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17 January 2012

Research Director  
Legal Affairs, Police, Corrective Services  
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Parliament House  
George Street  
BRISBANE QLD 4000

**By e-mail:** [lapcsesc@parliament.qld.gov.au](mailto:lapcsesc@parliament.qld.gov.au)

Dear Sir / Madam

**Proposed amendment to s.99A of the *Manufactured Homes (Residential Parks) Act 2003 (Qld)***

We act on behalf of SEQ Properties Pty Ltd and the Maroochy River Cabin Village and Caravan Park.

On behalf of our client we wish to make the following comments:

**1. General comments on utility charges**

1.1 Section 20J of the Electricity Act 1994 already provided for a fair arrangement under which:

- (a) home owners would pay the same rate for electricity supplied to them as would have applied if they were in different accommodation; and
- (b) park owners, who have to provide the electricity supply infrastructure and take the bad debt risk of defaulting home owners, are able to make a margin on the supply of electricity resulting from the difference between the supply rate for individuals and the bulk supply rate.

1.2 Requiring park owners to supply electricity at the bulk rate they pay is unfair because:

- (a) the bulk supply rate charged by utility companies in part reflects the reduction to those companies of the bad debt risk and administrative and

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- capital costs for the amount of electricity supplied; that risk and cost is passed on to the park owner;
- (b) pre-existing site agreements have rents set before the changes to the Act, and the total income for the park owner therefore incorporated the small margin for the on-supply of electricity; the change to the Act thus leads to a reduction in total income for park owners and a windfall gain to existing home owners.

## 2. Suggested amendment to clause 102

The proposed new section 102 is somewhat uncertain. The section should be amended to clarify the inherent uncertainty and to reinstate the ability to charge the margin between the bulk supply rate and the domestic supply rate.

- (2) The park owner must not charge the home owner an amount (the ~~relevant amount~~) for the use of the utility at the site that is more than:

(a) if the site agreement provides for an administration charge for the provision of the utility, the total of the administration charge and the amount charged by the relevant supply authority for the provision of the utility at the site unless the relevant amount; or

(b) if section 99A(2)(a) does not apply; the maximum amount that the park owner would be entitled to charge the home owner under section 20J of the Electricity Act 1994.

- ~~(a) is stated, in the site agreement, for the provision of the utility at the site; or~~

- (b3) If a site agreement provides for an administration charge for the provision of a utility, the park owner must not charge an administration charge that is greater than any amount that is prescribed for this section under a regulation.

Yours faithfully

CARTER NEWELL

