Austin

TOURIST PARK ◆ TAMWORTH NSW

*Submission on*

# Residential Land Lease Communities – Electricity Charging Options

## 1. Setting Costs at the Median Market Price

This has been something we have long championed. It is our very firm belief that this method strikes the fairest balance for the resident paying their utility costs, and the work that operators put into the utility infrastructure.

We have one observation that we would like you to consider. The calculating of the price on an annual basis, whilst a good start, does not strike the fairest balance. To set a price every six months, would, in our opinion, ensure that the fairest price is being charged to residents by operators, and not add undue work to the operators.

## 2. Single vs Separate Charge Methods

Our preference of the two methods is the separate charge method. First, because it is the methodology of the larger retailers, and second, because it gives residents a clear indication of what they are paying for their utilities and where they are spending their money.

The Service Availability Charge allows operators to recoup some of the costs of supplying and maintaining the utility infrastructure within their premises. Furthermore, it rewards the operator for bearing the costs for reading the meters, producing an invoice, as well as for carrying the debt for the homeowner.

We read our power meters weekly, and would estimate that about half the amount recouped from our Service Availability Charge would be swallowed up in the staffing costs of reading the meters, checking the readings and producing or emailing invoices each week. A further fifteen percent would go into paper, ink and systems costs. Another five percent would be used for membership costs to EWON, and staff time spent interacting with EWON at meetings and workshops.

The costs for the infrastructure, in the first place, are borne by the operator and are often a significant cost to the business. For example, in 2011, we upgraded our power system for the third time at a cost of $220,000, a cost we had to borrow money for.

## 3. Discounting on Supplied Amperage

It is our understanding, from discussions within the industry and from figures heard from our industry association – the Caravan and Camping Industry Association of NSW – that the majority of residents are supplied between 20 and 59 amps to their residential sites.

We would argue that unless there has been considerable outages or interruptions to a site, that the amperage supplied would be more than sufficient to effectively run a household within an onsite home unit. In our experience – almost forty years – we have had no issue with outages or interruptions to residential supply, and we are among those who supply between 20 and 59 amps to our sites.

Given all of the above, we believe that discounting due to a lower amperage is inconsistent, particularly given that the costs to supply and maintain the infrastructure is not discounted.

Furthermore, we would be concerned if a unit was to be requiring a full sixty amps regularly to effectively operate the household, and may even wonder what activities were being undertaken in the unit.

## Contact Details

Should you wish to discuss any of the items noted above, you can contact either Alison or Frank Edwards at the Austin Tourist Park on 02 6766 2380 or via email—bookings@austintouristpark.com.au