

15 DECEMBER 2025: SUBMISSION TO ELECTRICITY AUTHORITY REGARDING APPROPRIATIONS & WORK PRIORITIES 2026/27

The Electricity Authority's work should be consumer driven

Entrust considers that the Electricity Authority's work programme should be consumer centric. There needs to be a strong focus on promoting a more competitive market and making sure consumers are getting a fair deal.

We welcome that the Authority's strategy will be driven by choice, affordability, security and resilience, underpinned by a competitive electricity system.

Summary of Entrust's submission

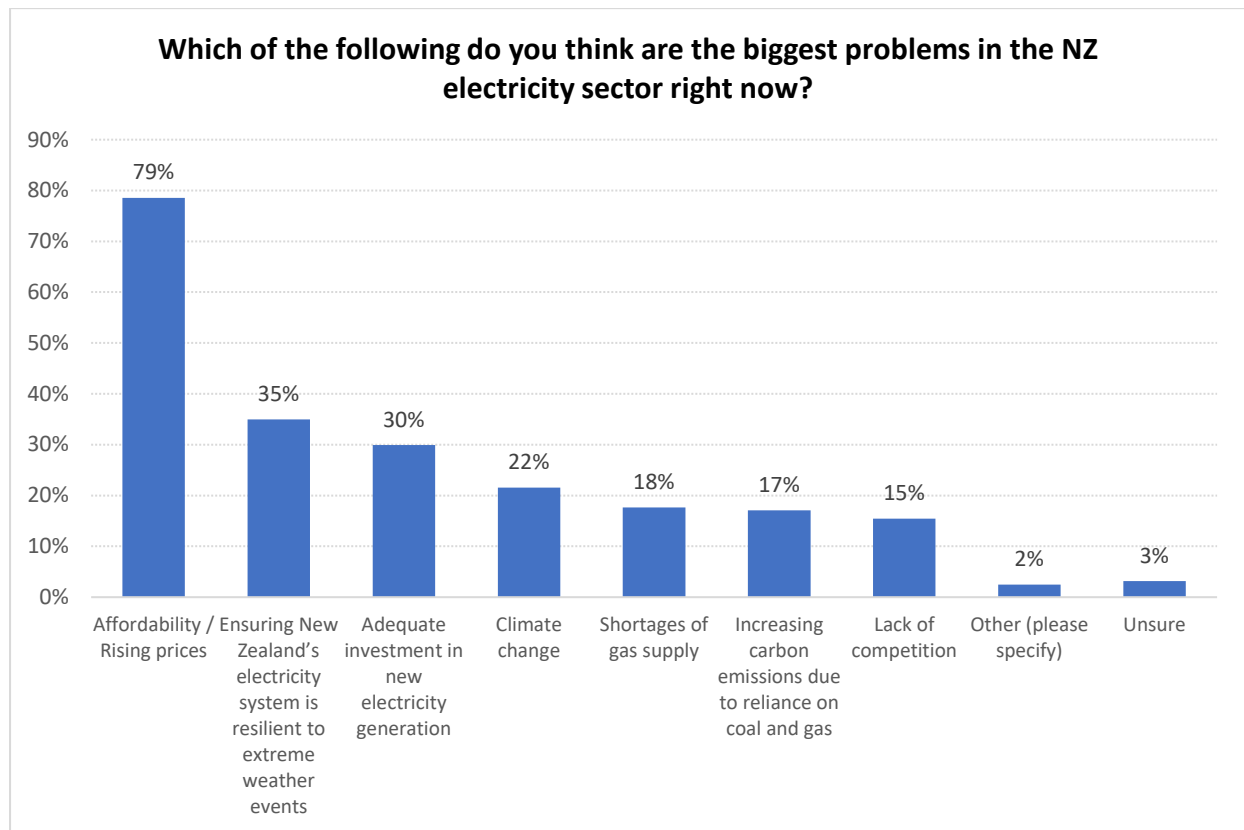
- Entrust commissioned Insights HQ this year to survey a representative sample of 1,019 Auckland residential consumers to help improve awareness of consumer views and concerns. The key findings should help shape the Authority's priorities and focus.
- Auckland residential consumers cite affordability, supply resilience and adequacy of investment in new generation as their top concerns, mirroring the strategic outcomes the Authority is seeking.
- Auckland household consumers don't want to pay more to support or subsidise industry. 91% oppose paying higher electricity bills to subsidise industrial users. 75% of consumers in this group support a user-pays model for new business connections.
- Retailer switching rates are down compared to 2018 even though consumers are less satisfied with their current retailers. Competition metrics like switching rates should be expected to improve over time, not go backwards.
- Only 7% of consumers have used Powerswitch to make comparisons and change providers, while 65% either don't know what Powerswitch is, have heard about it but don't know much about it, or have looked at it online but did not use it.
- Entrust considers that the main takeaways from our representative customer survey for the Authority's work programme include that:
 - stronger competition is needed to deliver more affordable electricity. Entrust would like see the Authority being more ambitious for consumers. The Authority should reinstate improvement in competition in its key performance indicators (KPIs);
 - the Authority should look at ways to improve consumer awareness of things like the switching and price comparison scheme and of the opportunity to save money by switching retailer or switching retail plan;
 - the Authority should target initiatives at low income and vulnerable consumers who can miss out on the benefits of competition; and
 - the Authority should avoid network pricing reforms that imposes more costs on residential/mass market consumers to the benefit of big business.

Entrust’s submission

Entrust commissioned Insights HQ¹ to survey Auckland residential consumers about electricity issues to help improve awareness of consumer views and concerns.²

We think the survey results provide useful consumer insights and should help the Authority prioritise and develop its work programme. The survey shows there is a lot of work that the electricity industry is going to need to do to achieve the Authority’s strategic objectives of affordability, security and resilience.

The survey listed a range of potential issues and asked whether consumers were concerned about each of them. Nearly 80% of Auckland residential consumers cited affordability/rising prices as their top electricity sector concern, followed by concerns about resilience (35%) and investment in new electricity generation (30%). Around 15 – 22% mentioned climate change, gas shortages, increasing carbon emissions, and limited competition.³ Customers have also openly commented that “The 4 big gentailers should stop manipulating the market” and “The retail electricity market is a mess”.



¹ <https://insightshq.co.nz/>

² Insights HQ undertook an online survey among a representative sample of 1,019 Aucklanders from within the Vector catchment area matched and weighted to census based on age and gender. The margin of error on a sample of 1000 is +/- 3%. Where the survey was split into two streams of 500 respondents each, the margin of error is +/-4%.

The survey was conducted from the 16th October to 2nd November 2025.

³ Sample size = 1,019 respondents.

Residential consumers don't want to fund big business

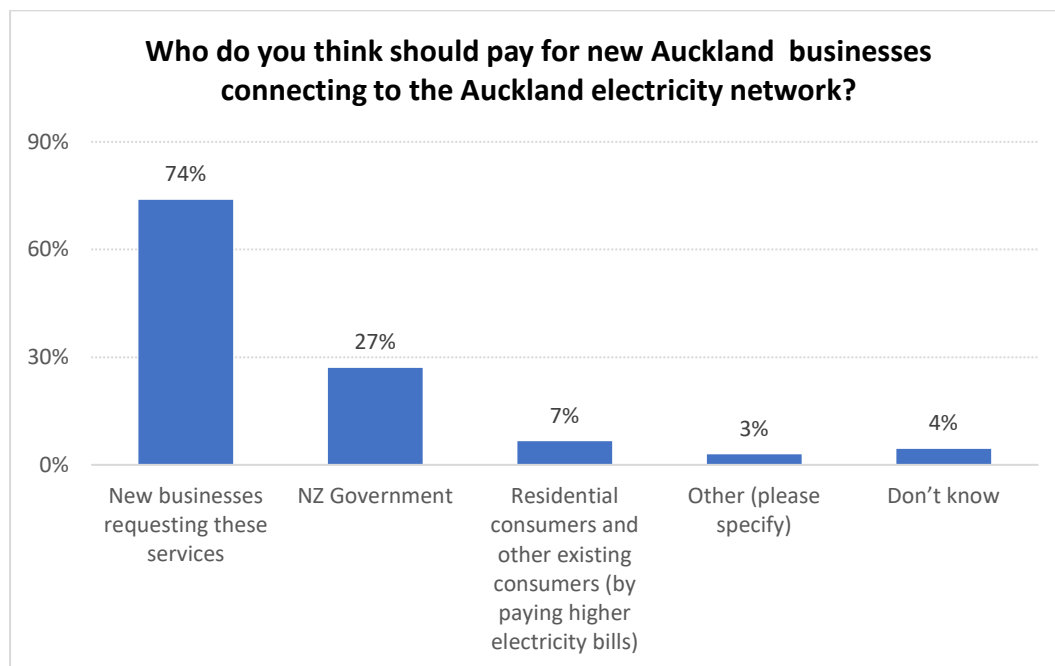
Entrust is concerned Electricity Authority proposals for network pricing will make small businesses and households worse off.

We don't think the Authority should consider network pricing reforms that could end up imposing more and more costs on residential/mass market consumers to the benefit of big business.

The Electricity Authority is proposing to limit capital contributions and connection charges. While the intent to encourage new connections may be well meaning the changes would result in higher electricity bills for residential and mass-market consumers. The changes would also increase existing consumers to increased exposure to asset stranding risk.⁴

We asked Auckland consumers what they thought about who should pay for new business connections and funding for large industry.

There is strong support for user-pays and opposition to subsidising industrial users via residential bills. Three quarters support a user-pays model for business connections, and around a quarter think the government should pay.⁵



⁴ See also our submission Distribution pricing reform needs to help deliver affordable electricity, 18 December 2024, at: [entrust-submission-re-distribution-pricing-18-december-2024.pdf](https://www.entrustnz.co.nz/media/kuglrjsz/entrust-submission-re-distribution-pricing-18-december-2024.pdf).

See also our submission New Zealand needs highly competitive markets to thrive and prosper, 28 November 2025, at <https://www.entrustnz.co.nz/media/kuglrjsz/entrust-level-playing-field-code-amendment-28-november-2025.pdf>.

⁵ Sample size = 475 respondents.

We asked residential consumers via the survey whether they would support paying higher electricity bills, if it means large industrial consumers and other businesses could pay lower bills.

91% do not support paying higher electricity bills to help businesses. Of this group, over half think large industrial consumers and businesses should pay the full cost, versus a third who think the government should subsidise it.⁶

PAY HIGHER BILLS TO SUPPORT INDUSTRY



Consumers aren't switching retailers at the rates they used to

Entrust considers that there should be an elevated focus on promotion of competition and choice until the competition problems endemic to the electricity industry are resolved. The Authority should reinstate improvement in competition in its KPIs with market concentration targets aimed at rapidly restoring retail competition to the levels it has been at historically and substantially improving both retail and wholesale competition.

It seems incongruent that at a time when the Authority has increased its prioritisation of competition issues, and competition has been widely recognised to have stalled or deteriorated, that the Authority's competition KPI has been removed.

Entrust supports the continuation of the Energy Competition Task Force (ECTF) to help maintain focus and progress in this area. It should not be assumed the changes the Authority has made or is currently in process of introducing will be enough to fix the competition problems in the electricity market. The recent submissions from independent market participants make it clear that they don't consider the Authority's proposed reforms go far enough to achieve a highly competitive market.

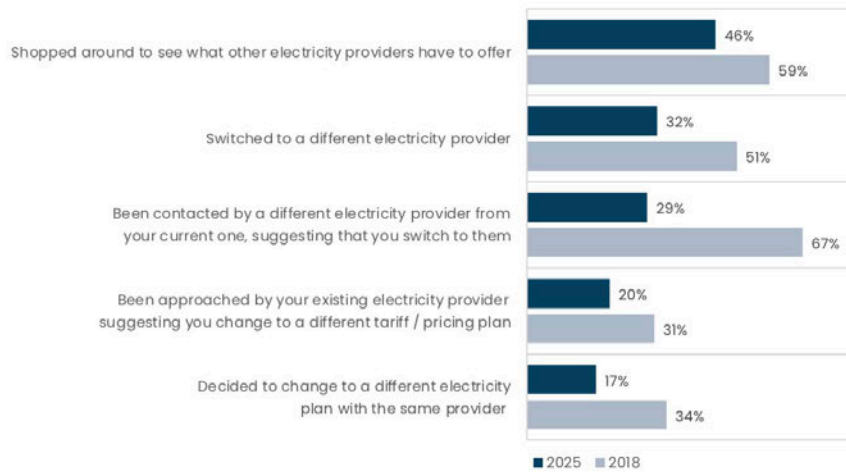
The Authority's EMI data details that residential switching (on a 12-month rolling average) peaked at about 8% in 2018 and then dropped to around 5-6% now. This mirrors the Entrust survey results which show that switching activity, e.g. shopping around to compare different retailers, dropped over that period,⁷ and the intent to switch in the next 3 years dropped from 36% to 32%.

⁶ Sample size = 475 respondents.

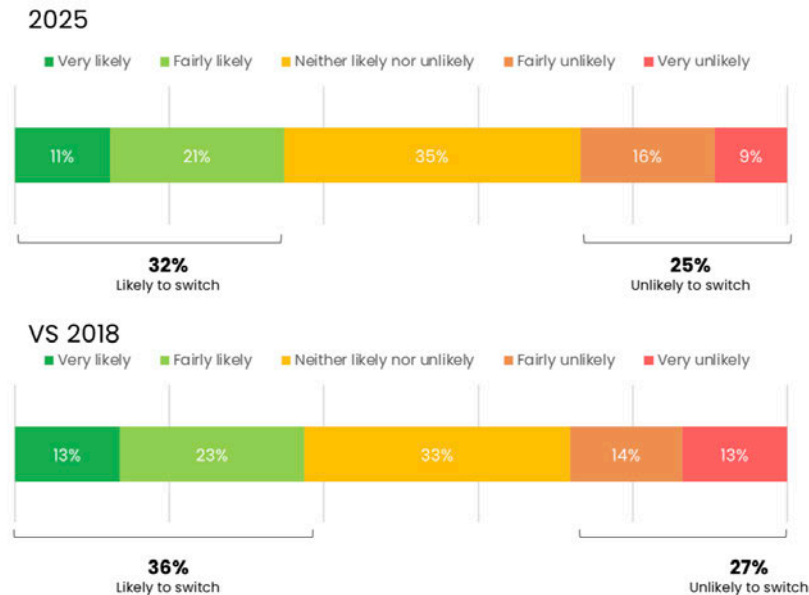
⁷ Only 46% of consumers shopped around to see what other electricity providers have to offer, compared to 59% in 2018. Only 32% switched provider compared to 51% in 2018. The number of consumers contracted by a different provider suggesting that they switch dropped from 67% to just 29%.

2018 sample size = 700 respondents; 2025 sample size = 544 respondents.

Have you ever...?



How likely are you to switch your electricity provider in the next three years?⁸



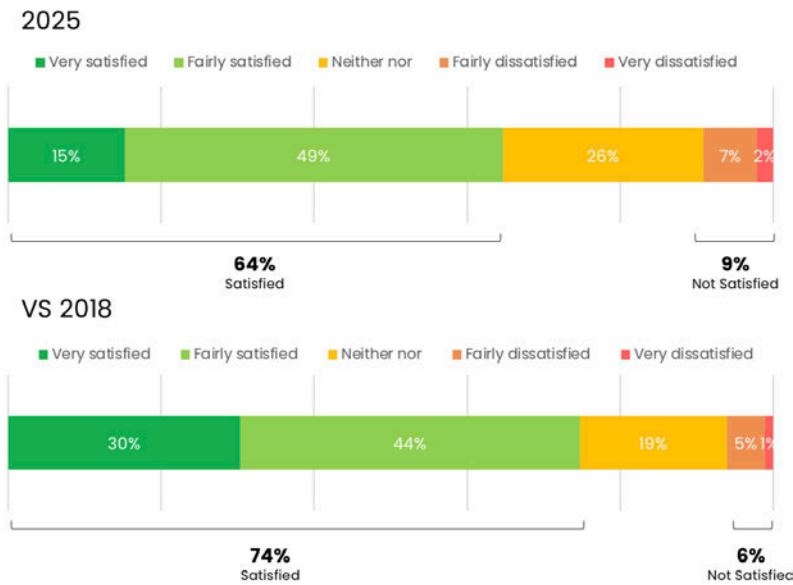
Entrust considers that these outcomes should raise alarm bells about the state of competition in the electricity industry and whether consumers are getting the full benefits of competition. Competition metrics like switching rates should be expected to improve over time, not go backwards.

The decline in switching activity should be of particular concern because, at the same time, consumer satisfaction with their electricity supplier has declined from 74% in 2018 to 64% in 2025,⁹ and consumer confidence they are on the right plan has declined from 74% to 65% within the same period.

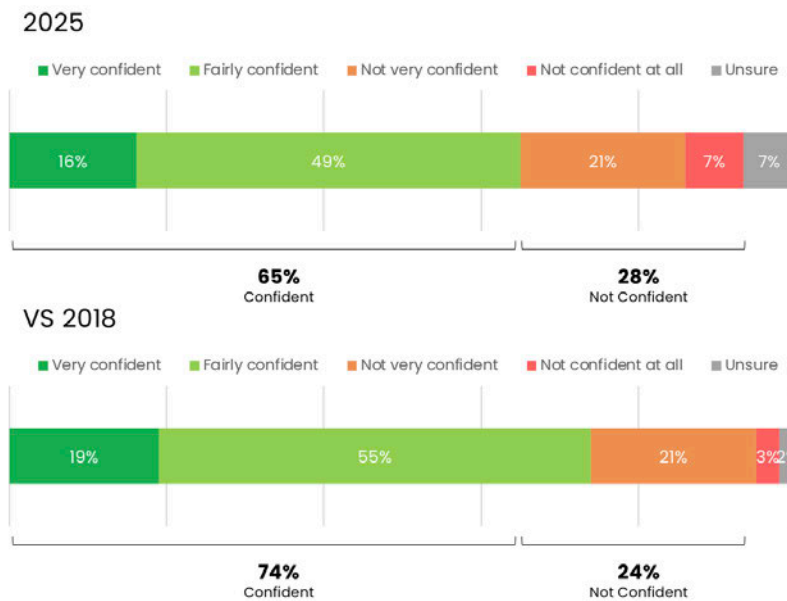
⁸ 2018 sample size = 700 respondents; 2025 sample size = 544 respondents.

⁹ The number of consumers that are very satisfied has halved from 30% to just 15%.

How satisfied are you with your current electricity provider?¹⁰



Thinking about all the possible electricity providers and pricing options, how confident are you that you are on the right electricity plan for your



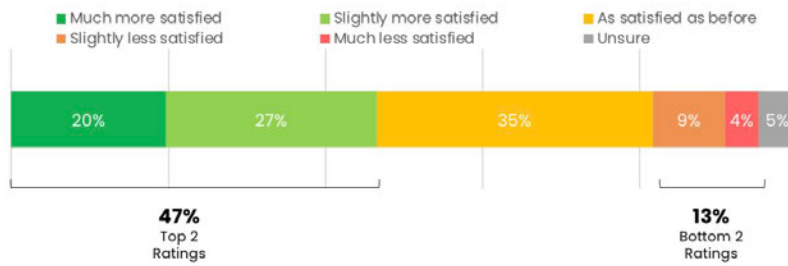
household?¹¹

It is also worrying that less than half (47%) of consumers that have changed their electricity retailer were more satisfied with their supplier after switching, while there was no improvement for 35% of consumers that switched.

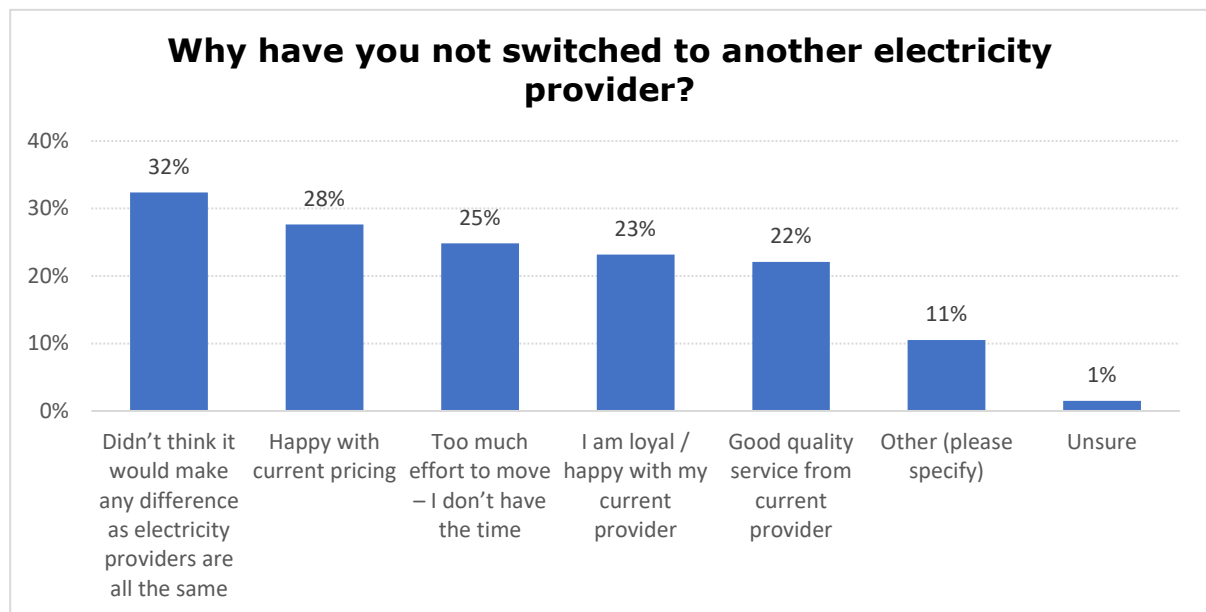
¹⁰ 2018 sample size = 700 respondents; 2025 sample size = 544 respondents.

¹¹ 2018 sample size = 700 respondents; 2025 sample size = 1,019 respondents.

How satisfied are you with your new electricity provider compared to your previous one?¹²



When we look at the reasons consumers who haven't switched recently gave for not switching, it suggests consumers may not realise the potential size of the cost savings from changing retailers. The Authority should look at ways of improving consumer awareness of the opportunities to save money from checking whether they are on the right plan or whether they should switch retailers.¹³



The replacement for the Powerswitch comparison scheme

Entrust supports initiatives to make it easier to compare and switch electricity retailers. Our recent Retail Billing submission¹⁴ detailed that the Authority should be concerned as only 7% of consumers have used Powerswitch to make comparisons and change providers, while 65% either don't know what Powerswitch is, have heard about it but don't know much about it, or have looked at it online but did not use it.

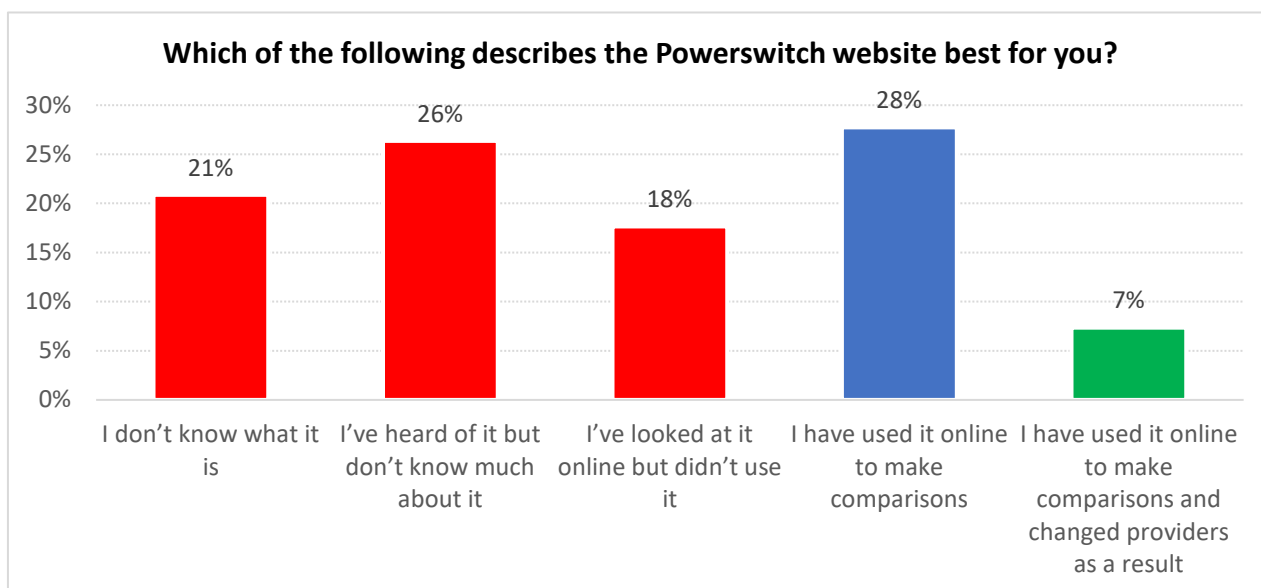
These results are very poor given how long Powerswitch has been in operation and the amount of funding the Authority has provided it over the last several years.¹⁵

¹² Sample size = 176 respondents.

¹³ Sample size = 368 respondents.

¹⁴ <https://www.entrustnz.co.nz/media/ramhpnzh/entrust-consumer-billing-switching-12-november-2025.pdf>

¹⁵ Sample size = 544 respondents.



Helping ensure consumers are on the lowest cost electricity plans available will help reduce the pressure electricity costs are putting on household budgets. If consumers understand their bills and find it easy to compare retailers and pricing plans it will help reassure them that they aren't paying more than they should.

It will be important to see rapid and substantial improvements in these performance metrics when the replacement scheme is introduced next year. The risk is that awareness could fall with a change in scheme before it gets better. Entrust recommends the Authority monitor consumer awareness, using the existing Powerswitch scheme as a baseline for comparisons.

It is also important the replacement comparison scheme is accessible, easy to use and accurate. A customer comment we received from the survey was that "The Powerswitch app is overly complicated and not as easy to use as it used to be."

We reiterate that we think the key improvements for the scheme, to better assist consumers, should include ensuring it has comprehensive and up-to-date tariff information and pricing comparisons can be made using individual customer consumption data.¹⁶ It is particularly important the comparison scheme provides correct information about what retailer and what plan would be lowest cost. The Authority should undertake audits of the new scheme to ensure a very high degree of accuracy.

Protecting the most disadvantaged members of society

Our recent Retail Billing submission detailed how low income and vulnerable consumers can miss out on the benefits of competition.¹⁷

We suggested this is an area that warrants further investigation.

We recognise targeting these customers is not easy and see this as something that should be part of an ongoing work programme, with the Authority carefully monitoring progress. The Authority should be prepared that not all its initiatives will be successful, and there could be an element of 'trial and error' in dealing with these challenges.

¹⁶ These points have been well canvassed by numerous submitters in earlier consultations.

¹⁷ <https://www.entrustnz.co.nz/media/ramhpnzh/entrust-consumer-billing-switching-12-november-2025.pdf>

Concluding remarks

Entrust wants to ensure electricity is supplied in an efficient and affordable way to all consumers and its beneficiaries, including the 368,000 households and businesses in its area of central, east and south Auckland.

The consumer survey we commissioned this year, including comparisons with the 2018 survey we commissioned as part of our Electricity Price Review submission, should help the Authority better understand the concerns and issues Auckland residential consumers are facing and should help determine the priorities and work programme for 2026/27. The survey offers insights and perspectives that complement the Authority's own consumer and market participant surveys, and surveys from other entities such as the former Consumer Advocacy Council.

Entrust supports initiatives that have a strong 'consumer first' perspective.

Entrust has long advocated for a well-functioning and more strongly competitive market to make electricity more affordable for Kiwis, and to put New Zealand businesses on a stronger footing. Competition gives consumers better choice and ability to control their power bills.

The main takeaways from our consumer survey revolve around affordability and consumer protection. A stronger more competitive market is needed. There are gaps in consumer awareness of things like the price comparison and switching scheme. The issue that low income and vulnerable consumers are less likely to be benefiting from competition is an ongoing and difficult issue the Authority should monitor and attempt to improve. The Authority should be mindful of affordability issues when it considers proposals that could sheet home extra costs to residential consumers. We have raised concerns about Authority connection charging proposals that would depart from fully funded user-pays and shift to socialisation of connection costs and asset stranding risks.

Kind regards



Alastair Bell
Chair of Regulation and Policy Committee