

Submission on the AER Exemption Guidelines Review 2026

CARAVAN PARKS ASSOCIATION OF QUEENSLAND (CPAQ)
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CARAVANNING QUEENSLAND PARKS

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Submitted by: Caravan Parks Association of Queensland

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Caravan Parks Association of Queensland (CPAQ) welcomes the opportunity to provide feedback on the Australian Energy Regulator's draft exemption guidelines.

CPAQ is the peak industry body representing caravan and residential parks across Queensland. Many of our members operate embedded electricity networks and rely on retail and network exemptions in supplying electricity to guests and residents.

Electricity supply is incidental to the primary business of these operators. Caravan and residential parks provide tourism and residential accommodation and operate electricity infrastructure as a necessary component of those activities. They are not specialist electricity businesses.

CPAQ supports appropriate consumer protections and the objectives of the review. Our comments focus on ensuring the exemption framework remains practical, proportionate and capable of being understood and implemented by incidental electricity suppliers.

1. Complexity and accessibility of the exemption framework

CPAQ is concerned about the increasing complexity of the exemption framework. The draft guidelines require operators to understand an expanding range of electricity market concepts and terminology, as well as the interaction between retail exemptions, network exemptions, embedded network requirements and flexible trading arrangements.

The AER recognises that deemed and registrable exemption holders commonly supply electricity incidentally rather than as their primary business. Increasing complexity creates a genuine risk of inadvertent non-compliance. A relatively routine business decision, such as installing new energy infrastructure or engaging a specialist provider, may alter the regulatory arrangements applying to a site without the operator recognising that an electricity regulatory issue has arisen.

CPAQ recommends that the final guidelines be supported by practical, plain-English guidance, including concise information on what has changed and what existing exemption holders need to do, supported by worked examples relevant to mixed-use and third-party arrangements.

In future reviews, greater consideration should also be given to the intended audience when determining the language used in exemption guidelines. Technical electricity market terminology should be used only where necessary and clearly explained for businesses that do not operate primarily within the energy sector.

2. Secondary settlement points and multi-connection sites

Caravan and residential parks can have complex electricity configurations. A single property may have multiple retailer accounts or National Metering Identifiers reflecting historical development of the site or separate operational areas, such as tourism accommodation, residential areas and communal facilities.

The introduction of secondary settlement points increases the importance of understanding whether a business is treated as a small or large customer and how the framework applies where there is more than one connection on the same property.

CPAQ is not seeking any change to the existing customer classification framework. However, clearer implementation guidance would assist operators to correctly understand the new arrangements.

CPAQ recommends that the AER provide examples explaining how secondary settlement point arrangements apply to:

- a mixed tourism and residential park with multiple electricity connections
- small and large business customers
- third-party EV charging, battery and solar arrangements.

This guidance should explain how the existing customer classification rules apply rather than create additional aggregation or classification requirements.

3. Third-party investment

CPAQ supports the introduction of secondary settlement points where they enable new energy services and infrastructure. However, the different treatment of small and large customers may have unintended commercial consequences.

For a large customer, the proposed arrangements allow a secondary settlement point to have a different financially responsible market participant from the primary connection point. This creates opportunities for a specialist third party to install infrastructure such as EV charging equipment at a park and establish separate electricity arrangements for that infrastructure.

For example, an EV charging provider could lease an area within a caravan or residential park, or otherwise occupy an area under a licence, service agreement or other arrangement, install and operate the charging infrastructure, retain the charging revenue and arrange separately for the electricity associated with that infrastructure.

In the example above, the draft guidelines do not make clear whether the EV charging provider could, in these circumstances, be the relevant electricity customer rather than the park.

The guidelines should clarify how the relevant customer is determined where a third-party provider occupies part of a site under a lease, licence, service agreement or other commercial arrangement.

The position may be materially different where the relevant customer is a small customer. In that circumstance, the authorised retailer for the primary connection point must also be the financially responsible market participant for

secondary settlement points. This distinction may affect the commercial attractiveness of smaller sites to third-party providers. An EV charging company that can independently manage its electricity arrangements when installing infrastructure at a large customer may be less willing to make the same investment at a small customer where the electricity arrangements for the charging infrastructure must remain linked to the relevant authorised retailer.

This has particular relevance for smaller and regional tourism businesses, where access to third-party investment may be important to the rollout of EV charging infrastructure and the ability of these businesses to respond to changing visitor transport needs.

CPAQ recommends that the AER provide clear and practical guidance and worked examples showing how third-party infrastructure arrangements interact with secondary settlement points, including how the relevant customer is identified and how the rules differ for small and large customers.

4. Customer-caused damage to metering installations

CPAQ supports the intent of proposed Condition 1.21 to maintain the security and accuracy of metering installations. However, the proposed condition requires the exempt network service provider to bear the cost of replacing a broken meter seal and, where a meter is subsequently found to be deficient, the cost of repair or replacement.

The condition does not distinguish between equipment failure and circumstances where damage or interference has been deliberately or negligently caused by a customer.

This is particularly relevant in caravan and residential parks, where child meters may be located on or adjacent to individual residential sites and may be accessible to customers.

CPAQ considers that the exempt network service provider should remain responsible for promptly restoring the security, safety and accuracy of the metering installation. However, the operator should be expressly permitted to recover reasonable costs where there is evidence that testing, resealing, repair or replacement became necessary because of deliberate or negligent interference with, or damage to, the metering installation by the customer or a person acting with their authority.

CPAQ recommends that Condition 1.21 be amended accordingly and that the same principle be reflected in Condition 2.3.

Conclusion

CPAQ supports the objectives of the review and appropriate consumer protections within exempt networks. However, the exemption framework must remain practical and proportionate for businesses such as caravan and residential parks, where electricity supply is incidental to their core operations.

Before finalising the guidelines, CPAQ asks the AER to provide clearer, plain-English implementation guidance for incidental electricity suppliers; clarify how secondary settlement points and customer classification apply to multi-connection sites and third-party energy infrastructure arrangements; consider whether the treatment of small

customers may unintentionally limit third-party investment; and amend Conditions 1.21 and 2.3 to allow reasonable costs arising from customer-caused meter damage or interference to be recovered.

These changes would provide greater regulatory certainty, support investment in emerging energy infrastructure and make compliance more achievable without reducing consumer protections.

FOR MORE INFORMATION

For more information regarding this submission, please contact Michelle Weston, Chief Executive Officer of Caravan Parks Association of Queensland (CPAQ):

