



**Independent 5-year review of Utilities Disputes Limited
Recommendations from the review and other Board proposed changes**

The Salvation Army New Zealand Fiji, Tonga and Samoa Territory Submission

EXECUTIVE SUMMARY

1. The Salvation Army is an international Christian and social services organisation that has worked in New Zealand for over one hundred and thirty years. The Army provides a wide range of practical social, community and faith-based services, particularly for those who are suffering, facing injustice or those who have been forgotten and marginalised by mainstream society. We have over 90 Community Ministry centres and Churches (Corps) across the nation, serving local families and communities. We are passionately committed to our communities as we aim to fulfil our mission of caring for people, transforming lives and reforming society through God in Christ by the Holy Spirit's power.
2. Our responses to this Consultation Paper are based primarily on our engagement with the Energy Complaints Scheme (ECS), administered by Utilities Disputes Ltd (UDL), through our frontline staff as they work with vulnerable clients. Therefore, our feedback is written from the perspective of marginalised consumers of electricity, gas, water or broadband services.
3. Not all the questions are relevant to our work in New Zealand. Therefore, we will limit our answers to specific questions.
4. This submission has been prepared by the Social Policy and Parliamentary Unit of The Salvation Army. For further contact regarding this submission, please contact:
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Appendix 1 – Questions for submitters and preferred form for responses

Principle/Area of document	#	Question	Board's view (if available)	Submitter's response
Accountability	1	Do you agree with the review's recommendation <i>The Board should consider following the example of the Electricity Authority and name the relevant providers in its case notes?</i>	The Board disagreed with this recommendation. For further information on the Board's view, see pt8 (a) of the consultation pack (above)	From a vulnerable consumer's perspective, it is helpful if providers are named in the case notes. We completely understand that the case note is only a summary of the complaint and the subsequent investigation. The complaint has not been confirmed at this stage. For our clients, the first point of contact with The Salvation Army (TSA) is usually through the budgeters, social workers, welfare workers and counsellors located in our Community Ministry service hubs around the country. It is primarily these workers that inform clients, where appropriate, of the UDL and the ECS if they are aware of the scheme. If providers were named in the case notes and these case notes are available for public use, then our workers, particularly our budgeters, are able to build institutional knowledge and develop patterns of potentially poor practice by the providers. A relevant example are predatory finance companies, pay-day lenders and mobile traders who prey on vulnerable consumers. Our budgeters build a pattern of practice by these companies and use this information to share with both clients and other frontline workers. If the complaint is then proven valid later, then this reinforces the pattern and information that our staff and organisation has already potentially built through the case notes. It is crucial to note here that our frontline workers are

				extremely busy and swamped with complex and massive amounts of client cases. One possible alternative is that the case notes pertaining to each provider UDL partners with are filed under that specific provider on the UDL website. That way frontline workers and general members of the public can quickly and easily access information and case notes relating to that specific provider.
	2	Do you agree with the Board's proposal for Utilities Disputes to name providers that breach scheme rules and guidelines?	Board proposes naming providers that breach scheme rules and guidelines	Yes. Having this information easily accessible and understandable, as mentioned in Point 1 above, is vital for our staff members as they engage with vulnerable consumers.
	3	Do you agree with the Board's proposal for Utilities Disputes not to name providers in its case notes?	Board does not accept recommendation to name providers in its case notes	No we do not agree. We recommend providers are named in these case notes and this information be made accessible to the public as per Point 1 above. (What is the difference between questions 1 and 3?)
	4	If Utilities Disputes were to name providers in case notes, what other information do you think needs to be included?	Board seeks views before considering the issue further	The information set out in Paragraph 8(a) of the Consultation Paper as to the contents of the case notes are sufficient for our needs. But, as mentioned above, access to information as they concern specific providers is the key issue for our staff. If one of our budgeters had a client facing electricity issues and wanted to know more about that provider, they could theoretically go to the UDL website, click onto a provider's name and see the history of case notes, verifications of complaints, resolutions etc. This will aid our service to these susceptible consumers.

Natural Justice	5	Do you agree with the review's recommendation to <i>consider removing the principles of natural justice from its scheme document</i> ?	Explicit reference to natural justice in the list of principles is not needed and can be removed	We submit that explicit reference is kept to natural justice. The State Services Commission has developed some helpful guidelines to define natural justice (www.ssc.govt.nz/node/7839). Fairness is clearly an important principle. But we believe natural justice has a wider reach and definition in both the public sector and the law.
	6	Do you agree with the Board's view that the explicit reference to natural justice in the list of principles is not needed and can be removed?	Explicit reference to natural justice in the list of principles is not needed and can be removed	See answer to Point 5.
Performance Standards	7	Do you agree with the review's recommendation to remove performance standards relating to providers' self-reporting on compliance?	Board seeks views before considering the issue further	Yes.
	8	Do you agree with the review's recommendation to remove performance standards relating to cost per case?	The Board believes a <i>cost per case</i> measure is not sufficiently linked to Utilities Disputes performance to justify a performance measure. However, the current measures should remain until new measures have been approved	Yes.
	9	Do you have ideas about other measures the Board could consider adopting?	Board seeks views before considering the issue further	We submit that, if not already reported on, the UDL could report back to the Board as a performance standard the measures they have taken to reach priority groups for the ECS. For example, if UDL has identified Maori, Pacific and other

				ethnic minority groups as a target audience, UDL should report on the milestones achieved to achieve these targets.
Levies	10	Do you agree with the review's general recommendation that the levy mechanism needs to be changed?	Board seeks views before considering the issue further	Yes. We support the recommendations set out in Paragraph 8(d) of the Consultation Paper.
	11	What information do you think the Board needs, to help it decide what options are available?	Board seeks views before considering the issue further	N/A
	12	What elements of the current levy mechanism do you think work well and should be retained?	Board seeks views before considering the issue further	- Ensuring each scheme contributes to its share of UDL costs.
	13	What elements of the current levy mechanism do not work and why?	Board seeks views before considering the issue further	- As per page 54 of the Review Document, <i>all providers are required to be part of Utilities Disputes not all make a financial contribution to the costs of the Scheme.</i> We contend this is not fair and should be addressed.
	14	What levy options can you think of to address provider concerns about 'throwing money at complaints' to avoid the levy?	Board seeks views before considering the issue further	N/A
	15	What levy options can you think of to avoid senior staff spending more time on jurisdiction issues	Board seeks views before considering the issue further	N/A
	16	What levy options can you think of	Board seeks views before considering	N/A

		that would avoid delays (beyond the provider's control) triggering levy levels?	the issue further	
	17	Do you agree with the recommendation <i>every organisation which is covered by the Scheme should make a contribution to its running costs?</i>	Board seeks views before considering the issue further	Yes.
	18	Do you agree with the recommendation <i>there should be no cross-subsidisation of providers, nor sweetheart deals. Thus, the levy arrangements for Transpower and First Gas should be revisited?</i>	Board seeks views before considering the issue further	Yes. See our response to Point 13 above.
	19	Do you agree with the recommendation <i>The fixed element should cover all costs incurred by Utilities Disputes excluding those solely related to the handling of individual complaints?</i>	Board seeks views before considering the issue further	Yes.
	20	Do you agree with the recommendation <i>In keeping with the 'user pays' principle, any case reaching Utilities Disputes at</i>	Board seeks views before considering the issue further	Yes. Again, our focus at TSA is vulnerable consumers. There is already a huge power imbalance between the providers and members of the public. Cases that reach a deadlock should incur a fee for the providers because of this power

		<i>deadlock should incur a fee?</i>		relationship. However, it is essential that any costs or fees incurred by the providers because of the UDL and ECS processes are not passed onto customers, in particular those clients who made the original complaint.
	21	Do you agree with the recommendation <i>The current variable fee structure needs to be reconsidered?</i>	Board seeks views before considering the issue further	N/A
Land Complaint exclusions	22	Do you agree with the review's recommendations to remove the exclusions?	The Board is concerned the Land Complaint exclusions may impact on the Scheme's approval (scheme rules must provide for or set out that <i>any person</i> who has a complaint about a member has access to a Scheme for resolving the complaint)	N/A
	23	If the exclusions were removed, what impact would this have on your business? Please provide examples and what information this is based on wherever possible.	Board seeks views before considering the issue further	N/A
Other proposed changes - <i>Accessibility</i>	24	Do you agree in principle with the idea of a deemed membership mechanism?	Board seeks views before considering the issue further	Yes. We submit it is not beneficial for vulnerable consumers and the general public for these providers to not join the UDL. If these providers are in breach of legislation, then they should be sanctioned. Again, we highlight the inherent power imbalance between providers and vulnerable consumers.

				Providers must be held to account, especially if they are required by law to join the UDL .
	25	If implemented, do you think the deeming mechanism should apply to any scheme with mandatory membership that Utilities Disputes operates?	Board seeks views before considering the issue further	Yes.
	26	To enable fair contribution toward the costs of running the scheme, if implemented, when should the levy obligations for deemed providers start?	Board seeks views before considering the issue further	N/A
	27	If implemented, when should other provider obligations (for example those in General Rule 12) start for deemed providers?	Board seeks views before considering the issue further	N/A
	28	Do you have other suggestions to address the problem of non-compliance with membership requirements to join the Energy Complaints Scheme?	Board seeks views before considering the issue further	<ul style="list-style-type: none"> - Seek remedies in the legislation these non-compliant providers operate under. - Publically name them.
Accessibility/ Efficiency	29	Do you agree with the proposed change to substitute “ <i>distributor</i> ” for “ <i>lines company</i> ” where they	Board thinks this will improve consistency in terminology.	N/A

		appear in the scheme documents?		
	30	If references to lines company were changed to distributor, what other steps, (including other potential changes) do you think are needed to avoid changing the meaning of any clause(s) affected?	Board seeks views before considering the issue further	N/A