



11th of February 2026

Submission – Draft Electricity Industry (Alternative Electricity Services) Regulations 2025

Executive Summary

Caravan parks represent a largely untapped opportunity to support Western Australia's distributed energy transition through privately funded infrastructure while simultaneously providing essential long-term housing. We support the objective of strengthening consumer protections within alternative electricity supply arrangements; however, the draft regulations materially shift financial and operational risk onto caravan park operators without establishing a viable framework for cost recovery.

A balanced framework must protect consumers while preserving the commercial sustainability of operators who fund, maintain and expand private electricity infrastructure. Without targeted amendments, the regulations risk discouraging investment and unintentionally reducing the supply of permanent accommodation during a period of acute housing shortage.

Caravan Parks as Critical Housing Infrastructure

Caravan parks increasingly provide long-term accommodation for retirees, key workers, low-income households and individuals unable to access traditional rental housing. Policy settings that materially increase compliance burden or constrain cost recovery are likely to accelerate a shift toward short-stay tourism models, which typically deliver higher returns with lower regulatory complexity.

Such an outcome would directly conflict with broader government housing objectives. The housing implications of this regulatory framework therefore warrant careful consideration.

Residential Essential Use vs Commercial Embedded Networks

The regulatory framework should recognise the fundamental differences between caravan parks supplying electricity for daily residential living and large commercial embedded networks such as shopping centres and office precincts.

Commercial tenants consume electricity as a business input cost that can be managed or passed through. By contrast, caravan park residents rely on electricity as an essential service supporting everyday living requirements including cooking, heating, cooling, refrigeration and medical devices.

Operators therefore occupy a dual role — providing critical housing while maintaining infrastructure necessary to deliver an essential utility service. Applying a regulatory model



designed primarily for commercial energy on-selling risks imposing disproportionate obligations on accommodation providers.

Regulatory settings appropriate for commercial embedded networks may produce unintended housing impacts if applied without modification to residential accommodation providers.

Recommendation: Establish a proportionate regulatory approach recognising accommodation-based networks as a distinct category, supported by tailored compliance settings and pricing flexibility.

Structural Imbalance: Recognition Without Cost Recovery

The draft regulations recognise single property networks but do not establish a clear mechanism allowing operators to recover the substantial costs associated with constructing, maintaining and upgrading private electricity infrastructure.

These networks require ongoing investment in distribution cabling, transformers, switchboards, metering infrastructure, protection systems, compliance, testing and asset renewal. Unlike licensed distributors, caravan park operators bear these costs without access to regulated revenue mechanisms.

Absent reform, operators will effectively subsidise electricity distribution — an outcome that is neither commercially sustainable nor consistent with regulatory treatment of other embedded networks.

Recommendation: Explicitly permit recovery of efficient network costs through transparent mechanisms such as infrastructure charges, network service fees or capital recovery models.

Network Capacity Constraints and Demand Management

Operators are supplied electricity via parent connections with finite capacity. As resident consumption increases, networks approach technical limits, creating safety, reliability and financial risks.

Augmentation works — including mains upgrades, transformer installation, cable replacement and switchboard expansion — are extremely capital intensive and often triggered by evolving resident consumption patterns rather than operator behaviour.

Without the ability to actively manage demand, operators may be forced into repeated infrastructure upgrades that are economically unsustainable.

Recommendation: Recognise the right of operators to implement prudent capacity management measures such as load thresholds, demand limits, peak management strategies and consumption caps where required to protect network integrity.



Capital Investment and Energy Transition

Many operators are investing — or seeking to invest — in solar generation, battery storage and related technologies to reduce grid reliance, moderate peak demand and lower long-term energy costs. These investments deliver system-wide benefits including reduced pressure on the broader electricity network.

However, such infrastructure requires significant upfront capital. If operators cannot recover prudent investment costs through cost-reflective pricing, the framework will weaken incentives for private energy investment and ultimately disadvantage residents.

Recommendation: Support pricing flexibility that enables recovery of efficient capital expenditure and encourages private infrastructure development.

Government Incentives to Support Private Energy Infrastructure

Private operators are increasingly funding energy infrastructure that delivers broader system benefits such as reduced peak demand and improved grid resilience. The capital required is substantial, and returns are often indirect — accruing partly to residents and the wider energy network.

Without appropriate policy support, investment signals may weaken, delaying projects that would otherwise contribute to statewide energy objectives.

Recommendation: Consider targeted incentive mechanisms for operators undertaking capital expenditure that demonstrably reduces resident electricity costs or network demand. Potential measures include capital rebates, co-contribution programs, low-interest financing, accelerated depreciation allowances and grants aligned with distributed energy deployment.

Supporting operator investment is a cost-effective strategy to leverage private funding to deliver public energy outcomes. Failure to do so may result in under-provision of energy infrastructure and higher long-term costs.

Exposure to Demand Tariffs

Caravan parks are commonly exposed to retailer tariffs driven by peak demand, typically occurring during evening periods when resident consumption is highest. Operators have limited capacity to influence these behaviours yet remain financially exposed.

Recommendation: Permit tariff structures that reasonably reflect demand-driven costs to better align consumption with cost drivers and strengthen network stability.

Retail Competition and Procurement Flexibility

Operators must retain discretion to procure electricity from the retailer offering the most competitive commercial terms. Regulatory settings that indirectly restrict retailer choice risk distorting procurement decisions and increasing costs for both operators and residents.

Recommendation: Preserve retailer choice and allow operators to structure resident pricing in a manner that reasonably reflects total supply costs.



Regulatory Proportionality

Caravan park operators are not electricity utilities and do not possess comparable administrative resources. Registration requirements, compliance obligations, contract revisions and dispute frameworks collectively represent a significant regulatory expansion.

Recommendation: Adopt scaled obligations, simplified compliance pathways, transitional support and safe harbour provisions to ensure proportionality and avoid unintended market exit.

Economic Impact

Operating a private electricity network involves material capital expenditure. Typical costs include transformer upgrades (\$150,000–\$500,000+), mains augmentation (\$250,000–\$1,000,000+), distribution cable replacement (often several hundred thousand dollars), meter and switchboard upgrades (tens to hundreds of thousands) and solar/battery installations (\$200,000–\$800,000+).

Without a framework supporting cost recovery, operators will bear escalating infrastructure costs while residents capture the benefits — an economically unsustainable position.

Avoiding Unintended Housing Consequences

If regulatory costs rise while pricing flexibility remains constrained, operators may be commercially compelled to reduce exposure to permanent residency in favour of tourism accommodation. Given current housing pressures, policy settings should avoid inadvertently discouraging providers of long-term accommodation.

Key Recommendations

1. Explicitly allow recovery of efficient network and infrastructure costs.
2. Recognise operator authority to manage network capacity and demand.
3. Permit cost-reflective pricing, including demand-based structures.
4. Support recovery of prudent capital investment in energy infrastructure.
5. Consider targeted government incentives that encourage private energy investment.
6. Preserve retailer procurement flexibility.
7. Adopt a proportionate, scalable compliance model.
8. Provide clear transitional arrangements for existing agreements.
9. Recognise accommodation-based electricity networks as distinct from commercial embedded networks.
10. Consider the housing policy implications of increased regulatory burden.

Closing

Caravan park operators play a critical role in delivering safe electricity and essential housing across Western Australia while representing a growing opportunity to support the State's distributed energy future.



We support well-designed regulation; however, it must remain economically sustainable for infrastructure providers. A framework that appropriately balances consumer protection with operational reality will best serve residents, operators and the broader energy system.

We welcome continued engagement with the Department as the regulatory settings evolve.

Yours sincerely

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