

UCAN

<https://ucannz.wordpress.com/>

2 October 2023



Electricity Authority Level 7
AON Centre
Willis Street
Wellington 6011

1

‘Consultation Paper – Options to update and strengthen the Consumer Care Guidelines’

Submitter

UCAN – United Community Action Network

UCAN supports individuals and households marginalised by current practices in the health, housing and transport sectors.

We also want to provide a verbal submission.

Question 1

We agree that the Guidelines are not delivering on their purpose and intended outcomes. Our evidence is direct contact with households left without power and with unmanageable debt.

Question 2

We strongly agree with the overarching principles A, B and D. We do not agree with indiscriminate application of principle C. Competition for profitable market share increases the vulnerability of low income households living with financial pressures.

Question 3

The relative influence of ‘industry consensus’ is a systemic problem. The public interest, at least as far as it is reflected in the ownership structure of some generator-retailers, should be addressed explicitly.

Question 4

The problem identified by the Electricity Authority relates to the general problem of the disproportionate impact of consumer price inflation on low income households. It seems likely that the pressure created by electricity prices is not controlled entirely by retailers.

Question 5

We do not know of any issues that are outside the scope of the current guidelines other than those referred to in our responses to Questions 3 and 4.

Question 6

The consultation papers notes that further work on interpretation will be required if either Option 3 or 4 is adopted. We agree, see our comments seeking an augmented Option 4.

Question 7

No. We believe that Parts 4, 9 and 10 are also critically important.

Question 8

We believe that Option 4 should include Part 10. It is difficult to see how that option can take effect without mandatory monitoring.

Question 9

We have already questioned the tension between competitive commercial pressures and continuity of supply to households enduring financial hardship. Dealing with this is not entirely the responsibility of the retailer and will in some instances be beyond the resources of the household.

We believe there should be a 3(c) (para 7.6 p.25) which requires the retailer to inform WINZ that an assessment of eligibility for income support is required, unless the customer specifically indicates that information should not be shared. It is a public responsibility to address institutional weaknesses that prevent access to essential services.

Question 10

Yes. Our preferred relative weighting is: 1 (60%), 2 (5%), 3 – right to payment (25%), 4 (5%), 5 (5%)

Question 11

If the right to payment is formalised a compliant retailer might have lower net costs associated with bad debts.

Question 12

Absolutely

Question 13

The potential impacts on innovation are positive although it remains to be seen if retailers are responsive to the relevant segments of their markets. One can imagine that a designated supplier with majority public ownership could guarantee continuity of supply if the rigidities of the company structure are removed.

Question 14

Not applicable.

Question 15

Important factors are security (e.g. mental health) and other dimensions of well-being (e.g. healthy homes, child health, and reduction of infectious illnesses).

Question 16

As far as the assessment of options relates to an augmented Option 4 we suggest that: (a) unless the Authority can realistically envisage niche retailers addressing the problems that have been identified then market entry is not a relevant criterion, and (b) we suggest the question of debt management may be too narrowly defined as a matter for the retailer alone (see the reference to WINZ above).

Question 17

We strongly support the overall direction of the proposal. As noted above, we prefer an augmented version of Option 4.

We support the points made by the Consumer Advocacy Council and Common Grace Aotearoa in their submissions.

Debbie Leyland
Co-ordinator

Encl: UCAN Health Charter

UCAN Charter for Health

