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Treasury

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- 5 FEB 2003

Mr G Henry
Director, Gas and Electricity
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4000

Dear Mr Henry

Gas Distribution: Monitoring Service Quality

The Queensland Government appreciates the opportunity to make a submission to the Queensland Competition Authority (QCA) regarding the 'Gas Distribution: Monitoring Service Quality' discussion paper.

In general, the Government supports the development of a monitoring regime that ensures the current levels of service quality for the gas industry do not deteriorate, and also promotes improvements in service quality in areas of poor performance. Any monitoring scheme should also be consistent with the operations of Queensland's gas industry.

However, the Government has a number of minor concerns which are addressed below in order to assist you in your consideration. They are broad comments and do not focus on individual questions raised in your paper.

The Government notes the nature of the proposed information in Appendix C of the discussion paper. The Government will be interested in responses from stakeholders and outcomes regarding these information requirements.

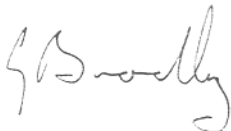
The discussion paper asked for comment regarding whether the QCA should adopt measures that are comparable with those collected in other jurisdictions. In view of recent submissions to the Council of Australian Government's Energy Markets Review and the Productivity Commission, the Government would support efforts to align information requirements across different jurisdictions, but only if such efforts avoided unnecessary costs to service providers.

The Government also notes a number of ongoing activities, beyond the Energy Markets Review, which may be of interest to the QCA in determining the scope of service quality issues covered under the proposed regime including the following:

- **National Gas Pipeline Advisory Committee Investigations** - The timing and extent of service quality monitoring information that can be gathered is currently limited under the *National Third Party Access Code for Natural Gas Pipeline Systems* (the Code). The National Gas Pipeline Advisory Committee is currently considering issues relating to the extent to which the Code provides for a regulator to specify in advance of a review period the precise information that must be collected and maintained for the review to verify the proposed reference tariffs and other elements of the Access Arrangements.
- **Gas Supply Bill (Queensland)** - a number of provisions placing restrictions and obligations on service providers are included in the draft Gas Supply Bill (the Bill) circulated to the QCA and other stakeholders. In some instances, certain levels of service are required under these provisions to enable appropriate service responses, particularly regarding fault investigation and maintenance of the gas network. The Bill (s74 of the Consultation Draft) also provides for “standards about quality of customer connection services” including a role for the QCA, at the request of the regulator, to “monitor, investigate, and report to the regulator on compliance with standards”. Any quality service monitoring regime should complement these provisions.
- **Department of Natural Resources and Mines (DNRM) Activities** – DNRM is involved in the monitoring of technical and safety aspects of distribution services provided under the *Gas Act 1968* and *Petroleum Act 1923*. Questions regarding technical performance standards being applied to service providers should consider the existing role of this Department. It is understood that DNRM are providing a separate response to this paper.

The Queensland Government looks forward to participating in the future development and refinement of the *Service Quality Monitoring Regime*. Should you have any queries in relation to any of the matters raised in this submission, please contact either Mr Glenn Simpson (07) 322 58256 or Mr Curtis Evans (07) 322 44358. For more specific enquiries regarding the Gas Supply Bill, please contact Mr Tom Hasted (07) 322 48611.

Yours sincerely



(G. Bradley)

Under Treasurer