



Consumer Care Guidelines for electricity retailers must be mandatory

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Summary

As He Kāinga Oranga Housing and Health Research Programme at the University of Otago Wellington, we are urging the Electricity Authority to make the Consumer Care Guidelines for electricity retailers mandatory to protect health. A new report shows up to 55% of residential consumers are not protected by the Guidelines on disconnection. Critically, almost a quarter of Medically Dependent Consumers who rely on electricity at home for their medical needs are not being protected by the Guidelines.

Electricity is an essential service

Electricity is an essential service for keeping healthy at home – it's one of the six basic amenities that we agree are required for housing in Aotearoa.¹ The most serious health outcome of energy hardship is death, which is why we worry about our consumers who are medically dependent on electric devices to keep them alive.² More common physical and mental health effects arise when homes are too cold.³ Other effects include inadequate nutrition due to trading off buying groceries to pay for the electricity; or not having refrigeration; or risking falls or not being able to participate fully in education by going without lighting.

There is a tension in using a market structure to provide an essential service – but the critical point for considering whether electricity is an essential service, or what level of energy services is necessary at home, is to think about basic needs for most people. It takes much more time and energy to live in our society without electricity and we expect most people will have access to enough electricity at home. Living without enough electricity wastes potential and diminishes capabilities – especially diminishing children's potential, with lifelong consequences. Yet StatsNZ data shows that on Census night in 2018, 2.3% of children aged 0-4 were in homes that had no electricity at all.¹

Electricity Authority and the Consumer Care Guidelines

The [Electricity Authority](#) is the regulatory body for electricity in Aotearoa New Zealand. One of the EA's key roles is to “protect the interests of domestic and small business consumers in relation to the dealings of industry participants in supplying their electricity”. The EA is also tasked with enforcing compliance with the Electricity Act 2010 and the Electricity Industry Participation Code 2010 – and the EA can propose amendments to the Code so that it delivers better outcomes for consumers. These powers and responsibilities mean that the important job of making sure that electricity retailers help to keep households connected to electricity – an essential service for health, wellbeing, and social participation – belongs to the EA.

When the [Consumer Care Guidelines](#) were brought in in 2021, they replaced previous guidelines that had been put into place to assist vulnerable and medically dependent consumers, or people who critically rely on electricity to support their health. Those earlier guidelines were brought in after the tragic 2007 death of Mrs Folole Muliaga, who had health issues and used an electrically powered oxygen machine at home, and died after the electricity at her home was disconnected due to an unpaid bill.⁴ In an earlier example, “Baby dies after power cut off” was a front page story in the Dominion Post in 2000, about a housefire caused by a candle after electricity was disconnected.

The Consumer Care Guidelines include the intended outcome that disconnection for unpaid bills is avoided. The Guidelines also say that Medically Dependent Consumers are not to be disconnected due to non-payment of debt, but this is currently not mandatory. Electricity retailers were given until December 2021 to voluntarily comply with the Guidelines, and the Electricity Authority has just released its [first report](#) of an annual assessment for 2021-2022 on compliance.

Voluntary Guidelines are not working to protect consumers

The report highlights that only 18 of 39 retailers self-report full compliance with the Guidelines. In health terms, the most critical parts of the Guidelines are parts 7 and 8, which outline the processes for disconnection and practices for working with Medically Dependent Consumers. Non-compliance with these parts of the Guidelines could lead to poor health outcomes, or worse, another fatality. The report found that because of non-compliance, up to 55% of residential consumers are not protected by the Guidelines on disconnection. The report also found that because of non-compliance, up to 23% of households with a Medically Dependent Consumer are not being protected by the Guidelines.

Based on evidence from our own and other research, our He Kāinga Oranga / Housing and Health research team supports calls from [consumer advocates](#) for the Electricity Authority to make the Consumer Care Guidelines mandatory. There is good evidence showing that electricity is an essential service for protecting public health in Aotearoa, and we agree that a basic standard of care by retailers should not be voluntary. The report shows that voluntary Guidelines are not providing basic consumer protections, particularly when it comes to practices around disconnection from electricity and managing supply to medically dependent consumers. We urge the Electricity Authority to make the Consumer Care Guidelines mandatory with minimal further delay to protect health at home during this winter.

What is new in this Briefing

- With other consumer and non-Government organisations, our He Kāinga Oranga/ Housing and Health research team supports the call for the Electricity Authority to make the Consumer Care Guidelines mandatory;
- The Guidelines provide for basic standards of care by retailers towards electricity consumers;
- Retailers are not voluntarily complying with the Guidelines. Only 18 out of 39 retailers report full compliance. Almost a quarter of medically dependent consumers are not protected from disconnection.

Implications for public health

- Electricity is an essential service. It supports physical and mental health, helping to make our homes healthy places;
- Mandatory and enforced energy consumer protections are urgently needed in Aotearoa to ensure everyone has access to warm, dry, healthy housing;
- We can't wait another winter without basic standards of care from electricity retailers being mandatory;
- Making the guidelines mandatory ensures that responsibilities towards Medically Dependent Consumers can be adequately enforced.

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