



Ms Stephanie Jolly
Acting Executive General Manager, Consumers, Policy & Markets
Australian Energy Regulator
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Submission to the Review of the AER exemptions framework for embedded networks Draft Decision

Thursday 17th April 2025

Dear Ms Jolly,

Ingenia Communities Group (Ingenia) welcomes the opportunity to provide feedback regarding the proposed changes to the AER exemption framework for embedded networks. As a leading owner and operator of over 100 communities and parks across Australia, Ingenia serves more than 15,000 homeowners, including a large population in manufactured home estates (MHEs) and land lease communities (LLCs) with embedded networks.

About Ingenia

Ingenia Communities Group (Ingenia) is an S&P/ASX 200 entity with a market capitalisation of close to \$2.5 billion and is listed on the Australian Securities Exchange under the stock market trading code 'INA'.

Ingenia is one of Australia's largest owners, operators and developers of over 55's lifestyle communities (also known as land lease communities or manufactured housing). Ingenia is also one of Australia leading seniors rentals and holiday park operators.

Ingenia is committed to creating communities where our residents and visitors can truly belong. With a positive impact on more than 10,300 residents every day, our commitment to all stakeholders is to perform with integrity, foster respect for all and build community through continuous improvement in everything we do.

The Group is supported by 4,000 investors and more than 1,200 employees dedicated to creating community for all our residents and guests.

This submission seeks clarification on a number of recommended changes to the guidelines.

- a. **Definition of 'short-term' in the context of a D3, ND3 exemption**
- b. **Price change notification time frames**
- c. **Pricing visibility**

A. Definition of 'short-term' in the context of a D3, ND3 exemption

Ingenia has a number of assets that currently operate under an ND3 and/ D3 exemption (*Persons supplying/selling metered energy to occupants of accommodation on a short-term basis*). The recommended changes to the guideline suggest that short-term be classified as a three-month period. This definition of 'short term' to three-months leaves a gap with the definition of the R4/NR4 exemption categories, "*Persons selling metered energy in caravan parks, residential parks and manufactured home estates (also known as residential land lease communities) to residents who principally reside there*" which is taken to mean residents spending at least 50% of the year (i.e. 6-months) at the premises.



It is unclear which exemption class would fit residents in holiday parks who have an alternative “*principal place of residence*” but stay at the holiday park for periods of greater than 3 months.

B. Price change notification time frames

Under the proposed changes to the guidelines, an exempt seller must provide notice to the exempt customer of any change in the exempt customer tariff at least 5 business days before the variation takes effect. The proposed Price Notification requirements are likely to be unworkable in QLD due to the pricing approach required by the *Manufactured Homes (Residential Parks) Act 2003*.

Section 99A of the *QLD Manufactured Homes (Residential Parks) Act 2003*¹ states “*The park owner must not charge the home owner, or arrange for the home owner to be charged, an amount (a prohibited amount) for the use of a utility that is more than the amount charged by the relevant supply entity for the quantity of the service supplied to, or used at, the site.*” Ingenia abides by this obligation by dividing total gate meter costs by the volume of electricity consumed to determine an average blended price that is then applied to each resident’s metered consumption.

This results in a price change of a new blended rate each billing period. Variations in pricing are due to network demand charges, monthly differing proportions of fixed and variable charges and applicable seasonal pricing by some networks.

In practice the only way to apply this change for a QLD LLC would be to use a previous parent meter blended rate to the next bill. Therefore, there will be a misalignment between the parent meter asset blended rate to the correct billing period for a resident.

An alternative to this requirement could be an inclusion in the Information Provision condition for an exempt seller (R4) to state that their pricing is in line with legislative requirement (*Manufactured Homes (Residential Parks) Act 2003*) or under the DMO/regulated tariff, the lesser of the two. For NSW, an R4 Information Provision inclusion could reference the IPART’s Price Determination.

A further alternative is to defer all information regarding pricing to the requirements of the related tenancy legislation.

C. Pricing Visibility

Ingenia has over 80 embedded networks across NSW, QLD and VIC. The proposal to introduce the requirement for exempt sellers to publish their residential tariffs on their website is problematic. Most of our assets have bespoke pricing arrangements due to location, amperage discounts, site specific solar information etc.

For NSW, Ingenia applies the iPART determined rate and provides residents with this pricing information on an annual basis per asset.

For QLD, the *Manufactured Homes (Residential Parks) Act 2003* is prescriptive on pricing as discussed above. Providing monthly updates on these price changes would be both confusing for residents, be of limited benefit and labour intensive for Ingenia. The rate published would always be retrospective.

¹ [Manufactured Homes \(Residential Parks\) Act 2003 \(legislation.qld.gov.au\)](http://legislation.qld.gov.au)



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We would welcome the opportunity to discuss the above further and talk through the practical implications of these conditions to the operations of our embedded networks.

Sincerely,



Kerryn Deacon
Head of Operations, NSW and VIC