that is reasonably similar in terms of size, location and access to amenities.

- 1.13 Proposed new section 32R(3) provides a park operator must give the long-stay tenant the written notice 'within the prescribed time frame'.
 - 1.13.1 When it is intended this time frame be prescribed?
 - 1.13.2 Why cannot this time frame be prescribed in the Bill?
 - 1.13.3 On what factors does the length of the time frame depend?

The time frames will be developed in consultation with park operators and tenants, and prescribed at the time the amendments commence.

It is anticipated that different timeframes will apply depending on the type of tenancy (i.e. whether it is a site-only or on-site home agreement) and the length of the fixed term.

Longer time timeframes will likely apply for site-only agreements compared to on-site home agreements.

Fixed term agreements can vary in length, from three months to 60 years. A shorter notice period will be required for agreements with shorter terms, with a longer notice period to apply for agreements with longer terms.

- 1.14 I refer to proposed new section 42(1), where an amendment has been made so that the 'without grounds' termination by a park operator applies only in relation to on-site home agreements.
 - 1.14.1 Why have only site-only agreements been exempted from the operation from this section?
 - 1.14.2 Conversely, if the basis for exercising a 'without grounds' termination can apply equally to a tenant party to a site-only agreement (such as unruly behaviour), why exempt tenants of site-only agreements at all?

Department response:

This amendment implements a key recommendation of the statutory review of the Act and is aimed at providing greater certainty for long-stay tenants. The proposal recognises the unique nature of site-only tenancies and the costs and difficulties faced by home owners in moving a relocatable home.

This amendment is being made to prevent misuse of without grounds termination notices, but still allow park operators flexibility to manage their park by permitting termination in appropriate circumstances.

The right of a park operator to terminate a site-only agreement 'without grounds' will be replaced with a list of specific grounds for termination (such as where a park is to be closed or redeveloped, where the site is to be used for a different purpose or where a tenant repeatedly interferes with the quiet enjoyment of the park of other tenants).

The amendments seek to provide clarity around the circumstances in which it would be reasonable for a park operator to terminate a site-only agreement.

The ability to terminate 'without grounds' will continue to apply in relation to on-site home agreements for consistency with the Residential Tenancies Act. However, termination on this ground must still be justified in the circumstances - see section 68(4)(b).

1.15 I refer to proposed new section 63B(3), providing that a park operator may also, like a long-stay tenant, apply to the State Administrative Tribunal for relief in relation to park rules. However, reasons for making an application are not, unlike 63B(2), set out.

1.15.1 Could you give an idea of potential grounds for a park operator to apply for relief and explain why they do not appear in this provision?

Department response:

Section 54D provides that a long-stay tenant must comply with the park rules and use reasonable endeavours to ensure that a person living with the tenant or a guest of the tenant also complies with those rules.

A park operator would therefore be able to seek an order for compliance with the rules – this is specifically set out in section 63B(5).

- 1.16 I refer to amendments to section 65 where:
 - A new section 65(2)(da) has been inserted so that the State Administrative Tribunal, in
 determining the amount of compensation to be paid to a long-stay tenant on the termination of
 a site-only agreement, must have regard to 'any other financial loss incurred as a result of the
 termination of the agreement
 - Section 65(3)(b) has been amended to add the word 'financial' so it now states 'any other financial loss incurred as a result of the termination of the agreement.'
 - 1.16.2 Could you explain why these changes have been made?
 - 1.16.3 Have there been any claims for non-financial loss made to the State Administrative Tribunal by tenants under this section?
 - 1.16.4 Why should claims be restricted to financial loss only?

Department response:

The review recommended that section 65 be amended to provide for consistency in the way compensation is to be determined for on-site and site-only agreements and to clarify that compensation should be limited to financial loss.

Subsection 65(2)(da) has been inserted for consistency with subsection 65(3)(b), New subsection (da) is intended to ensure that a tenant will be entitled for compensation for any loss not covered by clauses (aa)-(d).

Compensation under both subsections is limited to financial loss incurred by the tenant, as this is readily identifiable and provides certainty. Compensation is not recoverable for non-economic factors such as loss of amenity.

The department is not aware of any decisions of the State Administrative Tribunal in relation to claims for non-financial loss.

- 1.17 I refer to proposed new section 71A, providing for a park operator to apply to the State Administrative Tribunal for termination of a long-stay agreement if a long-stay tenant (or the tenant's guest) repeatedly interferes with the quiet enjoyment of the park by other tenants.
 - 1.17.1 Are 'other tenants' referring to other long-stay tenants or is this meant to include a wider range of people such as other occupants, such as staff who live on the site?

Department response:

Section 3 provides that 'tenant' may be used interchangeably with 'long-stay tenant' so the reference to 'tenants' in section 71A is a reference to other long-stay tenants.

Section 32D provides that a long-stay tenant has a right to quiet enjoyment. A park operator has an obligation to take all reasonable steps to enforce the obligations of other tenants not to interfere with the reasonable peace, comfort or privacy of a long-stay tenant.

Proposed section 71A gives a park operator the ability to seek an order for termination of a long-stay agreement in order to meet its obligation to other tenants under section 32D.

1.18 I refer to proposed new section 88A, providing that long-stay agreements are excluded from the application of Chapter 5 Part 5.6 Division 7A of the *Corporations Act 2001* (Commonwealth), which gives a liquidator of a company the power to disclaim onerous property, including contracts.

I note the Explanatory Memorandum to the Bill states that the purpose of this amendment is to ensure that a liquidator of a park operator cannot disclaim long-stay agreements.

1.18.1 Given that Section 5F(3) provides that regulations (made by the Commonwealth Government) may provide that a declaration by a State or Territory, relying on section 5F, does not apply to the extent provided for in the regulations, please describe what consultation the Department has had with the Commonwealth Government on the measure in section 88A.

Department response:

In May 2018, the Attorney General, the Hon John Quigley MLA, in accordance with the requirements of clause 514(4) of the *Corporations Agreement 2002*, notified the Commonwealth's Legislative and Governance Forum of the proposed displacement provision to be inserted into the Bill to exclude the application of Chapter 5 Part 5.6 Division 7A of the Corporations Act 2001 in relation to long-stay agreements.

- 1.19 I refer to proposed new section 115(2), providing that transitional regulations may provide that specified provisions of the Act do not apply to or in relation to any matter or apply with modifications specified in the regulations to or in relation to any matter.
 - 1.19.1 Could you provide a justification why this clause has been included and whether you regard it as a Henry VIII clause, which allows for delegated legislation to amend primary legislation?

Department response:

As indicated above, this power to include or exclude terms by regulation is intended to ensure the policy intent of the Bill is not undermined by an unforeseeable or unintended consequence during transition.

- 1.20 I refer to those proposed new transitional provisions which provide for some of the changes in the Bill to apply to all existing agreements and others only to agreements entered into after the commencement of the Bill.
 - 1.20.1 Could you summarise the justification why this is the case and why all changes don't apply to all agreements, whether entered into before or after commencement? In your answer, please provide examples referring to specific changes.

The majority of amendments will apply to all agreements, including existing agreements. The following outlines the policy principles applied in determining which amendments will apply to all agreements and those that will apply only to agreements entered into after commencement. A summary of the proposed arrangements is at **Attachment C**.

Prospective obligations

As a general policy, any new obligations which require park operators or tenants to do something going forward or ongoing, will apply to all agreements, existing or new.

For example the following obligations will apply to all agreements:

- A requirement for park operators to provide long-stay tenants with a fixed term
 agreement (without an option in that lease to renew it), with written notice prior to
 the end of the fixed term about whether or not the operator intends to renew or
 extend the tenancy see proposed new section 32R.
- The park operator's new continuing disclosure obligations see proposed new section 20A.
- The new obligation for a tenant to give a potential buyer of a home a purchase disclosure notice highlighting key information see proposed new section 55A.

Contractual rights and obligations

As a general approach, any new provision (other than the standard terms) which would have the effect of altering the contractual rights and obligations of the parties under their longstay agreement, will only apply to new agreements entered into after the amendments commence. For example:

- The new provision prohibiting market rent reviews will only apply to new agreements see proposed new section 29A. The transitional provision is set out in new section 106.
- The new provision requiring the park operator to bear the cost of preparing a proposed long-stay agreement will not apply to a pre-commencement agreement if that agreement currently provides that a person other than the park operator must bear that cost see amended section 14. The transitional provision is set out in proposed new section 105.

Form and content of long-stay agreements

The Bill includes a number of amendments relating to contracting-out and the form and content of long-stay agreements. In relation to the application of these changes the Bill proposes that:

- Contracting-out: Any form of contracting-out of the standard terms will be prohibited from the commencement date. Current section 32 of the RPLT Act, which permits variation of standard clauses, will be deleted. The transitional provision is set out in proposed new section 108.
- Standard terms: The standard terms to be included in the legislation will apply to all agreements, including existing agreements. This means that while existing agreements will not need to be amended to incorporate the standard terms, the standard terms will be deemed to apply, and any existing term which is contrary to a standard term will be deemed to be void and of no effect. This approach is being adopted to ensure that all agreements contain a set of fundamental rights and

- obligations of the parties. Part 2 Division 5 sets out the standard terms. The transitional provision is set out in proposed new section 108.
- Standard form agreement: Proposed new section 10A provides for standard form lease agreements to be prescribed. After the amendments commence, the standard form agreement must be used for all new agreements entered into.
 Pre-commencement agreements will not need to be amended to comply with the standard form.

Termination

The Bill includes number of amendments relating to termination of long-stay agreements. In relation to the application of these changes the Bill proposes that:

- Without grounds: The amendment to prohibit 'without-grounds' termination for site-only agreements will apply from the commencement date to all site-only long-stay agreements, including existing agreements see amended section 42. The transitional provision is set out in proposed new section 111.
- Mortgagee possession: The new requirement for a mortgagee in possession to take on the obligations of the park owner in relation to the long-stay agreements will only apply to mortgages entered into after the commencement date see amended section 33. The transitional provision is set out in proposed new section 109.
- Sale of the park: The prohibition on termination of a fixed term agreement on the sale of a park with vacant possession will only apply in relation to new agreements entered into after the commencement date see amended section 41. The transitional provision is set out in proposed new section 110.

Park rules

Transitional regulations will be drafted about park rules. For example – the transitional regulations may provide that operators have 12 months to ensure that park rules comply with any new requirements. These timeframes and transitional arrangements will be developed in consultation with park operators and long-stay tenants.

Questions that can be answered in writing

- 1.21 I refer to the definition of 'buyer' in proposed new section 3, which refers to proposed new section 58(2)(a).
 - 1.21.1 Could you explain why 58(2)(a) doesn't actually define what a buyer is?

Department response:

Parliamentary Counsel's Office has confirmed that in relation to the term 'buyer' and new section 58(2)(a), this provision defines buyer by making a person to whom a relocatable home is sold the buyer. Defining a term in this way is consistent with drafting practice.

- 1.22 I refer to proposed new section 13(3), which provides that a fee, charge or reward received in contravention of the section is recoverable by the person who paid it as a debt due in a court of competent jurisdiction.
 - 1.22.1 By way of clarification, why is an order of the State Administrative Tribunal not included in this provision, only that the fee is recoverable as a debt due in a court of competent jurisdiction?

Section 13 re-states current subsections 12(3), (4) and (5) of the Act.

The SAT deals with disputes arising between park operators and tenants under their long-stay agreement. New section 13 relates to charges and fees required or received from a third party i.e. a real estate agent. Therefore, it is appropriate for the relevant Court (depending on the amount of the debt due) rather than the SAT to deal with this type of third party, civil dispute, for the recovery of a debt due.

1.23 I refer to section 33(3)(b), providing a long-stay agreement ends when a person whose title is superior to the title of a park operator, other than a mortgagee, becomes entitled to possession of the agreed premises and proposed new section 10C, which provides that a long-stay agreement binds the park operator's successors in title. Could you explain the interaction between these two provisions?

Department response:

From a legal perspective there is a distinction between superior title and successor in title. A person who is claiming superior title is claiming a better right of ownership over the property than the current owner. The most common examples of superior title within the community would be a mortgagee's interest over the title and the right of the Crown to compulsorily reclaim land.

While a person with superior title is claiming a better right of ownership, they may not actually acquire or hold an interest in the land until some event occurs; for example when the Crown "takes back" land.

In contrast, a successor in title is a person who acquires the title to the land through agreement with or at the instigation of the current title holder. This could be a subsequent purchaser of the land.

How section 33(3)(b) and section 10C operate

Section 33(3)(b) relates to termination of long-stay agreements when a person who has superior title of the park (other than a mortgagee) becomes entitled to possession of the agreed premises. For example, the government would be considered to have superior title in the event government authorities compulsorily acquire the property for redevelopment purposes such as roads etc. In this instance, the agreement terminates.

It is important to note existing section 70 of the Act, however, which provides a tenant with some level of protection against a holder of a superior title. Section 70(1) provides that the State Administrative Tribunal (SAT) must not make an order for possession unless it is satisfied that the tenant has had reasonable notice of the application by the superior title holder for possession of the premises. Section 70(2) also allows a tenant who is in possession of the premises to apply to the SAT for an order vesting the long-stay agreement in the superior title holder, thus preserving the tenancy.

New section 10C clarifies that despite section 68 of the Transfer of Land Act 1893 (which provides that the interest of the registered proprietor of the land is paramount to other interests), a successor in title is bound by the interests of residents under their existing long-stay agreements.

If a person acquires the park operator's interest/title in the land, new section 10C provides that the long-stay agreement and the right to occupy a site created under that agreements bind the successor in title as if the successor in title entered into the agreement themselves.

1.24 I refer to proposed new section 41C, providing that a park operator may give a notice of termination to a long-stay tenant because the site the subject of the agreement is intended to be used for a different purpose than as a long-stay site.

Like with proposed new section 41A, if development approval is required for the proposed purpose, the operator may only terminate if that approval has been granted.

However, it is noted that, unlike 41A, there is no requirement for a park operator to give notice to the Commissioner.

1.24.1 Could you explain why 41C does not contain this requirement?

Department response:

Section 41A relates to termination because the whole residential park is to be closed or used for a purpose other than a residential park. Whereas section 41C relates to termination of the use of a site within a residential park. The decision to close or change the use of a whole residential park could have serious ramifications for all the tenants in the park, the whole sector and the broader housing market.

The requirement to provide notice to the Commissioner will allow the Department time to prepare in order to provide advice to affected tenants and liaise with relevant government agencies in order to assist those tenants.

An interagency working group has been established to assist long-stay tenants on the closure of a park. The Government's *Assistance Protocol for Caravan Park (Residential Park) Closures* is activated when a member of the working group informs other members of the park closure. The requirement to provide notice to the Commissioner ensures that this notice can be provided as soon as possible.

- 1.25 I refer to the amendment to section 61(2), where references to the regulations have been removed and replaced with 'prescribed matter' and 'prescribed function'.
 - 1.25.1 Could you explain the intention behind removing references to the regulations?

Department response:

Parliamentary Counsel's Office has confirmed that in relation to the amendments made to section 61(2) – the references to the regulations are no longer necessary because 'prescribed' is defined in new section 3 (clause 4).

ATTACHMENT A - RESIDENTIAL PARKS (LONG-STAY TENANTS) AMENDMENT BILL



PROPOSALS

- Park rules limit scope, no change without consultation
- No mandated minimum fixed term
- No unilateral variation
- No contracting out of key requirements
- Cost recovery in relation to fees
- Introduce mechanisms for operators to recover unforeseen costs
- Regulate exit fees and sharing arrangements
- Apply ACL standards to operators and tenants
- Park operator can terminate for persistent interference with quiet enjoyment

SUSTAINABILITY OF SECTOR

Need to support development of industry

– must remain attractive to investors and
tenants

Flexibility for operator to manage business

Opportunities for innovation

Minimise regulatory burden

SPECIAL CONSIDERATIONS

Challenges for home owners – own the home, but not the land, costly and difficult to relocate

Vulnerable tenants - in terms of age and income

Nature of the tenancy – not freehold, fixed or periodic tenancies offered

Diversity of parks – lifestyle villages through to mixed use caravan parks

Changing face of parks – commercialisation, market pressures

Seen as an affordable housing option

Community living – important for tenants, can be challenge for operators to manage



PROPOSALS

- No contracting out of key requirements
- Updated standard contracts to be comprehensive and clear – standard form agreements to be introduced
- Obligation to disclosure key particulars of agreements
- No without grounds termination of siteonly agreements – clear grounds included
- No terminating fixed term leases (on sale of park or mortgagee possession)
- Clarity about rent and other costs
- Home owner has right to sell dwelling while on site
- Park operator retains control over who enters the park
- Successors in title bound certainty for operators and tenants

ATTACHMENT B

RESIDENTIAL PARKS – REGULATIONS – PRELIMINARY ANALYSIS BY DEPARTMENT

REGULA	TIONS			
Section	Section Requirement		Proposed regulations	Consultation issues
5	Term used: long-stay agreement	s.5(2)(d) – an agreement is not a long-stay agreement if it is a prescribed agreement or class of agreement	Excluded agreements - none likely at commencement – consultation required.	Are there any types of agreements that should be excluded?
5A	Term used: residential park	s.5(2)(b) – the following place are not residential parks a prescribed place or class of place.	Excluded places - none likely at commencement –consultation required.	Are there any types of parks that should be excluded?
9A	Modification of Act by regulations	The regulations may prescribe that a provision of this Act does not apply to, or applies in a modified way to — (a) a long-stay agreement or class of long-stay agreement; or (b) a residential park or class of residential park.	Modifications for strata parks. Regulations will need to vary the application of the RPLT Act to deal with: • matters dealt with by strata titles legislation; • community aspects of park living that assume one owner such as: - park liaison committees; and - park rules.	Consultation required with operators and tenants at strata parks to determine what changes are required.
10	Form of long-stay agreements	s.10(1) – a long-stay agreement must – (c) make provision for any prescribed information or other matter	Matters to be included in standard form agreement.	Proposed standard form agreement to be circulated to stakeholders for comment.
10A	Prescribed standard form long-stay agreement	s.10A(1) – standard form agreement may be prescribed	Standard form agreement to be developed, based on current schedules 1-4, but updated to include changes to standard terms.	

REGULA	REGULATIONS					
Section		Requirement	Proposed regulations	Consultation issues		
10B	Particular terms of agreements	10(2)(b) - non-standard must not be a type of term prohibited 10(4) - regulations may prescribe a term that must be included	Prohibited terms Required terms	Are there any types of terms that: • must be included; or • should be prohibited.		
11	Information for prospective tenants	s.11(1)(e) - another prescribed document	Additional disclosure documents to be prescribed – property condition report, details of voluntary sharing arrangement. Current section 11 lists required documents or information. Some of these will be prescribed; others will be included in the approved disclosure statement.	Consultation required to determine what information will be required.		
12	Restrictions on amounts park operator may charge	s.12(1)(e) – permitted types of fees to be prescribed.	List of types of fees to be permitted. List of permitted fees currently prescribed - Reg 10 and Schedule 8: visitors' fees; water consumption (if separately metered); electricity consumption (if separately metered); gas consumption (if separately metered); telephone calls made by the tenant (if the tenant has a separate telephone line); fees or charges for access to internet service provided by the park operator; fees for gardening services provided to the tenant; fees for storage services provided to the tenant; fees for additional parking spaces provided to the tenant; fees for the servicing of an air conditioning unit used by the tenant; fees for the cleaning of the gutters on the tenant's relocatable home; fees for screening prospective purchasers.	Consultation required. Are there additional fees that should be prescribed? Do any fees need to be clarified? Should any limits be introduced in relation to certain fees – for example, no visitors' fees for bona fide carers.		

REGUL	REGULATIONS				
Section Requ		Requirement	Proposed regulations	Consultation issues	
21	Security bond	s.21(2)(b) – pet bond – prescribed amount	Amount of pet bond – Residential Tenancies Act (RTA) is \$260 s.21(2)(c) currently provides for pet bond of \$100 or other prescribed amount (no amount is prescribed).	Should the pet bond be consistent with the RTA or remain at \$100?	
32A	Park operator to pay long-stay tenant compensation because of relocation	s.32A(1)(f) – prescribed matter (for head of compensation).	Prescribed head of compensation – none likely at commencement.		
32M	Urgent repairs	s.32M(1) – essential service means a service prescribed as an essential service.	Essential services – By way of example, the Residential Tenancies Regulations (regulation 12A) includes:	Should any other services be included? Are there services specific to residential parks?	
		s.32M(3) – timeframe for non- essential repairs – 48 hours or any longer prescribed period.	Longer period – not required at commencement.		
32R	Notice of intention before end of fixed term	s.32R(3) - Notice to be given within prescribed timeframe	Timeframe for giving of notice. Consider including different timeframes depending on the length of the term – for example, 180 days of the term is 5 years or more, 90 days for all other agreements.	Consultation required as to appropriate timeframe.	

REGULA	REGULATIONS				
Section Requirement		Requirement	Proposed regulations	Consultation issues	
37	Form of default notice	s.37(c) – default notice must include prescribed information.	Default notice currently prescribed (must contain info but not required to be in form) - Reg 12 and Schedule 9 • operator details • tenant details • residential park and site details • details of breach (nature, date and how breach may be remedied) • key dates – when breach must be remedied by and date of notice; • signature of operator • notes – setting out purpose of notice and steps tenant must take Prescribed information for default notice may need to be revised.		
38	Form of notice of termination	s.38 - notice of termination (a) – to be in approved form (b) – to contain prescribed information	Termination notice currently prescribed (must contain info but not required to be in form) - Reg 13 and Schedule 10 operator details tenant details residential park and site details details of breach (nature, date and how breach may be remedied) key dates – vacant possession by and date of notice; signature of operator notes – setting out purpose of notice and steps tenant must take Prescribed information for default notice may need to be revised.		

REGUL	REGULATIONS				
Section		Requirement	Proposed regulations	Consultation issues	
47A	Application of Division	s.47A – Division (relating to abandoned goods) to apply to tenant's goods other than tenant's documents and prescribed goods.	Excluded goods – may need to exclude caravans covered by the Caravan Parks and Camping Grounds Act 1995.		
48	Disposing of goods abandoned by tenant	s.48(4)- Notice of abandoned goods to be — (a) in approved form; and (b)(i) made publicly available in prescribed manner	Way in which notice to be made publicly available. To be consistent with the Residential Tenancies Regulations – Reg 12D "a notice is made publicly available in the prescribed manner if it is published in a newspaper circulating generally throughout all, or most of, the State."		
54A	Park operator may make park rules	Rules to be made in accordance with regulations made under this Division.	Consistent process for making rules in the first instance (if there are tenants at the park) and amending the rules.		

REGUL	ATIONS			
Section	1	Requirement	Proposed regulations	Consultation issues
54B	Regulations may provide for matters in park rules	Regulations may prescribed matters that: • must be in park rules	Required rules. See current Reg 20 - Park rules must provide for the following matters: • restrictions on the making of noise; • parking of motor vehicles; • conduct and supervision of children; • use and operation of common facilities; • storage of goods by tenants outside the agreed premises; • park's office hours; • cleaning of gutters; • tree maintenance; and • emergency procedures.	Is list of required rules and prohibited rules appropriate? Should other matters be added? Examples from other jurisdictions of matters that may be included in rules include: • pets • speed limits • disposal of refuse • carrying on of sporting and other recreational activities • guests or visitors • maintenance standards for dwellings (as they affect general amenity of park) • landscaping and maintenance of sites • age restrictions (over 50)
		Regulations may prescribed matters that: • must not be in park rules	Prohibited rules. Consider other jurisdictions.	What types of rules should be prohibited.

REGULA	REGULATIONS					
Section Requirement		Requirement	Proposed regulations	Consultation issues		
54C	Making and altering park rules	Regulations may prescribed the manner a park operator must make or alter park rules	 all long-stay tenants will be provided with the proposed change to the park rule/s and have the opportunity to object; and to limit the opportunities for a vocal minority to dominate decision making, only park rules that have been objected to by a threshold percentage of tenants will need to be subject to further consultation with the park liaison committee and affected tenants; and to reduce unnecessary administrative impacts, any park rule changes required due to legal or licence requirements will be excluded from any consultation requirements, for example park rules relating to matters that require urgent attention, such as health and safety, compliance with local government licence requirements, compliance with reasonable head lease contractual requirements, compliance with the RPLT Act or RPLT Regulations or any other written law. 	How should process for change of rules operate? What degree of consultation is required?		
			Manner for making and altering park rules – current Reg 21 sets out the method for amending rules. Notice requirements, but no opportunity to object. Example – Manufactured Homes Act (Qld) ss 78-82 includes concept of threshold number of tenants.			
57	Tenant may appoint a selling agent	s.57(1)(b) – selling agency agreement to comply with prescribed requirements.	Requirements for selling agency agreements. Look at requirements of general real estate legislation.	What matters should be included in selling agency agreements.		
57A	Selling agent's commission and incidental expenses	s.57(1)(a) – incidental expense – includes prescribed expenses	Incidental expenses - none likely at commencement.	Consultation required – should any additional items be included as 'incidental expenses'.		

REGULA	REGULATIONS					
Section		Requirement	rement Proposed regulations			
59	Establishment of park liaison committee	s.59(1) – regulations to prescribed way in which vote to be undertaken about establishment of park liaison committee.	Way in which vote to be undertaken about establishment of park liaison committee. Consider including options so that operator has flexibility			
60	Constitution of park liaison committee	s.60(3) – regulation may prescribe the way the tenant reps on park liaison committee to be chosen.	Manner in which tenant reps chosen – currently the Commissioner's guidelines on park liaison committees sets out suggested procedures.	What issues have arisen under current processes? How can these be addressed?		
91	Service of documents	s.91(1)(c) – document may be given or sent by electronic means in accordance with regulations – in circumstances specified in regulations.	Electronic means – manner of giving notice and circumstances in which may be given electronically.			
		s.91(3) – document to be made publicly available in way prescribed.	Manner in which document to be made publicly available.			
102	Requirements for holding security bond amounts	s.102(1)(a) – interest at not less than the prescribed rate. s.102(1)(b) – interest paid in accordance with the regulations s.102(1)(c) - interest paid in accordance with the regulations	Proposed provision based on current RPLT Reg 17			
		s.102(1)(d) – ADI may deduct prescribed fee.	ADI permitted fee – no fee currently prescribed under RPLT Act or Residential Tenancies Act.			
		s.102(1)(e) – security bond to be paid out in prescribed way.	Look at current RPLT Reg 18 and Residential Tenancies Act section 96.			

REGUL	REGULATIONS						
Section		Requirement	Proposed regulations	Consultation issues			
115	Transitional regulations	All matters required or necessary to be prescribed to deal with matters of a transitional nature.	Any transitional regulations required. Voluntary sharing arrangements in pre-commencement agreements to be valid notwithstanding that requirements of Act (such as specific disclosure) not complied with.				
	Infringement notices		Offences and penalties.				

Infringement notice provisions

Criminal Procedure Act 2004 – RPLT Act to be included as a prescribed Act so that infringement notices may be issued.

	Section	Offence	Maximum penalty	Modified penalty
10	Requirements for long-stay agreements	s.10(2) - A park operator must not enter into a long-stay agreement that contravenes the requirements of this section.	\$5,000	\$1,000
10A	Prescribed standard-form agreement	s.11(3) - A park operator must not enter into a long-stay agreement that is not in the standard form.	\$5,000	\$1,000
10B	Particular terms in long-stay agreements	s.10B(3) – A park operator must not enter into a long-stay agreement that includes a non-standard term referred to in subsection (2)	\$5,000	\$1,000
		s.10B(5) - A park operator must not enter into a long-stay agreement that does not include a term prescribed under subsection (4).	\$5,000	\$1,000
11	Information for prospective long stay tenants	s.11(2) - Failing to give specified information and documents to tenant.	\$5,000	\$1,000
12	Restrictions on charges payable by long- stay tenants	s.12(1) - Requiring or receiving unauthorised amount in relation to long- stay agreement.	\$5,000	\$1,000
13	Real estate agents prohibited from	s.13(1) – Real estate agent must not receive letting fee from tenant.	\$5,000	\$1,000
	charging fees, charges or rewards for particular services	s.13(2) – Real estate agent must not receive letting fee from sub-tenant.	\$5,000	\$1,000
14	Costs of preparing long-stay agreement	s.14 - Requiring tenant to pay costs of preparing agreement.	\$5,000	\$1,000
15	Disclosure of park operator's particulars	s.15(1) - Failing to notify long-stay tenant of park operator details.	\$5,000	\$1,000
	to tenant	s.15(2) – Failing to notify tenants of details of successor to park operator.	\$5,000	\$1,000
		s.15(3) – Failing to notify tenants of change of name or address of operator.	\$5,000	\$1,000
16	Disclosure of tenant's particulars to park	s.15(1) - Giving false name or occupation to operator.	\$5,000	\$1,000
	operator	s.15(2) - Failing to notify of change in employment.	\$5,000	\$1,000
		s.15(3) - Failing to provide forwarding address.	\$5,000	\$1,000

Section		Offence	Maximum penalty	Modified penalty
17	Tenant's copy of long-stay agreement	s.17 - Failing to give long-stay tenant copy of agreement or executed copy of agreement.	\$5,000	\$1,000
21	Security bond	s.21(1) - Requiring or receiving more than one security bond.	\$5,000	\$1,000
		s.21(2) - Requiring or receiving security bond of more than 4 weeks' rent.	\$5,000	\$1,000
		s.21(3) - Failing to give receipt for security bond.	\$20,000	\$2,000*
22	Payment of bond to bond administrator	s.22(1) - Failing to pay bond to bond administrator.	\$20,000	\$2,000*
25	Rent in advance	Requiring more than 2 weeks' rent in first two weeks of tenancy.	\$5,000	\$1,000
		Requiring payment of further rent before the end of any period for which rent has been paid.	\$5,000	\$1,000
26	Written receipts for rent	Failing to give receipt for rent	\$5,000	\$1,000
28	Rent records kept by park operator	Failing to keep records of rent received.	\$5,000	\$1,000
31A	Accelerated rent and liquidated damages prohibited	Entering into a long-stay agreement with prohibited provision (accelerated rent or liquidated damages).	\$5,000	\$1,000
23H	Locks and security	Altering or removing locks without consent.	\$20,000	\$2,000*
41A	Termination because park to be closed or used for a different purpose	41A(3) Failing to notify Commissioner.	\$5,000	\$1,000
48	Disposing of goods abandoned by tenant	48(3) – Failing to store abandoned goods.	\$5,000	\$1,000
		48(4) - Failing to give notice that abandoned goods have been stored.	\$5,000	\$1,000
52A	Dealing with abandoned tenant's documents	52A(5) – Failing to give reclaimed document to person.	\$5,000	\$1,000
54	No recovery of vacant possession during tenancy period	Entering leased premises to recover possession without order of the Tribunal.	\$20,000	\$4,000*
54B	Regulations may provide for matters in park rules	Park rules do not comply with prescribed requirements	\$5,000	\$1,000
57	Long-stay tenant may appoint selling agent	57(2) – requiring person to appoint a particular person as selling agent.	\$5,000	\$1,000

	Section	Offence	Maximum penalty	Modified penalty
57C	Trust accounts for selling agents	57C(1) – failing to deposit money in trust account	\$3,000	\$600
59	Establishment of park liaison committee	59(1) – failing to establish park liaison committee.	\$5,000	\$1,000
101	Amounts paid in tenancy bond account to be transferred to bond administrator	Failing to transfer funds to bond administrator	\$5,000	\$1,000
Reg 8	Property condition report	Failing to provide property condition report.	\$5,000	\$1,000

Note: * denotes that infringement amount or type of offence proposed for parity with Residential Tenancies Act 1987.

Attachment C – Summary of transitional arrangements

Amendments to apply to existing and new agreements

- •Standard terms to apply to all agreements, includes clear requirements for operators in relation to maintenance. Contracting out from these standard terms will not be permitted.
- •Continuing disclosure obligation for park operators in relation to matters that impact on a tenancy.
- •Without grounds termination of site-only agreements will not be permitted (specific termination provisions relating to use of the park and tenants interfering with quiet enjoyment will instead apply).
- •Operator to provide advance notice to tenant about whether agreement will be extended at end of fixed term.
- •On sale of home, tenant to give buyer a purchase disclosure notice and the sale will be conditional on the buyer entering into a long-stay agreement with the park operator.
- Park operator cannot interfere with the sale of a home or require the tenant to appoint a particular person as selling agent.
- •New requirements about the creation, amendment and enforcement of park rules.
- •Clearer provisions about abandonment of premises and dealing with abandoned goods.
- •New provisions about establishment of park liaison committees.
- •Security bonds to be held by the Bond Administrator.
- •Broader powers for the State Administrative Tribunal.

Amendments to apply to new agreements only

- Additional disclosures before entering into long-stay agreement, including specific disclosure about voluntary sharing arrangements (exit fees).
- Agreements to be in standard form.
- Prohibition on the following types of clauses:
 - market rent review;
 - preventing sale of home on-site; and
 - •passing costs of agreement to tenant.
- •No termination of fixed term agreements on the sale of the park with vacant possession.

Amendments to apply to new mortgages only

 No termination on mortgagee possession for mortgages entered into after commencement.