

**RESIDENTIAL PARKS (LONG-STAY TENANTS) AMENDMENT BILL 2018**

*Second Reading*

Resumed from an earlier stage of the sitting.

**MR C.J. TALLENTIRE (Thornlie — Parliamentary Secretary)** [2.50 pm]: I am very pleased to resume my speech on this important amendment bill. I listened with great interest to the comments made by the opposition's lead speaker on this bill. If I understood the member for Hillarys correctly, he said that we need more reviews of this legislation.

**Mr P.A. Katsambanis:** Not at all.

**Mr C.J. TALLENTIRE:** Is the member happy to advance this bill as quickly as possible?

**Mr P.A. Katsambanis:** Well, give the stakeholders an opportunity to have a look at it.

**Mr C.J. TALLENTIRE:** Give the stakeholders an opportunity to comment further. By "stakeholders", does the member mean park owners?

**Mr P.A. Katsambanis:** Park owners, residents, residents' associations and groups.

**Mr C.J. TALLENTIRE:** I want to let the member know that this legislation has been so thoroughly consulted upon that it is way overdue that these amendments go through this place. As I said before question time, in 2011 I brought a grievance motion to this place. The then Minister for Commerce, Troy Buswell, totally agreed with me that we had some very serious problems, especially in the area of exit fees. At that time I had a situation in my electorate at a park home named Riverside Gardens Estate, which was owned by a man who was once considered a footy legend. I know that when I went to meet him back in about 2010, I was very excited about meeting Swan Districts footy legend Billy Walker. I thought, "Wow; this man must be a real legend", but when I got to —

**Mrs M.H. Roberts:** He is a real legend.

**Mr C.J. TALLENTIRE:** Maybe in footy terms he is a legend. I remember trading the footy cards back in the 1970s. But I have to say that the way he treated people at Riverside Gardens—hitting them up for an exit fee when they wanted to sell their properties—was just disgraceful. There was nothing in the contract they signed to go into Riverside Gardens that said they would have to pay an exit fee. Then he started putting on a \$5 000 exit fee, then a \$10 000 exit fee. When people brought it to my attention in 2010–11, it was up to a \$20 000 exit fee and was going up to a \$30 000 exit fee. Since then, his company, known as Fourmi Pty Ltd, has sold Riverside Gardens and Fourmi has been before the courts. I look forward to some update from the minister on this. I really would like to know where we are at with those court proceedings, because a lot of people out there were most unfairly, if not illegally, charged an exit fee that they should never have had to pay. Some of those people have passed on. Their estates may still be interested in seeing this come to a conclusion.

I will read a little from an information notice put out in 2014 by the Department of Commerce, entitled "Important information for Riverside Gardens Residents", which states —

*The following is a summary of information provided at a briefing session for residents held on 19 March 2014.*

The purpose of the session was to tell residents about legal action the Commissioner for Consumer Protection has commenced against Fourmi Pty Ltd ...

It was noted in this important information sheet that the inquiry came about as a result of my August 2011 grievance. It states that I raised the issue in Parliament about the substantial fees being charged to incoming or outgoing residents by Riverside. It states —

As a result, Consumer Protection commenced an investigation into the issues raised.

The Department of Commerce officers conducting the investigation have now gathered information from a wide range of sources. This has included approaching a number of residents and former residents of Riverside, and in some cases using special powers to compel those residents to provide information.

That in itself tells us something—that some of the residents who had been victims of this very severe sting as they sold their properties were actually scared to come forward and talk about it. The quote resumes —

The Department understands this may have been difficult for those particular residents but it was important to gather the facts in this way.

That was back in 2014. We are still waiting to know the outcome of those legal proceedings. I note that during the time of the Barnett Liberal–National government, nothing happened in this area at all. In fact, I often use this as an example to demonstrate to people the wrong priorities of the previous government. When it came to other areas, legislation went through this place with great speed and efficiency, but when it came to an issue that impacted on the lives of people of modest means—normal people—there was just complete inaction, really; nothing at all. At long last, now that we have the McGowan Labor government in place, we are actually seeing some important

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amendments coming through that I hope will save people from having to deal with these terrible circumstances in the future, in which they think they have clarity about the nature of their agreement with the park owner, only to find that the terms of that agreement are being changed. The unfairness that I encountered was acknowledged by Minister Buswell, who was good enough to refer the matter to the Commissioner for Consumer Protection. The Supreme Court was keen to look at it, but I think legal tactics were used by Billy Walker's company Fourmi to delay. The result was that the case has not come to a satisfactory conclusion or any conclusion at all.

Riverside Gardens is now owned by another organisation. I am sure that as that place is in the electorate of the member for Southern River, he will be happy to talk about that. I want to acknowledge in passing the work of some of the residents at Riverside Gardens—Roger Weston and Frank and Jackie Gregory—who have kept me up to date over the years with events there and organised really good meetings with residents. In 2010, I had a meeting at the Gosnells Bowling Club. We had well over 100 people turn out to vent their concerns. I know we explored ideas, such as switching over from the Residential Parks (Long-stay Tenants) Act to the Retirement Villages Act. That issue was discussed, but I have to say that most people did not want that. They were actually very happy with many of the aspects of the act and many of the legislative structures. They were happy with the entitlements that come through being in a park home rather than a retirement village. They were happy with the general vibe and good friendships they had with other people at Riverside Gardens—very happy with that. They were happy with the maintenance and upkeep of the park. Indeed, during the time of Billy Walker, they were happy with the quality of —

**The SPEAKER:** Can I just remind you of something, member. I am not sure if the court case you are talking about has been settled with Mr Walker.

**Mr C.J. TALLENTIRE:** It is a good question, Mr Speaker.

**The SPEAKER:** Standing order 91 states that matters —

... may not be referred to in any motion, debate or question if it appears to the Speaker that there is a real and substantial danger of prejudice to the trial of the case.

It is a very fine line, but you are getting there, so if you can just be very careful with what you are saying.

**Mr C.J. TALLENTIRE:** Thank you for your guidance, Mr Speaker.

I have raised various grievances on this issue. I raised a grievance in 2016, seeking an update on various aspects of the problems at Riverside Gardens, and we await further information.

The situation that we face with properties like this is that people are often quite vulnerable. They have a home that they are happy with in a retirement village, as they are generically called, that they enjoy living in, and it is very difficult for them to make complaints against the owner. I think we would see that across a lot of these villages and it is why it is so important that the residents' committees, or the various residents' bodies, have a good structure and good governance arrangements in place, so that people can raise issues. It might be about something as simple as watering a garden bed, mowing lawns, or the upkeep of the swimming pool, the min I golf or the village's cafe, or something like that. It is very important that people feel they have a means of being able to bring forward their concerns about those sorts of issues. If there is a real legitimacy about the structure that underpins that residents' committee, it can go forward to the property owner and make clear to the property owner when there is something that they are not happy with and get satisfactory results. I am pleased that elements of this legislation will improve things.

The most important thing is that we realise that at long last we are seeing progress on improving the legislation that supports these residential parks. It is very important because for so long we have had seriously deficient legislation with important elements missing, which meant that people were living with really severe uncertainty about the value of their asset, which they might want to bequeath to their heirs and successors. They were really in a position of great uncertainty and I am pleased that this legislation will improve things for those people and make life much easier for them in the future.

Our local media in the Thornlie–Gosnells–Southern River area has done a good job over the years covering this issue. The issue has featured on a number of front pages. Over the years, certainly during the Barnett government years, the local media was our best mechanism for calling the situation to public account. I am sure that as we go forward we will receive more information about it.

In conclusion, I will again refer to an official government document put out by the Department of Commerce, which states —

It was noted too that the nature of the relationship between Fourmi and the residents places the residents in a position where they have very limited bargaining power in regard to this issue.

That is a reference to the exit fees. Clearly, official government documents were put out to say that things were not all well under the previous arrangements. I look forward to hearing what the latest arrangements are if the minister is in a position to speak on them. Given that this document is dated March 2014, I think we are well and

truly due some sort of update. The bill before us is most welcome. I know that it will be greatly appreciated by people like Roger Weston and Jackie and her husband, Frank Gregory. They will really appreciate that at long last they have a government that will act on behalf of people like them and sees that this sort of legislation should be a priority for a state government. I will certainly convey to them comments made by members opposite who perhaps want to see further delays, when we know that this legislation needs to be enacted as quickly as possible. Thank you.

**MR M.J. FOLKARD (Burns Beach)** [3.05 pm]: I rise to speak on the Residential Parks (Long-stay Tenants) Amendment Bill 2018. I have a residential park in the humble electorate of Burns Beach. It is a fantastic little park on the corner of Burns Beach Road, edging the coast. It has a nice patina, with a nice stand of Norfolk Island pines, which in the evenings are populated by the local lorikeets and twenty-eights. To the south of the residential park is a lovely stretch of Bush Forever that is continually visited by our Carnaby's black cockatoos that from time to time seem to enjoy the natural treats in that space. It is a lovely area. Who would not want to live there? I have spent many an hour in the park doorknocking and speaking to tenants. I would love to bring to the attention of the house Ms Irene Thomas, who is 90 years of age. Last year, I took the time to go and enjoy a nice cup of tea on her veranda, which, by the way, overlooks the coast. She has a lovely home in the park with her daughter and her son.

This legislation covers tenants who rent a dwelling on the site or a site on which they have their own relocatable dwelling. In my electorate, at this particular park, at least 70 to 80 per cent of tenants are long-term tenants. This legislation covers their lifestyle. It will create security for them. I commend the minister because the bill will create an environment in which they will have surety and it will reduce some of the risks that they have living in that environment. The risk is that developers are circling like a shark on a whale carcass out at sea around the land on which the park is located, because it is prime real estate. The park has some of the best abalone beds in metropolitan Perth in waist-deep water, off the coast, in front of it. Depending on where a person's residence is, they will have ocean views, without a doubt. I would suggest that some developers are definitely looking at that particular land. I hope that in time they never get their hands on it because it is a lovely place. It has a good coffee shop on the corner.

**Dr D.J. Honey:** Where is it?

**Mr M.J. FOLKARD:** It is in Burns Beach, my friend. It is magnificent. The good coffee shop on the corner does magnificent eggs Benedict, which I am sure would keep the member for Cottesloe happy.

Getting back to the legislation, the bill aims to increase transparency by improving park operators' disclosure obligations. What does that mean? I will not refer to particular incidents that I have encountered through conversations with my constituents in that area so as not to put them at any further risk of poor park operator behaviour. The transparency provisions in the bill will make sure that park operators disclose everything. For example, if the operator needs to upgrade, I would suggest, some sewerage lines that run within the community, he would have to disclose to all the tenants that he was going to do that. I think that is a positive thing.

Specific disclosure obligations will apply to exit fees. The majority of tenants in the park in my electorate are seniors. I reflect on Irene—there will come a time when she will have to leave the environment she so enjoys. I hope the exit fees will not cripple her when she moves on. Seniors choose their parks for the community lifestyle and the costs. If they were to buy the equivalent home outside a park, I suggest it would be 10 times greater than the amount that these people have outlaid. I suggest that the exit fees will be crippling when the time comes for them to move into hospice-type accommodation. I hope that full disclosure will cover that.

The other thing I like about the bill is the standardisation of the lease provisions so that leases are simple to understand and consistent, and no park has better lease options. It will be fair. I like the fairness that this bill brings back to residential parks. It is a very good thing.

The termination of fixed agreements will no longer be permitted upon the sale of the park. I think that is good because, as I suggested earlier, the biggest risk to the park in my electorate would be the value of the land as developers start circling it. If the park is sold, at least the tenants' leases will be maintained and will not cease when the park is purchased. I think that is a good thing and will give long-term tenants a bit more security.

The right of park operators to terminate on-site agreements without grounds will be removed. They can now walk in and say, "I don't like you, mate. That's the end of it. Out the door!" I do not like that. This is good because it creates a sense of security of tenure at these parks. I speak to a vast number of seniors in that park and they say that is a concern. I think the changes the minister will bring in are good.

Residents often raise rules within the park, how they are managed and enforced, and the lack of consistency. One tenant is managed in one way and another tenant is managed in another way. This bill sets out a clear set of ways in which park rules are to be enforced. I think that is positive. It struck me that all the residents in the park are there for the lifestyle. At the moment I do not get too many complaints about how the park is managed, but when I do, they are that the rules within the park are enforced inconsistently. The legislation will set out some clarity for that.

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The bill will apply to existing and new agreements, so it has retrospectivity. It will include all existing arrangements. Tenants, particularly seniors, will not have to renegotiate leases and bonds. What is in place will stay in place, which I think is good, because it sets out some clarity for them. The biggest thing they worry about is lack of clarity in the future. They want security. They live in these parks for a variety of reasons. Some people just enjoy the lifestyle. I can understand that. The location of the park in my electorate is gold. It is centrally located, halfway between Ocean Reef marina and Mindarie Marina. It is within a few minutes' walk of some of the nicest beaches in the northern suburbs and some of the best fishing off the beach if it can be accessed. I can understand why they enjoy living there. As I said, in the evening the lorikeets are deafening as they come around the Norfolk Island pines.

The other thing I like about this piece of legislation is the umpire. It is quite clever that the State Administrative Tribunal is the umpire. It is set up to stop unfair agreements, which will stop the exploitation of our seniors, which is commendable. There is a rule about the termination of leases on the grounds of hardship. Again, I like that because from what I can see in the park in my electorate, when seniors get older and it is time for them to move into homes with a bit more intensive medical care, it is difficult to break out of leases. An umpire, being the State Administrative Tribunal, can help them in that space. I think that is a good thing. Again, this is about fairness. I commend it. Reflecting on the speeches of opposition members and the minister, and the briefing notes, I can see a lot of thought has gone into this bill.

The SAT will also make orders for compensation and rent reduction. If there is an exploitative park operator, SAT can rule on that. I think that is a good thing. I have only one concern about the State Administrative Tribunal; that is, generally the people in the park in my electorate are seniors. I suggest that to take something to the State Administrative Tribunal would be quite costly. I hope that will not be the case and, should they have a disagreement, that fighting for their rights will not be at a cost they cannot afford

**Dr D.J. Honey:** Member, it is about a \$230 application fee.

**Mr M.J. FOLKARD:** Yes, I take that. But taking an unlearned person into the State Administrative Tribunal —

**Mr W.J. Johnston:** It is \$111. It is reduced if you are on a benefit.

**Mr M.J. FOLKARD:** My concern is not necessarily about that value, because I know that that is generally an area in which the lawyers feast, and that is where the major cost for those individuals will be. That is my worry.

The bill will make sure that operators have obligations to maintain and make repairs to the park as soon as practicable and to an appropriate standard. I think that is a good thing so we will not see any dodgy repairs, particularly to things such as electricity infrastructure and others.

I would be interested to hear what the minister has to say during consideration in detail about one thing I picked up in my reading—that is, reasonable grounds for suspecting the abandonment of a premise. The explanatory memorandum states that a long-stay tenant or another person can tell the park operator that the tenant has abandoned their premises. That concerns me, particularly with some experiences as a policeman I have had in regional Western Australia. People go away and if there has been a bit of conflict between tenants, particularly in long-stay parks—they may have gone for a holiday to take a break and there has been a personality conflict—another tenant will stand up and say that they have abandoned their premises, so the operator of the park takes action to remove those individuals. I would like to hear more on that. In regional Western Australia in particular, if someone has to come to the city for some sort of medical treatment that will take them away from the park for several months, a third person they are not aware of can say that the premises are vacant, when they are not. I would like to hear what the minister has to say about that, and if someone from the opposition does not ask, I will ask about it during consideration in detail. I think this is a good bill that gives some security to the seniors in our community who use these types of accommodation. Security is what they are looking for. The bill will also oblige the owners of the parks to maintain them properly and ensure good governance, so that everyone in the common area is valued equally. I commend the bill to the house.

**MS C.M. ROWE (Belmont)** [3.20 pm]: I rise today to make a brief contribution to debate on the Residential Parks (Long-stay Tenants) Amendment Bill 2018. I would like to take this opportunity while he is in the chamber to acknowledge and thank the Minister for Commerce and Industrial Relations for bringing this important bill to the Parliament.

This bill will amend the Residential Parks (Long-stay Tenants) Act 2006 to implement the recommendations of a statutory review of the act. These recommendations, as was pointed out by the member for Thornlie, resulted from an extensive review and consultation with all stakeholders, and are aimed at improving certainty of contract and fair dealings between parties—those being park operators and, most importantly, the tenants, who are often elderly, as we have just heard, and also often vulnerable.

A number of key issues were identified through the extensive consultation, with the greatest concern for tenants being contractual certainty. Security of tenure is understandably very important for owners. The majority of park home tenants are aged over 50 years and choose that lifestyle for a multitude of reasons. Park homes can provide an affordable, low-cost living option for those on low or fixed incomes, but they can also be for people who are simply looking for a more inclusive or perhaps communal way of living. They potentially provide people with the opportunity and freedom to use their income on other aspects of their lives.

There are approximately 5 000 to 20 000 tenants in park homes, with leases ranging from periodic to 30 years or more. A number of factors affect the park home sector and, consequently, the increasing vulnerability of long-stay tenants, thus increasing the need for these long-overdue reforms. The increasing demand for prime land in inner city, metropolitan and, as we heard from the member for Burns Beach, coastal areas such as his electorate is adding to high land values and resulting in park closures for redevelopment, particularly in areas attractive to developers, such as along the coast. There is a caravan park in my electorate that is on the Swan River in Ascot.

Other factors include the declining affordability of traditional home ownership, which is being talked about at length in the media and is certainly a real problem for so many in our community. There is also the affordability of the rental market and the lack of security of tenure; residential parks provide a low-cost alternative to retirement housing. For long-stay park home tenants, there is always an element of risk when entering into a lease arrangement. They pay a weekly fee to live in the park; however, they do not own the land.

In an article on ABC news on 2 August, Ms Wendy Morris described how she purchased a park home in Carine in 2012 for \$75 000—still a significant amount of money—with a lease of \$225 a week. At that time Perth was still booming on the back of the mining industry and rents had become very high and often inaccessible for many people. This served as an affordable housing option for Ms Morris, in a good location that was accessible to conveniences. In 2015, the park was sold to a developer and Ms Morris and the other 160 residents were given nine months' notice to leave. However, the closest site Ms Morris and her neighbours could find with available space was in Moora—180 kilometres north of Perth. In addition, it was going to cost approximately \$20 000 simply to dismantle and transport the house to the new location. Ms Morris was unable to sell her home after advertising for only \$10 000 to \$15 000. With an imminent eviction deadline, she was left with no choice but to donate her home to those in need and, of course, she incurred what was a substantial loss for a single pensioner.

Tenants who face eviction and are unable to find availability in other park homes within reasonable proximity, or are unable to afford to relocate, can find themselves quite literally on the brink of homelessness. Many cannot afford the costs of relocating, which, as I mentioned, can be up to \$20 000, and older transportable homes can then be subject to substantial improvements to bring them up to the required building standards as well; that is an additional cost that people have to come up with.

This bill will see an end to without-grounds terminations for long-stay agreements, and will instead implement a set of specific grounds for termination, which is great. In the event that a park is sold or that control is transferred to the financier, this bill will protect those on fixed-term lease agreements and transfer the contractual obligations of the park to the new operator. I really believe that this bill strikes a fair balance in protecting the interests of both operators and tenants, and I am really pleased that it will provide improved tenure security to my constituents who reside in the Central Caravan Park at Ascot, which is on a prime piece of riverside land in my electorate. I commend this bill to the house.

**MS S.E. WINTON (Wanneroo)** [3.26 pm]: I, too, would like to make a short contribution to the second reading debate on the Residential Parks (Long-stay Tenants) Amendment Bill 2018. Like many other members in this chamber, I have in my electorate a number of lifestyle villages and caravan parks that will be affected by this legislation in a positive way, and I am happy that this legislation has come forward. The legislation is a result of the statutory review that was first tabled in this place in February 2016, so it is well overdue. I, too, would like to congratulate the Minister for Commerce and Industrial Relations for bringing this important legislation into this place. Having listened to the contributions of members from both sides, it is refreshing to know that we have broad support in this chamber for the quick passage of this legislation.

Last week was WA Seniors Week 2018. As members are aware, many seniors will be particularly affected by this legislation because many of them, including in my electorate, live in lifestyle villages, which provide them with an affordable lifestyle choice going forward. There are some 160 residential parks in Western Australia and 7 000 residents who will be directly affected, in a positive way, by this legislation. The legislation seeks to address the concerns that some long-stay residents have raised with me.

Nowadays a variety of options are available for seniors who choose to move out of their family home. My mother has been contemplating such a move for the last 12 months. I like to think that I am pretty clever, but when trying to wade through the different options and contractual arrangements that are available for retirement living, it becomes apparent that it is a minefield. It is almost as difficult as trying to understand how mobile phone contracts work! People like my mum who are seeking to make arrangements to stay in long-stay tenancies are often looking

for security, safety and a small community to be part of. However, the contractual arrangements are very often confusing and technical and leave people very, very vulnerable.

The demographic in Wanneroo is very much young families moving into and building in new residential areas. I have often noticed, even when I was a councillor, that there were very limited choices for elderly people, or for seniors, in trying to find suitable accommodation to ensure they can stay in suburbs that are close to their families. It is quite often mentioned to me that in many instances grandparents are forced to move outside of the area because they have such limited choices in where they can reside in these growing communities.

Lifestyle villages like Lake Joondalup Lifestyle Village, Pineview Lifestyle Village, Ocean Reef Caravan Village and Wanneroo Park Home and Caravan Village provide affordable options for many seniors to downsize—importantly, freeing up an asset or freeing up capital to ensure that they can have a comfortable retirement. It has been mentioned by quite a few members that it is very important to acknowledge that in many instances when these people invest into these communities, it is their only asset. The improved protection offered by this legislation is really important to them. For many people who live in these villages, that is their only asset. I noted with interest some of the stories that other members have told about circumstances involving individual residents finding it tough to move. Many people who move into these villages love the lifestyle and the social opportunities, and they like the ability to lock up their homes and travel. There is much to like about these particular villages. But of course circumstances sometimes change and having to try to sell that asset is a lot more difficult for people who live in these villages than if it were a normal house in normal circumstances in a residential area. The lifestyle village model is pretty much a long-stay tenant arrangement whereby a person has a lease, they do not own the land, they pay for the house and they are charged a fortnightly service fee to live there for as long as they want. It is particularly appealing to many people in Wanneroo because, in the lifestyle village model, for example, they might pay something like \$370 a fortnight, but they are able to access rent assistance. It is an attractive proposition for pensioners who are on very limited incomes. The problem for many people who come into these villages is that they are on fixed incomes. The actual service fee keeps going up periodically by the consumer price index, but, over time, it can have an impact on those people.

The other issue that is addressed by this legislation revolves around exit fees. In lifestyle villages where my residents live, in some examples they are paying up to 15 per cent in exit fees to move out of those villages if their circumstances change. That is not standard across the industry. I have heard of other places charging up to 40 per cent in exit fees. Other villages have different service charge arrangements. There is also talk that in some places some residents would like the flexibility to have a higher exit fee potentially in conjunction with a lower fortnightly service fee. In many instances, the residents who live in these villages have fixed incomes and it is very important that the service fee stays as low as possible, even though they will have to compromise by having to suffer higher exit fees. A resident recently told me that the market is pretty down at the moment. In some of the villages in my electorate, there are people who want to exit for various reasons and have had their home on the market for over two years. Unfortunately, they still have to pay those service fees while that is going on. Perhaps we need to consider some changes that might alleviate those pressures on people who need to get out.

I have spent a lot of time with residents in these villages. It seems to me that there is a very big impact on a particular group of people who reside in such villages, and they generally, but not exclusively, are elderly women or men. A lot of times couples will go into these villages together and then one dies. In that case, the service fee paid on that house is the same, yet the income has been reduced. For many people, the single pensioners in those circumstances are not able to financially afford that set-up as much as they could when they went in as joint partners. Together with not being able to exit quickly, that can cause huge problems for those people, particularly when that asset in many instances is their only asset.

This legislation is really important to try to address some of the contract concerns that people have spoken to me about. It is important to note—I note that other members have also said this—that we also need to protect or acknowledge the circumstances of the operators. In the end, businesses need to remain profitable to make sure that we have affordable lifestyle choices for seniors in our areas. This legislation seeks to ensure that fixed-term agreements will no longer be terminated if a park is sold or repossessed by financiers. That is important. Members may have noticed that recently National Lifestyle Villages, which is one of the main operators in Australia, reportedly sold for \$200 million or more. It is a very profitable business. It is important that, as a government, we continue to support businesses being able to expand such villages to provide affordable options for seniors.

Another important change to the legislation is that without-grounds terminations will no longer be allowed. I have heard some personal stories involving residents who have found themselves in rather difficult circumstances. Importantly, too, there will be improved transparency on contractual issues such as exit fees so people know up-front what they are in for and can make decisions about what may happen when personal circumstances change. There will be clearer rules about the sale of homes and the enforcement of park guidelines. Standard lease clauses will contain a core set of standard terms to ensure that rights are preserved. A number of members have highlighted that the State Administrative Tribunal will be given extra powers to enforce the rights and obligations of tenants.

A couple of members discussed the cost involved in doing that. I also have had experience at the State Administrative Tribunal and it is a rather informal process. I think it will be a fair avenue through which residents can seek recourse for decisions that they do not agree with.

New rules will change how operators conduct repairs to ensure that work is carried out. Lake Joondalup Lifestyle Village, in my electorate, was the first lifestyle village to open in Western Australia. It is good to see that maintenance work continues to be done on that park. It is very important that people who go into these villages feel reassured that maintenance is continually done and that there is continued investment in those parks in the long term to ensure that not only do residents enjoy the same standard that they enjoyed when they first arrived in a new park, but also it is sustained over a long period.

We also need to support park owners. I was a councillor when one of these operators sought to try to get another village within the location. It is very important that people also recognise that for these operators to have a good financial model, they need access to good real estate.

We have often heard members talk about parks that are located near the ocean or in country areas. The reality is that in the Wanneroo area, we also need to provide locations for the development of residential villages to give people affordable housing options close to where their families reside. The changes that are proposed in this bill will provide not only greater certainty and security for tenants, but also an environment that will encourage investors to develop more aged-care opportunities in places like Wanneroo in the northern suburbs to enable seniors to reside in the community in which their grandchildren live and continue to be an active part of their community. I commend the bill to the house.

**DR M.D. NAHAN (Riverton — Leader of the Opposition)** [3.40 pm]: I would also like to make some comments on the Residential Parks (Long-stay Tenants) Amendment Bill 2018. I have stayed at a few parks and have friends who have lived in these types of parks, but my history with this issue started in 2008 or 2009 when I was Chair of the Economics and Industry Standing Committee and we decided to hold an inquiry into caravan parks. That was at a time of economic boom, when land values had risen and the state's population was growing, and there was a growing loss of access to caravan park facilities because they were being bought out and used for other purposes. The committee was concerned that the Western Australian community would lose access to the great tradition of vacationing with their family in a caravan in and around water, whether that be a beach, river or lake, and it decided to inquire into that issue. The deputy chair of the committee was the now Minister for Commerce and Industrial Relations, who is in charge of this bill, so he would be fully aware of the findings of the inquiry. The Deputy Leader of the Opposition and member for Scarborough was also on the committee, as was the member for South Perth.

**Mr W.J. Johnston:** And the member for Collie–Preston.

**Dr M.D. NAHAN:** Yes, that is right. I think we also brought onto the committee the member for Mandurah, mainly because at one time, Mandurah had a lot of caravan parks that were being used for other purposes. Our inquiry found what we thought we would find—that is, because caravans parks had a special type of planning, and were often located in very appealing places along the coast, people were buying them and converting them to a range of other uses. At that time, there was not a policy setting that enabled those caravan parks to be replaced. Indeed, it was almost impossible to replace them, because it would cost too much to buy comparable land to use for a caravan park.

The committee also found that this was creating problems for long-stay residents. At the time, there was a caravan park near Wanneroo that had a long reputation for disputation between the long-stay residents and the owner, and there was plenty of evidence of misconduct on the part of that owner. We found that in a large number of caravan parks, some people used their caravan infrequently, but a large number of people used it as a long-stay residence. The long-stay residents were often an essential part of the economics of running a caravan business. However, the essence of the problem at that time was that people were buying caravan parks and kicking out all the residents, or trying to induce them to get out, in order to convert them for alternative uses, whether they be housing developments or lifestyle village. We found also that the long-stay residents often had certain characteristics. They generally did not own the land but rented it for a time and supplied their own dwelling—the dwelling was separated from the land. Even though the regulations provided that the dwelling had to be capable of being moved within a short period, most of the dwellings that we saw in the caravan parks we visited could not ever have been moved. Many of them had no tyres and had been jacked up. The owners had no intention of ever moving them. Everyone thought that was the way it was done. The trouble was that when the land use changed because the caravan park had been sold, the owner used all sorts of means to try to kick those people out. That is the problem that, eight years down the track, we are trying to address.

The committee also identified that, for a variety of reasons, many of the long-stay residents had low incomes and a low asset base and had no alternative housing to go to. Although they liked living there, in many cases they had no choice. It was often a home of last resort. Because they were operating on a wink and a nod, they did not know

that they did not own the right to the land on a long-term basis. They were often uncertain about the length of their lease, or their tenure, if you wish.

In some cases, they had bought their home with the help of a real estate agent. The member for Darling Range raised a very good point about the role of real estate agents in selling park homes. We found that real estate agents were often not clear about the tenure and rights of long-term residents. They often sold these homes for grossly too much money, given the uncertainty associated with them. Although many long-term residents liked where they were living, they often had limited options. They were not well informed. In fact, they were downright poorly informed. Even some of the owners were uncertain about their rights. Owners had a tendency to change ownership and use the law to their advantage to force people who had no other option out of their homes. This bill seeks to remove that uncertainty and enable people to know in advance their rights, that they have a clear contract, the limits of their tenure, and other issues.

One of the things that shocked me was that some of these dwellings were very dangerous. They were like a shack that had been added to over time, and people had crowded air conditioners, barbecues and other things into their dwellings. The committee made some recommendations about improving the safety conditions at caravan parks. We clearly identified that a lot of caravan park operators needed long-stay residents because they provide them with cash flow during the off period. That created the issue of how to adjust the model to enable caravan park operators to optimise the number of long-stay residents and ensure their dwellings are safe and up to date, without forcing those people onto the streets, because that is where they would probably end up.

The committee did its study at a time of large population growth and large queues for public housing; indeed, welfare groups were in desperation directing people to long-stay caravan parks to get some kind of roof over their heads. They served a very important purpose at that time—it might not be as significant now—in providing some type of accommodation for people in desperate need of a house. The long stays played a really major role in providing housing to a certain group of people, and funding to caravan parks was very important to the state. But how do we give some sort of clarity and certainty to tenants and the landlord on their contractual relationship? The essence of the problem is that the caravan owner does not own the land they rest the caravan or dwelling on; the caravan facility owner does. There was a great deal of uncertainty about the length and type of tenure and the charges involved. There was often also an issue that the caravan, or the right to use the land, was not purchased from the park but from somebody else—through an agent or directly from somebody else. Therefore, often the park owner was not the conduit of information on the rights of the long-stay tenant of the caravan park. They did not know. All of a sudden, if Joe left and the caravan was sold to Jack, Jack came in and the park owner had no idea about what was told to Jack from Joe. So there was a need to formalise, strengthen and clarify the rights and obligations of the tenant. During that time, there had to be some sort of adjudication on it because it went beyond the right to tenure; it was about access to electricity, utilities such as water and other facilities. There were always disputes about the rights of the long-stay tenant versus those of the park owner.

There was also a need to accommodate the needs of vacationers and long stays. Vacationers often have a fundamentally different lifestyle, if you wish. A family with a bunch of kids might pile into a caravan at a caravan park and let the kids run wild. That is the great thing about a caravan park. Most of us have done that with our families. On the other hand, the long stays are often elderly and they do not want that—perhaps some do. So there were conflicts between the two groups, particularly I imagine during schoolies week when young kids go there and get up to all sorts of things and upset the older ones who live there. There was some need to resolve these issues, and most caravan parks did it very sensibly by separating them physically—that is, by putting all the long stays on one section of the land and the others down by the beach where they could run wild and whatnot. Disputes would come up about not only utilities, but also parking, noise and actions. There needed to be some kind of resolution. Often the park owner is not in a very good position—although that is probably the right place to start—and often these longstanding disputes need some sort of outside adjudication. So it is appropriate that these disputes about not only tenure, but also pricing, contracts, notices and the length of notices, and of course other disputes on the use of the property, are brought to the State Administrative Tribunal. That needed to be done.

I understand that one of the major initiatives of the bill—the committee found it to be really significant—is to protect the rights of tenants. The problem was that one way to clear out and totally change the use was a change of ownership. If the current owner could not change things, it was perceived— I think the law facilitated it—that if the property were sold to a second party, it would be easier for the second party to basically push everybody out and change the use of the land. This bill will make sure that the rights and obligations of the owner and tenant are transferred to the new owners, even if that new owner is a bank and the property goes into mortgagee receivership—that is, it respects the property rights as per the contracts across various owners. That is very important, because a whole group of people was going around buying caravan parks at that time—there might still be; I do not know—and changing their land use. The act of buying was one of the mechanisms they used to turf the long stays out.

**Extract from Hansard**

[ASSEMBLY — Wednesday, 21 November 2018]

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Mr Chris Tallentire; Mr Mark Folkard; Ms Cassandra Rowe; Ms Sabine Winton; Dr Mike Nahan

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These long-identified changes have been a long time coming. They deal with quite a unique set of circumstances and group of people. They are unique in terms of the property rights involved, clientele, and the mix of vacationers and long holds, if you wish. They are also unique because some of these people in caravan parks live an alternative lifestyle.

It is not just caravan parks; certain other long-stay parks are owned by clubs. I think there are some down in Coogee, some in South Fremantle —

**Mr J.E. McGrath:** Naval Base.

**Dr M.D. NAHAN:** Naval Base—that is right. I think one is owned by the RSL in Rockingham. I do not think there will be any significant pressures on those, but sometimes those groups decide to sell, and if they were transferred and sold with some uncertainty, that would really affect a large section of the community.

Importantly, the problem really stems from not only the type of people who live there with their alternative lifestyle and unique property rights, but also when long stays were established they were a really important mechanism for people on low incomes to enjoy what is essential about Western Australia—access to the ocean and beaches.

[Member's time extended.]

**Dr M.D. NAHAN:** It was a really important mechanism that allowed people on low incomes to enjoy Western Australia. That is evolving. Unfortunately, because land values have gone up so much, people are now purchasing this land for higher value uses. We will inevitably lose a lot of these caravan parks. That is one reason why in government we put in a great deal of effort to find alternatives to caravan parks, particularly in state parks. We significantly expanded the areas available in state parks for caravans. We also changed the land tax rates for caravans to assist them and make it viable to keep caravans at a caravan park, rather than moving to alternative uses. That is why we see quite a few of them. However, we also have to realise that some of the parks will change. We need to make sure that they move on from where they are; generally, the properties are of very little value, if anything. Because they only lease the land, usually the houses are pretty dilapidated.

Another thing that came up was the lifestyle villages, which other members spoke about. They are an absolutely essential homegrown response to housing affordability, particularly for older people. They are traditionally manufactured homes built in caravan parks. They are very nice properties and provide a mechanism for people to retire in very high quality homes, at least when they purchase them, and get into a retirement home for \$250 000 to \$300 000. They are very important. Usually they are established under clear contractual arrangements so there is not too much uncertainty associated with them. I assume they would not have any problem whatsoever. I understand also that many of the parks operate as lifestyle villages, under a brand name. A number of providers no longer rely on purchasing caravan parks to provide that level of service.

I indicate that the Liberal Party will support the Residential Parks (Long-stay Tenants) Amendment Bill. It is one that the minister and I have a long history with.

Debate adjourned, pursuant to standing orders.