

Agreement in Principle

Ms LYLEA McMAHON (Shellharbour—Parliamentary Secretary) [4.53 p.m.]: I move:

That this bill be now agreed to in principle.

The Government is committed to ensuring that households and small businesses in New South Wales have the best deal possible when it comes to getting their supply of energy. The Government already has a robust and effective framework for protecting energy customers. This includes retaining regulated energy prices until at least 2013, very strong rules that govern when and how suppliers can disconnect a customer, and an energy marketing code of conduct. The Government will retain all these protections as part of its strategy to reform the New South Wales electricity industry and secure the State's future energy supplies. The Government established an industry ombudsman scheme more than 10 years ago—the Energy and Water Ombudsman New South Wales [EWON]. The ombudsman provides households and small businesses with an independent and free service to help resolve complaints against energy providers.

The Government requires all electricity retailers to be a member of this ombudsman scheme to protect New South Wales householders. This bill will build on these achievements to further increase the assistance that the Energy and Water Ombudsman New South Wales can give to New South Wales gas customers. The ombudsman already provides an especially valuable role to homeowners and residents. Last year, the Energy and Water Ombudsman New South Wales assisted more than 8,500 customers resolve disputes with energy and water providers. The Government has committed to increase its customer assistance measures, which help vulnerable customers pay their bills and protects them from disconnection for non-payment. The Government has announced a new customer protection package that will further boost the already strong programs that assist New South Wales households who have difficulty paying energy bills for financial reasons.

These new and strengthened consumer protection measures will be implemented in tandem with the sale of electricity retail businesses. The Government already requires electricity retailers and gas retailers who supply small customers to join the Energy and Water Ombudsman New South Wales scheme. This means that the Energy and Water Ombudsman New South Wales has jurisdiction to assist in complaints from households and small businesses in New South Wales. In addition, electricity distributors are required to join the Energy and Water Ombudsman New South Wales scheme since they provide services to small customers and can sometimes be involved in complaints from those customers. However, to date natural gas networks, which are also known as reticulators, have not been required to join the Energy and Water Ombudsman New South Wales scheme. The objective of this bill is to remedy this situation by introducing a requirement that natural gas networks join the Energy and Water Ombudsman New South Wales scheme as well.

The bill will create an obligation on any natural gas network that supplies gas to small customers to join the Energy and Water Ombudsman New South Wales scheme, if they wish to be authorised under the Gas Supply Act. This will mean that the Energy and Water Ombudsman New South Wales will be given jurisdiction over complaints from customers with small accounts that concern the actions of gas networks. New South Wales households and small businesses that have complaints that involve the actions of a gas network will then be able to have the assistance of an independent body. In order to ensure that the bill has no unfair impacts on businesses, the Government has decided to ensure that only those natural gas networks actually supplying small energy customers will be required to meet this obligation. The bill does this by giving the Minister for Energy the power to exempt a natural gas network that is not actually supplying small energy customers from the requirement to join the Energy and Water Ombudsman New South Wales scheme.

Natural gas networks have not been required to join the Energy and Water Ombudsman New South Wales scheme before now for historical reasons. These are related to the different structure of the gas industry compared with electricity. Small energy customers are served directly by electricity networks. They have contracts with these networks and they are supplied services directly by the networks. On the other hand, gas networks are involved in supplying gas only to the natural gas retailers. The retailers supply the gas and other services to households and small businesses that use gas. The networks do not have contracts with these end customers and so have not been required to join the Energy and Water Ombudsman New South Wales scheme. However, sometimes the actions of the natural gas networks directly affect customers such as households and small businesses. This can include repairs or maintenance to a gas pipe on a customer's property, or establishing a new connection.

The Energy and Water Ombudsman, Ms Clare Petre, has brought to the attention of the Government a number of instances where small gas customers have made complaints concerning the actions of the different networks. In order to help customers to resolve these complaints, the Energy and Water Ombudsman New South Wales has had to rely on roundabout methods. In particular, the Energy and Water Ombudsman New South Wales has had to rely on the goodwill and co-operation of the respective gas retailers to address complaints about gas networks. This is far from an efficient method. It also imposes extra costs on gas retailers and it creates uncertainty for customers. It is this situation that this bill seeks to remedy by extending the requirement to join

the Energy and Water Ombudsman New South Wales scheme to include the natural gas networks. By doing so the Government will increase protections for small gas customers. It will also ensure that a strong, independent body, the Energy and Water Ombudsman New South Wales, is given approval to assist both customers and the networks in the event of future disputes.

The Government is committed to ensuring that New South Wales households and small businesses that use gas have access to the service of the Energy and Water Ombudsman New South Wales to assist in resolving these disputes. The gas industry has a different structure to electricity. However, this is not a reason to deny customers the same opportunity to have their complaints addressed as they do with respect to electricity. For households and small businesses, gas can be an essential service just as electricity is. These customers want to be treated exactly the same whether they are using electricity or gas. The bill will ensure that this is exactly what happens by giving customers the opportunity to use the Energy and Water Ombudsman New South Wales services no matter whether they have a complaint about an energy retailer, an electricity network or a gas network.

I am very pleased to say that the two largest natural gas networks in New South Wales have already joined the Energy and Water Ombudsman New South Wales scheme. Both Country Energy and Jemena have joined the Energy and Water Ombudsman New South Wales scheme as gas networks and have done so voluntarily. I commend them for taking these positive steps to assist small gas customers in New South Wales. The bill will also have the effect of creating consistency throughout the gas industry by ensuring that all natural gas networks do the right thing by their customers. I note that other States, such as Victoria, Queensland, Western Australia and South Australia, already require natural gas networks to join the respective ombudsman schemes in those States. Indeed it is expected that this requirement will become national within the next one to two years as a result of other reforms being undertaken in the energy industry at a national level. So there should be no surprises about the Government extending this important protection to small gas customers in New South Wales.

In summary, the bill seeks to continue the Government's commitment to provide strong protections to small energy customers in this State. By ensuring a free, efficient and effective means of resolving complaints with natural gas reticulators, the bill will help to ensure that all New South Wales householders and small businesses can get on with their lives and with their businesses whenever they need to use gas. I commend the bill to the House.