

28 April 2025

Ms Stephanie Jolly  
Acting Executive General Manager, Consumers, Policy & Markets  
Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601

## **Submission on Draft Retail Exempt Selling Guideline and Draft Network Exemptions Guideline (version 7)**

Dear Ms Stephanie Jolly,

Network Energy Services (NES) is responding to the request for written submissions on the Review of the Retail Exempt Selling Guideline and Draft Network Exemptions Guideline (version 7).

### **About Network Energy Services (NES)**

NES is the leading Embedded Network Manager (ENM) and utility services billing service provider for retirement villages (NR3/R3) and over 50's land lease residential communities (NR4/R4), assisting over 180 communities and in excess of 20,000 elderly consumers across Australia.

NES is a service provider who assists Residents Associations and community operators with the operation of their embedded networks to ensure compliance to relevant embedded network, billing, and consumer regulations. The on-selling of energy is incidental to the core business of retirement villages and over 50s land lease communities (including caravan parks). Our clients maintain all control in relation to price setting and discounts to their residents as the owner and operator of their embedded network infrastructure.

### **QLD Manufactured Home Estates / Land Lease Communities – 5 Day Price Change Notification**

There is one key item that we seek to raise within our submission, which relates to the revision of condition 7 – Pricing in the Retail Guideline

We have revised the timeframe in which an exempt seller must provide notice to an exempt customer relating to any change in tariff. The revised sub-condition 7(2) states that 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. This brings this obligation in line with rule 46 of the Retail Rules, which is applicable to authorised retailers.

For most sectors where there are annual prices changes, this proposed notification period is fine. However, for QLD Manufactured Home Estates / Land Lease Communities, the Manufactured Homes (Residential Parks) Act 2003, Section 99A requires that a park owner should not charge more than cost of supply for the use of utility.

For these communities, homeowners are charged based on the reckless method, whereby homeowners are charged at the average of cost of the parent meter. As a result, the average cost changes with every bill.

Given that parent meter retailers can be slow with issuing their (bulk) parent meter bills, the 5 day advanced notice period makes it impractical to advise homeowners where there are dynamic charges that changes with every bill.

We note that the pricing reforms in NSW Land Lease Communities means these communities now have a regulated ceiling price, so the Reckless method should be less significant in NSW.

We request that this 5 day pricing notification period requirement is waived where there is governing legislation / regulation that requires a cost recovery / reckless method, where charges / prices need to be adjusted on every bill.

We welcome any queries relating to this submission.

Yours sincerely,

Toby Etchells

Director  
Network Energy Services