

consumer.

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Electricity Authority
PO Box 10041
Wellington
By email: retaildata@ea.govt.nz

SUBMISSION ON IMPROVING POWER BILLS

1. Introduction

Thank you for the opportunity to make a submission on the 'Improving electricity billing in New Zealand' consultation paper. This submission is from Consumer NZ, an independent, non-profit organisation dedicated to championing and empowering consumers in Aotearoa. Consumer NZ has a reputation for being fair, impartial and providing comprehensive consumer information and advice.

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2. Comments on the consultation in general

We are generally supportive of the overall intent of this work but caution against progressing such significant reforms at the pace now proposed. These proposals carry potentially large costs that will ultimately be borne by consumers, and there is a real risk of unintended consequences if they are not carefully developed. More consultation is required to ensure the approach is proportionate and well targeted.

Issues with electricity bills were first identified in the 2018/19 Electricity Price Review, which recommended improvements that were never implemented. In 2022, Consumer NZ also conducted a substantial research project on billing issues on behalf of the Consumer Advocacy Council. Again, recommendations were largely ignored and no change resulted. After years of inaction, it is pleasing to see progress but concerning to see such consequential reforms suddenly being advanced so rapidly, with insufficient time for proper consideration and engagement.

Fundamentally, we believe the problem has been mischaracterised. The core issue is not that bills look different, but that key billing elements—such as unit prices and consumption information—are not presented consistently. Retailers are not being misleading in how they display this information; the challenge lies in the variation between them. The solution is consistency in how these key elements are presented, not mandating identical-looking bills. Forcing uniformity in bill design could in fact reduce retail differentiation, innovation, and undermine competition.

We are also concerned by the proposed exclusivity arrangements for referencing comparison sites. We do not see evidence—or agree—that such exclusivity is necessary or justified. In fact, it strikes us as anti-competitive, particularly for a regulator whose role is to promote, not restrict, competition.

Codifying in the rules that retailers cannot mention other accredited comparison sites on bills seems questionable and is also inconsistent with the Authority's previous position that competing providers are good for consumers and promoting switching.

We are concerned the proposed approach risks costly and unintended consequences – particularly the idea of requiring information on whether consumers are on the “best plan.” This would be complex to implement and, if not done well, could be prone to error and could lead to confusion and disputes.

In summary, we support the objective of achieving greater consistency in key billing elements but caution against moving too quickly toward full bill standardisation. We also question why after years of inaction the Authority is moving with such haste.

We suggest a more measured and staged approach would deliver the intended benefits without unnecessary cost or disruption. We therefore support delaying the current process to allow sufficient time for issues and alternatives to be properly assessed. The current timeframes do not provide adequate opportunity for full consideration, particularly given existing resource constraints that we expect are shared by other stakeholders.

Our answers to your questions

Our responses to specific questions in the consultation document are attached.

Thank you for the opportunity to provide comment.

ENDS

Submitter	Consumer NZ
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All questions are optional. Please answer as many or as few as you wish. Thank you.

Questions	Comments
Proposal A – Standardise billing information	
Q1. Should minimum billing standards be compulsory or voluntary??	We believe key billing elements should be consistent across retailers. If the best way to achieve this is to make it compulsory, we would support that.
Q2. Would the Authority providing a model bill and guidelines reduce your implementation costs and the time needed to implement these changes?	No comment. We are not a retailer.
Q3. Tiered layout – Do you support adopting a two-tiered approach to information on bills? If not, how should critical and important information be distinguished?	While we agree that sound design principles should underpin how information is presented on bills, we do not support mandating a specific layout or design standard. In a competitive market, prescribing what constitutes “good design” goes too far and risks unintended consequences.
	Design best practice evolves over time, and what is considered effective today may not be suitable in the future. A mandated layout could quickly become outdated or ill-suited to new retail models and innovative offers. It could also create barriers for new entrants seeking to differentiate themselves or design bills that better suit their customers.
	We support providing clear guidance on design principles - such as accessibility, readability, and clear distinction between critical and supporting information - but retailers should retain flexibility in how these principles are applied. This approach would encourage ongoing innovation and adaptation while still ensuring consumers can easily find and understand key information on their bills.
Q4. Content requirements – Do you have any additions or removals to the proposed tier one and tier two content lists?	No comment.

<p>Q5. Implementation – For retailers, how much time would be needed for your organisation to incorporate this content across all billing channels? What challenges or dependencies (e.g. data collection, data standards, IT systems or staff training) need to be factored into timing?</p>	<p>No comment. We are not a retailer.</p>
<p>Q6. Future-proofing – What mechanisms would best ensure these standards to evolve with new technologies, plans and AI-enabled billing in future?</p>	<p>As noted in our response to Question 3, while it is important that good design principles for billing are clearly articulated and encouraged, retailers should retain flexibility to determine what works best for their customers. Prescriptive or static design requirements risk becoming quickly outdated as technology, retail offerings, and consumer expectations evolve.</p>
	<p>To future-proof billing standards, the focus should be on establishing high-level principles - such as clarity, accessibility, and consistency in key billing elements, rather than mandating specific design formats. Retailers should be free to adapt and innovate as new tools and technologies, including AI-enabled billing and personalised energy services, emerge.</p>
	<p>We recommend that the standards include a mechanism for regular review, supported by consultation with retailers, consumer representatives, and technology experts. This would ensure the framework remains relevant, flexible, and responsive to innovation, while continuing to protect consumer interests.</p>
<p>Proposal B – Introduce better plan</p>	
<p>Q7. Do you agree with the proposed better plan review mechanism?</p>	<p>We do not agree with the proposed approach. While we fully support the underlying objective, helping consumers identify the best plan for their circumstances, we do not believe this is best achieved through the electricity bill itself.</p>
	<p>What constitutes the “best” plan for any household depends on a range of individual factors, many of which change over time and are not known to the retailer. Household size, appliance use, occupancy patterns, and financial circumstances can all influence what plan is most suitable. Even when “best” is defined as the cheapest plan, this can be misleading in practice. A plan that appears cheaper in theory may cost more in reality if the household cannot meet certain conditions, such as shifting load, pre-purchasing electricity, keeping an account in credit</p>

etc, potentially exposing that household to higher costs or penalties.

There is a significant risk of unintended consequences and potential consumer harm from an approach that, while well intentioned, oversimplifies these complexities. This aspect of the proposal requires much more analysis, testing, and consultation before proceeding.

We are also concerned that advising consumers they are on the “best plan” could lead to a false sense of security. Consumers may assume this means they are on the cheapest or most suitable plan across the entire market, when in reality it refers only to plans offered by their current retailer. This could discourage consumers from shopping around or switching, inadvertently reducing competition and undermining one of the key goals of a healthy retail market. As outlined in our response to Question 7, we have significant concerns with the “better plan” proposal itself. Setting a fixed review frequency does not address the underlying issues.

Household circumstances change continuously—such as variations in occupancy, usage patterns, or financial situation—not on a set six-month schedule. As such, conducting reviews every six months appears arbitrary and unlikely to align with when changes actually occur.

If this concept were to proceed, the timing and triggers for a review should be flexible and responsive to meaningful changes in customer circumstances or plan conditions, rather than based on an inflexible timeframe.

Three months is a reasonable and pragmatic initial trial period. It is long enough to capture short-term behavioural responses to price signals and to collect meaningful usage and billing data for analysis, while remaining short enough to limit burden and cost for participants and providers.

However, three months may not capture seasonal effects or longer-term behaviour changes (for example, shifts that occur through winter or over school holidays). For that reason we suggest the following approach:

- Treat three months as a sensible minimum trial period for an initial evaluation focused on behavioural response and system functionality.

Q9. Is three months an appropriate time frame for time-of-use trials? If not, what period would you suggest?

	<ul style="list-style-type: none"> Allow trials to be extended where necessary to capture seasonality, larger sample sizes, or to test durability of behaviour change.
Q10. Do you have any feedback on the risk-free time of use proposal, requirement to inform customers whether they are saving on a time-of-use plan and type of guidance given on how to shift consumption?	<p>We are concerned that time-of-use plans are being presented to households as a way to save money. While savings are possible, they are highly dependent on the household's means, motivation, and ability to adjust consumption patterns. Not all households are suitable for these plans, yet many may assume they will automatically reduce their bills.</p>
Q11. Do you support prohibiting termination fees when switching between plans with the same retailer?	<p>We believe households should receive clear, upfront guidance before signing up, so they understand whether a time-of-use plan is likely to be beneficial for them. This should include realistic advice on how to shift consumption, the potential costs and benefits, and the circumstances under which the plan might not deliver savings. Without this, there is a risk that households will sign up with unrealistic expectations, leading to disappointment, confusion, or financial detriment.</p> <p>In general, we support prohibiting termination fees when switching between similar plans - essentially, "apples to apples." However, there are important caveats. If a consumer has signed up to a fixed-term contract at a set rate, allowing them to switch to a lower-priced plan partway through the term could create challenges for the retailer. This could undermine the viability of fixed-term offers, potentially leading retailers to withdraw lower-cost fixed-term options, which would reduce choice and competition for consumers.</p>
Q12. For retailers, what costs do you anticipate in implementing this change and what implementation support would reduce such costs?	<p>A balanced approach is needed, where switching between comparable plans is facilitated, but fixed-term commitments that underpin competitive pricing are respected.</p> <p>No comment. We are not a retailer.</p>
Q13. Do you agree with our proposed transitional arrangements? If not, how would you change them?	<p>No comment. We are not a retailer.</p>
<p>Proposal C – Encourage consumers to compare plans</p>	

**across all retailers and switch
where it will save them money**

Q14. Do you agree with the proposed wording of the prompt?

No, we do not agree with the proposed wording. Retailers should have the flexibility to refer customers to other bona fide, independent comparison sites if they wish. Other sites are long established, trusted, have large established user bases, and provide valuable services to consumers.

Specifying a single, government-funded site could deter a significant segment of consumers who mistrust government-run services or consider they lack independence. Limiting which sites retailers can direct consumers to is both counterproductive and unnecessarily restrictive. The focus should be on what is best for the consumer, not what best serves one particular comparisons service's needs at the expense of others. Allowing retailers to reference multiple comparison sites would increase consumer confidence, as users could cross-check information and verify the potential benefits of switching. It would also better serve consumers by catering to different preferences and needs, encourage competition among comparison sites, and support informed decision-making.

Q15. For retailers, what lead-in period would you need to implement this prompt across all channels?

No comment. We are not a retailer.

Q16. Do you agree that each retailer should be required to maintain a catalogue to allow customers to compare their full range of plans and costs?

Yes, we agree in principle that requiring retailers to maintain a catalogue of their full range of plans and costs is a positive step. It would improve transparency and help consumers make informed comparisons.

However, implementation will require careful planning. Prices vary by network pricing region, so retailers will need sufficient time and support to develop and maintain accurate, up-to-date catalogues.

We also note a potential unintended consequence: some consumers are currently on legacy plans that are favourable compared with current offerings. Without careful management, these consumers could be inadvertently moved off these beneficial deals, which would be detrimental. Safeguards should be in place to ensure consumers on existing advantageous plans are protected while maintaining the transparency benefits of a full catalogue.

<p>Q17. For retailers, do you already have a catalogue in which you show your current and any prospective customers your generally available plans and tariffs? If not, why not?</p>	<p>No comment. We are not a retailer.</p>
<p>Q18. Do you agree that the annual check-in should also include telling customers about the retailer's channels for comparing and accessing better plans?</p>	<p>Yes, we agree.</p>
<p>Q19. Do you agree that retailers should offer information about better plans whenever a customer contacts them about their bill or plan, not only when the customer explicitly asks to change plans?</p>	<p>In principle, we support the idea that consumers should be informed about better plans, but it needs to be implemented sensibly. Requiring advice on plan options every time a customer contacts a retailer could be impractical and counterproductive. For example, if a customer calls about unrelated issues, such as power outages, metering queries, or concerns about power quality, being repeatedly presented with information about alternative plans could become frustrating, repetitive, and ultimately ineffective.</p>
	<p>Any approach should be targeted and context-appropriate, ensuring that consumers receive relevant guidance at times when it is likely to be useful and actionable, rather than automatically with every contact.</p>
<p>Proposal D – Limit back-billing to protect residential and small business consumers from bill shock</p>	
<p>Q20. Do you agree with this proposal to limit back-billing with justifiable exceptions?</p>	<p>We agree.</p>
<p>Q21. Is a six-month cap reasonable?</p>	<p>Yes.</p>
<p>Q22. Do you agree that customer should be allowed to pay back bills in instalments matching the period of the back bills? If not, what alternative do you propose?</p>	<p>We agree.</p>

Q23. What additional proactive measures (beyond those listed) would best prevent back bills from accruing?

List seems comprehensive. No additional comment.

Q24. For retailers, taking into account any operational requirements, is the proposed transition period sufficient to implement these obligations?

No comment. We are not a retailer.

Next steps and proposed implementation

Q25. Are these the right outcome measures to track success?

No comment.

Q26. Do you agree with these implementation principles?

We do not agree. Power bills already refer to a proven, long-established, and trusted price comparison site that is widely known and familiar to consumers. Retailers should retain the flexibility to continue referring to this existing site, at least initially, as the new site does not yet exist and remains untested and unproven.

There are also risks with operating a new site that could be mitigated by maintaining the option to continue referring to established comparison sites.

Q27. How could we best support smaller retailers during the transition?

No comment. We are not a retailer.

Q28. Are there other interdependencies we should factor into the timetable?

Yes. Even if the new comparison site is technically operational, it may still face teething issues, bugs, or other challenges—common with complex IT projects. A key interdependency should be that the new site is fully operational, independently audited, and confirmed to deliver accurate results that meet user specifications before being referenced by retailers.

Sending consumers to an unproven site carries significant risks, particularly as households may make large financial decisions based on the information provided. There is also a substantial reputational risk for both retailers and the wider industry, especially given that many consumers are apprehensive or mistrustful of new government initiatives. Careful sequencing and validation of the new site are essential to protect consumers and maintain confidence in the market.

Q29. Do you agree with our preferred timing?

No, we do not agree. The proposed timeline appears unnecessarily rushed. There is a risk in hurrying through significant and consequential reforms to meet the Authority's own deadlines.

As noted in our response to Question 28, the new comparison service does not yet exist, is unproven, and will be unfamiliar to consumers.

We agree change is necessary, but are concerned rushing these changes introduces unnecessary risk, particularly given the potential costs and unintended consequences for households. Large-scale and consequential reforms require careful planning and staged implementation to ensure they are effective, accurate, and reliable. In an ideal world, these changes would have been started years ago.

A prudent approach would focus first on the core problem: inconsistent billing elements. Standardising these elements would deliver tangible benefits for consumers and are comparatively low risk. Other proposals are riskier and justify greater consideration and longer timeframes.

In summary, a staged approach that prioritises standardising key billing elements while allowing additional measures to be developed and tested over time would maximise consumer benefit, minimise risk, and ensure the reforms are properly implemented.

Q30. If you prefer option 3, which elements should be delayed to 2027?

No comment.

Q31. How much lead time do you need to implement these proposals, should they proceed?

No comment. We are not a retailer.

Regulatory statement for the proposed amendment

Q32. Do you agree with the objectives of the proposed amendment?

We agree with the objectives. These issues have been long-standing and were first identified in the 2018/19 Electricity Price Review. Consumer NZ has consistently raised concerns with the Authority over many years, highlighting the need for improvements.

While we welcome the fact that change is finally underway, it is regrettable that it has taken so long to address a clear area of consumer harm.

Q33. Do you agree that the benefits of the proposed Code amendment outweigh its costs?	No comment.
Q34. Do you have any feedback on these criteria for weighing options?	No comment.
Q35. Do you agree with our assessment of the four options presented?	No comment.
Q36. Do you agree with our proposal to introduce mandatory billing improvements, rather than voluntary guidelines?	We agree changes need to be universally applied to be beneficial.
Q37. Which elements of standardisation (if any) could remain voluntary without undermining consumer outcomes?	<p>There needs to be a careful balance between mandatory requirements and flexibility for retailers to innovate. Key billing elements, such as unit prices, consumption information, and other critical data, should be consistent and mandatory, as these are essential for transparency and consumer comparability.</p> <p>Other aspects of bill design, such as formatting, layout, or supplementary information, should be recommended as best-practice guidelines but remain voluntary. Part of the benefit of retail competition is the ability of retailers to differentiate themselves and offer choice to consumers. While we may not always agree with the design decisions retailers make, this diversity is a natural and positive feature of a competitive market.</p> <p>In summary, standardisation should focus on the elements that are essential for consumer understanding and comparison, while allowing discretion in other areas. Making too much mandatory risks stifling innovation and reducing the ability of retailers to respond to the needs and preferences of their customers.</p>
Q38. Do you agree with our proposed approach regarding small businesses?	No comment.
Q39. Do you agree with our assessment on alternatives to proposal B?	No comment.

Q40. Do you agree with our assessment on alternatives to proposal C?	No comment.
Q41. Do you agree with our assessment on alternatives to proposal D?	No comment
Q42. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in section 15 of the Electricity Industry Act 2010.	No comment.
Q43. Do you agree the proposals are overall better than the alternative considered? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objectives in section 15 of the Electricity Industry Act 2010.	No comment.
Proposed Code amendment	
Q44. Do you have any comments on the drafting of the proposed amendment?	No comment.
Q45. Do you have any comments on the transitional provisions?	No comment.
Q46. Do you have any other feedback on this consultation paper or proposed Code amendment?	<p>In general, these consultations are lengthy and time-consuming, and the timing often coincides with periods when organisations are managing competing deadlines and limited resources. This makes meaningful participation difficult.</p> <p>We are particularly concerned by the volume of changes being proposed in a short timeframe. The matters under consideration are significant and consequential, requiring careful thought, discussion, and research. Rushing the process makes it challenging for stakeholders to provide well-</p>

considered feedback and increases the risk of unintended consequences.

We encourage the Authority to carefully consider consultation timeframes, particularly for small organisations, and to coordinate more effectively with other agencies that are seeking feedback concurrently. Allowing sufficient time for consultation is essential to ensure robust, evidence-based decision-making and meaningful engagement from all stakeholders.