

7 July 2025

Stephanie Jolly
Executive General Manager, Policy
Australian Energy Regulator
GPO Box 3130
Canberra ACT 2601

By email: AERexemptions@aer.gov.au

Dear Ms Jolly

CCIA NSW SUBMISSION ON DRAFT NETWORK EXEMPTIONS GUIDELINE AND DRAFT RETAIL EXEMPT SELLING GUIDELINE (VERSIONS 7) – ADDITIONAL CONSULTATION

Following our submission dated 28 April 2025, we welcome the opportunity to provide further feedback on the two additional Retail Guideline conditions outlined in the AER's June 2025 consultation notice *Review of the AER exemptions framework for embedded networks Invitation to submit feedback on proposed new retail conditions in the Retail Exempt Selling Guideline (Version 7)* (Additional Consultation Paper).

Our members operate embedded networks within holiday parks¹ and residential land lease communities² and are directly impacted by changes to exempt selling obligations. This submission reflects feedback received from our members and outlines our position on the following proposed conditions:

PROPOSED CONDITION 1 – Requiring an exempt seller, who on-sells to residential customers, to include contact details of the relevant energy ombudsman scheme on their customers' energy bills

Question 1: Do stakeholders support the inclusion of a new requirement to include energy ombudsman scheme contact details on their exempt customers' energy bills? If no, please provide details.

We do not support the inclusion of this requirement for residential land lease communities.

Our members are committed to resolving customer concerns promptly and fairly through internal channels. However, the NSW Energy & Water Ombudsman's (EWON) funding model charges exempt sellers for enquiries, even when they are not genuine complaints.

¹ Caravan parks that supply/sell energy via an embedded network to occupants of accommodation on a short-term basis (i.e., these are not permanent residents, that is, they are not living in the park).

² Caravan parks and manufactured home estates, that supply/sell energy via an embedded network to residents who live there. This includes caravan parks that supply energy to a few residents (mixed parks) right through to residential land lease communities that are exclusively residential. The AER refers to these exempt sellers in the Additional Consultation Paper as 'residential parks.'

Members have reported charges exceeding \$200 for enquiries that were resolved without EWON contacting the exempt seller.

When residents bypass internal resolution channels like this, it creates a financial burden for residential land lease community operators. These costs ultimately affect all residents, increasing the cost of living across communities. We support a system that encourages efficient internal resolution in the first instance.

Many small residential land lease communities use manual billing systems. Mandating ombudsman contact details on each bill will introduce an additional administrative task and cost, and it is unclear what the potential benefit will be. The AER's Additional Consultation Paper states the 'proposed condition would support improved customer visibility of an exempt customer's access to dispute resolution services,' but no evidence or further detail is provided.

In addition, residential land lease communities have multiple existing dispute resolution mechanisms available for residents. Under the *Residential (Land Lease) Communities Act 2013*, residents can apply to the NCAT to resolve disputes. This provides a fair, low-cost and accessible avenue for resolution of several types of disputes, including energy disputes, making NCAT an all-inclusive pathway.

Fair Trading NSW also provides free information about consumer rights and options to resolve disputes with traders, including embedded network customers in holiday parks and residential land lease communities, and can contact the operator and attempt to negotiate a settlement.

Finally, operators already provide ombudsman contact details as part of disclosure obligations when providing residential site agreements³ and via community noticeboards. These methods are appropriate and less likely to encourage premature escalation of minor issues.

These existing mechanisms are well-established and appropriate for the nature of disputes typically encountered. We are concerned that including ombudsman contact details on bills may inadvertently encourage premature escalation of minor issues, bypassing internal resolution processes and increasing costs for all residents.

Question 2: Do stakeholders agree that residential park owners with less than 30 permanent residents should be exempted from this requirement, and if so, please provide reasons? If no, please provide details.

We support an exemption for residential land lease communities with fewer than 30 residents, as this would reduce the administrative burden and cost of compliance. However, we seek clarification from the AER regarding the basis for the threshold of 30 - specifically, whether this refers to 30 individual residents or 30 customer sites/child meters.

The current Retail Guideline and Network Guideline refer to customers 'at premises.' This distinction is critical, as multiple residents may occupy a single site, and industry practice typically aligns with site-based metrics.

We recommend that the threshold be defined based on the number of customer sites or child meters, which would provide a clearer and more consistent basis for exemption eligibility.

³ Requirement under Condition 2 1. d) of the Retail Exempt Selling Guideline, Version 6, July 2022 and Condition 4.1.6 of the Electricity Network Service Provider - Registration Exemption Guideline, Version 6, March 2018

In addition, further analysis is needed to determine whether the threshold of 30 is appropriate and evidence-based. On what basis has this number been proposed?

Given the reliance on manual billing systems, existing dispute resolution frameworks, and the limited demonstrable consumer benefit of this change, we recommend that all residential land lease communities be exempt from this requirement.

Question 3: If implemented (with or without the exemption in question 2), how long of an adjustment period would exempt sellers, or their billing agents, need to update their billing systems/processes to ensure compliance with this requirement.

Should this condition be adopted (which we do not support for residential land lease communities), a minimum adjustment period of 12 months would be necessary.

Many operators use manual or semi-automated billing systems and updating templates and processes will require time, especially for small businesses with limited administrative resources. Staff training and resident communication will also be essential to ensure clarity and prevent misuse of the ombudsman contact channel.

PROPOSED CONDITION 2 – Requiring an exempt seller to refund any credits applied to its customer’s account upon termination of the customer’s energy supply agreement

Question 4: Do stakeholders support the inclusion of a new requirement, under existing Condition 22 (Termination of energy supply agreement) of the Retail Guideline, which requires an exempt seller to refund any credits on an exempt customer’s account upon termination of the customer’s energy supply agreement. If no, please provide details.

We support this requirement, with clarification.

In Queensland, operators already refund rebate credits upon termination and any remaining credits can be applied to outstanding site fees up to the move-out date, which is consistent with Department of Energy and Climate guidance.

We therefore support the condition provided it allows for credits to be applied to other fees and charges owed by the resident, with their consent, rather than requiring a strict refund. This ensures fairness while maintaining operational efficiency.

Larger operators have indicated no issues with this condition and agree that refunding credits upon exit is fair and appropriate.

We note that Condition 22 is not currently applicable to deemed exemption class D3 (e.g. holiday parks), and we support the continuation of this exclusion.

CONCLUSION

Thank you for the opportunity to provide feedback on these proposed conditions. As the peak industry body representing holiday parks and residential land lease communities in NSW with embedded networks, CCIA NSW is a key stakeholder in this review.

We support consumer protections that are practical, proportionate and aligned with existing regulatory frameworks.

We urge the AER to reconsider the inclusion of ombudsman contact details on energy bills due to the cost and complexity it imposes on small operators, and the availability of existing dispute resolution pathways. We support the credit refund condition with the flexibility to apply credits to outstanding charges with resident consent.

If you wish to discuss the issues raised in this submission before the revised Guidelines are finalised, please make contact on [REDACTED] or email [REDACTED]

Yours sincerely,

[REDACTED]

Head of Policy and Engagement