

Submission by



to the

Electricity Authority

on the consultation

Improving Electricity Billing in New Zealand

12 November 2025

Improving Electricity Billing in New Zealand

– SUBMISSION BY BUSINESSNZ ENERGY COUNCIL—

Introduction

1. BusinessNZ Energy Council (BEC)¹ is pleased to have the opportunity to provide feedback on the Electricity Authorities (EAs) consultation document titled 'Improving Electricity Billing in New Zealand.'
2. BEC represents a diverse array of leading energy-sector businesses, government bodies, and research organisations dedicated to creating a sustainable, equitable, and secure energy future.
3. As a brand of BusinessNZ, New Zealand's largest business advocacy organisation, we represent the World Energy Council in New Zealand, aiming to shape better outcomes for our wider energy system both locally and globally.
4. With this work the EA is consulting on a package of Code changes to improve electricity bills with the goal being to have them easier to read, understand and compare.
5. It is the EAs hope that these improvements will empower consumers to switch to plans that suit their needs the best, which would create savings.
6. It is also the hope of the EA that this will ensure competition within the retail sector is delivering the benefits that it should.
7. BEC supports the work that the EA is doing in making consumer billing easier to understand. Within 'an industry perspective on the Government's proposed Energy Strategy' we outlined in the first guiding principle that the energy system exists to serve New Zealanders, households and businesses. Greater understanding on electricity bills should allow consumers to engage more with the system that is meant to serve them.
8. However, while we see the benefits that increased switching could have for consumers, the EAs proposal to require six-monthly reviews on better plans would increase operating costs significantly. BEC is of the view that through standardisation consumers should be empowered to do their own research into better plans.

Key Recommendations for the EA and the Government

- **BEC agrees** with the EA that bill standardisation will help to give consumers the information that they need to engage with and compare plans across the electricity market.
- **BEC does not support** the implementation of six-monthly reviews on better plans as laid out under proposal B1. We believe that this will add significant

¹ More about BEC in APPENDIX One

cost to the retailer for a job that, if bills are standardised, consumers should be empowered to do themselves within the new EA funded comparison and switching service.

Better plan reviews would also increase barriers to entry for new participants, increase the cost of doing business, reduce innovation in plan offering and reduce the uptake of time-of-use plans, which are a vital part of smoothing demand.

- **BEC does not agree** with the EA that retailers should be obligated to inform consumers after a three-month period whether they are making savings compared to their previous plan. As the burden of responsibility for checking if consumers are making saving should be on the consumer. This will be made accessible by the easier ability of consumers to track their bills.

General discussion

9. BEC agrees with the EAs assessment that New Zealand's current billing and plan switching leaves too many consumers disengaged, on unsuitable or overpriced plans. Particularly the inconsistent nature of formatting which makes it difficult for consumers to compare plans.
10. Even those consumers who do engage with switching platforms often struggle to find the plans that they are on.
11. With this in mind, BEC supports the introduction of standardised billing information to make bills easier to understand and give residential consumers the information they need to engage. These minimum billing standards should be compulsory in order to properly allow for consumers to engage across all options.
12. Standardised bills will make it easier for consumers to understand costs, compare plans and avoid overpaying.
13. Standardisation will also help to achieve the EAs broader strategic ambition of building trust and confidence in the industry for all stakeholders as well as the ambition of consumer centricity. It also is a key part in achieving the EAs vision "*consumers have choices in accessing the energy they need now, and in the future to ensure they and New Zealand prosper.*" To ensure that consumers have choice they must first be able to understand the options.
14. The Behavioural Economics Team of the Australian Government underwent a 'Energy bill contents and billing requirements: literature review' and they found that "*Being able to compare deals easily is the first step in driving switching behaviour. Research in the UK market showed a lack of standardised language contributed to communications from retailers that were not easy to compare. In general, standardising language increases consumers' ability to accurately compare offers and make better decisions.*"

15. The same study showed that benefits of standardisation are seen in other markets around the world. They listed the Massachusetts health insurance market, which found that product standardisation improved consumers' choices.
16. However, BEC would like to stress that there are significant risks that could undermine the benefits of the proposed standardisation. Namely, due to the highly prescriptive nature, it could seriously harm product and service innovation.
17. The EA should provide a model bill template which would reduce uncertainty and implementation cost and time. This template should be developed with input from industry to ensure applicability.
18. BEC supports the two-tiered layout of information. There will be some consumers that do not wish to engage that deeply with their bills. For these consumers the information within tier one would be all they wish to see.
19. While there will be costs associated with the standardisation process which are likely to be passed on to consumers, in the long run it should encourage overall savings.

Six-monthly reviews on better plans

20. BEC does not agree with the EA that a requirement should be in place for retailers to do six-monthly reviews on better plans as laid out under proposal B1. This proposal seems to add significant cost to the retailer for a job that, if bills are standardised, consumers should be empowered to do themselves within the new EA funded comparison and switching service.
21. Within the MBIE literature review on '*search and switching costs in in the services sector*' (2023) they highlighted that "*search and switching costs create barriers to competition when they stop consumers from searching the market or completing a switching process.*" Following on from this they indicate that search costs can be reduced through information being "*structured and (in an) easily comprehensible format*" while "*comparison sites... can help to significantly lower consumer search costs.*" This indicates that the introduction of standardisation and the new comparison and switching service should be sufficient to empower consumers to self-manage their switching behaviour.
22. As search costs fall consumers will naturally start to 'shop around' more for their electricity plans. Research has found that lowering the search costs for a product by 50 percent leads to an almost three-fold increase in elasticity.² This means that as search costs fall, thanks to standardisation and the new comparison site, consumers will become more responsive to price differences and naturally put more effort into finding the best option.
23. This means that introducing the six-monthly reviews on better plans would likely introduce costs into the system, which would be passed onto the consumer, without materially increasing consumer engagement beyond what should happen organically.

² Seiler, S. The impact of search costs on consumer behavior: A dynamic approach. *Quant Mark Econ* **11**, 155–203 (2013). <https://doi.org/10.1007/s11129-012-9126-7>

24. Another potential issue with introducing additional operational costs for retailers is that they reduce the number of plans that they have on offer to save on Op-Ex. This would limit the consumers' options in choosing a suitable plan while also reducing innovation in the retail market.
25. The AEMC discussion paper 'the pricing review' found that regulations are no longer appropriate when they are "*constraining the kinds of products and services offered in the market, limiting customer choice and benefit [and] adding to the cost of doing business, which is ultimately borne by consumers.*" As the six-monthly reviews would likely add more costs than benefits this regulation would not be appropriate.
26. Additionally, this type of review of better plans could affect the uptake of time-of-use plans. Consumers change their consumption habits when they shift to a time-of-use plan and thus using historical consumption data to recommend plans could mean that retailers would suggest not using a time-of-use plan, even if (with behaviour change) consumers may save more on a time-of-use plan.
27. Barriers to entry for new retailers would also increase with the implementation of better plan reviews as the cost of doing business increases. This would, over time, worsen competition in the market and help protect the market share of existing firms.³
28. Overall, we see that implementing a six-monthly review would unduly increase costs for consumers and reduce consumer choice, both for individual plans and for different retailers.

Trialing of time-of-use plans risk-free

29. BEC agrees with the EA that consumers should be able to trial a time-of-use plan risk-free if they wish, with advice from the retailer about how to shift their consumption. If they are not saving after three months, then they should be able to switch back.
30. This, we expect, would help to increase the uptake of such plans, which, if consumers stay on them, in the long term will help to flatten demand peaks.
31. However, the burden of responsibility to keep track of whether or not the consumer is saving should be on the consumer. Therefore, BEC does not agree with the EA that retailers should be obligated to inform consumers after the three-month period whether they are making savings compared to their previous plan.

Other proposals

32. BEC agrees with the wording and inclusion of the prompt within electricity bills. As the comparing and switching site will be new this will help to increase awareness.

³ Hayes, Adam. 2025. "Barriers to Entry in Business: Key Factors Limiting Market Access." Investopedia. October 7, 2025. <https://www.investopedia.com/terms/b/barrierstoentry.asp>.

33. BEC agrees with the proposal to limit back-billing to six months, so long as it is not the consumer's fault that bills haven't been paid.
34. Overall, BEC is supportive of the moves the EA is making to introduce standardisation across electricity bills but does not support the six-monthly better plan reviews, or that retailers should be obligated to inform consumers after the three-month period whether they are making savings compared to their previous plan. As these, we believe, will add unnecessary costs and negative outcomes.

APPENDIX ONE – BACKGROUND INFORMATION ON THE BUSINESSNZ ENERGY COUNCIL

The [BusinessNZ Energy Council \(BEC\)](#) is a group of leading energy-sector business, government and research organisations taking a leading role in creating a sustainable, equitable and secure energy future.

BEC is a brand of BusinessNZ and represents the [World Energy Council](#) in New Zealand. Together with its members, BEC is shaping the energy agenda for New Zealand and globally.



[BusinessNZ](#) is New Zealand's largest business advocacy body, representing:

- Regional business groups: [EMA](#), [Business Central](#), [Canterbury Employers' Chamber of Commerce](#), and [Business South](#)
- [Major Companies Group](#) of New Zealand's largest businesses
- [Gold Group](#) of medium sized businesses
- [Affiliated Industries Group](#) of national industry associations
- [ExportNZ](#) representing New Zealand exporting enterprises
- [ManufacturingNZ](#) representing New Zealand manufacturing enterprises
- [Sustainable Business Council](#) of enterprises leading sustainable business practice
- [BusinessNZ Energy Council](#) of enterprises leading sustainable energy production and use
- [Buy NZ Made](#) representing producers, retailers, consumers of NZ-made goods

BusinessNZ is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

In addition to advocacy and services for enterprise, BusinessNZ contributes to Government, tripartite working parties and international bodies including the International Labour Organisation ([ILO](#)), the International Organisation of Employers ([IOE](#)) and the Business and Industry Advisory Council ([BIAC](#)) to the Organisation for Economic Cooperation and Development ([OECD](#)).

