



5 Kiln Court St Leonards
PO Box 858 Launceston
Tasmania 7250 Australia
Tel 1800 438 427 or (03) 6336 9386
Fax (03) 6336 9385
www.tasgas.com.au

ABN 90 110 370 726

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Office of the Tasmanian Economic Regulator
By email: office@economicregulator.tas.gov.au

Dear Tasmanian Economic Regulator

We refer to the Regulator's invitation to make submissions on proposed amendments to the Tasmanian Gas Retail Code (Code), which introduces customer hardship provisions and protections for customers who are experiencing family violence.

As part of preparing this submission, we have read the Consultation Paper and marked-up version of the Code available on the Regulator's website.

Background

In addition to its Tasmanian retail business, Tas Gas Retail Pty Ltd (TGR) also operates a Victorian retail business which services approximately 1,000 customers across 10 regional Victorian towns.

In order to meet the regulatory requirements of the Essential Services Commission (ESC), including the Energy Retail Code of Practice, TGR currently maintains a Hardship Policy and Family Violence Policy, and additionally has the prescribed training in place for its staff.

TGR welcomes the opportunity to extend the application of similar requirements to its Tasmanian customers to ensure consistency across the jurisdictions within which it operates.

Customer Hardship

As noted in the Consultation Paper, TGR is also authorised by the AER to retail gas in ACT, NSW, QLD and SA, and therefore has an approved Hardship Policy on its website, despite not currently having any retail customers in these jurisdictions. TGR also has an approved Customer Payment Support Policy available on its website for its Victorian retail customers in line with the requirements of the Victorian Energy Retail Code of Practice.

Whilst we understand the financial difficulties that Tasmanian customers face and currently offer hardship support to those customers, any amendments to the Code should ensure that hardship support is reasonable and sustainable from our business perspective.

In order to ensure consistency in dealings with its customers, TGR already applies its Customer Payment Support Policy to its Tasmanian customers, which has been approved by the ESC. We believe this has assisted in no customer complaints having been made to the Energy Ombudsman over recent years. Therefore, it is our position that the need for customer hardship protections in Tasmania is not a result of TGR. As demonstrated in the Energy in Tasmania Report 2021-22 for example, TGR had 1,246 customers on payment plans. Whilst this is not necessarily indicative of customer hardship, it demonstrates TGR is already looking at customer's needs and offering them payment solutions.

Whilst we appreciate the flexibility of retailers being able to adapt their hardship policies to reflect how they wish to meet customer's needs within the regulatory framework, there are also benefits to retailers having certainty that their policies are approved by the Regulator. If the Regulator is proposing not to approve a mandated Hardship Policy for TGR, we would advise that the Regulator's discretion should be appropriately used when subsequently reviewing compliance of the Policy with the Code. As TGR currently has processes and training in place to address these requirements in Victoria, TGR would seek to maintain a consistent approach for its Tasmanian customers provided such approach is not inconsistent with the obligations in the Code.

We also note your reference to a customer's eligibility to concessions as a criteria to consider in a hardship policy (ref page 9 of the Code). Unfortunately, unlike other jurisdictions in Australia, the Tasmanian Government does not currently offer concessions to customers who rely on natural gas for hot water and heating (as energy concessions are only provided for electricity). It is therefore proposed the reference to concessions is removed from the footnote on page 9 of the marked-up version of the Code. TGR would however welcome the opportunity to discuss the possibility of extending energy concessions to gas customers in order to assist them with their financial hardship.

Family Violence

We note the Regulator is proposing to introduce amendments in keeping with those applicable in Victoria, and that the Victorian requirements have also been harmonised with the National Energy Customer Framework (NECF).

TGR is supportive of the introduction of these requirements in Tasmania, particularly it already maintains a Family Violence Policy that meets the ESC and AER requirements and has mandatory family violence training in place for all its staff. However, we seek to reiterate that TGR staff are not trained counsellors and so careful consideration should be given to the nature of the obligations imposed on them in relation to family violence.

Miscellaneous Amendments - Removal of reference to "small customers"

We dispute the removal of the reference to "small customer" in the Code.

We note there are currently two versions of the *Gas Industry Act 2019 (Tas)* (Act) showing as "current" on legislation.tas.gov.au.

One version, available [here](#), does not include a definition of "small customer", and appears to be the "as made" version of the Act.

The other version, available [here](#), defines "small customer" as follows:

- "Small customer" is a term that is defined under the Gas Industry Act 2019 (Tas) to mean –*
- (a) a residential customer; or*
 - (b) a business customer - whose consumption of gas is not more than one terajoule per annum.*

This definition is also consistent with the definition of "small customer" under the *National Energy Retail Law (South Australia) Act 2011* (National Energy Retail Law).

It is our position that this version is the current version of the Act, based on:

- 1) review of the *Gas Industry Amendment Act 2020*, which:
 - inserted the definitions of "business customer" and "residential customer";
 - inserted the definition of "small customer"; and
 - replaced the definition of "retailing or selling of gas by retail".
- 2) review of the Second Reading Speech and Clause Notes for the *Gas Industry Amendment Bill 2020*, available [here](#). In particular, the Second Reading Speech states:

The Bill before the House amends the 'retail' definition to be consistent with its historical meaning under the Gas Act 2000. The threshold for the categorisation of small customers was introduced in the Gas Industry Act, where previously it had only been provided for in the Codes. The threshold of 1 terajoule continues to provide better alignment with national arrangements

for customer protections, however this amendment severs the link between the threshold and the requirement to hold a retail licence.

For the above reasons, the definition of “small customer” should be retained in the Code to ensure consistency with the Act.

The definition of “small customer” is also crucial to providing scope to the Code and reflects how processes, agreements and understanding within the Gas regulatory framework is based. Noting that “customer” has a broader meaning than “small Customer”, extending the Code to larger customers would cause unintended consequences to the Tasmanian gas retail market. Of note, “small customer” is also a term that is defined in the *National Energy Retail Law (South Australia) Act 2011* and Victorian Energy Retail Code of Practice and so should be retained to ensure consistency across jurisdictions.

Other Matters

TGR has reviewed the Regulator’s Compliance Enforcement Policy and is aware of the Regulator’s position towards encouraging compliance.

As the Code does not currently refer to this Policy, we think it would be worthwhile including a reference to the Policy within the Code, including a statement that breaches of the requirements of the Code will be dealt with in accordance with that Policy. This would assist retailers in understanding the potential consequences of breaching the requirements of the Code.

On a different note, we also think it would be helpful to include a catch-all requirement in the Code (perhaps under Part 5) that provides retailers with the right to instruct the network provider to disconnect a customer if entitled to do so any under law or lawful direction.

Please do not hesitate to contact our Compliance Manager, Georgia Newland, on 0474 386 898 or at georgia.newland@tasgas.com.au should you wish to discuss the contents of this submission further.

Yours sincerely

Sarah Thurstans

Sarah Thurstans
General Manager Retail