

Consumer NZ submission

April 20, 2009

Approval of a consumer complaint resolution scheme for electricity and gas

Consumer NZ is New Zealand's leading consumer organisation. It has an acknowledged and respected reputation for independence and fairness as a provider of impartial and comprehensive consumer information and advice. Consumer NZ has approximately 70,000 subscribers and since October 2008 Consumer magazine has been available on the newsstand. It has nominated representatives to the Electricity and Gas Complaints Commission to work through its preparation for consideration as the preferred scheme and has an alternate representative on the complaints scheme.

Further to the Electricity Commission and the Gas Industry Company's consideration of a dispute resolution service Consumer NZ would like to confirm it agrees with the two group's original recommendation to:

- Approve one scheme – from a consumer perspective, ease of access to a single complaints' service is crucial. Consumer NZ welcomes the notion that all players in the industry should belong to one dispute resolution service and have to abide by its rulings.
- Base the decision on an approved scheme using Australian benchmark achievement standards.
- Select the Electricity and Gas Complaints Commission scheme as best meeting the standards – it is clear from the proposals that the EGCC dispute resolution service offers the best to consumers in terms of independent consideration of complaints and determination of those complaints. It has a professional staff and robust systems for handling complaints.

2. Comments

QUESTION	COMMENT
Q1: Do you agree that the EGCC Scheme arrangements represent an appropriate basis for a single nationwide complaints resolution scheme for electricity and gas?	Yes – the scheme has proved it is the only one with the coverage – generation, lines and retail – to encompass the full complaints resolutions service.
Q2: Do you have particular areas of concern that would lead you to making suggestions for changes to the EGCC Scheme?	No. The EGCC has addressed the issues that it needed to become the preferred complaints resolution service. The principles of a free scheme founded on accessibility, independence, fairness, accountability, efficiency, effectiveness and community awareness have all been included.
Q3: Do you agree that approval should be on the basis of an indefinite term, while encouraging performance through the independent review process? If not, do you have any additional observations on the merits of a fixed-term?	Yes. Regular independent review is adequate.
Q4: Do you agree that the transition to an approved EGCC Scheme should be relatively straight-forward? Do you have any views on how the transition should be managed?	Yes, the transition should be straight-forward as the EGCC is well-prepared for the work. There may be some issue about how quickly non-member companies become members but this should be handled quickly and efficiently.
Q5: Do you agree that the Service Provider Regulated Scheme and the Fully Specified Regulated Schemes are the only reasonably practicable options to approving an applicant scheme, which	Yes, they provide the only credible options for a national complaints resolution service.

meet the proposed regulatory objective? If not, what other reasonably practicable options exist in your view?	
Q10: Do you agree that the Approved Scheme option (approving the EGCC Scheme) would yield overall benefits that are reasonably material and that these benefits would outweigh the slight increase in overall costs that could be expected relative to the status quo?	The Approved Scheme would provide overall benefits and provide consumers surety about complaint handling.

Consumer NZ is concerned that Genesis Energy and its subsidiary Online Energy, and Mighty River voted against changes to the EGCC scheme that would make it fully compliant with the Electricity Commission and Gas Industry Company requirements. This amply illustrates why consumers need the protection of one approved scheme and that all participants are compelled to belong to it.

Yours sincerely



Sue Chetwin
Chief Executive