



# **Approval of a Joint Electricity and Gas Complaints Resolution Scheme**

## **Consultation Paper**

March 2008

The Electricity Commission is a Crown Entity set up under the Electricity Act 1992 to oversee the New Zealand electricity industry and markets. The Commission regulates the operation of the electricity industry and markets. In doing so, its principal objectives are to:

- Ensure that electricity is produced and delivered to all consumers in an efficient, fair, reliable and environmentally sustainable manner; and
- Promote and facilitate the efficient use of electricity.

The Gas Industry Co is an approved gas industry body under the Gas Act. Gas Industry Co recommends arrangements, including rules and regulations where appropriate, which improve:

- The operation of gas markets;
- Access to infrastructure; and
- Consumer outcomes.

Gas Industry Co also reports regularly to the Minister of Energy on the performance and present state of the New Zealand gas industry, and the achievement of Government's policy objectives for the gas sector.

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# 1 Introduction

## Purpose

- 1.1 Government Policy, as set out in successive Government Policy Statements (GPS) on Electricity Governance and Gas Governance, has consistently been in favour of requiring all energy distributors and retailers to be members of an independent complaints resolution scheme that is free to all complainants.
- 1.2 The Government has recently indicated, through draft changes to both GPSs that it expects the Electricity Commission and Gas Industry Co to co-ordinate their approaches to the approval of complaints resolution schemes because it considers that a single scheme for both electricity and gas would provide a number of important benefits. Both GPSs also set out some key features that Government expects from a complaints resolution scheme.
- 1.3 This paper is based on the assumption that the aspects of the draft GPSs relating to complaints resolution do not change materially in the final versions. The Electricity Commission and Gas Industry Co have decided to progress the consultation on complaints resolution based on the draft GPSs because of the potentially extended timeframe required to establish an approved scheme and the need to make progress with the issue. However, if the GPSs do change in a material fashion it may be necessary to undertake further consultation.
- 1.4 The purpose of this consultation paper is to propose a process for approving a single energy-based complaints resolution scheme by the Electricity Commission and the Minister (on recommendation from Gas Industry Co) and to propose certain requirements that any approved scheme would need to meet.
- 1.5 In accordance with the draft GPSs, the Electricity Commission and Gas Industry Co have agreed that they will act jointly to approve a single complaints resolution scheme. They invite submissions from industry participants, energy consumer representatives and other stakeholders on the approach and requirements set out in this paper.

## Format of this Paper

- 1.6 This paper is organised as outlined in the following table.

Section	Description
1. Introduction	Outlines the purpose and format of the paper.
2. Consultation Requirements	Sets out the process for consultation and submission requirements.
3. Background	Outlines the background to government policy on complaints resolution, describes the need for consumer protection and the background to industry-based work in this area.

Section	Description
4. Legislative Framework	Summarises the elements of the Gas Act, the Electricity Act and the draft GPS, which are relevant to establishing a complaints resolution scheme.
5. Process to date	Outlines the work done to date by the Electricity Commission and Gas Industry Co on establishing a complaints resolution scheme.
6. Key Issues for Consultation	Sets out the key design issues that have been considered in developing the proposed requirements for an approved complaints resolution scheme.  Poses a series of questions for submitters to consider.
7. Process for Approval of Scheme	Sets out the proposed process and timetable for receiving applications and approving a complaints resolution scheme.
Appendix A: Recommended Format for Submissions	Lists all the consultation questions in a form suitable for use by submitters in responding to the consultation paper.
Appendix B: Legislative Framework	Describes the elements of the Gas Act, the Electricity Act and the draft GPS, which are relevant to establishing a complaints resolution scheme.
Appendix C: Proposed Scheme Requirements	Sets out the detailed requirements that any approved complaints resolution scheme would need to meet.

## Glossary of Abbreviations and Terms

- 1.7 This paper and the appendices use a number of abbreviations and terms that are set out here for the convenience of the reader.

<b>Achievement standards</b>	The standards that an approved complaints resolution scheme will need to meet as set out in Appendix C.
<b>Australian Benchmarks</b>	The Australian Benchmarks for Industry-Based Customer Dispute Resolution Schemes as developed by the Australian Minister of Customs and Consumer Affairs with assistance from the NZ Ministry of Consumer Affairs.
<b>Commission</b>	The Electricity Commission
<b>Complainant</b>	A consumer, potential consumer, former consumer or affected land owner, with a complaint about a gas or electricity retailer or distributor.
<b>Complaints Resolution Scheme</b>	A set of rules and an associated body, which are independent of retailers and distributors, and are available to any person who wishes to complain about an energy retailer or distributor.
<b>Decision-maker</b>	The person who makes determinations about a complaint under the rules of a complaints resolution scheme.
<b>Determination</b>	A finding by the decision-maker about a particular complaint
<b>EGCC</b>	Electricity and Gas Complaints Commission
<b>EGDRS</b>	Electricity and Gas Disputes Resolution Service
<b>Electricity Act</b>	The Electricity Act 1992

<b>Gas Act</b>	The Gas Act 1992
<b>GPS</b>	The Government Policy Statement on Electricity Governance or Gas Governance
<b>IECRS</b>	Independent Energy Complaints Resolution Service
<b>Member</b>	Member of a complaints resolution scheme
<b>Minister</b>	The Minister of Energy
<b>Overseeing Entity</b>	The governing body for a complaints resolution scheme
<b>Scheme</b>	A complaints resolution scheme
<b>Scheme rules</b>	The rules by which a complaints resolution scheme considers complaints, obtains information, makes determinations, awards compensation and changes its own rules.

## 2 Consultation Requirements

### Submission Requirements

- 2.1 Submissions are invited on this Consultation Paper which covers the approval of a joint electricity and gas complaints resolution scheme. The purpose is to seek feedback on the proposals contained in this paper and, in particular, the questions posed in section 6.
- 2.2 Parties who wish to make a submission on the proposal are invited to respond by 5:00 pm on Thursday 8 May 2008. Please note that submissions received after this date will not be considered because of the tight timeframe required to prepare recommendations to the Boards of the Electricity Commission and Gas Industry Co.
- 2.3 The Electricity Commission and Gas Industry Co have agreed to act jointly in the proposed approval of a complaints resolution scheme and, accordingly, will consider all submissions jointly. It would therefore be helpful to coordinate submissions through one point.
- 2.4 The preference is to receive submissions in electronic form (Microsoft Word format or pdf) with "Submission on Approval of a Complaints Resolution Scheme" in the subject header to [info@electricitycommission.govt.nz](mailto:info@electricitycommission.govt.nz). If submitters do not wish to send their submission electronically, they should post it in hard copy form to:  

Maree McGregor	Tel: +64 4 460 8860
Electricity Commission	Fax: +64 4 460 8879
PO Box 10041	
Wellington	
- 2.5 The Electricity Commission will acknowledge receipt of all submissions electronically. Please contact Maree McGregor if you do not receive electronic acknowledgement of your submission within two business days.
- 2.6 The preference is for all submissions to be collected at a single point by the Electricity Commission as outlined in 2.4. However, submissions may also be provided to Gas Industry Co if that is preferred<sup>1</sup>. Submissions provided to Gas Industry Co will be consolidated with those provided directly to the Electricity Commission.
- 2.7 Where possible, submissions should be provided in the format shown in Appendix A. Submitters should indicate any documents attached in support of their submission in a covering letter.

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<sup>1</sup> Submissions to Gas Industry Co should be emailed to [submissions@gasindustry.co.nz](mailto:submissions@gasindustry.co.nz).

- 2.8 In order to foster an informed and transparent process, the Electricity Commission and Gas Industry Co intend to make submissions available to the public on their websites.
- 2.9 Submitters should note that the contents of submissions on this paper, whether provided directly or indirectly via Gas Industry Co, will be received by the Electricity Commission, and will be among the information the Commission holds which is subject to public release under the Official Information Act 1982 (OIA)<sup>2</sup>.
- 2.10 In the interests of a transparent process, requests for non-disclosure of submissions, in whole or in part, is discouraged. Notwithstanding this, if it is necessary to include confidential information in a submission, the confidential information should be clearly identified, and preferably contained in an appendix to the submission. Submitters should provide the Commission with confidential and public versions of their submissions. The responsibility for ensuring that confidential information is not included in a public version of a submission rests entirely with the party making the submission.
- 2.11 If you have any questions about the process or this consultation paper please contact either Lisa White (04 460 8847 or [Lisa.White@electricitycommission.govt.nz](mailto:Lisa.White@electricitycommission.govt.nz)) or Bas Walker (04 494 6582 or [BasW@gasindustry.co.nz](mailto:BasW@gasindustry.co.nz)).

### Stakeholder Forum

- 2.12 The Electricity Commission and Gas Industry Co have agreed to hold a joint stakeholder forum for all stakeholders. The objective of the forum is to provide an opportunity for:
- The Electricity Commission and Gas Industry Co to outline the rationale for, and the detail of, the proposed requirements for approval of a single energy-based complaints resolution scheme.
  - Stakeholders to ask questions, exchange views, and provide initial comments on the proposal.

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<sup>2</sup> If the Commission receives a request for the release of information contained in a submission, it will be required to consider the release of the submission, in whole or in part, in terms of the criteria set out in the OIA. This would usually be done in consultation with the submitter. The Commission can withhold official information in certain circumstances. The grounds for the Commission withholding official information are set out in the OIA. Any decision by the Commission to withhold information is subject to review by the Ombudsman.

- 2.13 The forum will be held on Thursday 10 April 2008 at [ ]. Any stakeholders wishing to have personnel attend the stakeholder forum should notify Maree McGregor at [info@electricitycommission.govt.nz](mailto:info@electricitycommission.govt.nz).

### **Process for Consultation**

- 2.14 Following receipt and consolidation of submissions the Electricity Commission and Gas Industry Co will, acting jointly, consider all submissions, finalise their approach to approval, and issue a paper setting out this approach.
- 2.15 The overall timetable for implementation of a single energy-based complaints resolution scheme is set out in Section 7 of this paper.

## 3 Background

### Government Expectations

- 3.1 The Electricity Act provides for the Commission to approve a complaints resolution scheme covering electricity retailers and distributors, while the Gas Act provides for the Minister to approve a complaints resolution scheme for gas retailers and distributors. In both cases (electricity and gas), the approval of a scheme would make it mandatory for all retailers and distributors to belong to an approved scheme.
- 3.2 The Government has recently indicated, through draft changes to GPS for gas and electricity, that it expects the Electricity Commission and Gas Industry Co to co-ordinate their approaches to the approval of a complaints resolution scheme because it considers that a single scheme for both electricity and gas would provide a number of important benefits.
- 3.3 It is against this background that the Commission and Gas Industry Co have been considering the requirements for a complaints resolution scheme.

### Consumer Protection

- 3.4 The Electricity Act and the Gas Act are important parts of an overall framework for the protection of energy consumers that includes government policy to promote competition in gas production, electricity generation, energy wholesale markets and energy retail markets. The framework also includes the Commerce Act, the Fair Trading Act, the Consumer Guarantees Act and normal commercial law.
- 3.5 Although the emphasis is on competition providing overall benefits to consumers (and there is a presumption that consumers will benefit over the long-term from the market development work undertaken by the Electricity Commission and Gas Industry Co), the Electricity Act and the Gas Act include a number of other mechanisms to provide specific consumer protection.
- 3.6 Thus there is recognition that a reliance on competitive pressures, combined with direct regulation of natural monopoly distribution businesses, may not be sufficient to ensure good outcomes for all consumers.
- 3.7 This recognition has its origins in an observation that, where parties to a transaction have unequal bargaining power, there is a risk that the party with less power will incur a higher cost, or be subject to less favourable contract terms, than they would have if the transaction had been between two parties with equal bargaining power. In such a situation, one party is disadvantaged in trading and their market position is worsened. The other party is advantaged in trading and their market position is enhanced.
- 3.8 One area where electricity and gas consumers have a particular disadvantage is their ability to resolve disputes with suppliers. The unequal bargaining power arises from the superior knowledge and resources available to a supplier relative to a consumer. In any dispute about costs or supply it becomes difficult for a consumer to obtain the

information necessary and argue the case with a supplier when that supplier has much greater knowledge and resources at its disposal.

- 3.9 Although consumers could use the Disputes Tribunal to resolve disputes with retailers and distributors, electricity and gas issues can be complex and specialised. The Disputes Tribunal may not have sufficient experience in this area to balance the unequal bargaining power available to retailers and distributors. Accordingly, the Government preference is for a specialised service that can provide consistent decisions based on a comprehensive knowledge of the industry. Use of a complaints resolution scheme does not prevent complainants from later accessing the Disputes Tribunal.
- 3.10 It is for these reasons that the Electricity Act, the Gas Act, and successive GPS have all identified the need for an effective specialised complaints resolution service to be available to consumers. A specialised complaints resolution service helps to balance the information and resource asymmetry by making expert resources available to investigate legitimate consumer complaints.

### **Development of Complaints Resolution Schemes**

- 3.11 During 2002, members of the electricity industry formed the Electricity Complaints Commission (ECC) and established a complaints resolution scheme for electricity consumer complaints. The scheme was put in place, at least in part, as a result of Government observations that some form of complaints resolution scheme was necessary and that the industry self-regulated arrangements of the time were expected to provide one.
- 3.12 From 1 April 2005, the scheme was expanded to include gas complaints and became the Electricity and Gas Complaints Commission (EGCC). The scheme was expanded again from 1 October 2006 to include complaints from land owners or occupiers of land that had complaints about lines or pipes crossing their land. These expansions were both in direct response to Government suggestions.
- 3.13 The EGCC scheme is free to consumers. It is funded by its members (electricity and gas retailers and distributors) but is independent of the industry in its investigation processes and decision-making.
- 3.14 Membership of the scheme is reasonably comprehensive amongst electricity and gas retailers and distributors, however there are some retailers that have chosen to remain outside the EGCC scheme. Some have developed their own schemes.
- 3.15 Two particular energy-based complaints resolution schemes have subsequently been developed:
- The Independent Energy Complaints Resolution Service (IECRS) is an electricity and gas disputes adjudication service that is set up to resolve disputes between energy consumers and member suppliers. The current members are Bay of Plenty Energy and King Country Energy.

- The Electricity and Gas Disputes Resolution Service (EGDRS) is an electricity and Gas disputes adjudication service that is set up to resolve disputes between energy consumers and member suppliers. The current members are Trustpower and Bosco Connect Limited<sup>3</sup>.
- 3.16 These schemes have similar features to the EGCC scheme, but differ in the following respects:
- The IECRS scheme is designed as a regional scheme to provide consumers with a targeted programme particular to the local area.
  - The IECRS and EGDRS schemes are intended to provide quick low-cost decisions through a mediation process.
  - The IECRS and EGDRS schemes have an emphasis on reaching settlements rather than interpreting contractual rights.
- 3.17 The Commission and the Gas Industry Co may receive applications from the EGCC, EGDRS and IECRS schemes, or any other scheme. It is likely that any existing scheme will find that certain aspects will need to be amended in order to meet the requirements set out in Appendix C to this paper.

### The Australian Benchmarks

- 3.18 The GPS on Electricity Governance indicates that any approved independent complaints resolution scheme needs to be consistent with international best practice in the field of consumer complaints resolution schemes and cites as an example the Australian Benchmarks for Industry-based Consumer Dispute Resolution Schemes which were developed in consultation with the New Zealand Ministry of Consumer Affairs<sup>4</sup>.
- 3.19 The Australian Benchmarks include six benchmark principles as follows:
- **Accessibility** – the scheme makes itself readily available to consumers by promoting knowledge of its existence, being easy to use and having no cost barriers.

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<sup>3</sup> Bosco Connect Limited (owned by a combination of Mighty River Power and private interests) provides electricity, gas and telecommunications services to apartment buildings and embedded networks.

<sup>4</sup> A copy of the Australian Benchmarks for Industry-based Consumer Dispute Resolution Schemes is available at [www.electricitycommission.govt.nz/detailedreference](http://www.electricitycommission.govt.nz/detailedreference).

- **Independence** – the decision making process and administration of the scheme are independent from scheme members.
- **Fairness** – the scheme produces decisions that are fair and seen to be fair by observing the principles of procedural fairness, by making decisions on the information before it and by having specific criteria upon which its decisions are based.
- **Accountability** – the scheme publicly accounts for its operations by publishing its determinations and information about complaints and highlighting any systemic industry problems.
- **Efficiency** – the scheme operates efficiently by keeping track of complaints, ensuring complaints are dealt with by the appropriate process or forum and regularly reviewing its performance.
- **Effectiveness** – the scheme is effective by having appropriate and comprehensive terms of reference and periodic independent reviews of its performance.

3.20 For each of these benchmark principles the Australian Benchmarks document provides “benchmark criteria” to identify the specific issues that need to be covered to satisfy the benchmark principle.

3.21 The Australian Benchmark criteria have been used by the Electricity Commission and Gas Industry Co to develop “achievement standards” as part of the proposed requirements for an approved complaints resolution scheme.

## 4 Legislative Framework

### The Electricity Act and the Gas Act

- 4.1 Both the Electricity Act 1992 and the Gas Act 1992 provide for the approval of a complaints resolution scheme for the purpose of addressing complaints by consumers and land occupiers or owners relating to retailers and distributors.
- 4.2 The requirements of the Electricity Act and the Gas Act are described in some detail in Appendix B. The key points are:
- Every electricity distributor and retailer and every gas distributor and retailer must participate in an approved complaints resolution scheme (if one exists).
  - The Electricity Commission has the power to approve a complaints resolution scheme for electricity.
  - The Minister has the power to approve a complaints resolution scheme for gas.
  - As an alternative to approval of an existing scheme, the Minister may make a recommendation for regulations (under both the Electricity Act and the Gas Act) to establish a complaints resolution scheme.

### The GPS for Electricity and Gas

- 4.3 The draft GPSs for electricity and gas set out a number of expectations that need to be taken into account when setting out requirements for an independent complaints resolution scheme. These expectations are set out in Appendix B. The key points are:
- The Government expects the Electricity Commission and Gas Industry Co to work closely and coordinate approaches to approval and governance of a single joint complaints resolution scheme.
  - The Australian Benchmarks are considered to be a good example of the international best practice that is required for a complaints resolution scheme.
  - Any approved scheme must be independent, include minimum standards of conduct for members, be free to complainants, and provide for compensation to complainants where appropriate.
  - Members of any approved scheme should also provide robust internal complaints-handling processes.

### Expectation of a Single Joint Scheme

- 4.4 The Government's expectation of a single joint scheme is based on a belief that a single scheme will have benefits for consumers and a lower overall cost. The

Electricity Commission and Gas Industry Co agree that a single joint energy-based complaints resolution scheme is likely to provide the best outcome.

4.5 Accordingly, this consultation paper is a collaborative effort which aims to establish a single joint energy-based complaints resolution scheme.

### Establishing a Single Joint Scheme

4.6 Analysis of the Electricity Act and the Gas Act suggests that there are two possible routes to establishing a single joint energy-based complaints resolution scheme:

- **Approve an existing scheme** – the Electricity Commission and Gas Industry Co could reach agreement on approval of a single joint energy-based scheme. The Commission could then approve a scheme under the Electricity Act and the Gas Industry Co could recommend to the Minister that he approve a scheme under the Gas Act.
- **Establish a scheme through rules or regulation** - the Electricity Commission and Gas Industry Co could reach agreement on the detail of a single joint energy-based scheme. The two bodies could then develop a set of rules or regulations establishing the framework for the joint scheme and both recommend these to the Minister.

4.7 In order to recommend rules or regulations, both the Electricity Commission and Gas Industry Co would be required to follow the processes set out in Appendix B to consult with representative persons, assess costs and benefits, and prepare a statement of proposal.

4.8 If it is possible for an existing scheme to meet the key requirements for an effective complaints resolution scheme then approval of that scheme is likely to be the quickest and most effective route to establishing a single mandatory scheme for energy-based complaints.

### Key Requirements of an Approved Scheme

4.9 The expectations set out in the draft GPS provide very clear guidance about the outcomes Government is seeking for a complaints resolution scheme covering electricity and gas. These include:

- The scheme must be consistent with international best practice for complaint resolution.
- The decision-making process and administration of the scheme must be independent from scheme members.
- Membership must include all distributors (including Transpower) and retailers of gas and electricity.
- The scheme must require robust internal complaints-handling processes within all member companies.

- The scheme must incorporate a document that sets out the minimum standards of conduct for scheme members.
- The scheme must be free to complainants and be funded by the industry members.
- The scheme must provide compensation for complainants where appropriate.
- The scheme must resolve disputes quickly and cheaply without unduly protracted or costly processes.

4.10 These key expectations have been used to guide the design of the proposed requirements document included as appendix C.

## 5 Process to date

- 5.1 Both Gas Industry Co and the Electricity Commission have considered complaints resolution schemes and undertaken work towards approval of a scheme.

### Gas Industry Co Work to Date

- 5.2 The October 2004 GPS invited Gas Industry Co to develop and submit to the Minister for approval proposed arrangements providing for effective industry arrangements in the following areas:
- *“The development of efficient and effective arrangements for the proper handling of consumer complaints”*; and
  - *“The development of model contract terms and conditions between consumers and retailers”*.
- 5.3 In response to this invitation, Gas Industry Co wrote to the Minister in March 2005 recommending the EGCC Scheme and requesting the Minister’s approval of the scheme as an “approved complaints resolution system” under the Gas Act. In the absence of another consumer complaints resolution scheme being approved, this would have made the EGCC Scheme mandatory for all gas distributors and retailers.
- 5.4 The Minister advised Gas Industry Co in May 2005 that, while he supported the recommendation made by Gas Industry Co, he anticipated that the EGCC Scheme would be expanded to cover owners and occupiers of land and give consideration to complaints raised by consumers of LPG. In the meantime he preferred to withhold approval. The expansion of the EGCC Scheme to include land owner/occupier complaints came into effect in October 2006.
- 5.5 In May 2007 Gas Industry Co again suggested to the Minister that he approve the EGCC scheme. MED officials indicated in response their view that there would be advantages if complaints schemes for gas and electricity were approved in a similar timeframe and a degree of consistency was achieved.
- 5.6 Accordingly, the Minister’s approval of the Gas Industry Co recommendation on a consumer complaints scheme has been deferred until the Electricity Commission and Gas Industry Co reach a conclusion on a preferred option to provide a single joint complaints resolution scheme.

## Electricity Commission Work to date

- 5.7 The October 2004 and October 2006 GPS, required the Electricity Commission to develop draft criteria for approving an industry complaints resolution scheme.
- 5.8 Both GPS anticipated that the existing ECC (and subsequently the EGCC) scheme would likely become the approved scheme<sup>5</sup>. However, because the GPS required that any approved scheme should include Transpower and cover land owners/occupiers, the Commission could not consider an application from the EGCC at that time.
- 5.9 In the meantime, three other parties applied for approval of complaints resolution schemes under the Act. Because the GPS provided for the approval of “one or more” schemes, these applications were required to be given due consideration.
- 5.10 Accordingly, the Commission developed a set of draft approval criteria based on the Australian Benchmarks and released a consultation paper in December 2006 which sought submissions on the criteria and the process for evaluating applications for approval of electricity complaints resolution schemes under the Act. The paper also sought submissions on whether the Commission should approve one or more schemes.
- 5.11 Submissions were generally supportive of the evaluation criteria and the main issue appeared to be whether there should be one or more approved consumer complaints resolution schemes.
- 5.12 The Commission concluded that it should approve one scheme, rather than multiple schemes, for reasons of consistency, access, ease of use, and concerns about the cost of multiple schemes. The Commission continued to develop the criteria taking into account submissions and particular concerns about requirements for approval.
- 5.13 The Commission was in the process of finalising the criteria when it was advised that a new GPS was proposed and that the draft GPS would express a preference for a single joint energy-based scheme with approval to be coordinated with Gas Industry Co.

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<sup>5</sup> The GPS indicated that the Government supported the ECC, but noted that not all retailers and distributors had joined the scheme and that its coverage fell short of expectations. It went on to outline an expectation that the industry would develop the scheme to ensure that it was consistent with Government expectations (paraphrasing paragraphs 23 and 24 of the October 2006 GPS).

## Joint Approach

- 5.14 The Electricity Commission and Gas Industry Co propose a process whereby they will act jointly to recommend approval of a single energy-based complaints resolution scheme. The joint work stream has built upon the work done to date by both organisations, particularly the work done by the Commission on the criteria based on the Australian Benchmarks.
- 5.15 The following section highlights a number of key issues that have arisen during the joint process to establish the draft requirements for an approved complaints resolution scheme.

## 6 Key Issues for Consultation

- 6.1 This section highlights a number of key issues that have arisen during the process to establish the draft requirements for an approved complaints resolution scheme and poses a number of questions on which the Electricity Commission and Gas Industry Co would like submitters to focus.
- 6.2 Submitters are encouraged to make submissions on other issues that are not specifically addressed by the questions in this section.

### Proposed Scheme Requirements

- 6.3 The detailed scheme requirements that have emerged from the joint process adopted by the Electricity Commission and Gas Industry Co are attached to this consultation paper as Appendix C.
- 6.4 The requirements build on the Australian Benchmarks and the Electricity Commission's work on draft criteria and incorporate several additional elements that recognise the need for a single approved scheme jointly overseen by the Electricity Commission and Gas Industry Co.
- 6.5 This section should be read in conjunction with Appendix C. The detailed criteria have been organised under a number of headings in Appendix C and these headings are also used in this section.

### Objective and Scope of Approved Scheme

- 6.6 It is proposed that the overall objective of the scheme (see Section 1 Appendix C) should be to provide an independent and cost-effective complaints resolution scheme that is in the long-term interests of gas and electricity consumers (including potential consumers) and the owners and occupiers of land.
- 6.7 The scope has been established to cover gas and electricity, retailing and distribution, and complaints from any person (including consumers, potential consumers, and land owners/occupiers).
- 6.8 The scope of the scheme requires that it cannot examine the amount members charge for their services. That is properly a matter for members to determine themselves. However, the scheme can check that a company has provided accurate information about its energy charges and applied them correctly.
- 6.9 When a single joint electricity and gas complaints resolution scheme is approved, membership will be required by all electricity retailers and distributors (including Transpower) in accordance with the Electricity Act and the Gas Act.
- 6.10 The definition of electricity retailers in the Electricity Act includes retailers that source electricity from another retailer and supply to consumers (customer networks). These may include apartment buildings and rest home complexes (for example). Customer

networks have not historically belonged to consumer complaints schemes and the requirement to join will place additional costs on customer networks.

- 6.11 In addition, it is intended that the arrangements may cover liquefied petroleum gas (LPG), but this will be considered at a later point in time.
- 6.12 It is proposed that the approved scheme will need to include a code of practice that sets out minimum standards of conduct, which will be binding on members and must incorporate several specific features. It is intended that the code is developed by the scheme to meet the requirements and that members are bound to adopt it.
- 6.13 The Electricity Commission and Gas Industry Co intend to develop further work on the extent to which they may need to prescribe minimum terms and other conditions governing contracts between retailers, distributors and consumers. Accordingly, there is an expectation that the code of practice for the approved scheme will be restricted to conduct issues rather than incorporate minimum contract terms and conditions between retailers/distributors and consumers.

**Q1:** *Do you agree that the “overall objective” of the scheme should be to provide an independent and cost-effective complaints resolution scheme that is in the long-term interests of gas and electricity consumers (including potential consumers) and the owners and occupiers of land?*

**Q2:** *The Electricity Act requires retailers that source electricity from another retailer and supply to consumers (customer networks) are also required to join the scheme. Do you foresee any issues with this that need to be addressed in the requirements?*

**Q3:** *Is the proposed scope of the scheme sufficient to cover all the necessary elements?*

**Q4:** *Do you agree that the code of practice should include the particular features outlined in Section 1.3 of the Proposed Requirements (refer Appendix C)?*

## Membership Requirements

- 6.14 The membership section (see Section 2 of Appendix C) proposes a number of requirements on scheme members that are largely based on the Australian Benchmarks.
- 6.15 They include requirements to promote the scheme to stakeholders, provide an internal complaints resolution system that will attempt to resolve complaints before it is necessary to refer complaints to an independent scheme, and requirements to support the scheme by providing information on complaints to the decision-maker.
- 6.16 These requirements are largely based on the Australian Benchmarks.
- 6.17 Membership will be mandatory for all electricity and gas retailers and distributors as soon as a scheme is approved.

**Q5:** *Are there other requirements that should be included in the membership requirements?*

### Procedure Requirements

- 6.18 The procedure requirements section (see Section 3 of Appendix C) sets out the processes that the scheme will be required to follow when dealing with complaints.
- 6.19 The process requirements require the scheme to encourage an informal approach that is likely to be less threatening to complainants, to allow for face-to-face hearings, and to provide systems for tracking and referring complaints
- 6.20 Although informal processes are encouraged, the requirements also provide rights for legal representation by either party to a complaint, at any stage of the complaints process.
- 6.21 The procedure requirements are all based on the Australian Benchmarks.

### Miscellaneous Requirements

- 6.22 The miscellaneous requirements section (see Section 4 of Appendix C) proposes requirements for the scheme to make its existence known to a wide range of possible complainants, for the scheme to be accessible and easy to use, and to provide appropriate staff training.
- 6.23 The miscellaneous requirements are all based on the Australian Benchmarks.

### Decision Making Requirements

- 6.24 The decision making requirements (see Section 5 of Appendix C) set out the required powers for the decision-maker, the scope of determinations, and the maximum levels of compensation. It also sets out the matters that the decision-maker will be required to have regard to when making determinations, including that decisions should have an emphasis on legal rights, and the information to be made available to stakeholders.
- 6.25 These requirements are largely based on the Australian Benchmarks.

**Q6:** *Do you agree that the decision-maker should be able to make awards for compensation and reimbursement of expenses, and require members to take actions to make redress when a complaint is upheld?*

### Member Compliance Requirements

- 6.26 The compliance section (see Section 6 of Appendix C) requires that the scheme rules will provide for the monitoring of member compliance with the scheme requirements through two means:

- Members self-monitoring and reporting annually on compliance with the scheme member rules.
- The scheme being provided with the right to identify and report to the Overseeing Entity on member non-compliance.

6.27 No particular sanctions or powers for the decision-maker to penalise non-compliance have been included. However, it is proposed that any member breaches must be reported to the governing body and published in the Annual Report for the scheme.

6.28 It is also proposed that any persistent and material non-compliance by a member would be reported by the governing body to the Electricity Commission and Gas Industry Co.

**Q7:** *Do you agree that members should be required to self-monitor and report annually on their own compliance with the scheme rules?*

**Q8:** *Do you agree that the scheme should have the right to identify and report on member compliance?*

**Q9:** *Do you agree that member breaches should be reported to the governing body and published in the Annual Report?*

**Q10:** *Do you agree that any persistent and material non-compliance by a member should be reported by the governing body to the Electricity Commission and/or Gas Industry Co as appropriate?*

## Governance Requirements

6.29 The governance section (see Section 7 of Appendix C) requires:

- The scheme to have an Overseeing Entity to act as a governing body for the scheme with certain functions, including a requirement to ensure that the scheme meets the overall objective.
- A balance of stakeholder interests represented on the Overseeing Entity together with an independent chair.
- Election of industry members of the Overseeing Entity by the members of the scheme.
- Appointment of consumer members of the Overseeing Entity by the Ministry of Consumer Affairs.
- Appointment of the independent chair by the Overseeing Entity after consultation with the Electricity Commission and Gas Industry Co.
- Any changes to the scheme rules to be undertaken in consultation with stakeholders, the Electricity Commission and Gas Industry Co.

- The decision-maker to be appointed by the Overseeing Entity and the staff to be appointed by the decision-maker.

6.30 Although the Electricity Commission and Gas Industry Co will be monitoring the approved scheme and any rule changes, it is not proposed that their approval be required for any rule changes. It is preferred to rely on the possibility that approval could be revoked (see paragraph 6.33) should rule changes mean that the scheme no longer meets the approval requirements.

**Q11:** *Do you agree with the functions of the Overseeing Entity as set out in Section 7.1.3 of the Proposed Requirements?*

**Q12:** *Do you agree with the composition and process for appointment of the members of the Overseeing Entity?*

**Q13:** *Do you agree that any changes to the scheme rules should be undertaken in consultation with stakeholders, the Electricity Commission and Gas Industry Co?*

**Q14:** *Do you agree that the decision-maker should be appointed by the Overseeing Entity and the staff should be appointed by the decision-maker?*

### Funding Requirements

6.31 The funding section requirements (see Section 8 of Appendix C) propose that the scheme be funded by members to a level sufficient to meet the obligations to provide an effective complaints resolution service, while providing a cost effective outcome, and for budgets to be approved by the Overseeing Entity.

**Q15:** *Is the balance between achieving a scheme that meets the needs of complainants and the need to limit costs satisfactory? If not, how would you propose to amend the requirements outlined in Section 8.2 of the Proposed Requirements?*

### Performance Monitoring Requirements

6.32 The performance monitoring requirements (see Section 9 of Appendix C) have been developed to acknowledge the need for the performance of any approved industry-based scheme to be monitored at several levels, including:

- By members and consumer interests to ensure that the scheme provides an effective and efficient long-term solution for stakeholders.
- By the Overseeing Entity to ensure that the scheme meets the overall objective.
- By the Electricity Commission and Gas Industry Co to ensure that the scheme meets the requirements of the Electricity Act, the Gas Act and the GPS.

6.33 The key features of the monitoring arrangements include:

- Performance standards to be set by the Overseeing Entity and performance measured against them;
- An Annual Report to be prepared by the scheme covering a wide range of performance data;
- Internal reviews of performance by the scheme to be undertaken each year and reported in the Annual Report;
- Independent reviews to be undertaken at least every three years with the terms of reference set by, and the independent reviewer appointed by, the Overseeing Entity after consultation with the Electricity Commission and Gas Industry Co.
- The ability for the Electricity Commission and Gas Industry Co, acting jointly, to call for a special independent review if they have any specific concerns.

6.34 Regulatory oversight is intended to be implemented through a joint Electricity Commission and Gas Industry Co committee. This committee is intended to have defined delegations from the parent bodies and an overall objective to ensure that the approved scheme is satisfying the policy objectives set out in the GPS and that it is continuing to meet all the requirements outlined in Appendix C.

6.35 As part of this oversight the Electricity Commission and Gas Industry Co, acting jointly, will reserve the right to review the scheme requirements to ensure that they are in accordance with the GPS and continue to meet the requirements outlined in Appendix C.

**Q16:** *Are there other performance standards that should be set out in 9.1.2?*

**Q17:** *Do you agree that internal reviews of performance should be undertaken each year and reported in an Annual Report?*

**Q18:** *Do you agree that independent reviews of scheme performance should be undertaken every three years and made widely available?*

### Exit Requirements

6.36 This section (see Section 10 of Appendix C) requires that, in the event the scheme is to be wound up, at least 12 months' notice must be provided to the Electricity Commission and Gas Industry Co, and that the scheme must cooperate in the transition to a new set of arrangements.

**Q19:** *Do you agree that 12 months' notice to the Electricity Commission and Gas Industry Co should be provided before winding up the scheme?*

**Q20:** *Do you agree that the scheme should be required to cooperate in the transition to a new set of arrangements?*

## Revoking Approval and Term of Appointment

- 6.37 It is the intention to provide within the terms of any authorisation of a complaints resolution scheme that the authorisation could be revoked if the Electricity Commission and Gas Industry Co consider that the scheme is failing to meet reasonable performance standards or is failing to meet the original approval criteria.
- 6.38 Under these circumstances the Electricity Commission and Gas Industry Co would provide at least 12 months' notice of the revocation.
- 6.39 It is proposed that the Electricity Commission and Gas Industry Co will approve a single joint complaints resolution scheme for a period of five years. Following the expiry of four years it is intended to again call for applications. This should provide adequate time for alternative providers to establish a service if they are successful, and time for the existing provider to wind up its arrangement in the event it is not.

**Q21:** *Do you agree that 12 months' notice of any revocation of approval is appropriate?*

**Q22:** *Do you agree that approval should be granted for a period of five years?*

**Q23:** *Do you agree that a call for applications should be made after four years of service?*

## 7 Process for Approval of Scheme

- 7.1 The Electricity Commission and Gas Industry Co have agreed to act jointly to approve a single joint complaints resolution scheme (in the event that the relevant provisions of the draft GPSs are retained in the final versions). The process involves consultation on the proposed requirements as the first step. Once the requirements are finalised applications will be invited for approval as the single joint complaints resolution scheme.
- 7.2 Applications will be considered by the Electricity Commission and Gas Industry Co through a joint process involving representatives of both bodies. When they have reached agreement on a preferred applicant, they will make recommendations to their respective Boards to make a recommendation to the Minister (in Gas Industry Co's case) and approve a scheme (in the Electricity Commission's case).

### Indicative Timetable

- 7.3 The indicative timetable for implementation of an approved scheme is shown in Table 1.

**Table 1 – Timetable for implementation**

Target Date	Key Step
27 March 2008	Paper released for consultation
10 April 2008	Stakeholder forum
8 May 2008	Receive submissions
23 May 2008	Complete analysis of submissions and finalise approval requirements
11 June 2008	Electricity Commission approves scheme requirements
19 June 2008	Gas Industry Co Board approves scheme requirements
20 June 2008	Applications invited and proposed requirements released
19 September 2008	Closing date for applications for approval
3 October 2008	Evaluation of applications completed
22 October 2008	Electricity Commission approves selected scheme
31 October 2008	Gas Industry Co Board approves selected scheme Gas Industry Co Board approves recommendation to Minister
3 November 2008	Gas Industry Co makes recommendation to Minister
December 2008*	Approval notified by the Minister in the <i>Gazette</i>
January 2009*	Approval takes effect

\* Indicates the earliest feasible time.

## Failure to Approve

- 7.4 In the event that the Electricity Commission and/or Gas Industry Co determine that there are no applications that sufficiently satisfy the criteria for approval as a single joint complaints resolution scheme, they will jointly consider several future courses of action which could include:
- Approaching a particular scheme in order to establish whether it would be possible to modify that scheme sufficiently to reconsider approval of that scheme.
  - Calling for new applications.
  - Making a recommendation to the Minister for rules or regulations to establish a complaints resolution scheme under the provisions of the Electricity Act and the Gas Act.

## Appendix A: Recommended Format for Submissions

To assist the Gas Industry Co and the Electricity Commission in the orderly and efficient consideration of stakeholders' responses a suggested format for submissions has been prepared. This is drawn from the questions posed in the body of this consultation paper. Respondents are also free to include other material on complaints resolution in their responses.

Submission prepared by:

(company name and contact)

QUESTION	COMMENT

OTHER ISSUES (note achievement standard number if appropriate)	COMMENT

# Appendix B: Legislative Framework

## The Electricity Act

Under section 158G every electricity distributor and every electricity retailer must participate in a complaints resolution scheme that is approved by the Electricity Commission for the purpose of addressing complaints relating to electricity retailers and electricity distributors.

These requirements of the Electricity Act only apply if the Commission has approved, by notice in the Gazette, one or more complaints resolution schemes.

The Act also requires that any approved scheme is to cover any person (including potential consumers and owners and occupiers of land).

Section 172O states that one of the Commission's functions is to approve one or more complaints resolution scheme for the purposes of 158G.

In addition, under section 172D (1) (27) the Governor General may, by Order in Council made on the recommendation of the Minister, make rules or regulations for:

*“providing for the establishment of, and participation by electricity distributors and electricity retailers in, a complaints resolution system (which may include codes of practice) for the purpose of addressing complaints by any person (including potential consumers and owners and occupiers of land) relating to electricity retailers and electricity distributors, and setting out minimum requirements in relation to that system, including-*

*a) provision for compensation up to a maximum of \$20,000 to be awarded, and other actions to be taken, by the complaints resolution agency in relation to those complaints:*

*b) provision for rights of review, or rights of appeal on a question of law only, in relation to decisions relating to those complaints.”*

In making recommendations to the Minister under section 172D, the Electricity Commission must comply with the provisions of sections 172E to 172F. These sections require the Commission to consult with persons that are representative of those likely to be substantially affected by the proposed rules or regulations, undertake an assessment of the benefits and costs of the proposed rules or regulations and any alternatives that have been considered, and prepare a statement of proposal.

The Electricity Commission is required by section 172X to give effect to its principal objectives and outcomes, and its GPS objectives and outcomes, when formulating recommendations for electricity governance rules or regulations.

## The GPS on Electricity Governance

The GPS on Electricity Governance was originally released in October 2004. It outlined an expectation that the Commission would ensure that a complaints resolution system would be in place that met a number of specific requirements including accessibility, independence, fairness, accountability, efficiency and effectiveness, and that it would be free to complainants.

The GPS noted that the Government supported the existing Electricity Complaints Commission scheme (now the EGCC scheme) and the associated Consumer Code of Practice. However, it also noted that not all retailers and distribution companies had joined the scheme and therefore that the scheme's coverage fell short of expectations.

The Government expected the Electricity Commission to encourage the industry to develop the scheme further in such a way to ensure it was consistent with the Government's expectations. If the industry was unable to provide an acceptable scheme, it was expected that the Commission would recommend regulations for a statutory scheme.

The 2004 GPS was replaced by a new version in October 2006. The requirements for a complaints resolution scheme are the same as in October 2004.

The recently released draft that is intended to replace the current (October 2006) GPS amends the provisions as follows:

*“Section 158G(1) of the Electricity Act requires that every electricity distributor (including Transpower) and every electricity retailer must participate in a complaints resolution system, provided the Electricity Commission has approved one or more complaints resolution systems under that section.*

*The Government expects everyone (including potential consumers and owners and occupiers of land), in their capacity as producers or consumers of electricity, to have access to an independent and cost-effective system for resolving complaints about electricity distributors (including Transpower) and electricity retailers without charge to the user/applicant, whether or not they have a consumer contract with the retailer or distribution company.*

*The Government expects the Commission, in consultation with the Ministry of Consumer Affairs, to ensure that any approved system adequately addresses consumers' interests.*

*The Government believes that consumers' best interests are more likely to be served by a single independent complaints resolution scheme that includes both electricity and gas. The reason for this is that a single dual-fuel scheme provides benefits such as ease of access, consistency of outcomes and efficiencies of scale. The size of the gas market does not justify a separate scheme and many of the same companies are involved in both sectors. Many customers buy electricity and gas from the same retailer.*

*The Government expects the Commission to work closely with the Gas Industry Company and coordinate approaches to approval and governance of an electricity and gas consumer complaints scheme.*

*If the industry is unable to provide an acceptable scheme supported by membership from all retailers and all distributors (including Transpower) within a reasonable time, the Commission should recommend regulations to introduce a statutory scheme. Again, the Government expects the Commission to work closely with the Gas Industry Company in this regard.*

*The Government expects any approved complaints resolution system to include the following features:*

- an independent, complaints resolution scheme that is consistent with international best practice in the field of consumer complaints resolution systems (for example the Australian Benchmarks for Industry based Consumer Dispute Resolution Schemes which were developed in consultation with the New Zealand Ministry of Consumer Affairs)*
- the decision-making process and administration of the scheme are independent from scheme members*
- membership by all distributors (including Transpower) and retailers*
- robust internal complaints-handling processes within all member companies*
- a document that sets out the minimum standards of conduct for scheme members*
- self-funding by the industry*

- *compensation for consumers where appropriate; and*
- *Is practical and resolves disputes quickly and cheaply without unduly protracted or costly processes.”*

## The Gas Act

Under section 43E every gas distributor and every gas retailer must participate in a complaints resolution system that is approved by the Minister for the purpose of addressing complaints relating to those gas retailers and gas distributors. The Minister may approve one or more schemes by notice in the Gazette.

These requirements of the Gas Act only apply to particular gas distributors and retailers if the Minister has approved, by notice in the Gazette, one or more complaints resolution systems that apply to the particular gas distributor or retailer.

In addition, under section 43G the Governor General may, by Order in Council made on the recommendation of the Minister, make rules or regulations for:

*“providing for the establishment of, or participation by gas distributors and gas retailers in, a complaints resolution system (that may include a code of practice) for the purpose of addressing complaints by all or any of small consumers (including potential small consumers), or owners and occupiers of land into, through, or against which pipelines have been laid down or placed, relating to gas retailers and gas distributors, or setting out minimum requirements in relation to that system, including –*

*a) provision for compensation up to a maximum of \$20,000 to be awarded, and other actions to be taken, by the complaints resolution agency in relation to those complaints:*

*b) provision for rights of review, or rights of appeal on a question of law only, in relation to decisions relating to those complaints:*

In making recommendations to the Minister under section 43G, Gas Industry Co must comply with the provisions of sections 43I to 43P of the Act. These sections require Gas Industry Co to consult with persons that are representative of those likely to be substantially affected by the proposed rules or regulations, undertake an assessment of the benefits and costs of the regulations and any alternatives that have been considered, and prepare a statement of proposal.

The powers to regulate and the processes that must be followed are therefore essentially the same as those provided in the Electricity Act.

The Gas Industry Co is required by section 43ZO of the Act to have regard to the objectives and outcomes set by the Minister in the GPS when making recommendations for gas governance regulations. Gas Industry Co is also required to report against these objectives and outcomes.

## GPS on Gas Governance

The Government Policy Statement on Gas Governance was originally released in October 2004. The policy statement invited the Gas Industry Co to recommend arrangements, including regulations and rules where appropriate, for the development of efficient and effective arrangements for the proper handling of consumer complaints.

The recently released draft that is intended to replace the current (October 2004) GPS amends the provisions as follows:

*“The Government prefers a least-cost arrangement for the proper handling of consumer complaints. Due to the small size of the retail gas market, the Government considers that consumers’ best interests will be served by a joint gas and electricity consumer complaints resolution system. A single multi-fuel system would provide benefits such as ease of access, consistency of outcomes and efficiencies of scale.*

*The Government expects any consumer complaints resolution system to be free to complainants and to meet appropriate international benchmarks such as accessibility, independence, fairness, accountability, efficiency and effectiveness.*

*The Government expects the Gas Industry Co to work closely with the Electricity Commission to coordinate the approval and governance process between the electricity and gas sectors to ensure the Government’s expectations are met.*

# Appendix C: Proposed Scheme Requirements

This appendix sets out the proposed requirements for a complaints resolution scheme to be approved. It is intended that the approved scheme will be the scheme which best meets all the requirements set out in this appendix.

Note that it is intended that the successful applicant should be able to meet the proposed requirements at the time application is made.

The Electricity Commission and Gas Industry Co will, acting jointly, consider all applications and audit the applicants against the requirements set out in this appendix. If they consider that none of the applications fulfils these requirements sufficiently well, they will not approve a scheme. In these circumstances they will consider several future courses of action which could include:

- Approaching a particular scheme in order to establish whether it would be possible to modify that scheme sufficiently to reconsider approval of that scheme;
- Calling for new applications; or
- Making a recommendation to the Minister for regulations or rules to establish a complaints resolution system under the provisions of the Electricity Act and the Gas Act.

Note that the reference to ABM in the right hand column in the tables in this appendix is a reference to the relevant clause in the Australian Benchmarks for Industry-Based Customer Dispute Resolution Schemes.

Reference to the “scheme rules” in this appendix is a reference to the rules relating to the operation of a scheme and how it is governed and administered. It could, for example, incorporate rules, terms of reference, and the constitution of any body that is overseeing a scheme.

Although the key issues relating to the development of these requirements have been highlighted in section 6 of the consultation paper and particular questions have been asked, submitters should feel free to provide comment on any of these proposed requirements.

# 1 Objective and Scope Requirements

This section describes the objective and scope requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM
1.1	Objectives		
1.1.1	Overall objective	The scheme rules will provide for a clear overall objective to provide an independent and cost-effective complaints resolution scheme that is in the long-term interests of gas and electricity sector consumers (including potential consumers) and owners and occupiers of land.	
1.2	Scope		
1.2.1	Clear scope	The scheme rules will be clear on the scope of the scheme and the powers of the decision-maker.	6.1
1.2.2	Binding rules	The scheme rules will be binding on member companies and set out the principles, requirements, services and actions a complainant can reasonably expect from scheme members.	
1.2.3	Coverage of energy sector	<p>The scheme will cover:</p> <ul style="list-style-type: none"> <li>All parts of New Zealand.</li> <li>All electricity retailers (including customer networks) and line companies (including Transpower) as defined in the Electricity Act</li> <li>All natural gas retailers and pipeline companies as defined in the Gas Act.</li> </ul> <p>The scheme will be designed and have the capacity to cover LPG as provided for in the Gas Act, but with the initial active coverage subject to a separate decision.</p>	6.2
1.2.4	Complainants	<p>The scope of the scheme will be sufficient to deal with:</p> <ul style="list-style-type: none"> <li>Every person who has a complaint about electricity distributors and retailers (including Transpower);</li> <li>Every person who has a complaint about gas distributors and retailers;</li> <li>Complaints from anyone, whether or not they have a contract with the retailer or the distribution company, including potential consumers and the owners and occupiers of land.</li> </ul> <p>The scope of the scheme will not cover the amount members charge for their services.</p>	6.2

No.	Title	Achievement Standard	ABM
1.2.5	Coverage of complaints	<p>The scheme rules will require that the scheme deals only with complaints that are within the scope of its coverage and have not been dealt with, or are not being dealt with, by another dispute resolution forum, and:</p> <ul style="list-style-type: none"> <li>• Which have been considered, and not resolved to the customer's satisfaction, by a scheme member's internal complaints resolution mechanism; or</li> <li>• Where a scheme member has refused, or failed within a reasonable time, to deal with a complaint under its internal complaints resolution mechanism.</li> </ul> <p>The scheme rules will specify that "reasonable time" for the purpose of this item will be:</p> <ul style="list-style-type: none"> <li>• 30 working days from the original complaint to the scheme member; or</li> <li>• The resolution agreed to by the member does not eventuate within 30 working days of that agreement being made.</li> </ul>	5.1
1.2.6	Non compliance	The scheme rules will require the scheme to consider complaints against a member company for not complying with the membership rules.	6.9
1.3	Scheme to include code of practice		
1.3.1	Conduct	The scheme rules will include a code of practice that governs the conduct of members in dealing with stakeholders.	
1.3.2	Code coverage	<p>The code of practice will include requirements for members to:</p> <ul style="list-style-type: none"> <li>• Treat all customers (including potential customers) and other stakeholders with respect even when they are complaining.</li> <li>• Deal with all stakeholders in an open professional manner, making information available promptly in response to reasonable requests.</li> <li>• Be sensitive to the health and safety of all stakeholders.</li> <li>• Ensure all consumers are aware of the payment options and services offered by retailers and social agencies.</li> <li>• Ensure that consumers enter into the most appropriate contracts for their needs.</li> <li>• Cooperate with low income and vulnerable consumers to establish arrangement that meet their needs.</li> </ul>	
1.4	Frivolous and vexatious complaints		
1.4.1	Exclusions	The scheme rules will allow the decision maker to exclude complaints considered to be vexatious or frivolous.	5.4
1.4.2	Members required to advise	The scheme rules will require members to advise complainants of the scheme regardless of whether the member considers the complaint to be vexatious or frivolous.	5.4

## 2 Membership Requirements

This section describes the membership requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM
2.1	Members to promote scheme		
2.1.1	Promotion of scheme	The scheme rules will require members to promote the existence of the scheme to all stakeholders.	6.9
2.1.2	Invoices	The scheme rules will require members with direct relationships with energy consumers to include information about the scheme on consumer invoices.	
2.1.2	Websites	The scheme rules will require members to include information on websites about the existence and nature of the scheme.	1.1
2.2	Internal complaints resolution systems		
2.2.1	Internal complaints system	The scheme rules will require all members to have a robust internal complaints resolution system.	6.7
2.2.2	Promotion of internal systems	The scheme rules will require all members to include a message on any invoices to consumers advising that the member runs a free internal complaints resolution service.	1.1
2.2.3	Information about the scheme	The scheme rules will require all members to inform complainants that if they are unable to resolve a complaint through the internal complaints service that the member also belongs to a free national independent scheme which will be able to investigate on the customer's behalf	1.1 1.4
2.3	Members to advise complainants about scheme		
2.3.1	Advising complainants	The scheme rules will require that members provide information about the existence of the scheme, and its procedures and scope, when a member responds to a complaint;	1.4 1.5
2.3.2	When internal process fail	The scheme rules will require that members advise complainants to use the scheme: <ul style="list-style-type: none"> <li>• When complainants are not satisfied in whole or in part with the outcome of the internal complaints system;</li> <li>• When the member fails to deal with a complaint within the time period within which the internal complaints mechanism is expected to produce an outcome.</li> </ul>	1.4 1.5
2.4	Members to provide information to decision maker		
2.4.1	Timely information	The scheme rules will state that, if required by the decision-maker, scheme members will provide (to the decision-maker) all information relevant to the complaint in a timely fashion, unless that information identifies a third party to whom a duty of confidentiality is owed, or unless it contains information which the scheme member is prohibited by law from disclosing.	3.9
2.4.2	Third parties	The scheme rules will permit that where a scheme member provides information which identifies a third party, the information may be provided to the complainant with deletions, where appropriate, at the discretion of the decision-maker.	3.10

No.	Title	Achievement Standard	ABM
2.5	Binding determinations		
2.5.1	Binding	The scheme rules will require that a determination of the decision-maker is binding on the scheme member if the complainant accepts the determination.	6.10
2.6	Members to adopt and abide by the code of practice		
2.6.1	Adopt code	The scheme rules will require members to adopt the code of practice in dealing with stakeholders.	
2.6.2	Binding code	The scheme rules will require members to abide by the code of practice when dealing with stakeholders.	

### 3 Procedure Requirements

This section describes the procedures that a complaints resolution scheme must follow in order to be considered for approval.

No.	Title	Achievement Standard	ABM
3.1	Informal proceedings		
3.1.1	Encouraging settlements	The scheme rules will provide for the use of appropriate techniques including conciliation, mediation and negotiation, in attempting to settle complaints.	1.19
3.1.2	Encouraging an informal approach	The scheme rules will provide for informal proceedings which discourage a legalistic, adversarial approach.	1.19
3.2	Rights of parties to complaint		
3.2.1	Presentation of complaints	The scheme rules will provide for a complainant's case to be presented orally or in writing, at the discretion of the decision-maker.	1.16
3.2.2	Rights to rebut	The scheme rules will require that both parties will have the opportunity to rebut the arguments of, and information provided by, the other party.	3.5
3.3	Face-to-face hearings		
3.3.1	Rights to present	The scheme rules will require that both parties to a complaint have the opportunity to present their case to the decision-maker if a face-to-face hearing is involved.	3.3
3.3.2	Discourage legal representation	The scheme rules will discourage the use of legal representatives at any face-to-face hearings before the decision-maker except in special circumstances.	1.20
3.3.3	Rights to have support	The scheme rules will provide for complainants to be supported by another person at any face-to-face hearings.	1.17
3.4	Legal representation		
3.4.1	Rights to legal representation	Although informal proceedings are to be encouraged, the scheme rules will allow any party to have legal representation if they wish.	1.20

No.	Title	Achievement Standard	ABM
3.4.2	Complainants to be advised about rights to legal support	Complainants will be advised during their initial contact with the scheme, and again at the time of any decision, that they have the right to access legal representation at any stage of the complaints process.	3.2
3.4.3	Rights for both parties to be represented	The scheme rules will provide the opportunity for a party to be legally represented where the other party has chosen to be legally represented.	1.21
3.4.4	Legal costs	The scheme rules will provide for the member to pay the legal costs of a complainant where the member is the party seeking to be legally represented and the decision-maker agrees to that request.	1.22
3.5	Reasons for determination		
3.5.1	Both informed	The scheme rules will require that both parties are told the reasons for the determination.	3.6
3.5.2	Reasons provided	The scheme rules will require that complainants are advised of the reasons why their complaint is outside the jurisdiction of the scheme or otherwise excluded.	3.7
3.6	Information about complaints		
3.6.1	Sufficient information	The scheme rules will require that both parties to a complaint will be informed of the arguments and be given sufficient information to understand the position of the other party.	3.4
3.6.2	Complainant information	The scheme rules will require that the decision-maker will encourage but cannot compel complainants to provide information about a complaint.	3.8
3.7	Confidentiality		
3.7.1	Complaint information	The scheme rules will require that information provided for the purposes of resolving complaints is kept confidential, unless disclosure is required by law or for any other purpose specified in these requirements.	3.11
3.7.2	Generated information	The scheme rules will require that parties to a complaint agree not to disclose information gained during the course of any mediation, conciliation or negotiation to any third party, unless required by law to disclose such information.	3.12
3.8	Referring complaints and problems to other forums		
3.8.1	Referring complaints	The scheme rules will require that scheme staff have the information, mechanisms and procedures for referring relevant complaints to other, more appropriate, forums.	5.2
3.8.2	Internal complaints systems	The scheme rules will require that the decision-maker is able to advise scheme members about the existence of internal complaints systems operated by members.	6.8
3.8.2	Systemic problems	The scheme rules will require that there are mechanisms and procedures for referring systemic industry problems that become apparent from complaints to scheme members	5.3 6.4
3.9	Tracking complaints		
3.9.1	Systems	The scheme rules will require the scheme to keep systematic records of all complaints and enquiries, their progress and outcomes.	5.7 5.10

No.	Title	Achievement Standard	ABM
3.9.2	Time limits	The scheme rules will require the scheme to have a mechanism to ensure that the time limits for dealing with complaints are complied with as far as possible.	5.6
3.9.3	Receipts	The scheme rules will require staff to provide complainants with a receipt indicating the acceptance of the complaint within two weeks of receiving the complaint. The receipt is to include information on the process for resolving complaints, including when the complainant can expect updates.	5.8

## 4 Miscellaneous Requirements

This section describes some miscellaneous requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM
4.1	Awareness and promotion		
4.1.1	Publicity material	The scheme will provide readily available material in simple terms explaining: <ul style="list-style-type: none"> <li>• How to access the scheme;</li> <li>• How the scheme works;</li> <li>• The major areas with which the scheme deals;</li> <li>• Any restrictions on the scheme's powers;</li> <li>• The minimum standards of conduct for member companies.</li> </ul>	1.3
4.1.2	Special needs customers	The scheme rules will require that the scheme promotes its existence in such a way as to be sensitive to disadvantaged customers with special needs.  The scheme will do this by liaising with organisations working with, or consisting of, people who may not be able to find out about the scheme through standard means. The scheme will assist those organisations with distributing information about the scheme to these organisations' clients and/or members.	1.6
4.2	Access and ease of use		
4.2.1	Available	The scheme rules of the scheme will be expressed clearly and made available on a scheme website.	1.10
4.2.2	Simple processes	The scheme rules will require that the processes are simple for complainants to understand and easy to use.	1.15
4.2.3	Guideline	The scheme will have a simple, step by step guideline available for all complainants.	
4.2.4	Easy access	The scheme will provide a free phone number and a freepost service.	1.7

No.	Title	Achievement Standard	ABM
4.2.5	Assisted access	The scheme rules will require the scheme to arrange services to assist complainants to access the scheme (such as appropriate services to meet the needs of complainants with disabilities and from non-English speaking backgrounds) at no cost to the complainant.	1.8
4.2.6	Assisted complaints	If a complainant is unable to put a complaint in writing, the scheme will record the complaint in writing and send it to the complainant for confirmation.	1.9
4.2.7	Free access	The scheme rules will specify that the scheme is free to complainants. This will be made clear in all promotional material.	1.11
4.3	Contact Staff		
4.3.1	Staff training	<p>The scheme will ensure that all new staff members are adequately trained to carry out their role in the complaints process.</p> <p>Staff training will provide an understanding of the energy industry to a level to enable staff to understand most complaints.</p> <p>The scheme will provide for regular staff training to the extent necessary to maintain the necessary level of understanding of the energy industry and the complaints process.</p>	1.12
4.3.2	Contact staff duties	<p>Contact staff will explain to complainants in simple terms:</p> <ul style="list-style-type: none"> <li>• How the scheme works;</li> <li>• The major areas it deals with;</li> <li>• Any restrictions on its powers;</li> <li>• The timelines applicable to each of the processes in the scheme.</li> </ul> <p>Where an initial query or complaint is received, contact staff will acknowledge receipt and provide an explanation of how the scheme processes work.</p> <p>Contact staff will be provided with a check list to ensure that complainants and potential complainants are given all information.</p>	1.13
4.3.3	Non-confrontational approach	<p>The scheme will ensure that all contact staff adopt a non-confrontational approach with complainants.</p> <p>The scheme must ensure that contact staff are trained or experienced in appropriate techniques, including conciliation, mediation and negotiation.</p>	1.18

## 5 Decision Making

This section describes the decision making processes that a complaints resolution scheme must follow in order to be considered for approval.

No.	Title	Achievement Standard	ABM
5.1	Decision maker		
5.1.1	Determinations	The scheme rules will require the scheme to have a decision-maker who is responsible for the determination of all complaints.	2.1
5.1.2	Scope of determinations	<p>The scheme rules will require that the decision-maker will have the power to:</p> <ul style="list-style-type: none"> <li>Recommend that a complaint should be settled or withdrawn.</li> <li>Uphold a complaint against a member.</li> </ul> <p>The scheme rules will require that, if a complaint is upheld, the decision-maker will have the power to:</p> <ul style="list-style-type: none"> <li>Award compensation in favour of a complainant.</li> <li>Require reimbursement of expenses in favour of a complainant.</li> <li>Require a member to take certain actions to make redress.</li> </ul>	
5.1.3	Not accountable to members	The scheme rules will require that the decision-maker is not accountable to scheme members for determinations.	2.3
5.1.4	Fair and reasonable	The scheme rules will require that the decision-maker makes determinations based on what is fair and reasonable, having regard to good industry practice, relevant industry codes of practice and the law.	3.1
5.2	Written determinations		
5.2.1	Reports	<p>The scheme rules will require the scheme to provide written reports of determinations to scheme members and any interested bodies for the purposes of:</p> <ul style="list-style-type: none"> <li>Educating scheme members and consumers;</li> <li>Demonstrating consistency and fairness in decision-making.</li> </ul>	4.1
5.2.2	Complainants not named	<p>The scheme rules will require that in written reports of determinations:</p> <ul style="list-style-type: none"> <li>Complainants are not to be named;</li> <li>Members may be named, but the basis on which those members would be named must be clearly stated.</li> </ul>	4.2
5.3	Compensation		
5.3.1	Not punitive	The scheme rules will not allow the decision-maker to make awards for punitive damages.	6.3
5.3.2	Maximum compensation	The scheme rules will allow for compensation up to a maximum of \$20,000 to be awarded.	6.2

## 6 Member Compliance Requirements

This section describes the compliance processes that a complaints resolution scheme must follow in order to be considered for approval.

No.	Title	Achievement Standard	ABM
6.1	Rules to provide for compliance		
6.1.1	Compliance	The scheme rules will provide a mechanism to monitor member compliance with the scheme.	
6.2	Monitoring member compliance		
6.2.1	Monitoring own compliance	The scheme rules will require members to monitor their compliance with the scheme rules and report annually to the scheme.	
6.2.2	Scheme to monitor members	The scheme rules will provide rights for the scheme to identify and report <sup>6</sup> on problems with member compliance with the scheme rules.	
6.2.3	Member breaches	Any member breaches will be reported to the Overseeing Entity and published in the scheme's Annual report.	
6.3	Overseeing Entity to report on compliance		
6.3.1	Annual Report	The scheme rules will require the Overseeing Entity to report on member compliance in the scheme's Annual Report.	
6.3.2	Report to EC/GIC	The scheme rules will require the Overseeing Entity to report on member compliance to the Electricity Commission and Gas Industry Co in the case of any member non-compliance with the scheme rules.	

## 7 Governance Requirements

This section describes the governance requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM
7.1	Overseeing Entity		
7.1.1	Oversight role	The scheme rules will require that an Overseeing Entity has a responsibility to oversee the effectiveness and independence of the scheme.	2.6

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<sup>6</sup> To the Overseeing Entity and in the Annual Report

No.	Title	Achievement Standard	ABM
7.1.2	Composition	The Overseeing Entity will have a balance of consumer interests, industry interests, and where relevant other key stakeholder interests, and will have a chair who is independent of any particular interests.	2.4
7.1.3	Functions	<p>The scheme rules will require that the functions of the Overseeing Entity include:</p> <ul style="list-style-type: none"> <li>• Ensuring that the scheme meets the overall objective<sup>7</sup>;</li> <li>• Appointing and dismissing the decision-maker;</li> <li>• Approving the annual budget;</li> <li>• Receiving complaints about the operation of the scheme;</li> <li>• Approving any changes to the scheme rules;</li> <li>• Receiving regular reports about the operation and performance of the scheme;</li> <li>• Taking actions to improve the performance of the scheme where reports suggest that is necessary;</li> <li>• Receiving information about, and taking appropriate action in relation to, systemic industry problems referred by the scheme;</li> <li>• Ensuring that the scheme continues to meet the requirements set out in this document and which were a basis for approval;</li> <li>• Developing and implementing a code of practice that sets out minimum standards of conduct for members.</li> </ul>	2.8
7.1.4	Consumer members	<p>The scheme rules will require that the representatives of consumer interests are:</p> <ul style="list-style-type: none"> <li>• Capable of reflecting the viewpoints and concerns of consumers;</li> <li>• Persons in whom consumers and consumer organisations can have confidence.</li> </ul>	2.7
7.1.5	Industry members	<p>The scheme rules will require that the representatives of industry interests are:</p> <ul style="list-style-type: none"> <li>• Capable of understanding the viewpoints and concerns of consumers;</li> <li>• Persons in whom consumers and consumer organisations can have confidence.</li> </ul>	

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<sup>7</sup> As outlined in 1.1.1

No.	Title	Achievement Standard	ABM
7.1.6	Election of Overseeing Entity members	The scheme rules will require that: <ul style="list-style-type: none"> <li>• Industry representatives are elected by members;</li> <li>• Consumer representatives are nominated by the Ministry of Consumer Affairs;</li> <li>• The Independent Chair is elected by the Overseeing Entity following consultation with the Electricity Commission and the Gas Industry Co.</li> </ul>	
7.2	Amending the scheme rules		
7.2.1	Consultation	Any changes to the scheme rules will be undertaken in consultation with relevant stakeholders, including scheme members and the Overseeing Entity, the Gas Industry Co and the Electricity Commission.	2.10
7.2.2	Requirements	Any changes to the scheme rules will be consistent with the GPS for Electricity Governance and the GPS for Gas Governance and the requirements set out in this document unless otherwise agreed by the Gas Industry Co and the Electricity Commission.	2.10
7.2.3		The scheme rules will provide a process governing how changes are made to the scheme rules that allows the scheme to develop in response to changes to the environment and to improve its performance in meeting the overall objective.  This process will achieve an appropriate balance between the interests of those that may wish to make complaints and the members involved in governing and funding the scheme.	
7.3	Appointing staff to the scheme		
7.3.1	Decision-maker	The scheme rules will require that the decision-maker is appointed by the Overseeing Entity and has no relationship with the scheme members that fund or administer the scheme which would give rise to a perceived or actual conflict of interest.	2.4
7.3.2	Fixed term	The scheme rules will require that the decision-maker is appointed to the scheme for a fixed term.	2.2
7.3.3	Other staff	The complaints scheme staff must be independent of members and must be appointed by the decision-maker.	2.5
7.4	Handling complaints about the scheme		
7.4.1	Referred to Overseeing Entity	The scheme rules will require that the scheme receives and passes complaints about the operation of the scheme (other than complaints about a decision of the decision-maker) to the Overseeing Entity for appropriate action.	6.5
7.4.2	Timely response	The scheme rules will require the scheme to respond to any recommendations of the Overseeing Entity in response to complaints about the operation of the scheme in a timely and appropriate manner.	6.6

## 8 Funding Requirements

This section describes the funding requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM
8.1	Funding Arrangements		
8.1.1	Funded by members	The scheme rules will require that the scheme is funded by the members.	2.9
8.1.2	Transparency	The scheme rules will require that the funding arrangements are clear and transparent to stakeholders.	2.9
8.1.3	Funding mechanism	The scheme rules will require that the Overseeing Entity is required to ensure that the scheme: <ul style="list-style-type: none"> <li>Has a user pay component to provide an incentive for internal schemes to be bolstered.</li> <li>Ensures incentives are correctly aligned to encourage efficient resolution by all parties.</li> </ul>	2.9
8.2	Setting the budget		
8.2.1	Overseeing Entity	The scheme rules will require that the annual budget and funding arrangements are considered and approved by the Overseeing Entity.	
8.2.2	Sufficiency	The scheme rules will require that the scheme is funded sufficiently to allow its caseload to be managed and to allow other functions necessary to meet the requirements of this document.	2.9
8.2.3	Efficiency	The scheme rules will require the scheme to be funded at a level consistent with providing a cost-effective outcome.	

## 9 Performance Monitoring Requirements

This section describes the performance monitoring arrangements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM
9.1	Performance standards		
9.1.1	Standards to be set	The scheme rules will require standards against which the performance of the scheme will be measured. These standards will be sufficient to allow external parties to readily determine if the scheme is providing an effective complaints resolution service.	5.9

No.	Title	Achievement Standard	ABM
9.1.2	Standards to include	<p>The standards will include the following requirements:</p> <ul style="list-style-type: none"> <li>To determine 90 per cent of all complaints received by the scheme within 60 working days of receiving notification of each complaint.</li> <li>Determinations are to be sufficiently clear and comprehensive as to be readily understood by all parties.</li> <li>Determinations are to be within the scope of the powers of the decision-maker as set out in the scheme rules.</li> </ul>	5.5
9.2	Internal reviews		
9.2.1	Regular reviews	<p>The scheme rules will require the scheme to conduct regular internal reviews of its performance including:</p> <ul style="list-style-type: none"> <li>A review against the achievement standards set out in this document.</li> <li>A review against the performance standards set by the Overseeing Entity.</li> <li>A review of any particular issues raised by the Gas Industry Co and the Electricity Commission.</li> </ul>	5.11
9.2.2	Feedback	The scheme rules will require that the internal reviews will include seeking periodic feedback from stakeholders and stakeholder perceptions about the performance of the scheme.	5.12
9.2.5	Frequency of review	The scheme rules will require internal reviews to be completed annually and reported in the Annual Report.	5.11
9.3	Independent reviews		
9.3.1	Scope of review	<p>The scheme rules will require an independent review of the scheme to assess:</p> <ul style="list-style-type: none"> <li>Whether the scheme is meeting the overall objectives for the scheme.</li> <li>Whether the scheme is continuing to meet the achievement standards set out in this requirements document and whether they are appropriate requirements.</li> <li>Whether the performance standards set by the Overseeing Entity are adequate;</li> <li>The quality of the internal reviews;</li> <li>Whether the code of practice provides appropriate assurance to stakeholders about the conduct of members.</li> </ul>	5.11 6.11
9.3.2	Terms of reference	The scheme rules will require that the terms of reference for any independent review will be determined by the Overseeing Entity following consultation with the Electricity Commission and Gas Industry Co.	
9.3.3	Reviewer	The scheme rules will require the independent reviewer to be appointed by the Overseeing Entity following consultation with the Electricity Commission and Gas Industry Co.	6.11
9.3.4	Frequency of review	The scheme rules will require an independent review to be completed within one year of approval and subsequently at no more than three yearly intervals.	5.11 6.11

No.	Title	Achievement Standard	ABM
9.3.5	Special review	The scheme rules will require that a special independent review can be required at any time if requested by both the Electricity Commission and Gas Industry Co in response to clearly articulated policy concerns.	
9.4	Reporting requirements		
9.4.1	Regular reports	The scheme rules will require that the scheme reports regularly to the Overseeing Entity on the performance of the scheme against the standards.	5.13
9.4.2	Annual Report	<p>The scheme rules will require the scheme to make available on the website a detailed and informative Annual Report containing specific statistical and other data about the performance of the scheme, that must include:</p> <ul style="list-style-type: none"> <li>• Information about how the scheme works;</li> <li>• The number and types of complaints it receives and their outcome;</li> <li>• The time taken to resolve complaints;</li> <li>• Any systemic problems arising from complaints;</li> <li>• Examples of representative case studies;</li> <li>• Information about how the scheme ensures equitable access;</li> <li>• A list of scheme members supporting the scheme, together with any changes to the list during the year;</li> <li>• A list of any scheme members which did not meet their obligations as members of the scheme;</li> <li>• Information about new developments or key areas in which policy or education initiatives are required;</li> <li>• A report on compliance with the approval criteria set out in this document;</li> <li>• A report against the performance standards;</li> <li>• The findings of internal reviews;</li> <li>• The findings of the independent review (if relevant for that year);</li> <li>• A financial report containing sufficient information to allow scheme members and other stakeholders to understand how the scheme funding is being utilised.</li> </ul>	4.3
9.4.3	Reporting to stakeholders	The scheme rules will require that the annual report is distributed to relevant stakeholders (the distribution may be through an internet link, but parties must be advised of its publication) and is made widely available via the internet.	4.4
9.4.4	Independent review published	The scheme rules will require that the results of the independent review are to be made available to all stakeholders.	6.11
9.4.5	Non-performance	The scheme rules will require if the scheme is unable to achieve the performance standards within any quarter, the decision-maker must report to the overseeing entity on the cases, the reasons for the delay, and seek solutions if delays are likely to occur again.	5.5

## 10 Exit Requirements

This section describes the exit requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM
10.1	Winding up the scheme		
10.1.1	Notice requirement	The scheme rules will require that, if the scheme is to be wound up, at least 12 months' notice must be provided to the Electricity Commission and Gas Industry Co.	5.9
10.1.1	Continuity	The scheme rules will require that, if the scheme is to be wound up, the scheme will cooperate with the Electricity Commission and Gas Industry Co in the transition to a new set of arrangements for complaints resolution.	5.9

It is not a requirement for the scheme rules, but any scheme seeking authorisation should note that, should the Electricity Commission and Gas Industry Co decide to revoke authorisation of a scheme, at least 12 months' notice will be provided. This requirement will be included in any terms of the authorisation.