

CARAVAN PARKS ASSOCIATION OF QUEENSLAND

Submission for the

Proposed Additional Conditions – Retail Exempt Selling Guideline

Perspective of Queensland's Caravan & Residential Parks



Submission to Australian Energy Regulator

Submission on Proposed Additional Conditions – Retail Exempt Selling Guideline (Version 7)

Focus: Caravan and residential parks operating embedded networks, Registrable exemption class R4 (and to a limited extent D3)

Submitted by: Caravan Parks Association of Queensland (CPAQ)

Date: 7 July 2025

Caravan Parks Association of Queensland (CPAQ) is the peak industry body representing caravan and residential parks across Queensland. We welcome the opportunity to provide feedback on the Australian Energy Regulator's proposed additions to the Retail Exempt Selling Guideline (Version 7).

Proposal 1: Requirement to include energy ombudsman contact details on customer bills

CPAQ does **not support** this proposed requirement.

Energy bills issued by embedded network operators are already complex and heavily regulated. Requiring yet another piece of information, particularly when it is not essential to the billing function, adds unnecessary administrative burden and may cause confusion for residents.

More significantly, the inclusion of energy ombudsman contact details on bills may unintentionally encourage residents to escalate billing queries directly to the ombudsman, rather than to the park in the first instance.

In Queensland, this presents a real concern, as the Energy and Water Ombudsman Queensland (EWOQ) does not charge parks an annual membership fee, however to address the costs associated with complaints, may charge the exempt seller for these costs. This would increase the cost of service delivery for the parks and place additional pressure on businesses already absorbing significant administrative burdens and costs associated with the supply of electricity.

Further, such a change would likely result in increased demand on the ombudsman's services without any additional resourcing. This is not an efficient or effective use of dispute resolution mechanisms.

CPAQ Members have also noted that their electricity invoices are generated through their property management software and they would need third party assistance to make amendments to these templates (which would come at an additional cost to the business).

As an alternative, CPAQ recommends that embedded networks be required to display a poster or similar notification about the ombudsman scheme in a location easily visible to residents, such as the park reception or community noticeboard. This approach supports awareness without adding complexity to billing statements.

CPAQ supports the exemption for parks with fewer than 30 residents, while noting that its practical impact is limited. These parks are still required to meet all other obligations under the Retail Exempt Selling Guideline, including providing fact sheets, hardship policies, and dispute resolution information.

Adjustment period

If the requirement is introduced (either with or without exemption), we recommend a minimum six to twelve month transition period. This would allow exempt sellers and their billing agents sufficient time to update templates, seek advice from ombudsman schemes, and communicate changes to residents effectively.

Proposal 2: Requirement to refund any credits upon termination of the customer's energy supply agreement

CPAQ supports this requirement in principle, as it aligns with the advice we provide to our members: where a park claims a rebate on behalf of a resident, those funds rightly belong to the resident and must be refunded if the resident departs before the credit is fully used.

However, we strongly recommend that the guideline explicitly acknowledge a practical exception, where a resident has outstanding site rent or other fees owing to the park, the operator should be entitled to offset any energy credit against those amounts. This is consistent with common business practice and helps avoid bad debt in situations where the resident has vacated.

It must also be acknowledged that the administration of rebate programs and embedded energy arrangements imposes a disproportionate burden on caravan parks, particularly in Queensland, where:

- **Parks are not permitted to charge more for electricity than they are charged by their retailer**, under both the *Manufactured Homes (Residential Parks) Act 2003* and the *Residential Tenancies and Rooming Accommodation Act 2008*;
- **There is no ability to recover administrative costs**, infrastructure upgrades, meter reading, invoicing, payment plan management, or bad debt risk; and
- **Electricity is provided as a pass-through service**, yet parks must meet all regulatory obligations of an exempt seller without compensation for overheads.

While the rebate process itself may appear simple, the administration required to issue and manage these payments is not. Feedback from our members has identified the following pain points:

- Completion of annual (or more frequent) application forms despite minimal change in resident numbers;
- Multiple follow-up calls to retailers to chase payments;
- Repeated conversations with residents regarding delays outside the park's control;
- Delays between claim submission and payment, resulting in residents vacating before the rebate is processed;
- Manual allocation of credits to each resident account; and
- Confusion over processes where credits sit on an account for extended periods due to low electricity use (as these rebates are intended to provide bill relief, not to be paid out).

In addition, many parks, particularly those operating older or less sophisticated accounting systems, are unable to automatically separate electricity accounts from rent accounts. When rebates are received and applied to a resident's account, they are often credited against rent charges in the system by default.

In larger parks, this has created substantial cash flow issues, where the resident is no longer required to make any rent payments for several weeks, despite the park having to continue to meet its own financial obligations. We are aware of examples where the cumulative credit held with a park's retailer exceeded hundreds of thousands of dollars, taking over 12 months to draw down, while the resident benefits from the full credit immediately.

Cost to claim and apply rebates

Parks estimate that it takes approximately 5 minutes per household to claim, process, and communicate each rebate. Using the Hospitality Industry (General) Award 2020 as a benchmark, a Clerical Grade 3 is paid a minimum of \$28.12/hour, equating to \$2.34 per household.

For context:

- A small park with 30 sites incurs **\$70.30** per rebate cycle
- A large park with 200+ sites incurs **\$468.00+** per cycle

These are real costs borne by small businesses for administering government assistance programs on behalf of residents, with no option for cost recovery.

Conclusion

While CPAQ supports the intent of protecting consumers and ensuring transparency, we urge the AER to consider the cumulative administrative burden placed on embedded networks within the residential park sector. Practical alternatives such as visible signage in place of bill amendments, and acknowledgement of legitimate business offsets in refund scenarios are necessary to strike a fair balance.

We thank the AER for the opportunity to contribute to this consultation and are available to discuss our feedback further if required.

Kind regards

Michelle Weston

Chief Executive Officer

Caravan Parks Association of Queensland

About Us

Caravan Parks Association of Queensland (CPAQ) is the peak industry body representing caravan parks across Queensland. Our membership includes more than 325 caravan parks offering a diverse range of accommodation, from pure residential parks to mixed-use parks that accommodate both short- and long-term residents, through to dedicated tourist parks that serve Queensland's vital drive tourism market. Across this spectrum, our members provide essential accommodation options that support both Queensland's tourism economy and its housing system, particularly in regional areas and for older Queenslanders.

CPAQ's purpose is to empower and connect the caravan park industry in Queensland. We support our members in delivering exceptional guest and resident experiences, achieving regulatory fairness, and fostering sustainable business growth.

As the trusted representative of the sector, CPAQ engages regularly with government, advocates for practical regulatory reform, and supports members through resources, education, and direct operational assistance.

Contact

For more information about this submission or to speak with us further about issues affecting caravan parks offering residential tenancies, please contact:

Caravan Parks Association of Queensland (CPAQ)

- [REDACTED]
- [REDACTED]
- Website: www.caravanqld.com.au