Department of Housing, Local Government, Planning and Public Works

## **BRIEFING NOTE (For Action) – Deputy Director-General**

Subject: Manufactured Homes (Residential Parks) Amendment Act 2024

implementation approach

Service Area Strategic Policy and Intergovernmental Relations

#### **PURPOSE**

To seek approval of the *Manufactured Homes* (*Residential Parks*) *Amendment Act 2024* implementation approach.

#### RECOMMENDATION

It is recommended that the Deputy Director-General:

- 1. approve the implementation and engagement plan at Attachment 1.
- 2. approve that the department commence implementation of registration requirements and residential park comparison documents as the first stage of reform made by proclamation.
- 3. note that a draft comparison document, registration form, list of proposed regulation requirements and a letter including consultation questions will be sent to stakeholders in accordance with the implementation and engagement plan.

#### **BACKGROUND**

- On 6 June 2024, the Manufactured Homes (Residential Parks) Amendment Act 2024 (the Amendment Act) received royal assent which triggered commencement of several reforms including limiting site rent to the higher of consumer price index (CPI) or 3.5 per cent, prohibiting market rent reviews, modernising termination provisions, the buyback and site rent reduction scheme and standardising the definition of CPI.
- Amendments which commence by proclamation include registration requirements, residential
  park comparison documents, streamlining the sales process and implementing maintenance
  and capital replacement plans. These provisions also require the making of amendment
  regulations and approved forms.
- On 7 June 2024, Regulatory Services emailed park owners and manufactured home owner stakeholder groups advising the Amendment Act had received assent and outlining the provisions which had commenced and those which will be implemented in subsequent stages.

## **KEY ISSUES**

- Details of the proposed staged implementation schedule are provided in Attachment 1.
- The proposed order for implementation is as follows:
  - Direct cost of living benefits (already commenced): amendments which commenced on assent and include limits on site rent increases, banning market rent reviews, aligning CPI-based increases with increases in the age pension, the buyback and site rent reduction scheme and improved rights to compensation when site agreements are terminated
  - Consumer information, choice and transparency (commencing December 2024): these amendments include the residential park comparison document to help consumers understand the costs of living in a residential park and drive more competitive practices and pricing and the new registration scheme which will help the department collect data necessary to monitor the impact of reforms. Amendments which provide consumers with multiple payment options also commence automatically on 6 December 2024
  - Streamlining the sales process and standardisation of contracts (commencing mid-2025): these amendments include implementing the streamlined sales process, more standardised site agreements and sales agreements, establishing prescribed bases for site rent increases in new site agreements and revised precontractual disclosure documents (to complement comparison documents)
  - Improvements to park maintenance and standards (commencing late 2025): this stage commences maintenance and capital replacement plan requirements.
- This staged approach allows for focused consultation with stakeholders sooner on the highest priority amendments, ensuring reforms that deliver cost of living benefits are implemented as quickly as possible.

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- Implementing residential park comparison documents and registration requirements as the first of the remaining reforms is important as these provisions will help address cost of living concerns (by providing clear information about costs of living in a park and driving competition through park comparison documents) and will enable the department to collect information to monitor the impact of reforms to support the 3-year post commencement statutory review.
- Information obtained by commencing registration and comparison amendments will also help inform development of reforms commencing in subsequent stages, for example understanding the range of rent increase setting mechanisms prior to prescribing rent increase bases.
- Comparison documents must also be implemented prior to streamlining the sales process as comparison documents are integrated into the new processes.
- Consultation on each stage of implementation will involve inviting written feedback on a draft of
  the approved form and the list of requirements to be prescribed by regulation, with brief
  high-level consultation questions included in the request for feedback. Approximately two
  weeks to one month will be given to stakeholders to provide feedback at each stage.
- This engagement approach has been designed with a view to reducing the burden on stakeholders while maximising the effectiveness and relevance of their input. For example, the staging of regulation work has been carefully considered to achieve a logical ordering of new processes and also to group related items for feedback, reducing the need for repetition and providing stakeholders with an understanding of the context.
- Further, the approach streamlines processes by consulting on draft forms at the same time as
  the list of requirements for the regulation. This eliminates a potential extra consultation step,
  allows stakeholders to understand how the regulation will translate in practice and supports
  them to provide clear and specific feedback on any changes they seek. Written feedback also
  limits the opportunity for stakeholders to relitigate decided policy as can occur in face-to-face
  meetings.
- Time-limited requests for written feedback on the documents is considered to be the most efficient method of engagement to enable drafting instructions to be prepared for the Office of Queensland Parliamentary Counsel in a timely way, noting the proposed timing for completion of Stage 2 regulation amendments (outlined in **Attachment 1**) is prior to the commencement of the caretaker period.
- No further opportunities for coordinating the consultation approach could be identified, given there is limited stakeholder overlap with other priority work programs, such as renting and residential services.
- Group or one-on-one discussions to support written feedback will occur on an as-needed basis, noting that some consumer groups may prefer this mode of engagement.

## ELECTION/CABINET/PUBLIC COMMITMENTS/LEGISLATION

- The *Housing and Homelessness Action Plan 2021-2025* commits the Government to address issues related to site rent increases and unsold manufactured homes in residential parks.
- Homes for Queenslanders commits to continue modernising the housing legislative framework to improve consumer protections in residential parks while ensuring that it's still viable for investors and operators to provide this housing option.

## FINANCIAL IMPLICATIONS

• There are no financial impacts.

## **HUMAN RIGHTS COMPATIBILITY**

• The decision / action has been assessed for compatibility with human rights under the *Human Rights Act 2019* (the Act). The decision / action was not found to engage any human rights under the Act. As such, it is reasonable to conclude the decision / action is compatible with human rights.

## CONSULTATION

 Manager, Regulatory Services, was consulted in relation to the implementation plan and the department's proposal to write to key stakeholders regarding implementation of amendments.

# COMMUNICATIONS/MEDIA OPPORTUNITIES

Not applicable.

## **FUTURE STEPS**

- Consultation drafts of an approved form for the park comparison document and park registration form are in late stages of development and will soon be ready to be sent to stakeholders for feedback.
- Drafting instructions for the proposed regulation requirements are also under development based on the content of the draft forms.
- Consultation on these documents will then occur in accordance with the department's strategic engagement and implementation plan.

## **ATTACHMENTS**

• Attachment 1 – Implementation plan and engagement approach for *Manufactured Homes* (Residential Parks) Amendment Act 2024

General Manager Endorsement	Noted / Approved / Not Approved
Endorsed	Approved
General Manager	Deputy Director-General
Strategic Policy and Intergovernmental Relations	Policy, Performance and First Nations
4/07/2024	5/7/2024

Comments:	

Title	Name	Phone #	Date last endorsed			
Author: Principal Policy Officer		Andreas Co.	1/07/2024			
Manager: Legislation and Reform	Carle Ramana	التستعيد	1/07/2024			
Director: Legislation and Reform			3/07/2024			
Executive Director: Policy and Legislation		400000	4/07/2024			

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# Manufactured homes strategic implementation and engagement plan

Manufactured Homes (Residential Parks) Amendment Act 2024 implementation flight plan

	May 24	Jun 24	July 24	Aug 24	Sept 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	June 25	July 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25
Key dates	Bill Passed	Assent	Estimates			Caretaker + State Election	Briefing Incoming Govt													
Assent – Direc	ct cost of I	iving benef	its																	
Rent Limit / MR ban		OMNG																		
buybacks		CHAIR C																		
erminations		OTHIRO								II II										
CPI definition		CMNC																		6
Evaluation framework			Approved																	IVI.
Payment options		Notice	Tran	Tran	Tran	Tran	Tran	CMNC (new agreement)	Tran	Tran	Tran	Tran	Tran	Tran	Tran	Tran	Tran	Tran	Tran	CMNC (existing agreemen
onsumer info	omation,	choices and	transparenc	y					OT THE	1100	190				The state	0 00	-			No. of Contrast
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Disclosure locuments						Day	Dev	Dev	Dev	Consult	Dev	Proc	Tran	CMNC						
nprovements	to mainte	nance and	standards																	
Extension regulation									Dev	Dev	Reg / CMNC									
MCR Plans											Dev	Dev	Dev	Dev	Consult	Dev	Proc	Tran	Tran	CHING.



Dev: Development time Consultation with key stakeholders. Proc: Proclamations for sections to commence, regulation made, forms published. Notice: Park owners made aware of future requirements commencing.

Tran: Transitional time for park owners to prepare for amendments to commence.

Amendments commence and are fully implemented.



