

# Improving Retail Market Monitoring



New Zealand Council Of  
Christian Social Services

## February 2024

### Tirohanga Whānui | Overview

The New Zealand Council of Christian Social Services (NZCCSS) welcomes the opportunity to provide feedback on the Electricity Authority's Improving Retail Market Monitoring Consultation. Effective monitoring of the retail electricity market will improve the ability of consumers to choose the electricity plans which best suit their needs and increase adherence to the Consumer Care Guidelines.

### Taunakitanga | Recommendations

We raise the following points and recommendations for consideration:

#### Item One

Plans and pricings must be distinguishable within the data.

#### Item Two

Reporting of incentives offered alongside electricity plans.

#### Item Three

Meter types may be restricting the effective functioning of the electricity market.

#### Item Four

Redirections from the Ministry of Social Development.

#### Item Five

Disconnections of unrelated services.

#### Item Six

Prepay disconnection data must be included in reporting.

#### Item Seven

Monthly reporting of specific statistics.

#### Item One

The Electricity Authority and advocates must be able to see the impacts of different pricing plans. If more detail is made available, the affordability of different pricing levels and plans will be seen. It is important that this data shows the year in which the consumer began using the plan in question, as pricing may change over time. Alongside this information, retailers must show whether they have

advised consumers on the best plan for them. In Victoria, Australia, retailers are required to report their last assessment of the best offers available to consumers and when this occurred<sup>1</sup>.

**Recommendation One:**

That retailers are required to sort or label data by the plan which the consumer was on when disconnection occurred, including the year their subscription began. That retailers also disclose whether they have advised the consumer of the best plan for them, and when this advice was given.

**Item Two**

In some cases, incentives such as free or discounted items and services are offered by retailers. The ability to view this data will show whether consumers are getting a fair deal through these incentives. If a consumer has been influenced to use an unaffordable plan through a discount or “free” product, it is important that this information is visible, as well as the value of the incentive.

**Recommendation Two:**

That data on incentives be made available as part of the information sharing process.

**Item Three**

Some retailers limit access to services because of the metering that a consumer has available. Electricity retailers should report on the effect that this restriction has on their customers’ ability to access the best plan for them, and potentially increase their risk of disconnection. If the most cost-effective plan is not available due to the meter, this can disadvantage the consumer and force them to pay more. As the Electricity Authority is required to ensure the efficient operation of the electricity market in Aotearoa, it must collect data relevant to this and act where industry does not meet the standard.

**Recommendation Three:**

That electricity retailers report on access to different meter types and whether this impacts the plans consumers can access. They must also report the last time that a “best offer” assessment has been done, and whether a meter change or reconfiguration has been considered.

**Item Four**

While reporting on vulnerability and medically dependent consumers is valuable, extra information about customers receiving benefits is needed. Where payments have been made through MSD, this should be added to the disconnection data, as well as whether MSD payments were active at the time of disconnection. This will allow for more knowledge about how people are dealing with benefit levels and electricity prices, as well as their transitions after leaving the MSD system.

**Recommendation Four:**

Information about benefit redirects must be included in electricity retailer reporting.

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<sup>1</sup> Electrical Services Commission of Victoria. (2023). *Compliance and Performance Reporting Guideline - Version 8* [https://www.esc.vic.gov.au/sites/default/files/documents/Annexure%20B%20-%20Compliance%20and%20Performance%20Reporting%20Guideline%20%28version%20%29%20-%2020230428\\_0.pdf](https://www.esc.vic.gov.au/sites/default/files/documents/Annexure%20B%20-%20Compliance%20and%20Performance%20Reporting%20Guideline%20%28version%20%29%20-%2020230428_0.pdf)

## Item Five

We have major concerns about the reference to debt in Table 4 of the consultation document: “If you are unable to differentiate debt between utilities then include all debt in this column.”<sup>2</sup>

Electricity retailers must be required to separate electricity debt from other forms of debt.

Separation of electricity debt in reporting and in dealing with consumers will ensure that consumers are not disconnected from non-electric services due to unpaid electricity debt.

### Recommendation Five:

Data regarding debts must be separated by type in reporting.

## Item Six

Prepay disconnection numbers are not currently in the data released by electricity retailers. This is despite many of those accessing prepay plans having no choice, as they are only offered prepaid power by retailers. Unfortunately, research shows that prepaid plans are more expensive, leaving customers with low incomes paying higher bills<sup>3</sup>. Some consumers are only offered prepay plans due to previous payment issues, meaning that those with the least money to afford power are worse off and more likely to be disconnected. Information about how many consumers are being disconnected from prepay power plans needs to be released.

### Recommendation Six:

Prepay disconnection numbers must be included in reporting.

## Item Seven

As discussed above, there is extra data which must be included in the reporting. A regular release of this information would allow policies and plans to be looked at and adjusted where necessary. A regular report from each individual retailer could be prepared and submitted monthly. Information to be included in these reports would be the number of disconnections, the cost of disconnection and reconnection fees and the context of the consumer being disconnected (plan, benefit dependency, meter type). Retailers should also keep track of number of consumers being refused service due to the meter type they have access to.

### Recommendation Seven

Monthly reporting of important pieces of information to be required from each retailer.

## Ko wai tātou | Who we are

NZCCSS has six foundation members; the Anglican Care Network, Baptist Churches of New Zealand, Catholic Social Services, Presbyterian Support and the Methodist and Salvation Army Churches.

Through this membership, NZCCSS represents over 230 organisations providing a range of social support services across Aotearoa. We believe in working to achieve a just and compassionate society

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<sup>2</sup> Electricity Authority Te Mana Hiko (2023) *Improving retail market monitoring: clause 2.16 information Notice Consultation Paper* [https://www.ea.govt.nz/documents/4106/Consultation\\_paper.pdf](https://www.ea.govt.nz/documents/4106/Consultation_paper.pdf) Pp. 49

<sup>3</sup> Consumer New Zealand (2023) *Prepay customers paying much more for power* <https://www.consumer.org.nz/articles/prepay-customers-paying-much-more-for-power>

for all, through our commitment to our faith and Te Tiriti o Waitangi. Further details on NZCCSS can be found on our website [www.nzccss.org.nz](http://www.nzccss.org.nz).

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