

17 March 2023

Submitted via: policyconsult@ea.govt.nz

Electricity Authority
Wellington

Re: Review of the consultation and feedback processes Consultation paper

The energy system should function with the health, wellbeing and social participation of whānau front of mind when organising the effective provision of essential energy services. Proper processes for consulting and feedback must ensure what whānau want is factored into decisions about the future of our energy system in Aotearoa.

FinCap welcomes the opportunity to comment on the Electricity Authority's (EA) Review of the consultation and feedback processes Consultation paper (**Consultation Paper**). In recent years we have experienced the EA going from better practice in engaging community representatives on the formation of the Consumer Care Guidelines, through to a period of absence which reduced our confidence that any feedback was being considered. We welcome recent re-engagement with new EA staff.

We generally support the proposed simplification of the EA's *Guidelines relating to the processes for amending the Code and consulting on amendments* as this appears to lower technical barriers for residential users to raising a need for change. Drafting around 6.8(a) that the EA would proactively reach out to those affected by a proposed change and enable alternative methods of submission is encouraging. This being actioned will improve decision making, especially where work on a code change dedicates resources to ensuring the impact on whānau that financial mentors work with is considered.

However, the proposed updates to these guidelines still read as rigid and limited to one aspect of the EA's work, rather than a firm commitment to engaging the community by the whole organisation. We encourage the EA to consider a one-to-two-page higher-level engagement framework or consultation charter for all of the organisation's work. To build trust in the electricity system and its regulator, principles that should be committed to in such a framework or charter are genuine, inclusive and transparent consultation that continuously improves, based on learnings in past consultation.

Given the EA's new statutory objective to protect the interests of household and small business consumers, FinCap also recommends a specific group focused on small user insights and feedback should also be formed as a result of this review. This could be modelled on the Australian Energy Regulator's Customer Consultative Group¹ or many similar groups formed to advise regulators and dispute resolution organisations in Aotearoa and overseas. Having a group just for small user's insights in addition to the Electricity Authority Advisory Group proposed in the Consultation Paper would ensure a forum where tensions between the priorities of small users and other groups don't weaken the depth of discussion and corresponding insights available to EA.

¹ See: <https://www.aer.gov.au/about-us/stakeholder-engagement/customer-consultative-group>

About FinCap

FinCap (the National Building Financial Capability Charitable Trust) is a registered charity and the umbrella organisation supporting the 200+ local, free financial mentoring services across Aotearoa. These services support more than 70,000 people in financial hardship annually. We lead the sector in the training and development of financial mentors, the collection and analysis of client data and encourage collaboration between services. We advocate on issues affecting whānau to influence system-level change to reduce the causes of financial hardship.

Please contact senior policy advisor, Jake Lilley on jake@fincap.org.nz or via 027 278 2672 to discuss any aspect of this submission further.

Ngā mihi,



Ruth Smithers
Chief Executive
FinCap