

Meeting date: 18 December 2023

Improving and Strengthening the Consumer Care Guidelines

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Improving and Strengthening the Consumer Care Guidelines

1. Purpose

1.1. This paper:

- (a) Provides an overview to the Board of the responses to the Authority's public consultation on options to update and strengthen the Consumer Care Guidelines (Guidelines).
- (b) Provides an update to the Board on the 2022/23 Annual Alignment Statement Report on retailers' alignment with the Guidelines.
- (c) Seeks the Board's approval of staff's preferred option to develop mandatory minimum standards for consumer care based on the Guidelines, and timeline for achieving this.
- (d) Seeks the Board's approval to publish a decision paper informing the public of the Authority's decision and next steps.

2. Strategic alignment

2.1. This paper aligns with our strategic ambitions of consumer centricity and trust and confidence, and it falls under the theme of consumer protection.

3. Recommendations

3.1. It is recommended the Board:

- (a) **agree** that the Authority develops mandatory minimum standards for consumer care within the Code, which will be based on the Consumer Care Guidelines.
- (b) **note** the forward work plan for 2024 outlined in this paper.
- (c) **note** the summary of the 2022/23 Consumer Care Guidelines Annual Alignment Statement Report (attached in the decision paper as Appendix C), and that alignment results are currently being fact-checked with retailers.
- (d) **approve** the publication of the summary of the 2022/23 Consumer Care Guidelines Annual Alignment Statement Report (attached in the decision paper as Appendix C) following the fact-checking exercise with retailers and on the basis that there are no material changes as a result of the fact-checking exercise.
- (e) **delegate** authority to the Chief Executive to finalise and publish the summary of the 2022/23 Consumer Care Guidelines Annual Alignment Statement Report, after taking into account any comments from the Board and making any minor amendments including following the fact-checking exercise.
- (f) **note** that staff will seek the Board's approval again for the publication of the summary of the 2022/23 Consumer Care Guidelines Annual Alignment Statement Report if there are material changes following the fact-checking exercise which affects the analysis of the report.
- (g) **approve** the publication of the decision paper (attached as Appendix A).

- (h) **delegate** authority to the Chief Executive to finalise and publish the decision paper (attached as Appendix A) after taking into account any feedback from the Board and making any minor amendments.

4. Summary

- 4.1. In September 2023, the Authority released a consultation paper titled Options to update and strengthen the Consumer Care Guidelines.¹ This paper sought feedback on options to improve and strengthen the Consumer Care Guidelines (Guidelines)² that were published in March 2021.
- 4.2. The consultation paper stated that since the Guidelines' publication, the Authority has a new, additional statutory objective to protect the interests of domestic consumers and small businesses in relation to the supply of electricity to those consumers. When the Guidelines were published in 2021 the Authority's only statutory objective was to promote competition in, reliable supply by, and the efficient operation of, the electricity industry for the long-term benefit of consumers. This consultation on options to strengthen the Guidelines seeks to deliver on the Authority's additional objective.
- 4.3. In addition to seeking formal written responses from stakeholders, efforts were made to ensure appropriate direct engagement from consumers. This included running an online survey which sought feedback on the most significant questions in the consultation paper. We received significant response to the consultation paper, including 126 written responses and nearly 1000 survey responses.
- 4.4. The overwhelming majority of submissions received were from consumers and consumer advocacy groups, who universally argued in favour of mandating the Guidelines in their entirety. Retailers and other industry-facing respondents were open to mandating the Guidelines (either in part or in whole) but focussed their feedback on the need to address issues of interpretation and ambiguity within the Guidelines themselves.
- 4.5. This paper provides the Board with an overview of the responses received to that consultation, as well as an overview of the most recent report on retailers' alignment with the Guidelines.
- 4.6. It also seeks the Board's approval of a proposal to develop mandatory minimum standards of consumer care in the Code based on the Guidelines - a proposal that was not considered in the consultation paper. This proposal is similar to one of the options (option four – to mandate the Guidelines) but includes an additional process for the Authority to address feedback received in consultation around interpretation and ambiguity. This paper discusses the reasons behind staff's proposal to progress with this alternative option.

¹ The consultation paper can be found here: [Options to update and strengthen the Consumer Care Guidelines](#)

² The Consumer Care Guidelines can be found here: [Consumer Care Guidelines v1.0 \[iM ref: 1264060.78\] \(ea.govt.nz\)](#)

5. Background

- 5.1. The Authority published Consumer Care Guidelines in March 2021, following robust engagement across the sector. These were designed to support electricity retailers to deliver a consistent and supportive minimum standard of care to all New Zealand domestic consumers.
- 5.2. The Authority decided that the Guidelines would be voluntary at the time of publication and indicated that if voluntary guidelines did not satisfactorily deliver the Guidelines' intended outcomes, the Authority would consider mandating all or aspects of them in the future.
- 5.3. Our first review of retailers' self-assessed alignment with the Guidelines for the period 1 July 2021 – 30 June 2022 (published in June 2023) which found that:
 - (a) Five of the six large retail brands stated that they were fully aligned to the Guidelines.
 - (b) Six out of eight medium-sized retailers responded to the staff's request to provide their self-assessment of alignment with the Guidelines with four of those reporting full alignment. The remaining two of the responding medium-sized retailers reported partial alignment.
 - (c) Seventeen of the twenty-four small retailers provided a self-assessment, with 11 of those 17 stating full alignment and the other small retailers who responded reporting partial alignment.
- 5.4. Where non-alignment was reported a significant proportion of that non-alignment was reported as being with Parts 7 (Disconnection) and 8 (MDCs). These parts of the Guidelines are important for vulnerable customers and MDCs.
- 5.5. Some of the medium and small retail brands did not provide a self-assessment, either initially as provided in the Guidelines or in response to a follow-up email by the Authority. Their alignment to the Guidelines was not assessed.
- 5.6. The review also noted that retail brands may have varying interpretations of the Guidelines and what is an acceptable minimum standard of conduct, which could affect how they reported their level of alignment.
- 5.7. Consumer advocacy groups³ and the Energy Hardship Panel⁴ also consider that the Guidelines, as currently drafted and implemented, are not effective in delivering adequate protections to consumers and that retailers may not be following them.
- 5.8. This variable alignment and consumer stakeholder feedback, alongside other issues such as retailers interpreting the Guidelines' recommendations differently, indicates that they are not satisfactorily delivering their intended outcomes. Furthermore, the Authority now has an explicit consumer protection objective and function.
- 5.9. In response to those conclusions, the Authority decided to consult on work to update and strengthen the Guidelines.

³ A variety of organizations wrote an open letter to the Authority in June 2023 to advocate for the Guidelines to be made mandatory. The letter can be found here: [open letter 6.6.23 \(anglicanadvocacy.org.nz\)](#)

⁴ The Energy Hardship panel recommended that "The Electricity Authority should review and consult on the Guidelines that is then made into mandatory Consumer Care Mandatory Obligations for all retailers". Refer to recommendation CP1.

The most recent alignment report also informs our decision

- 5.10. The results of the 2022/23 Annual Alignment Statement Report shows much greater levels of reported alignment with the Guidelines in comparison with the results from the 2021/22 report, particularly among large and medium retailers. Notably, the pool of small retailers we requested self-alignment statements is bigger, due to changes to the qualification criteria.
- 5.11. However, in comparison to large and medium retailers, small retailers self-reported lower levels of alignment with the Guidelines. In some instances, retailers who had previously aligned with some parts of the Guidelines now indicated non-alignment.
- 5.12. Further, some retailers identified in their alignment statements where they considered they were aligned with a Part of the Guidelines but had achieved alignment through alternative actions. Where this occurred, retailers provided commentary that their alternative actions addressed workability issues they identified with the Guidelines.
- 5.13. While on balance these results show an improvement in retailers' alignment with the Guidelines, ongoing non-alignment (especially amongst small retailers) suggest further intervention is needed to ensure a consistent and supportive minimum standard of care to all New Zealand domestic consumers. Intervention will also address the risk of harm to consumers – particularly in areas where domestic consumer vulnerabilities commonly surface.
- 5.14. Staff note that these results are subject to a fact-checking exercise with retailers. We intend for this to be completed before the end of 2023. Staff expect minimal changes (if any) to the results, as they are self-reported assessments.

6. The Authority released a consultation paper seeking views on options to improve the Guidelines

- 6.1. The consultation paper was released on 4 September 2023, and sought feedback on options to update and strengthen the Guidelines. The consultation period closed Monday 2 October 2023.
- 6.2. The paper outlined the Authority's view that the Guidelines could be strengthened and presented four options the Authority was considering:
 - (a) **Option One:** Maintain the status quo.
 - (b) **Option Two:** Keep the Guidelines voluntary but clarify interpretation issues in some areas.
 - (c) **Option Three:** Codify (i.e. make mandatory) parts two, six, seven, and eight of the Guidelines - which provide key consumer welfare protections around financial difficulty, disconnection, and medically dependent consumers.
 - (i) Includes pursuing wording adjustments to resolve interpretation issues as outlined under option two.
 - (d) **Option Four:** Codify parts one to nine of the Guidelines.
 - (i) Includes pursuing wording adjustments to resolve interpretation issues as outlined under option two.

- 6.3. The Authority outlined **Option Three** as its initial preferred option. It was the Authority's view that this option would protect the interests of domestic consumers facing financial difficulty, disconnection, and medically dependent consumers. We also considered this would minimise any potential negative impacts on competition, and efficiency – considerations which align with the Authority's statutory objective – as well as innovation.
- 6.4. The consultation paper sought feedback from stakeholders on these options and the Authority's initial assessment of how best to achieve the Guidelines' purpose and intended outcomes.

7. There was significant response to the consultation paper

- 7.1. The Authority received 128 written submissions from respondents listed in **Table One** below, including:
- (a) One hundred consumers,
 - (b) Twelve consumer advocacy groups,
 - (c) One social agency,
 - (d) One disputes scheme,
 - (e) One electricity distributor,
 - (f) Eleven electricity retailers,
 - (g) One research organisation,
 - (h) One electricity retailer association,
 - (i) One social enterprise.
- 7.2. The Authority received eight submissions from school children, who articulated the importance of electricity to everyday life and the need for New Zealanders' access to electricity to be protected. We noted these submissions, but they were not included as part of our formal submissions analysis (and do not feature in **Table One** below).
- 7.3. We also received nearly 1000 substantive responses to the online questionnaire, primarily from individual consumers.

Table One: List of submitters to the consultation paper by category

Category	Submitters
Consumer advocacy groups	Anglican Advocacy, Child Poverty Action Group, Citizens Advice Bureau, Common Grace Aotearoa, Community Law Centres of Aotearoa, Consumer Advocacy Council, Consumer NZ, Disabled Persons Assembly NZ, Presbyterian Support New Zealand, The Salvation Army, New Zealand Council of Christian Social Services, Electric United Community Action Network
Social agencies	FinCap

Disputes scheme	Utilities Disputes Limited
Electricity distributor	Wellington Electricity
Electricity retailer	Contact Energy, Electric Kiwi, Electricity Networks Aotearoa, Entrust, Genesis Energy, Independent Retailers, Mercury, Meridian Energy, Nova Energy, Octopus Energy, Genesis
Research organization	He Kāinga Oranga
Electricity retailer association	Electricity Retailers Association New Zealand (ERANZ)
Social Enterprise	Toast / Sustainability Trust

8. Feedback revealed shortcomings with the existing options

- 8.1. The consultation paper presented our desired policy objective as ensuring that the Guidelines' purpose and intended outcomes are consistently being delivered, in line with the Authority's statutory objectives. The Guidelines' intended outcomes is to support electricity retailers to deliver a consistent and supportive minimum standard of care to all New Zealand's domestic consumers.
- 8.2. After considering the feedback received, it became clear that that the options presented in the options paper were not fully suitable solutions in their own right to achieving the desired outcomes. In particular:
- (a) **Option one** – no submitters supported maintaining the status quo.
 - (b) **Option two** – Consumer respondents were universally against options that did not mandate that Guidelines. Retailer respondents demonstrated to us that amending the wording of the Guidelines would be a significantly more substantial undertaking than originally anticipated. This is due to a vast number of issues raised in submissions with the current Guidelines, and these being more complex than simply amending the wording to address issues of interpretation (as presented in the options paper).
 - (c) **Option three** – Consumer respondents (and some retailers) questioned the suitability of option three for providing comprehensive protections for consumers. While the options proposed to be mandated (two, six, seven and eight) are the parts that would prevent the greatest harm, many submitters raised that this undermines the whole Guidelines as a whole given their interdependent nature.
 - (d) **Option four** – Retailer respondents raised several workability issues with option four as presented in the options paper. Issues raised included the inability of certain existing clauses to be monitored and enforced, ambiguities in the existing Guidelines that would make them difficult to implement as Code obligations, and the additional costs this would impose on consumers.

9. Analysis of options

Option two – voluntary with amended wording

- 9.1. Option two proposed to keep the Guidelines voluntary but amend their wording to address issues noted by stakeholders about varying interpretations of parts of the Guidelines. Examples given in the consultation paper included:
- (a) The definition of a 'severe weather event'
 - (b) When a disconnection could be interpreted as endangering the wellbeing of the customer or any customer at the premises (clauses 66(c), and 73(a)(i))
 - (c) What 'reasonable' means in various parts of the Guidelines
 - (d) Any other wording raised by stakeholders through this consultation that needs clarification but does not significantly amend or extend the Guidelines.
- 9.2. However, retailers outlined substantial challenges with the Guidelines including clarity, workability, and concerns of cost-effectiveness. The need to eliminate ambiguities, inconsistencies, and anomalies emerged as a common concern.
- 9.3. The extent of the issues raised is potentially greater than resolving "varying interpretation issues" as initially outlined under option two. It would be difficult for the Authority to justify exploring many of the issues with the Guidelines raised by respondents under option two as many are beyond the scope of "interpretation". As option two forms part of options three and four, this difficulty extends to those options as well.

Staff do not recommend progressing option two

- 9.4. Option two would keep the Guidelines voluntary, which would mean the issue of inconsistent consumer outcomes due to varying interpretation of the Guidelines would remain.
- 9.5. Further, this option would only afford the Authority the opportunity to address smaller issues of ambiguity rather than address the larger issues raised by respondents. Given the range and substance of issues raised by stakeholders with the Guidelines, and the scope of these being beyond that proposed by option two, staff consider that option two would not achieve the desired outcomes.
- 9.6. For example, retailers raised issues with:
- (a) highly prescriptive and rigid requirements for customers in arrears being excessive and inflexible, leading to higher costs and/or inefficiencies for industry (that will be passed on to consumers) as well as removing the ability for a retailer to tailor their approach to working with a consumer based on individual circumstances.
 - (b) requirements for retailers to consider financial mentoring when examining a credit history resulting in the retailer making judgement calls that are well beyond their expertise and could involve consumers needing to provide highly personal information.
 - (c) requirements for retailers to represent pricing plans available by competing organisations raising considerable risks of mis-representing other organisations pricing (and being better achieved by directing consumers to PowerSwitch).

- (d) regulatory obligations being placed on consumers being inappropriate, such as requiring a medically dependent consumer to create an individual emergency response plan to use during any electricity outages.
- 9.7. Staff have concluded it is important that these concerns are adequately addressed as part of any option chosen to improve or strengthen the Guidelines. Industry participants have also stressed the importance of a collaborative approach to resolving these complexities and creating a comprehensive solution.

Progressing option two risks going against the feedback received

- 9.8. Progressing option two (or option one – the status quo) would be ignoring the substantial feedback received to the consultation by consumers, consumer advocacy groups, and retailers with the issues raised by keeping the Guidelines voluntary. Some retailers expressed concern that voluntary compliance will result in some retailers incurring costs to align while others do not – and the effects this could have on competition.
- 9.9. Consumer advocacy groups and consumer submitters demonstrated a strong desire for the Guidelines to be mandated. The Authority received over a thousand submissions in favour of mandating the Guidelines.
- 9.10. Further, where retailers expressed support for mandating the Guidelines, they also emphasised the need for direct consultation to work through the issues they raised. This was a necessary step for them to support any attempt at mandating the Guidelines as presented in options three and four.

Option three – codify parts of high importance

- 9.11. Option three proposed to codify parts two, six, seven, and eight of the Guidelines. These parts contained recommendations for retailers to take specific actions for:
- (a) communicating information about a consumer care policy.
 - (b) when a customer anticipates payment difficulties, is having payment difficulties, and/or is in payment arrears.
 - (c) progressing to disconnection and/or reconnection.
 - (d) protecting medically dependent consumers.

Option three was originally the Authority's preferred option, but staff now consider that this is option will not lead to the best outcomes

- 9.12. Option three was initially the Authority's preferred option, as we believed making these parts mandatory would effectively mitigate harm to domestic consumers while minimising negative impacts on innovation, competition, and efficiency. There was also a consideration of speed to address any outstanding risk for vulnerable consumers who may not be protected by the Guidelines, should their retailer not be aligned.
- 9.13. Staff have changed their view on the need to consider timing as a key criterion for choosing an option. This is because the results of the most recent alignment report have shown that most consumers (circa 90%) are with retailers who are fully aligned with the Guidelines. This significantly reduces the risks of a vulnerable consumer not being protected by the existing Guidelines.

- 9.14. Additionally, retailers and consumer advocacy groups have repeatedly urged for a comprehensive and clear resolution to updating the Guidelines rather than an interim solution that may have adverse effects for both retailers and consumers.

Staff do not recommend progressing with option three

- 9.15. After reflecting on the submissions received the Authority now agrees with the majority of submitters that having some parts of the Guidelines mandatory, and others voluntary, will create significant issues. Some parts of the Guidelines proposed to remain voluntary contain important foundational processes that are essential for realising the desired outcomes of the parts to be mandated, and their consistent implementation.
- 9.16. In essence, staff consider there is a need for a more nuanced approach that recognises the interdependence of the Guidelines and the importance of a cohesive and comprehensive regulatory framework, while avoiding impacts on innovation, competition and efficiency.
- 9.17. Responses to the consultation paper show a desire for a comprehensive and coherent regulatory framework for consumer protection from all groups – both consumers and retailers.

Progressing option three risks undermining the Guidelines as a whole

- 9.18. Option three could inadvertently undermine the progress made by some retailers who have implemented the entire suite of Guidelines. A segmented approach might create perverse incentives leading retailers and new entrants to prioritise compliance with mandatory parts while overlooking voluntary components. This also extends to mandating select parts of the Guidelines in the short term with a view to mandating the whole in the long-term.

Option four – codify all relevant parts

- 9.19. Option four proposes to codify parts one to nine of the Guidelines. This option was favoured by consumers and consumer advocacy groups, who expressed concerns that the voluntary nature of the Guidelines results in harm to consumers due to inconsistent adherence to them from retailers.
- 9.20. Consumer advocacy groups expressed that the key benefits of mandatory Guidelines will:
- (a) reduce variability in outcomes, ensuring a consistent and reliable quality of service and safety for vulnerable consumers
 - (b) allow the Authority to enforce compliance with the Guidelines as they will be Code obligations.
- 9.21. While stakeholders in general supported mandating the Guidelines, some (particularly those from industry) expressed that an adequate option requires a more nuanced approach that improves clarity, coherence, consistency, and enforceability.
- 9.22. Retailers opposed option four, citing the lack of clarity that would be caused by mandating the Guidelines in their current form. Retailers stressed the need for significant changes for workability.

There are significant shortcomings with progressing option four

- 9.23. Progressing option four and mandating the current Guidelines could lead to a variety of issues, particularly with regards to inconsistent implementation. It could also have adverse impacts on innovation and cost to consumers due to higher compliance costs.

- 9.24. Based on the feedback received, staff believe the Guidelines need to be thoroughly examined to address the various issues raised in submissions before they can be made mandatory. As noted above, retailers provided the Authority with a large number of issues with the Guidelines.
- 9.25. However, as discussed above, the scope of any changes to the Guidelines proposed by option two (and thereby included in option four) is too narrow for the Authority to include in this process. This is particularly true if the conclusion of any further analysis is that some clauses of the Guidelines should be removed and/or significantly altered.

Staff recommend progression an alternative to option four (discussed below)

- 9.26. In light of the above, staff believe that it is imperative to explore a fit for purpose alternative that better achieves our stated policy objective than the options consulted on in the consultation paper.
- 9.27. This alternative will maintain the principle of option four but will include a greater examination of the existing Guidelines to address issues greater than purely those of interpretation and clarity.
- 9.28. Pursuing an alternative also allows us to address the various concerns raised by stakeholders as a part of the process of mandating the Guidelines, offering a practical and efficient solution that includes the views of both consumers and retailers.

10. Staff recommend that the Authority develops mandatory minimum standards for consumer protection

- 10.1. Staff consider the best approach forward is to develop a set of mandatory minimum standards for consumer protection (the Standards) within the Code, based on the Guidelines.
- 10.2. These Standards will aim to address stakeholders' concerns and create workable, practical, and enforceable standards that ensure consistency of outcomes for consumers without creating unnecessary costs or ambiguity. Staff believe that this approach will ensure the Authority sets clear service standards for retailers, while also facilitating effective monitoring and enforcement.

The Standards will be based on the Guidelines

- 10.3. While this is a new approach, it is strongly informed by the consultation options. The Guidelines will form a foundation of the new standards, which will be refined through the experiences of consumers and insights provided by retailers who have implemented the Guidelines.

This approach will allow the Authority to address the issues raised in consultation

- 10.4. This approach will require staff to rigorously analyse the Guidelines in light of the feedback received in submissions. This will build on our earlier analysis of the Guidelines and will allow us to engage with industry groups to inform the design of the Standards.
- 10.5. Staff believe that this approach will best achieve the desired policy objectives and update the Guidelines in line with the Authority's statutory objectives – particularly the additional objective. This option will also ensure the Authority's addresses the views of both consumer

facing and industry facing stakeholders, which is likely to have the effect of creating shared commitment across the Board to enhance consumer protections.

Staff believe any risks of extending timeframes are mitigated by the benefits from this approach

- 10.6. Our proposed alternative approach to option four will occur in a similar timeframe, or just slightly longer, to what was anticipated for option four. This does extend the timeframe for the creation of Code amendments beyond that which was anticipated for option three (the Authority's previous preferred option).
- 10.7. Staff believe any potential consumer harm due to extended timeframes are mitigated by the findings of the 2022/23 alignment report – which showed that the vast majority of domestic consumers are with retailers that consider themselves to be fully aligned with the Guidelines.
- 10.8. Of particular note was the specific improvements with alignment for disconnections and medically dependent consumers. These findings indicate that the risk of vulnerable consumers being with a retailer who is not aligned (and therefore at risk of harm) is low.
- 10.9. Further, engaging in a robust and targeted consultation with industry stakeholders in early 2024 to address the feedback received will reduce the likelihood that retailers will provide additional feedback when the Authority consults on the proposed Code amendments, which would extend timelines later in 2024. Staff also believe that engaging early with stakeholders will reduce the time retailers need to implement the standards.
- 10.10. Further, investing time to address the issues raised by stakeholders in consultation in early 2024 eliminates the risk that these issues are raised again in future. Conducting a thorough analysis of the Guidelines at this stage of the process will allow Authority staff to focus future resources on addressing areas outside the scope of this consultation – discussed below.

s9(2)(h)

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s9(2)(h)

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11. Respondents also raised several other issues that go beyond the current scope of the Guidelines

- 11.1. In the consultation paper, the Authority also asked respondents to identify issues that fall outside of the current Guidelines that they would like to see us consult on in a further issues paper (question five).
- 11.2. Many of these considerations are outside the scope for the Authority to consider with regards to the objectives of this consultation. Should the Board agree to the alternative option, the Authority will consider these issues after developing mandatory minimum standards.

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11.3. These issues included:

- (a) Processes and fees for disconnection and reconnection
- (b) The Guidelines' approach to pre-pay plans
- (c) Improving the Authority's collection and publication of information.

There is a wider consumer-care work program to address additional issues

11.4. While the Authority will prioritise progressing the outcome of this consultation, staff note that there are several ongoing work programmes at the Authority that may address some of these issues. These include:

- (a) Improving the Authority's collection of retail data.
- (b) Designing an updated registration form and emergency response plan to assist medically dependent consumers.
- (c) Options to support consumer plan comparison and switching.

11.5. Staff consider there is merit in allowing the above work programs to progress before revisiting some of these issues as part of this review of the Guidelines, as they may address some of the issues raised by respondents.

12. Next steps

12.1. Should the Board agree to the creation of mandatory minimum standards in the Code, staff will release a decision paper (attached as Appendix A) informing stakeholders of the Authority's decision. A communications plan is being prepared, and high-level engagement points will be discussed with the Board.

12.2. Authority staff will then undertake a work plan for 2024 for the creation of these mandatory standards. This plan will be communicated to the industry as soon as possible so that the necessary engagement required with various stakeholders can be arranged. This commitment to public communication and stakeholder consultation is included in the decision paper.

12.3. The key milestones of the forward workplan are outlined in table 2 below. Staff note that this timeline is in-line with that presented in the consultation paper for option four, this being code changes in place by in the second half of 2024.

12.4. As noted above, Staff consider that progressing an alternative to option four along this timeframe will allow the Authority to comprehensively strengthen the protections for consumers provided by the Guidelines (through the creation of the Standards), that also addresses the feedback provided by respondents. This can be completed by the second half of 2024, and staff consider this to be an acceptable timeframe given the alleviation of the risk of harm provided by the results of the most recent alignment review.

12.5. Addressing issues outside of the scope of this consultation – previously referred to as “phase two” of the review of the Guidelines – will be conducted in the second half of 2024 as indicated in the table below.

Table 2: Key milestones for the creation of mandatory minimum standards for consumer care

Milestone	Description	Estimated timeframe
Analysis of the Guidelines	Staff will conduct a rigorous analysis of the existing Guidelines to decide which clauses will be codified, which will be altered, and which may be discarded.	January - February 2024
Stakeholder engagement	Staff will engage with the sector to discuss the various issues raised by respondents, and to discuss the workability of mandatory minimum standards in the Code, building on the consultation to date. This will include workshop sessions to provide a platform for both industry groups and consumer advocacy groups to contribute. We are not proposing a further consultation paper.	March - April 2024
Code drafting process	Following the engagement phase, staff will draft code amendments that reflect the refined Guidelines and stakeholders' view and insights. This will involve translating the identified standards into actionable and enforceable provisions within the Code.	Completed by August 2024
Cost-benefit analysis	Staff propose that a comprehensive and external cost-benefit analysis will be needed to evaluate the relative benefits or costs of the minimum standards for both retailers and consumers. This will ensure the regulatory framework achieves its objective efficiently.	September 2024
Public consultation process	Codifying minimum standards would require us to first draft Code amendments. After Code amendments are drafted, we are then required to follow the consultation process for proposed amendments set out in section 39 of the Act and the Consultation Charter. This would include: <ul style="list-style-type: none"> Publicising a draft of the proposed amendment Preparing and publishing a regulatory statement (containing a statement of the objectives of the proposed amendment, evaluation of costs and benefits, and evaluation of alternative means of achieving the amendments' objectives). Consulting on the proposed amendment and regulatory statement. 	September – October 2024
Monitoring and enforcement	Establish effective monitoring and enforcement mechanisms to implement the Guidelines effectively.	Q3 – Q4 2024

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Address additional/other issues raised	As discussed above, respondents raised several additional issues with the Guidelines that lay outside the scope of this consultation. Staff propose that these issues can be addressed following the conclusion of this process, noting that there are additional ongoing workstreams that may address some of these issues in the new year.	Q3 - Q4 2024
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13. Attachments

13.1. The following appendices are attached:

- Appendix A Decision paper for public release

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**Appendix A Decision paper – Updating and strengthening the
Consumer Care Guidelines**

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