

20 February 2024

s9(2)(a)

Tēnā koe s9(2)(a)

### **Your request**

Thank you for your request, received on 22 January 2024, for the following information under the Official Information Act 1982 (the Act) in relation to Powerswitch:

- *“In the original contract;*
  - *Was there an expectation for the number of energy provider switches that are made each year through Powerswitch? If so, what is that number?*
    - *To clarify, is there a key performance indicator (or other expectation) in the contract / memorandum of understanding (MoU) with Consumer NZ that outlines how many provider changes that the website should facilitate each year?*
  - *Were there any other performance indicators or expectations on delivery of outcomes included in the comparison services contract/MoU with Consumer NZ? If so, what are they?*
- *In the contract extension,*
  - *Is there an expectation for the number of energy provider switches that are made each year through Powerswitch? If so, what is that number?*
    - *To clarify, is there a key performance indicator (or other expectation) in the contract / memorandum of understanding (MoU) with Consumer NZ that outlines how many provider changes that the website should facilitate each year?*
  - *Are there any other performance indicators or expectations on delivery of outcomes included in the comparison services contract/MoU with Consumer NZ? If so, what are they?*
- *Where there are any performance indicators or expectations as above, has Consumer NZ consistently reached those expectations during the period of the contract?*
- *How many provider switches has Consumer NZ successfully facilitated during the duration of their comparison contract/MoUs since they merged with the government comparison service?”*

## **Our response**

In the original contract with Consumer NZ, expectations were set for the number of switches to be made each year through Powerswitch. Other performance indicators and expectations on delivery of outcomes were also included in this contract.

In the contract extension, key performance indicators outline how many switches Powerswitch should facilitate each year. Additional to this, the Authority asks Consumer NZ to report a number of other performance measures.

It's important to note that confirmed switching numbers are only one of these measures and are not the primary indicator of the success of the website.

Other expectations on delivery of outcomes are also included for Consumer NZ to meet during the period of the contract.

The Authority is currently consulting on options to promote consumer plan comparison and switching. If the Authority decides to continue to fund a Powerswitch type website, it will be conducting an open procurement process later this year before the expiry of the current Powerswitch contract. Therefore, the specific details you requested of the expected switching numbers each year, and other performance indicators or expectations, in the original contract and the contract extension are being withheld under section 9(2)(j) of the Act, to enable the organisation (i.e the Authority) holding the information to carry on, without prejudice or disadvantage those negotiations.

I am satisfied, in terms of section 9(1) of the Act, that the need to withhold the information referred to above is not outweighed by other considerations that render it desirable, in the public interest, to make the information available.

## **Consumer NZ reporting on Powerswitch's performance**

While we are declining parts of your request under section 9(2)(j), Consumer NZ has provided some reporting on Powerswitch's performance over the past year that we are able to share with you. You can find this information in Appendix A.

From 1 January 2020 there have been 100,516 switch requests (initiated switches) facilitated directly from Powerswitch (cumulative to the end of January 2024).

For more information please refer to section 'Assessing price comparison websites impact on switching behaviour is complex' (pages 18 – 20), table 1 and figures 2 and 3 in the Authority's ['Options to support consumer plan comparison and switching'](#) consultation paper.

This section of the paper explains that a consumer's switching journey does not always result in switching providers. The act of comparison is a key part of this process, as, for example, consumers may find they are already on an appropriate plan. Therefore, Powerswitch 'results page' statistics (figure 2) are important step in informing consumers of how their plan sits against other options available in the market.

While confirmed switches are an important target and one the Authority asks Consumer NZ to report on, there are reasons as to why this figure doesn't capture the overall success of the website, such as:

- The information can reveal to users they are already on the pricing plan that's right for them, or that there are insufficient savings available to motivate a change.
- 14% of users generating a Powerswitch results page showing savings use that information to negotiate a better deal with their incumbent rather than change providers.

- Users find a better plan on Powerswitch offered by their incumbent retailer.
- 11% choose to switch off site by contacting their new provider directly.

Our other performance measures included in the contract help us track and capture this bigger picture.

### **Right to seek review**

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact us by emailing [oia@ea.govt.nz](mailto:oia@ea.govt.nz).

Nāku noa, nā,

A handwritten signature in black ink, appearing to read 'Airihi Mahuika', with a long horizontal line extending to the right.

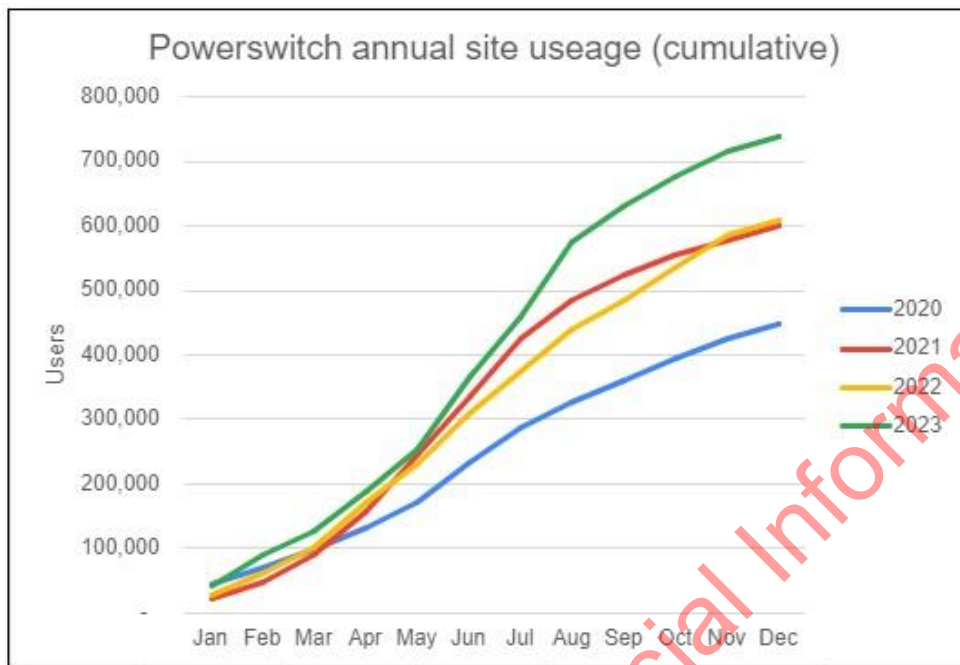
Airihi Mahuika

**GM Legal, Monitoring and Compliance**

## Appendix A

### Site usage in 2023:

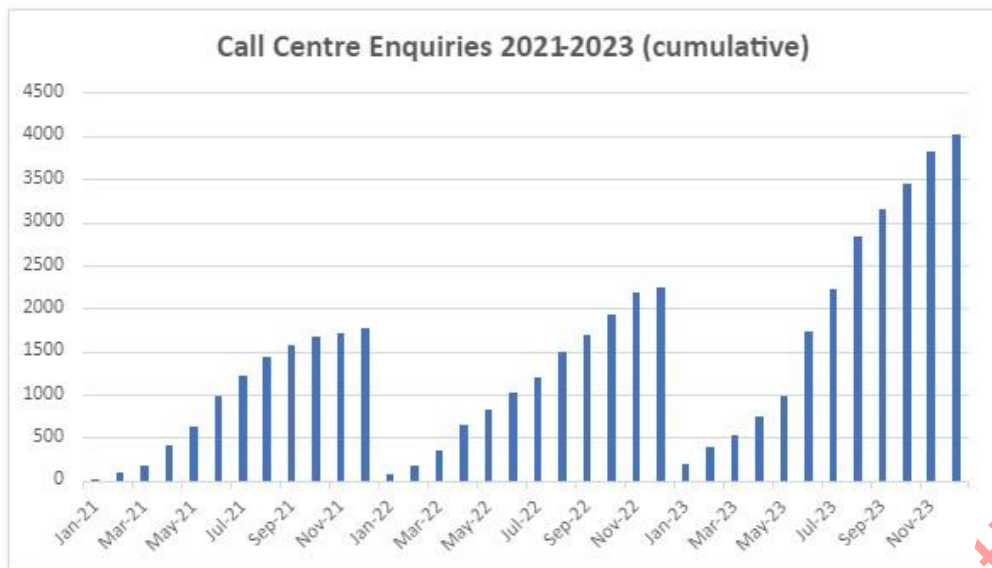
We (CNZ) saw strong growth in site usage over 2023 with a 21% increase over 2022. And compared to four years ago, we have seen a 64% increase in site use.



There are around 30 performance measures we report on. With six months to go we are currently on track to meet all KPIs set for the 23 /24 Contract year.

### Call centre enquiries:

Over 2023 we also saw a large increase in the number energy consumer and user enquiries. We believe this reflects the large winter energy savings campaign we ran over 2023, and our efforts to target harder to reach consumers, who can require a higher degree of assistance.



### Retailer performance:

In terms of retailer performance on the site, 2023 was marked by a more vigorous jockeying for position, with several retailers vying for top spot throughout the year (noting Electric Kiwi was not on the site for the full year).



Being top of the results does not always mean you get selected.

**Most popular electricity retailer (selected)**

