

6 February 2024

Mr Mark Feather
General Manager, Policy
Australian Energy Regulator
GPO Box 3130
Canberra ACT 2601

Via email: AERexemptions@aer.gov.au

Dear Mr Feather

Review of the Australian Energy Regulator (AER) exemptions framework for embedded networks – Issues Paper

Thank you for the opportunity to comment on this issues paper.

The Energy and Water Ombudsman Queensland (EWOQ), Energy & Water Ombudsman South Australia (EWOSA), Energy and Water Ombudsman Victoria (EWOV) and Energy & Water Ombudsman New South Wales (EWON), are the industry-based external dispute resolution schemes for the energy and water industries in our respective states.

There are differences in how our offices manage complaints from residents of embedded networks driven by our varying state legislation; the operation of embedded networks in our states; and ongoing reviews currently being taken by different jurisdictional bodies. We will therefore respond separately to those questions that align with the complaints customers raise with our offices, or with each respective organisation's operations as they relate to the issues paper.

The issues paper outlines that the objectives of the review are to:

- better understand the harms, or risk of harms, embedded network customers may be facing;
- better understand the benefits of embedded networks, and the extent to which customers are receiving them; and
- determine whether action is needed to redress any imbalance in harms and benefits, including whether the AER should amend the Guidelines to restrict the growth of future residential embedded networks, strengthen protections for existing embedded network customers, and improve overall transparency.

The issues paper also stipulates that it will not consider bulk hot water and chilled water regulation.

It has now been 7 years since the AEMC concluded that the existing arrangements for embedded networks are not fit for purpose, and that a new framework was required to improve access to retail competition and better consumer outcomes¹. It has been 5 years since the AEMC issued its final report² that proposed legislative changes.

To date, the only substantial reform has been the AER's changes to its exemption guidelines, which include the requirement for exempt entities to join an ombudsman scheme.

¹ Review of regulatory arrangements for embedded networks (AEMC, 2017)

² Updating the regulatory frameworks for embedded networks (AEMC, 2019)

Additional substantial changes to address the inequitable consumer protections faced by customers residing in embedded networks have tended to remain at the consultation level rather than being progressed.

We are concerned that the questions around harms and gaps in consumer protections are still being asked and that they are being labelled as 'risks' of harms. Our schemes have systematically highlighted the detriment experienced by residents of embedded networks through case studies which evidence the scale and extent of actual harms), shared via individual and joint submissions and state-based reporting.

Our submissions and state-based reporting has been instrumental in prompting additional reviews and inquiries at state level supporting the need for change to increase the standard of consumer protections within embedded networks.

The AER has itself previously stated that it *"has identified potential harms customers may face in embedded networks. We largely attribute this to the inherently monopolistic nature of embedded networks and a framework that is no longer fit for purpose to regulate the proliferation of embedded networks³."*

While we welcome this additional review by the AER, our view is that it should not focus on issues that have already been demonstrated multiple times. It should focus on making actual change that works towards closing the gap in consumer protections faced by customers living in embedded networks compared to those connected directly to the electricity grid.

We have not answered all specific questions in the issues paper. Instead in the attached, we point the AER to our schemes' individual work which comprehensively addresses the questions raised.

If you require any further information regarding this letter, please contact Mr Jeremy Inglis, Manager Policy and Research (EWOQ) on 07 3212 0630, Mr Antony Clarke, Policy and Governance Lead (EWOSA) on 08 8216 1861, Mr Ben Martin-Hobbs, Policy Insights and Engagement Manager (EWOV) on 03 8672 4239 or Dr Rory Campbell, Manager Policy & Systemic Issues (EWON) on 02 8218 5266.

Yours sincerely



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³ AER Submission - NSW Parliamentary enquiry into embedded networks (AER, 8 July 2022)

Ombudsman Schemes published works detailing issues with embedded networks

JOINT EWON/EWOQ/EWOV/EWOSA

- Joint Submission - [AER Review of consumer protections for future energy services](#) – (December 2022)
- Joint submission (June 2022) – [AER Retailer Authorisation and exemption review – issues paper](#) – (June 2022)
- Joint submission - [AER Retailer Authorisation and exemption review – issues paper](#) – (June 2022)

EWON

EWON has published numerous articles, submissions, and quarterly/annual reports regarding some of the issues faced with embedded networks. Within these are multiple case studies which highlight the issues experienced by customers living within embedded networks.

- EWON Report - [Rising Inequality in the Energy Market: Safeguarding Consumer Protection](#) – (September 2016)
- EWON Submission - [AEMC Review of regulatory arrangements for embedded networks – consultation paper](#) – (May 2017)
- EWON Submission - [AEMC Review of regulatory arrangements for embedded networks – Draft Report](#) – (October 2017)
- EWON Submission - [AER Draft Retail Exempt Selling Guidelines Version 5](#) – (December 2017)
- EWON Submission - [AER Draft Electricity Network Service Provider Registration Exemption Guideline version 6](#) – (January 2018)
- EWON Submission - [AEMC Updating the regulatory frameworks for embedded networks](#) – (March 2019)
- EWON Submission - [AEMC Review of the Retailer of Last Resort scheme](#) – (November 2020)
- EWON Submission - [Parliament of South Australia Economic and Finance Committee Inquiry into embedded networks in South Australia](#) – (May 2021)
- EWON Submission - [AER Updating the Network and Retail Exemption Guidelines](#) – (June 2021)
- EWON Submission - [AER Review of the Draft Retail Exempt Selling Guideline 2021-22](#) – (April 2022)
- EWON Submission - [AER Retailer authorisation and exemption review](#) – (June 2022)
- EWON Submission - [AER Draft Network Exemption Guideline Review 2022-23](#) – (December 2022)
- EWON Submission - [OECC Draft Ministerial Statement of Expectations: Protecting NSW customers of embedded networks](#) – (March 2023)
- EWON Submission - [IPART Draft terms of reference – The future of embedded networks in NSW](#) – (April 2023)
- EWON Submission - [AER 2024-29 Network Regulatory Proposals](#) – (May 2023)
- EWON Submission - [IPART Energy prices in embedded networks](#) – (September 2023)
- EWON Spotlight On - [Embedded networks – it's time for change](#) – (June 2021)
- EWON Spotlight On - [Hot water embedded networks](#) – (March 2021)
- EWON [Annual report 2020-21](#)
- EWON [Annual report 2021-22](#)
- EWON [Annual report 2022-23](#)

- EWON Insights - [Case studies and quarterly statistics around complaints for exempt entities and embedded networks from 2016 - 2023](#) (many of these highlight the detriment to customers living in embedded networks) (2016 – 2023)

EWOQ

- EWOQ submission - [Review of regulatory Framework for embedded networks](#) – (May 2017)
- EWOQ submission - [AER Draft Network Exemptions Guideline Version 7](#) – (December 2022)
- EWOQ submission - [AEMC Draft report – Updating the Regulatory Frameworks for Embedded Networks](#) – (December 2022)
- EWOQ [Annual report 2022-23](#)

EWOV

- EWOV Report - [Charging Ahead: New Technology and the Future of Energy Complaints in Victoria](#) – (March 2020)
- EWOV Submission - [Department of Environment, Land Water and Planning \(Vic\) – Embedded Networks Review – Issues paper](#) – (February 2021)
- EWOV Submission - [Department of Environment, Land Water and Planning - Embedded Networks Review – Issues paper, Attachment A: Embedded Network Customer Journey Map](#) – (February 2021)
- EWOV Submission - [Embedded Networks Review Panel’s Embedded Networks Draft Recommendations Paper](#) – (August 2021)
- EWOV submission - [AER Retail Authorisation and Exemption review – Issues Paper](#) – (June 2022)
- EWOV [Annual Report 2022](#)

EWO SA

- EWOSA submission - [AEMC Consultation Paper on Review of Regulatory Arrangements for Embedded Networks](#) – (May 2017)
- EWOSA submission - [AEMC Draft Report on Review of Regulatory Arrangements for Embedded Networks](#) – (October 2017)
- EWOSA submission - [AEMC Draft Report on Updating the Regulatory Frameworks for Embedded Networks](#) – (March 2019)
- EWOSA submission - [SA Parliamentary Inquiry into Embedded Networks in South Australia](#) – (May 2021)
- EWOSA submission - [AER Consultation Paper on Updating the Network and Retail Exemption Guidelines](#) (June 2021)

EWON specific comment

EWON has a unique perspective on how the current framework has failed to evolve in accordance with the growth of embedded networks and resulting significant customer detriment. This perspective comes from our complaints data and insights and in-depth knowledge of the energy sector.

EWON has long called for legislative and regulatory changes to enable customers living in embedded networks to access consumer protections available under the National Energy Consumer Framework (NECF).

The current embedded network landscape

When NECF was introduced in NSW in 2013, the prevailing Australian Energy Regulator (Retail) Exempt Selling Guideline was not aimed at capturing situations where energy retailers were selling energy for profit to residential and small business customers residing in embedded networks.

The exemption framework was designed to recognise the wide variety of supply arrangements that existed at that point in time. It provided the Australian Energy Regulator (AER) with flexibility to apply obligations to exempt sellers that protected the interests of the exempt seller's customers, and at the same time, were appropriate to the seller's individual circumstances. This typically applied to situations such as residential park operators and landlords (lodging/rooming/boarding houses) who on-sold electricity to residents as an incidental part of their business⁴.

Since the introduction of the exemption framework in 2013 we have witnessed rapid growth of the embedded network industry, and with it an increase in business models, including the growing participation of authorised energy retailers, that fall within the framework. As the embedded network industry has grown, the regulatory system has become unwieldy. The current national exemption framework is no longer applied just to entities who are on-selling energy as an incidental part of their business.

Overview of growth and reform in NSW

- As early as 2011, the AER noted the growth of on-selling energy within high density residential developments such as apartment buildings. The AER also noted that it considered exempt selling is often not in the long-term interests of customers and it did not want on-selling to be a motivating factor for developers in deciding how developments are structured⁵.
- In 2014, two years after the implementation of the exemption framework, there were approximately 500 network exemptions registered with the AER. EWON was then in a unique position to note the increasing number of customers who were living in embedded networks – because customers of exempt entities in NSW had the right to make a complaint to the Ombudsman, despite there not being a requirement for exempt entities to be EWON members.
- In 2016, EWON's Rising Inequality in the Energy Market: Safeguarding Consumer Protection Report expressed our concern about the growing number of embedded networks within new residential developments and customers in those embedded networks missing out on energy specific consumer protections. In the same year, the Council of Australian

⁴ The Hon. John Ajaka, Second Reading Speech, National Energy Retail Law (Adoption) Bill 2012 p12,629

⁵ AER, Exempt selling guideline, Version 1, December 2011, p7

Governments (COAG) Energy Council requested the Australian Energy Market Commission (AEMC) undertake a review of the regulatory arrangements for embedded networks.

- In 2017, the AEMC found that the regulatory framework for embedded networks was no longer fit for purpose⁶.
- EWON continued to cite the critical need for electricity, gas, and hot water provision in embedded networks to be seen as an essential service. Further, that stronger regulation needed to be provided with energy specific consumer protections that are equivalent to those which customers living outside of an embedded network receive.
- In 2018, the AER amended two of its guidelines to include the requirement for exempt sellers and networks, selling and supplying to residential customers, to join an Ombudsman scheme. At that time there were 2,500 network exemptions registered nationally with the AER. As at 30 January 2024, there are 7,215 network exemptions nationally registered with the AER, approximately 26% of these are registered in New South Wales⁷. There are also 3,779 retail exemptions; approximately 40% of these are registered in New South Wales.⁸ The proliferation of high-density residential developments with embedded networks is nation-wide and continues to increase rapidly.
- Further, there is increasing NSW-wide embedded network provision of centralised hot water, where customers are paying their energy provider for hot water by the litre rather than the energy used to heat the water. The latter is the traditional model which comes with some consumer protection. As a result, there is a growing number of customers falling into an unprotected consumer group, due to gaps in the current regulatory framework for embedded networks.
- In 2022 the NSW Parliamentary Committee of Law and Safety commenced an inquiry into embedded networks into NSW. The resulting October 2022 report⁹, made many recommendations aimed at addressing the regulatory gaps and issues that are faced by customers living in embedded network, including some relating to centralised hot water.
- In February 2023, the NSW Government released its response to the inquiry¹⁰, which supported most of the recommendations made and outlined its proposed actions. A key outcome is that the NSW Government considers that the sale of hot and chilled water when billed based on the underlying energy source constitutes the sale of energy.
- In 2023, the NSW Government released its NSW Embedded Network Action Plan, which included:
 - introducing a maximum price for energy in embedded networks;
 - releasing a draft Ministerial Statement of Expectations that outlines the NSW Government's expectations that:
 - hot and chilled water embedded networks customer should have access to equivalent consumer protections received by on-market customers under NECF;
 - all electricity embedded network operators should abide by national default market offer (DMO) maximum prices, protecting customers from unreasonably high prices; and
 - hot and chilled water embedded network operators should only bill customers based on the energy input to the hot and chilled water supply.

⁶ AEMC, Final Report, Review of regulatory arrangements for embedded networks, pp32-50

⁷ [AER Public register of network exemptions](#)

⁸ [AER Public register of retail exemptions](#)

⁹ [Embedded networks in New South Wales \(nsw.gov.au\)](#)

¹⁰ [NSW Government response - Inquiry into Embedded Networks.pdf](#)

- legislative and regulatory changes should be implemented to give legal effect to the Statement of Expectations, enabling customers living in embedded networks to access consumer protections available under NECF; and
- Independent Pricing and Review Tribunal NSW (IPART) should commence a review of the future of embedded networks in NSW, including determining the appropriate method for setting the maximum prices for hot and chilled water services, and gas services, in embedded networks.

Where has it gone wrong?

The overall growth of the embedded network industry is not driven by consumer demand – its expansion is based on the fact that it has evolved as a long-term profitable business model. The benefits of embedded networks are geared towards offsetting building costs for developers and to lock in a long-term revenue stream for a service provider that continues long after the developer has completed the sale of the development.

This business model has been successful due to sustained growth in Australian property prices and the proliferation of high-density residential developments, without any consideration of the energy impacts on owners and tenants.

Authorised energy retailers now dominate this market sector including through acquisition of long-term embedded network operators, evidencing that the embedded network industry is now driven by the core business of selling energy for profit.

This creates an imbalance between National Energy Retail Law (NERL) policy principles and the application of the current embedded network framework. It also increasingly leaves consumers with inequitable consumer protections due to gaps in the current legislative framework.

This is an opportunity for the AER to review the regulatory problems, including those relating to the sale of hot and chilled water, to address the inequitable consumer protections faced by customers in embedded networks. The AER should consider that:

- There should be systematic evidence of the benefits of embedded networks.
 - Those that operate in the space as a business should be required to demonstrate those benefits from a customer impact perspective i.e. a reduced negotiated cost for a Strata. These benefits do not consider the end user, including issues relating to consumer experience.
 - Others suggest that there are no issues, that customers are happy with the deals they are paying and that they operate with consumer benefits as part of their business model. But where is the evidence to support this position? EWON complaint numbers and the issues raised by customers residing in embedded networks challenge this position as evidenced in our complaints data.
- While price is critical, access to competition is not just about price. NECF was designed to ensure that retail competition was supported by a strong consumer protection framework, and where required, retail rules filled consumer protection gaps. And where this did not work, if customers experienced poor customer service, they could choose an alternative energy retailer. Given that customers residing in embedded networks do not have the ability to transfer retailers, it could be argued that the consumer protections provided to these customers should be strengthened not only to match the protections provided to the open market, but to exceed that level to ensure customers have no reason for wanting to switch retailers.
- There is still a lack of transparency in the industry. There are a number of opportunities to increase transparency for apartment owners and tenants, the most basic one being that

example embedded network residents do not have access to pricing information prior to moving into a property and this should be addressed.

How can the issues be addressed?

The following table summarises the problems and issues with embedded networks and the current regulatory framework at a national level. We acknowledge that not all fall within the scope of this review. However, we consider it important to highlight these issues to show the different frameworks and how this creates inequalities in consumer protections.

Problem/issue	Proposed reforms not yet in place	What could the AER do?
Exemption framework found to be not fit for purpose and the subsequent reforms have been stalled.	AEMC had a package of proposed law and rule changes that did not proceed/were not adopted.	The AER could look at ways to include the recommendations from the AEMC review in a revised exemption framework.
Authorised retailers on-selling within embedded networks are not required to provide NECF protections to their embedded network customers.	AEMC had a package of proposed law and rule changes that did not proceed/were not adopted.	Outside the scope of this review, however the AER could look at ways to include the recommendations through its capacity as the regulator in future consultations.
The Default Market Offer (DMO) does not currently apply to off-market customers with an authorised retailer.	IPART has released its draft report which suggests a pricing methodology and indicates that applying the DMO would not be beneficial to embedded network customers.	<p>The AER could monitor the outcome of the IPART review and consider whether the DMO or an embedded network DMO would be appropriate at a national level.</p> <p>The AER could duplicate in the national framework some of the recommendations of the IPART draft report, including Recommendation 14 that exempt sellers or authorised sellers publish their prices on their websites.</p>
The role played by energy companies that specialise in embedded networks as 'billing agents'.	No reforms currently proposed.	<p>The AER could create a specific register for those involved in the 'activity' of selling energy, including billing agents, with a requirement to join an Ombudsman Scheme.</p> <p>OR</p> <p>The ARE could expand the definition of 'Selling energy' in the NERL to include billing agents.</p>

Problem/issue	Proposed reforms not yet in place	What could the AER do?
<p>Fragmentation of energy services (air-conditioning and hot water) – the definition of ‘energy’ in the NERL.</p>	<p>The NSW Government has released its Embedded Network Action Plan, including a draft Ministerial Statement of Expectations that would require hot and chilled water embedded network operators to only bill customers for the energy input to the hot and chilled water supply.</p> <p>IPART has been asked by the NSW Government to investigate and make recommendations on whether new embedded networks for hot and chilled water should be prohibited in NSW.</p>	<p>The AER could create a separate class of exemption that requires customers be billed by energy providers for the energy used to heat water, not the number of litres of hot water use.</p> <p>The AER could consider the NSW Government response to the Legislative Assembly Inquiry into Embedded Networks and its Draft Ministerial Statement of Expectations which states that the NSW Government considers that the sale of hot and chilled water when billed by the underlying energy source constitutes the sale of energy.</p>
<p>Growth of gas embedded networks (including centralised hot water services) that are not regulated by NECF.</p>	<p>IPART has been asked by the NSW Government to investigate and make recommendations on whether new embedded networks for hot and chilled water should be prohibited in NSW and has been asked to determine an appropriate pricing methodology for setting maximum prices for gas supplied through embedded networks.</p>	<p>The AER could create a separate class of exemption that requires customers be billed by energy providers for the energy used to heat water, not the number of litres of hot water used.</p>
<p>Residential customers in embedded networks receive inequitable consumer protections from licenced network providers as they are not covered by deemed connection contracts.</p>	<p>Some licenced network providers seek to increase charges on embedded networks but these proposals do not include any provision of network provider support / responsibility for customers residing in embedded networks.</p>	<p>If network tariffs are introduced for parent connection points for embedded networks, the AER should extend provisions within the deemed standard connection contract to customers within an embedded network, not just to the parent connection point.</p>
<p>There is no Retailer of Last Resort (RoLR) arrangement for customers within embedded networks to ensure automatic transfer to an alternative retailer for ongoing supply if an exempt seller collapses.</p>	<p>No reforms currently proposed.</p> <p>The AEMC recommended that the AER’s exempt sellers guidelines could be updated to require exempt sellers to make arrangements with an authorised retailer or alternative exempt seller to be the default for their network in the event of failure. And if this occurred, an event reporting to the AER and acquisition of the affected</p>	<p>The AER has noted that it has no power to direct another entity to take over the embedded network to ensure continuity of supply for its customers. However, the AER could include in its new exemption framework, a requirement for an exempt entity to have a contractual arrangement in place.</p>

Problem/issue	Proposed reforms not yet in place	What could the AER do?
	customers by the nominated authorised retailer / alternative exempt seller.	
<p>Within the current regulatory framework there is the ability for an exempt entity to be disconnected, with the disconnection occurring at the parent connection point, which would also unfairly disconnect supply to the child connection points ie all residents within the embedded network.</p>	<p>No current proposed reforms.</p>	<p>The AER should consider requirements to strengthen the obligations on exempt entities if facing disconnection at the parent connection point.</p>

Response to issues paper questions

3) Is our proposed review scope reasonable? If not, what other supply arrangements should be considered and why?

Bulk hot and chilled water

The rise of embedded networks has seen a corresponding rise in separate billing for services such as centralised air-conditioning (thermal energy or chilled water) and centralised hot water. These services, despite their main input costs being energy, are treated by the exemption framework as being outside NECF.

Even if services such as centralised air-conditioning and hot water are not currently legally defined as being energy services, these services clearly meet the AER's definition of being essential – as heating and cooling services. These services should attract the same level of consumer protections as customers connected to the grid using gas/electricity for heating and electric cooling. Critically, customers living in embedded networks often do not have a choice about whether to open accounts for these services. The accounts are interlinked with the general supply of electricity and gas, and their imposed embedded network provider also manages the account for the customer's energy supply.

As centralised hot water and air-conditioning services provided to residential customers are currently deemed not to meet the definition of energy under NECF, providers and networks do not need to register these services and there is no transparency about the number of customers engaged with these services or the prices they are paying.

This can be addressed if a new class exemption is created which requires embedded network operators on-selling gas (and measured with a hot water meter) to register for an exemption. The AER recently made a draft determination for version 6 of the Exempt Selling Guideline and advised the sale of bulk chilled or hot water is unlikely to constitute the sale of energy for the purposes of the Retail Law, and therefore class exemptions cannot be created for these kinds of services.

EWON does not suggest that hot water 'equals' energy however, it is equally not factual to state that gas embedded networks in NSW are legitimately selling hot water as a manufactured/bundled product.

While EWON understands that embedded network operators are billing customers for the hot water used (\$/L) rather than the gas consumed (\$/MJ or kWh), it does not consider this to be an accurate representation of the service provided to customers. Based on complaints investigated by EWON, there are no indicators/supporting information that hot water is a bundled product (water + energy) which is separate from the sale of energy. Further, there is no evidence that the embedded network operator is buying the water that is used in the centralised hot water system – which means customers are simply paying for the energy used to heat the water.

Hot water and air-conditioning are essential services, and customers of gas embedded networks should benefit from the same consumer protections that other retail energy customers are entitled to, including:

- rights to access energy services and obligations to offer supply
- informed consent requirements
- dispute resolution procedures

- minimum contractual standards
- minimum requirements for billing, tariff, and payment
- protections for customers at risk of financial vulnerability
- protections for disconnection and reconnection.

29) Should we extend any compliance reporting obligations to exempt embedded network service providers, via the Network Guideline?

EWON strongly supports compliance reporting obligations being extended to relevant classes of exempt embedded network service providers, particularly in relation to provisions around life support (conditions 10 and 11 of the Network Guidelines).

As noted in EWON's response to the AER Performance Reporting Procedures and Guidelines Issues Paper, as well as the gap in consumer protection for customers living in an embedded network, there is currently a significant lack of data in any form that helps to identify issues being faced by these customers and non-compliant behaviours. This applies to authorised retailers and exempt entities.

While acknowledging there will be additional costs at the outset for exempt entities that do not already have a mechanism for compliance reporting, we believe that the benefits are critical in working towards providing equal protections for customers that reside in embedded networks. It will also assist in identifying gaps in consumer protections and provide policy makers with more useful insights than has previously been available, which will contribute towards better regulation.

We continue to recommend that the AER consider the following compliance and engagement activities with embedded network operators:

1. Commencing a communications campaign after version 6 of the Exempt Selling Guideline and version 7 of the Exempt Network Guideline (the Guidelines) are published to ensure that exempt entities are aware of their compliance obligations under the Guidelines.
2. Running webinars or workshops for exempt entities as part of the AER communication campaign following publication of the new Guidelines.
3. Surveying or auditing exempt entities to assess general compliance with the Guidelines and the current accuracy of the exemption register. This could be a risk-based project based on:
 - publicly available information from Ombudsman schemes (for example membership lists)
 - current retail and network exemptions on the register that have incomplete data (for example no customer numbers).

30) Should family violence obligations be extended to exempt sellers who on-sell to residential and small business customers?

EWON strongly supports family violence obligations being extended to exempt sellers who on-sell to residential and small business customers.

The development of assistance and protections is vital. Family violence protections under NECF will make a significant difference to many customers who experience family violence. It will also contribute to building a family violence protection framework that embeds changes in attitudes and business cultures within the energy sector, and strongly supports provision of assistance for all customers.

We acknowledge that in some circumstances this will be difficult for exempt sellers to navigate due to the nature of the relationships within their communities. For example, a survivor and perpetrator may both be residents of the same embedded property (ie residential park or apartment building),

and both known by the park operator. On the other hand, it could be argued that it is easier for exempt sellers to promote family violence support programs because all of their customers reside within one broad residential address ie the exempt entity could work with the property manager to share information about their program via property management direct and regular communication channels with resident; and for exempt entities, via their energy bills. The significant gap in consumer protections for these consumers if reduced / closed, could arguably, be very effectively shared with embedded network property owners and tenants via established communication channels.

We would also support the AER developing a template family violence policy for small embedded network operators to adapt and adopt. As noted in our [Spotlight On Embedded networks - it's time for change report](#), we have developed two complaint handling templates that we provide to new members to help them meet the dispute resolution requirements for exempt sellers and authorised retailers. Most new exempt members have adopted our complaint policy template in full, particularly residential parks. We have also found new authorised members adopt the template or use it as a basis to develop their own.

Based on this experience, we consider that if the AER template were appropriately tailored for small entities, any burden in adopting the template would be outweighed by the benefit it would deliver to embedded network customers experiencing, or at risk of experiencing, vulnerability.