

Outasite Lite



Anoulack Chanthivong MP, Minister for Better Regulation and Fair Trading. Photo: connectwithanoulack.com

BREAKING – MINISTER INTRODUCES RESIDENTIAL (LAND LEASE) COMMUNITIES AMENDMENT BILL

By **Eloise Parrab**

On 14 May, the Minister for Better Regulation and Fair Trading Anoulack Chanthivong MP (pictured above) introduced into NSW Parliament a Bill to amend the *Residential (Land Lease) Communities Act 2013* (RLLC Act). The *Residential (Land Lease) Communities Amendment Bill 2024* (Bill) addresses 21 of the 48 recommendations that came out of the 5 year Statutory review. There are still a number of steps that the Bill must go through before the changes to the RLLC Act will take effect. We do not have any clear indication of timing but it's definitely a step in the right direction. We will keep you updated on its

progress. Subscribing to our *Outasite Lite* email newsletter will ensure you find out quickly about any further developments:

Otherwise we will provide a full update in our *Outasite* magazine in late 2024.

The Tenants' Union is overall supportive of the Bill as the changes are aimed at safeguarding the interests of residents within land lease communities.

The biggest change is an **overhaul of electricity pricing** for all residents in embedded networks. These residents are supplied with electricity by

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the operator of the community or in some cases a third party supplier for example Humenergy. There are new requirements for when utility bills are issued and what key information must be contained in the bills sent to residents. The Reckless method will no longer be used to calculate a resident's electricity bill. The maximum price that can be charged will now be determined by the Independent Pricing and Regulatory Tribunal (IPART) and it will be the median retail market price in each local distribution area, reviewed annually.

The other big change in this Bill are improvements in **site fee increases**. The Bill restricts fixed method increases to a single element which if passed by NSW Parliament will see the end of multiple component fixed method increases. Our biggest concern with the Bill is that operators will have three years from commencement to negotiate with existing home owners on replacing multiple component fixed methods. Agreement on any new fixed method with a single element will need to be reached or the home owner can choose to move to a by notice increase. We strongly believe that three years is much too long and unnecessary and will result in the continuation of very high site fee increases for those with multiple variables in their fixed method increase. Allowing three more years of an unfair method will have locked in those increases even once a fairer method kicks in.

The report from the Statutory Review which included this recommendation for a three year time period was submitted to NSW Parliament in November 2021. If home owners need to wait three years from when the Bill is passed it will have been more than 6 years that operators have been on notice that multiple fixed methods were likely to become unlawful and adjust their practices. This is too long and 12 months would be more than sufficient time.

We will have to wait for the other 27 recommendations to be introduced into legislation as the Minister has indicated that they require further consultation with stakeholders. If you would like to read the *Residential (Land Lease) Communities Amendment Bill 2024* the full text can be found here: <https://www.parliament.nsw.gov.au/bill/files/18589/First%20Print.pdf>

NEW FACTSHEET AVAILABLE



The Tenants' Union Residential Land Lease Communities team has produced a new factsheet for homeowners: *Making alterations to your home*.

The factsheet is available online and in printable PDF form at: tenants.org.au/thenoticeboard/factsheet/making-alterations-your-home

The factsheet covers:

- What alterations require consent from the operator
- Seeking consent from the operator
- What if the operator says no
- Solar panels
- Alterations that require Council approval

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