

Second Reading

The Hon. PENNY SHARPE (Parliamentary Secretary) [3.28 p.m.], on behalf of the Hon. Ian Macdonald: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

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, 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.

In addition, 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.

The Government has also appointed an industry ombudsman scheme—the Energy and Water Ombudsman New South Wales (EWON). EWON provides households and small businesses with an independent and free service to help resolve complaints against energy providers.

This bill will build on these achievements to further increase the assistance that EWON can give to New South Wales energy customers.

OVERVIEW OF THE BILL

The Government already requires electricity retailers and gas retailers who supply small customers to join EWON. This means that EWON has jurisdiction to assist in complaints from households and small businesses in New South Wales.

In addition, electricity distributors are required to join EWON 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 EWON.

The objective of this bill, is to remedy this situation by introducing a requirement that natural gas networks be required to join EWON as well.

The bill will create an obligation on any natural gas network that supplies gas to small customers to join the EWON scheme, if they wish to be authorised under the Gas Supply Act.

This will mean that EWON will be given jurisdiction over complaints from small customers that concern the actions of gas networks. New South Wales households and small businesses who 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 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 customers from the requirement to join EWON.

BENEFITS OF THE BILL

Natural gas networks have not been required to join EWON before now for historical reasons. These are related to the different structure of the gas industry compared with electricity.

Small energy customers are directly served 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 EWON.

However, sometimes the actions of the natural gas networks do directly affect customers such as households and small businesses.

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 had complaints concerning the actions of the different networks.

In order to help customers to resolve these complaints, EWON has had to rely on roundabout methods. In particular, EWON 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 EWON 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, EWON, is given approval to assist both customers and the networks in the case of future disputes.

CUSTOMER COMPLAINTS

EWON has provided a number of examples of the kinds of complaints that the bill will allow households or small businesses to make about gas networks.

One case involved a natural gas network looking for a connection point between its main distribution pipe and the service line that carries gas to that customer's premises. In the course of that search the network excavated a large hole in the customer's driveway and then failed to repair the hole.

In another case, a customer had sought a new connection to the nearby gas main and was quoted \$1,000 by the gas network for 'traffic management' to assist with this work being done. The customer later observed that the only 'traffic management' that was done involved the placing of three witches hats on their driveway for the duration of the work, for which they were charged \$1,250.

There was another case, where the customer had requested a gas connection to her renovated property. The customer was planning to move into the property soon and needed to have the gas connected before then. The new connection was delayed, reportedly because there was a problem with the old meter for those premises having gone missing. This delay caused significant inconvenience to the customer who then had to make a number of unsuccessful attempts to resolve this matter with both their gas retailer and their gas network.

Unfortunately, in these and other similar cases, it was a long and difficult process for EWON to assist these customers and reduce the inconvenience suffered by them.

CONSISTENCY FOR CUSTOMERS

In cases such as these the Government is committed to ensuring that New South Wales households and small business that use gas have access to the service of EWON to assist in resolving these disputes.

The gas industry has a different structure to electricity. However, this is not a reason to deny these 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 or not they are using electricity or gas.

This bill will ensure that this is exactly what happens by giving customers the opportunity to use EWON's 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 EWON. Both Country Energy and Jemena have joined EWON as gas networks and done so voluntarily and I commend them for taking this positive step to assist small gas customers in New South Wales.

This 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 also note that gas networks in other States such as Victoria, Queensland 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 all small gas customers in New South Wales.

CONCLUSION

In summary, this 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, this bill will help to ensure that all New South Wales households 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.