

12 February 2021

Commerce Commission
PO Box 2351
Wellington 6140

By email: regulation.branch@comcom.govt.nz

Submission on:

- "Review of the Commerce Commission's funding for the regulation of electricity and gas networks under Part 4 of the Commerce Act 1986"
- "Review of the Commerce Commission's funding for the regulation of Telecommunications and Fibre under the Telecommunications Act 2001"

1. Introduction

Thank you for the opportunity to make a submission on the funding review documents. This submission is from Consumer NZ, an independent, non-profit organisation dedicated to advocating on behalf of New Zealand consumers. Consumer NZ has a reputation for being fair, impartial, and providing comprehensive consumer information and advice.

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2. General comments

- 2.1 Consumer NZ welcomes the focus in the review documents on increasing "outreach and engagement" with consumer groups, and the recognition that the commission's ability to regulate is improved when appropriately resourced participants with a consumer perspective can provide input to its work.
- 2.2 A major reason why utility services are regulated is to ensure they perform for the long-term benefit of consumers. Given this, consumers groups should be able to participate in regulatory processes to help ensure desired outcomes are achieved.
- 2.3 We consider these processes will become more important for consumers as technology develops. In regard to electricity and gas, there are also major factors to be considered in how regulation of these services responds to climate change and other environmental issues.
- 2.4 Unless consultation processes are designed to facilitate input from consumer groups, these processes will continue to be dominated by industry

representatives. We are therefore pleased the commission is reviewing its stakeholder engagement processes.

- 2.5 We strongly agree decision-making needs to be well-informed by the views of consumers and are pleased to see the commission's acknowledgement that it needs to ensure it is listening to electricity consumers' views on preparing for a low-carbon economy.
- 2.6 We are also pleased to see the commission's discussion on delivering consumer outcomes and the focus on networks' efficiency. As the commission notes, efficiency gains can ultimately be shared with consumers through lower prices. Price is a major issue for consumers in the electricity and gas sector.
- 2.7 In considering how to ensure consumer groups can participate, we strongly encourage the commission to make participation funding available. The significant time and other resources often required to take part in regulatory processes mean consumer organisations can't always fully participate.
- 2.8 We believe participation funding should be available to ensure consumer interests are adequately represented.

ENDS