

Stakeholder in-depth interviews

Qualitative report to Electricity Authority

August 2012



AUCKLAND • WELLINGTON • SYDNEY

Contents

Introduction	4
Executive summary	5
2.2 Applying the Code.....	5
2.3 Engagement	6
Awareness	7
3.1 Code	7
3.2 Changes to the Code	8
3.3 Code amendment proposals.....	10
3.4 Rulings Panel and referring disputes	11
3.5 Part Three of the Code.....	12
3.6 Benefits of Code.....	12
Applying the Code	14
4.1 Areas of focus.....	14
4.2 Compliance cost.....	15
4.3 Breaching and penalties.....	16
4.4 Unintended consequences	18
4.5 Fairness and consistency.....	19
4.6 Risk management.....	20
Engagement	23
5.1 Accessibility and understanding	23
5.2 Registration	25
5.3 Ratings of communication channels	26
5.4 Most favoured channels	27
5.5 Other channels.....	29
5.5.1 <i>Annual conference</i>	29
5.5.2 <i>Case studies on website</i>	29

5.5.3	<i>Flyers</i>	30
5.5.4	<i>Facilitated settlement</i>	30
5.5.5	<i>Postings on the Authority's website</i>	30
5.6	Communication suggestion	30

Introduction

The Electricity Authority (the Authority) is an independent Crown entity responsible for regulating the New Zealand electricity market. Part of this responsibility is to develop and administer the Electricity Participation Industry Code (Code). This Code is what governs the New Zealand electricity market.

This study was commissioned to help the Authority understand how market participants, perceive, use and understand the Code. There will be two parts to this study a qualitative and a quantitative stage. The findings from the initial qualitative stage are summarised in this report. The quantitative component of this study will consist of an online survey which will be going into the field shortly.

1.1 In-depth interview specifications

The qualitative findings summarised in this report are based on 10 face to face in-depth interviews. The interviews were conducted across the country with a range of the Authority's stakeholders including:

- 2 x Service providers
- 2 x Gentailers
- 4 x Distributors
- 1 x Purchaser, and
- 1 x Retailer.

Interviews were transcribed and these transcriptions formed the basis of the analysis for this report. Throughout the report verbatim quotes are used to help represent the views of the stakeholder who participated in this study.

Caveat:

It is important to note that this is a small scale qualitative research study. Qualitative research is useful for providing an indication of the range of views that exist within a given population, reasons why these views are held and a sense of the intensity of these views. However, only quantitative research can provide certainty on the prevalence of those views across the entire population of interest.

Note: As the roles that certain organisations play in electricity sector are unique, to preserve anonymity some quotes and commentary have been deleted from this report.

Executive summary

2.1 Awareness

- Generally stakeholders declared that they were aware of the Code to the extent that it was relevant to their everyday work activities. However, there was the potential for institutional knowledge of the Code to suffer if new staff were not kept up to speed.
- In the main, stakeholders were generally kept well informed of changes to the Code by the Authority. In some cases, industry associations played an informing role around changes. Larger organisations were often called on to comment on changes and this indirectly kept them abreast of what was on the horizon. Concerns about Code changes centred more on the quantity of them.
- Most were aware of the process for Code amendments and the Rulings Panel and if they weren't they were confident, that if they ever needed to find out about them, it wouldn't be difficult. There were some suggestions that there needed to be more transparency around both of these processes.
- Declared awareness of part three of the Code was similar to general awareness of the Code. Those who needed to know about it for their day-to-day work responsibilities felt they were sufficiently across it.
- Most stakeholders saw the benefits of the Code. Benefits cited included providing stability in the market and ensuring competition through a level playing field. A few were more ambivalent, seeing the Code as just part of the landscape of doing business in the electricity sector.

2.2 Applying the Code

- Stakeholders tended to take a pragmatic approach to what aspects of the Code they focused on. Areas where there was an increased likelihood of human error or greater risk to their business tended to get more attention. Some stakeholders were keenly focused on potential changes to the Code that hovered on the horizon to help ensure they were placed to proactively deal with these changes.
- There were quite mixed views of compliance costs. For some, the cost of compliance was just part of doing business in the electricity sector. However, others felt the cost was disproportionate and this was related to the number of Code changes that impacted on their businesses and having to report breaches even though there was no apparent reason for doing so.

- Most stakeholders indicated that their aim was to comply as much as possible, as this was the least troublesome pathway. Some noted that interruption caused by non-compliance and internal penalties for breaching were generally more persuasive reasons for complying than most financial fines.
- While none of the stakeholders interviewed were aware of unintended consequences they also didn't want to close the door on this possibility.
- Generally, stakeholders felt that the Code was applied consistently and fairly. Those who had no evidence to suggest either way also tended to give the Authority the benefit of the doubt.
- For most stakeholders, risk management was integral to their business and the management of compliance risk fitted into their general risk management as a market participant. It wasn't unusual for the management of compliance risk to be actively handled at the top levels of their businesses.

2.3 Engagement

- There was a mixed response as to how accessible the Code and regulations were for stakeholders to access, make sense of, and apply within their organisations. There were those who felt the Code was fine to access and work with. Others found the accessibility of the Code difficult but expected this, given the complexity of the sector. And another segment of stakeholders felt more work was needed to make the Code more accessible and easier to understand and work with. A suggestion of how the Code could be made easier to work with was for the Authority to develop guideline booklets that explained different aspects of the Code in plain easy to understand language.
- All those interviewed were registered participants. There was some concern that organisations could be market participants without being registered. This led to the suggestion that the Authority should be playing more of an enforcement role in regard to registration and participation.
- In general, the communications channels most favoured by stakeholders were the market and compliance updates, industry workshops and responding to requests from companies for site visits. Because of the complex subject matter, stakeholders generally preferred communication channels that required dialogue and there were some calls for one-to-one visits from Authority staff to help increase industry understanding.
- Across all the communication channels tested, for each one at least a few stakeholders either thought the channel was highly effective or not effective at all. This reinforces the varied nature of market participants and the varied ways in which they needed to be communicated with to keep them up to date.

Awareness

3.1 Code

In most cases, stakeholders indicated that awareness of the Code was on a need to know basis. They were across the parts of the Code that applied to their business. Also within their business, specific employees understood the elements of the Code that were relevant to their roles. Managers tended to have more of a general overview of the Code rather than a detailed awareness.

Those who need to know then 80%. [So those who need to know are pretty much across it?] That is my perception. For example could I quote you chapter and verse of the Electricity Industry Participation Code as it relates to use of system agreement? No, I couldn't, but I know where to find it. [It is about 800 pages.] Precisely. Could our Metering Manager quote you detail on the metering aspects of it, he probably could. We are aware of the things that are there, we have experts in the various fields. (Distributor)

They all need the bits that they need to know. So there are different teams within the organisation who have particular bits that they have to have a working knowledge of. (Gentailer)

I personally know truck loads about the Code and our people who need to know about metering or meter storage or meter information or conveyance know sufficient around that to be able to adhere to the Code. (Retailer)

Larger organisations with more at stake put more resources into ensuring the Code was well understood and easily accessible for staff and others who needed it.

So I refer to it as my job description. We have taken all the system operators activities in a piece of the Code and we basically have a very large matrix of our activities that we are obliged to do so, that is our compliance check. So it is not specifically the actual legal wording, it is the obligations that it gives us into our compliance database. We are just updating that at the moment and are going to polish that up and keep it up to speed. (Distributor)

For us it's an ongoing task. My team monitors changes of the Code and compliance and keep other business units informed. As the Code evolves we feed back to our business and advise on how they can comply. (Distributor)

However, for this purchaser, as it was not their core business they contracted out the management of their obligations under the Code, meaning there was less need for them to invest in having in-depth institutional knowledge of the detail.

[In terms of your company how well do you think the company understands its obligations under the Electricity Act?] I think the main thing about us and probably similar businesses is that we contract out a lot of our obligations. So in terms of the purchase of electricity it is clear on the management side of it. [Our provider] acts

in the market for us and have been doing since 2000. So in terms of compliance around the rules and regulations of acting in the market and purchasing, we really don't have any involvement at all. (Purchaser)

This service provider indicated as a result of some staff changes, their institutional knowledge of the Code had recently diminished. This ultimately manifested itself in a breach which was the impetus for them to reinvest in Code awareness.

[Understanding the Code and compliance regime?] I think it varies. Obviously you get complacency and it has changed over time. So probably in 2007- very familiar with the Code inside and out, very well done, by late 2010 the understanding had eroded significantly through staff changes and the fact that we were looking at the time at what were the most important things to be working on. And it wasn't doing an annual check to make sure we were compliant, it was doing day to day things that we were focusing on. So it was a little bit less focused on compliance. Not overtly saying we don't want to be compliant, it was more hiring more junior people who didn't really understand that they needed to check these things and stuff. (Service provider)

3.2 Changes to the Code

When it came to keeping abreast of Code changes, in the main, stakeholders believed the Authority did a good job of this.

[Does your company keep up with the changes to the Code and how do you do that?] One thing the Authority does really well is that it has its weekly update and I know that [Name] reads that religiously every week and reports on it on a monthly basis to me, where it is at, those key areas that affect us. I also get it and I also scan the contents listed and those matters that interest me I will just go on and have a look and see what they are all about to make sure I am up to date. (Distributor)

Where there are amendments the EA generally send them through and we get to read them and if there is anything we don't understand or that we are bothered by we ask the guys at [Name of larger company who owns them]. Our other option is to go and ask the guys at the EA and we have a perfectly good relationship. (Retailer)

While the Authority was the primary source of information for helping to keep market participants up to date some stakeholders noted that at times they relied on industry associations to keep them informed as well.

[Does your company keep up with changes to the Code?] We try to. [How do you go about doing that?] Rely very much on the EA's communications, regular newsletters and that sort of thing, also the ENA as a backup. The Electricity Networks Association and the EEA, Engineers Association but we primarily rely on the EA and its communications. (Distributor)

Many of the big players in the industry were often involved in the consultation period leading up to changes in the Code and this involvement meant they were generally across new amendments as they came into play.

Our legal team basically keeps track of Code changes and lets people know what the changes are. Our regulatory manager typically is involved in commenting on changes to the Code so that we get to see comments on Code changes as they come through, so we know in advance what is happening. (Distributor)

Some changes require consultation, some changes don't and that is all set out in the Act about what does require that. So there is a huge volume of paperwork that comes out of the EA about potential Code changes and that is often preceded by market performance reports saying we are looking at this area which we think might ultimately lead to a Code change. We are kept up to date with it by the EA. (Gentailer)

This purchaser who contracted out their obligations under the Code was kept up to date of changes that impacted on them via their electricity provider, the Authority's newsletter and a contractor who was an expert in the sector.

If there is something happening on the settlement side that affects us we will get a call from [our electricity provider]. I am sure they are full of compliance committees and very, very robust so they will call us and say there is a Code change and you need to do this from now on. We also use a [energy consultant], to do quite a bit of work for us. He is on the end of the phone and he will call us if he thinks something is affecting us. He called us recently around the demand side bidding which is coming up because we are a non-compliant GXP so we have to come up with new structures around our bids. In that example we knew it was going on but we had [energy consultant], calling us and we were talking with [our electricity provider] at the time. (Purchaser)

While generally there was an acceptance that stakeholders were kept relatively well informed, when it came to Code changes they were less happy about the quantity of changes.

There is a quantity over quality view we have about the number of Code changes the EA make and if you think about what that means the EA is a small group but when they make a Code change there are however many organisations touched by the Code, 100 to pick a number, probably more like 50, we are one of the largest companies that are touched by the Code so we are resourced but that resource comes at a cost. So you can manage the process easy, there is a more qualitative statement about the volume and we wonder at times why some stuff is continually fiddled with. (Gentailer)

We are supportive of the Code but also acknowledge that it's growing in size. (Distributor)

Some stakeholders were frustrated by ongoing Code changes and the ramifications this had on the way they carried out their business. This other distributor agreed:

In my view the Electricity Authority is making rules and processes which are far too complex, far too often. And far too often its alleged cost benefit analyses do not support the decisions which it is making on the basis of them. (Distributor)

And they summarised by saying:

If we ever got to a point of stability that would be marvelous. (Distributor)

3.3 Code amendment proposals

Two of the stakeholders interviewed had gone through the process of making a Code amendment proposal. One distributor had been through a Code amendment proposal as part of a formal consultation process on a new model development, they felt that it was a good channel and that the Authority had been open to their suggestions.

Others were aware of the Code amendment proposal process but generally had not been involved in making one and were not interested in doing so.

[Do you know how to make an amendment to the Code if you need to, a Code amendment proposal?] *Yes we would lodge a submission. We wouldn't do it off our own bat. We are too small to be making amendment proposals by ourselves. If they wanted our submission on some aspect of change we might or might not deliver it but we have never been in a situation where we have gone to the EA and said "Hi guys we think this is crap and we would like you to change it." (Retailer)*

One stakeholder indicated that if they were going to go through the Code amendment process they would normally do so with the Electricity Networks Association (ENA).

[Do you know how to make a Code amendment proposal if you needed to?] *No. I doubt if we ever would. We would do that through the ENA if we thought there was something that could be done better we would just work through the ENA. (Distributor)*

Another stakeholder felt that the Code change process needed to be more transparent so the market had a chance to form their view from the onset in tandem with the Authority.

I think they can improve the transparency of the Code change request process. We are aware that in some instances there hasn't been a lot of visibility as to where the Code change requests go once the Authority has received them. And in particular ones from Transpower where Transpower had circulated them to market participants rather than the authority do so. I presume it is a resourcing issue as much as it is them thinking about whether or not they want to take over the Code change, but again going back to principles of transparency, my preference would be to see them publish it and put it out there for them to inform the market rather than form their own view first. (Gentailer)

This stakeholder felt that when it came to Code changes in general there was more scope for changes to be driven from 'past learnings'. And they called for a process whereby through time, the Code would evolve to make compliance easier.

The Code doesn't seem to be overly learning from the past. We don't necessarily see a lot of learning activities which result in Code changes. [So an intuitive Code?] The general comment is that the EA was set up as supposedly nimble, it has opportunities to make changes to the Code but it is not always a good lesson learned approach. And it is a matter of how we can make compliance easier because I think there are still a number of unworkable and redundant requirements. It was set up originally to think that all people are dishonest and we need to have all these rules to make people honest. (Distributor)

3.4 Rulings Panel and referring disputes

Most stakeholders were aware or vaguely aware that the Rulings Panel existed but no one had recently used it and some did not want to be in a situation where they would have to be involved with it either.

[Are you aware of the Rulings Panel?] Yes. [And the penalties associated with the Code?] I don't know what they are but I know they exist. (Gentailer)

So if anyone was to contest it to the Rulings Panel. If we had to go there it would be a lot of extra work and effort to put up our case and defend ourselves and I don't really think we are set up for that. (Service provider)

Stakeholders were asked if they were aware that participants could refer disputes to the Rulings Panel without going through the Authority. Not all were aware of this, however, it generally made sense that the option of referring direct to the Panel was available to them.

[Were you aware that participants can refer disputes to the Rulings Panel without going through the Authority?] I have never had cause to find out about that but I am sure that is possible. (Distributor)

This same stakeholder questioned the value of going directly to the Rulings Panel given their view that the Panel was likely to seek advice from the Authority anyway.

[The fact you can go directly to a Rulings Panel?] The Authority itself still has a lot of power because they are the advisors to the Rulings Panel anyway. So while we can go straight to the Rulings Panel they will still seek advice from the members of the Authority. But we have never had cause to go there. (Distributor)

Some called for more transparency around the Rulings Panel noting that they were not clear on the process/criteria by which a breach would go to the Panel. They also put forward that the public and participants should be made aware of the rulings of the Panel.

In terms of determining what is of the scale that should go to say a Rulings Panel, or should be considered for some more direct or forth right response from the EA, I think there is a bit of a concern that there isn't really a clear framework. So we don't really have a lot of transparency about how the EA team makes those decisions. What things get a nasty letter, what things don't even get looked at as compliance breaches, what things get letters, what things might get escalated further? And again I think that transparency is useful. Any market needs transparency then people know what is happening. (Gentailer)

3.5 Part Three of the Code

Awareness of Part Three of the Code was similar to stakeholders' general awareness of the Code already reported. Those who needed to know for their day to day work responsibilities were generally across it, while others in management tended to have more of an overview.

[You mentioned before you are aware of the parts of the Code that are specific to this company. Sounds like you are quite clear about that.] Yes. [You mentioned Part Three.] Yes Part Three of the Act. If we had to get down to rote on the Code itself that is not something I know to the nth detail but we definitely do have people in our organisation who do know that level of the Code detail. Especially around our compliance. [I have talked to people who have their own booklet of the Code or carry the Code around.] Because of my role I don't have that level of detail and I don't need to but I do know that we do have that expertise. (Gentailer)

3.6 Benefits of Code

Most stakeholders were able to offer what they saw as benefits of the Code. For this gentailer the key benefit was that:

It enables a competitive electricity market. Without the competitive market we wouldn't like to be a [Gentailer]. A regulated market like we have in New Zealand requires clear guidelines as to what you can and cannot do. And I think the Code overall provides those. (Gentailer)

This distributor also agreed noting that:

The fact that we have chosen in this country to have a competitive electricity market, it follows that there needs to be rules to comply and ensure that we have competition. The fact that there are rules there around metering are obviously desirable, so setting commonly agreed working ground rules is the benefit it brings. (Distributor)

Another benefit of the Code was that it helped to bring some certainty to an inherently risky industry. This gentailer stated:

I think it [the Code] is absolutely necessary because it is a complex and risky industry and it needs to be populated by capable organisations. And the Code helps define what that is, what is a capable organisation and one that can support the complex market. (Gentailer)

On a similar theme the Code helped to bring the required stability (certainty of supply for both consumers and businesses) for a complex and essential service.

It gives stability. As [Name] said before we have a complex situation here and you can't not have some sort of regulations. (Purchaser)

[Main benefits of the Code?] I guess we never on the site go to work wondering whether we will be running because of power supply. (Purchaser)

Talking from a more narrow perspective of just doing business this distributor did not view the Code as providing a benefit to them but rather:

I just view them as part of a regulatory framework that has to be dealt with when you are operating with characteristics like a monopoly line company. I don't see it as benefits I just see it as part of the process. (Distributor)

This same distributor saw the benefit of having a Code in place to ensure there was a framework for a successfully functioning industry. On the other hand, however it was clearly against their world view that a government agency regulated them on how to treat their customers, especially when it was already in their best interest to keep customers happy.

I genuinely believe it would help them if they were to understand the commitment of a customer owned company to do what is best for its customers. I mean it is in my bones when I say we don't need a load of government bureaucrats telling us how to look after our customers. We do need a load of government bureaucrats putting the framework for an industry so that things work. (Distributor)

While this retailer did not necessarily see any direct benefit to their company they felt the Code benefited New Zealanders through helping to provide more of a 'level playing field'.

[What would you say are the main benefits of having the Code?] From the point of view of the company probably not a great deal to be honest but from the point of view as a New Zealand citizen it creates a moderated and level playing field for again an oligopolistic supply of an essential service. So it is a necessary device. (Retailer)

Applying the Code

4.1 Areas of focus

In the main, stakeholders took a pragmatic approach to where they focused their energies when it came to the Code. If there was an increased focus for this gentailer it was because different aspects of the Code required it as they were harder to comply with, especially where there was an increased likelihood of human error.

[So are there parts of the Code that you place more importance on than any others?] Not particularly. The rules are the rules to a certain degree. Once you start placing particular weight on aspects then you are making judgment calls as to whether or not that rule should be followed or shouldn't. So there will be aspects of the Code where we know it may be easier to breach I suppose and a lot of those revolve around making sure we have our systems followed appropriately. So it is really the system is designed to make sure the people making those decisions - turning off the generation unit when we need to turn it off for example - that those processes are followed. Where you have that degree of human risk you are probably likely to focus a little more on compliance because you know it is harder and you need to be a little bit more active about that focus. (Gentailer)

This same gentailer went on to state that:

Our general obligations are under Part Three of the Act. But to be honest a whole lot of our focus is really on our compliance with the requirements of the Code and also requirements for the Electricity Enforcement Regulations. But there are four regulations that we look at. Of those, really to be honest, one of them is about FTR's and one of them is about the obligations of participants and we focus on that from a compliance perspective. So the obligations under the Act itself actually come under two categories of broad based objectives which are then provided much more detail in the Code or in the regs but then you have other things like compliance to record and provide accurate information for the registrations. So then we do that actively every year making sure we are providing the right information at least every year. (Gentailer)

This other gentailer noted that while they put more resource into complying with aspects of the Code that represented a bigger risk to their business, they didn't really have a different emphasis on particular facets of the Code, after all, responsibilities of complying with different parts of the Code were generally broken down into the appropriate parts of the business.

We obviously resource it based on our business risk. So if there are aspects of the Code which are not related to huge financial risk for us then we would resource it differently but we don't have any different emphasis on individual aspects. The traders have one responsibility and operators have another, the retail business have another, so it generally breaks down into different parts of the business anyway and they put their emphasis on it for their part of the business. (Gentailer)

A large distributor said that because of the nature of their role in the electricity market their focus was any issues that related to systems integrity that if not complied with could have a financial impact on market participants.

From a different angle when changes were on the horizon that stakeholders felt would have a significant impact on their business model this would become a keen focus for them. This distributor outlines one such example.

The areas of interest to us at the moment would be this whole review around use of system, conveyance, the latest work stream that the Authority is pushing through around this economic assessment framework for pricing methodology. Doesn't concern us unduly but why we are interested is that we are one of only I think two line companies that still retain a conveyance only arrangement, whereas everyone else has gone to full use of system. We just want to make sure that our position is protected. The reason for that is that we have a somewhat unique ownership arrangement whereby all of our customers are in fact shareholders and our rebate scheme is actually linked to their shareholding status rather than their consumer status. And tax laws are such that if we didn't have that direct contractual linkage with the customer we would have problems with tax effectiveness of our rebate scheme so we just watch that one quite closely. That one is certainly the top of the list. [Obviously if I reported that back it would pretty much identify you, do you have a problem with that?] No. (Distributor)

This purchaser admitted a much more narrow focus on the aspects of the Code that were only of immediate relevance to their business they said:

All the stuff around being a demand side industrial operational stuff so I don't really care at all about generation or spinning reserves or all those sorts of things it is all the stuff around what affects us directly. (Purchaser)

However like the distributor above if a change was on the horizon that had the potential to impact on their business model that would become a focus for them, they concluded:

We do get involved a little bit in some lobbying stuff via MEUG I guess. If the generator is looking for a Code change to support some change that we don't think is to our advantage then we will get involved in it. [So you are not leading that?] No. [So that is a group that you have a lot of faith in to protect your interests?] Yes. (Purchaser)

4.2 Compliance cost

For some stakeholders, compliance cost was clearly viewed as just part of the landscape they choose to operate in, one gentailer believed that:

There were cost implications around compliance but at the same time these were costs of operating in the electricity market. I think electricity, to have a competitive market it needs to be regulated and a lot of products that are offered into the electricity market they require quite clear and accurate recording for them to be effective products. So I think the compliance costs are just accepted as a cost of doing business. (Gentailer)

However many stakeholders did feel that the cost of compliance was disproportionately costly when this following gentailer was asked, if this was the case they replied:

I would say yes because I think generally the industry is over regulated.
(Gentailer)

But even in this case where it was thought to be costly it was conceded that:

It is inherently costly - but is it more costly than anywhere else in the world to comply with? Then no. I think it is inherently costly and that is my comment on every privatized electricity market. (Gentailer)

However this distributor was adamant that the cost of compliance was high. Their message was that this was mostly driven by too many ongoing changes to the Code they stated that:

The actual rules themselves were originally written by committees to a large extent and are in need of a substantive clean out. At the end of the day the industry runs in spite of the rules and regulations in some cases. (Distributor)

However, there was at least some recognition of improvements. This stakeholder remarked the:

Breach process has been reasonably tempered now. It started off being quite adversarial but it seems to have settled down a bit. (Distributor)

4.3 Breaching and penalties

Most stakeholders interviewed were only interested in complying as best they could. Most saw it in their best interest to comply with the Code. This purchaser stated:

We want stability in the system and if we want stability in the system we have to comply with the system. It goes hand in hand so we are not out there trying to rort the system or escape a penalty, the penalty is that the system becomes unstable. I don't ever see those threats that are in our contracts being used. We sort them before they get to that. [And they are adequate to keep everyone in line do you think?] Yes I think the whole industry is incredibly disciplined, it has to be, it is dealing with people's lives and things. [And you don't see that those penalties are too onerous, the threat of those?] No. (Purchaser)

It was clear that the interruption caused by non-compliance was more of a penalty than any financial fine. This gentailer revealed that they had internal penalties if breaches occurred and this was a strong motivator for staff to ensure they operated within the rules.

We do have to report on our compliance breaches so whether or not there is a penalty on to it we have to report. Using the example of someone who has a KPI of compliance breaches, that is a pretty big financial penalty if they break their KPI. So there are incentives internally, reporting on those compliance breaches is probably as effective as small monetary fines. (Gentailer)

This different gentailer suggested that the level of financial fine was not the stick that would encourage them to comply.

The actual amount of the penalty isn't something that I would say wouldn't cause us to comply, we comply because it is there right at the beginning. So we don't think actually it is only a \$10,000 fine. (Gentailer)

This same gentailer went on to say:

If I was making one comment I would say it is not an industry that needs a financial penalty to incentivize it to behave. That is why I don't know the number [costs of fines] because I don't really care about it. You would never make an active decision to say "I am not going to do that because the fine is only x". (Gentailer)

Rather than a financial penalty this distributor suggested that other factors were more persuasive and these included:

The threat of an independent review as to compliance and industry peer pressure as it is, chief executive performance as it is, I just think it keeps people on their toes and no one likes a bad report even though these reports haven't really started but they are on the horizon. (Distributor)

For this service provider in their area of the electricity sector the:

Main consequence of non-compliance was that it caused additional work for other parties or it causes a bit of a delay or failure in the market. Usually it is a lot of additional work. Like someone is late giving us something that means we have some people who need to stay to midnight two days in a row. And that puts us at risk of not complying. So it can be a domino effect. (Service provider)

There was a sense from this gentailer that the model used was more about working with market participants to correct behaviour rather than penalizing for non-compliance.

Under this model it was more moving to compliance rather than penalising you for non-compliance so it is very much trying to get you to correct your behaviour. So in that way there isn't really per se a direct consequence of a breach that I am aware of from EA's perspective anyway. (Gentailer)

While none of the stakeholders interviewed admitted that they engaged in regular breaching they were all generally aware that some participants did frequently breach.

I think for many players it is cheaper to breach than to comply and to interpret less. (Service provider)

It was thought that in these cases the rule needed to be investigated to see if it was appropriate and if it was then the Rulings Panel should get involved to ensure the participant was brought into line.

If you do have a party who is repeatedly breaching then you need to look at that problem quite carefully. There are one or two reasons, one it might be more effective or efficient or economical for them to breach because changing their way

of doing business isn't worth it for them and that raises questions. Is the rule appropriate and if the EA is quite happy with that then the question then becomes if you are breaching often enough does it become a Rulings Panel issue and their ability to leverage penalties is quite a lot higher. (Gentailer)

This distributor felt that if there was frequent breaching by a participant the questions needed to be asked:

Why do they keep breaching? Is it because the rules are stupid or inappropriate or impractical or they just don't make sense? (Distributor)

They went on to say that:

The number of errors in the industry against the Code that are damaging to end use consumers is extremely small. The compliance costs, my guess is ten to one hundred times greater than the damage to the consumers, so the question you have to ask is why are you doing it because you are just wasting consumer money. (Distributor)

This distributor concluded by stating that:

The compliance committee, the EA and the Rulings Panel should be saying how can we improve the rules so that we are not in this big stick role. So they should be looking at the carrot problem, there is a better way of doing this, how do we get people to do what is reasonable. And reduce the costs for everybody so that you and I at home pay less. (Distributor)

Most were unclear when asked directly what they thought actual penalties were for breaching the Code.

I can't remember what the maximum penalty has ever been. I think they are quite substantial. (Gentailer)

Some talked about a few hundred dollars but it was the letter that arrived warning them about the breach that carried more weight. There was the odd mention of substantive fines; however these were very specific and normally applied to stakeholders who played a unique role in the sector.

4.4 Unintended consequences

None of the stakeholders interviewed were able to point towards unintended consequences of the Code. However, many also didn't want to rule out the possibility that they existed.

[Unintended consequences?] *Yes possibly but I can't come up with any particular example at this stage. (Distributor)*

[Unintended consequences?] *Not at this stage but they could, as they are developed and as you know there are a number of them that are being developed at the moment. (Distributor)*

[Are there any areas where you think the design of the compliance regulations have unintended consequences?] *Not that I can think of but there are bound to be some. The bloody thing is that thick of course it has got some unintended consequences. But we haven't seen it. (Retailer)*

One retailer described what they considered a loophole in the Code which related to the rules around customers switching providers. They argued that the 10 working days allowed for the period of one retailer putting in a switch request to a 'losing' retailer was overridden by the rule that allowed the 'losing' retailer to request a withdrawal of the switch within a two month period.

[What about in terms of loopholes are you aware of any of those?] *Yes we are. For example the Code was recently changed to allow a maximum of 10 working days between the initiation and the termination of a switch and one loop hole is that that is generally complied with but another part of the Code says that a losing retailer can within two months request the withdrawal of switch. So it makes the 10 day rule a complete have. [When you say request the withdrawal what do you mean?] We put a switch request in, the losing retailer puts an acknowledgment in, the losing retailer has 10 working days from the date of the initial switch request to complete the switch so they do that, they complete the switch, and then seven weeks later they can come to us and request we withdraw the switch normally because their customer has decided to stay put. (Retailer)*

4.5 Fairness and consistency

While most stakeholders felt that the Code was generally applied with consistency and fairness; responses, in many instances, came with caveats.

I think there are still individual agendas and hobby horses that they want to write. But I think the industry itself tends to get reasonable consistency. (Distributor)

[Do you feel as though the Code is applied consistently and fairly across those involved in the industry?] *I think when they use subjectivity they use it consistently. The issue I find is sometimes their subjectivity is applied - recent examples of high prices and how the EA handled that, but at least it was applied consistently, their subjectivity is consistent. (Gentailer)*

This distributor gave a more mixed answer, however, they were mostly concerned about the breaching process that allowed people to self breach and the fact that some were ardent self reporters and others were not. This meant that certain participants in the electricity sector continually got away with breaching.

[So do you think the Code is applied consistently and fairly then?] *A little bit of yes and a little bit of no. The breaching process that requires people to self breach is applied very patchily. There are other parties in the industry that unless they are breached they will not admit to anything. There are parties who regard self breaching as stupidity of the utmost - why would I self breach? So at least half the things nobody will ever see so they will get away with. [So in other words if we can get away with it we are not going to report it.] Absolutely and it is not the majority of the industry, the majority of the industry is actually quite good but*

there are parties - and again probably a proportion is ignorance because they have never read the rules because they can't be bothered. (Distributor)

A few stakeholders preferred to remain neutral on this topic as they felt they did not have enough first hand experience to make a judgement.

Because it has never had an impact on us I don't know. Nothing within the Code has impacted on us directly other than prompting us to do things and I view that as housekeeping, just getting on with it, it is about process, everyone has had a chance to submit so let's get on with it. (Distributor)

We would be relying on major energy users to monitor that for us and take an overview. (Purchaser)

I think you always want to have a level playing field so my real answer to that question is I haven't really observed that the Code is applied differentially. I can't really tell. (Service provider)

In the absence of any evidence to the contrary this distributor was also happy to default to the position that the Code was applied fairly. They had faith in the Authority's staff to do the right thing and also thought that a lack of challenges to the Authority's decisions indicated that fairness and consistency was the Authority's general mode of decision making.

I have no evidence that it is applied fairly but I have reason to believe that they are a trustworthy group of people and I would be surprised if it wasn't being. [So what gives you reason to believe the Authority are trustworthy people?] Personal interaction and knowledge. And the fact I very rarely see their decisions challenged and there are a hell of a lot of people who watch this more closely than I do. (Distributor)

This gentailer felt when making decisions the Authority used a very public process and it was this transparency that led them to believe that the Code was generally applied with fairness and consistently.

[How do they demonstrate consistency and fairness?] Paperwork. They advise everything, it is very public the process of making that decision, what they have considered, it is very transparent. (Gentailer)

4.6 Risk management

For most stakeholders, risk management was an integral component of their business and the larger organisations all had staff and in some cases committees who were focused on this issue. Compliance was an important aspect of risk that was managed. This gentailer had a compliance committee at board level who met quarterly to evaluate risks in this area.

Our business is a risk business, every safety risk, financial risk, regulatory risk, we do really. It is a risk management business. [So you have a risk or compliance committee at board level.] Yes. [How does that operate is that on a need to meet basis?] No four times a year. We have a grading system for risks which get escalated based on their current risk and the board review. And the board HSC

committee as well which is a risk based committee. So a very formal structure. If you went into a bank you would see something similar. So if you think about how a bank might think about risk management we are not dissimilar. (Gentailer)

This gentailer referred to their risk management team which included a Risk Manager who was required to report on their obligations as a market participant.

[Do you have a risk or compliance committee within the organisation at all?] Yes we have a risk management team. [So they will be looking as to whether or not you have breached something and do the self reporting and manage the audit?] Yes we have a Risk Manager in the energy team who reports on our obligations. (Gentailer)

Another stakeholder, this time a distributor, who dealt with different types of risk had a compliance group who met daily.

[Do you have a risk committee or anything like that.] So the compliance group and the operational group meet for an hour a day, then once a week they have a formal review of the week and basically out of that come any actions, usually after a day's meeting there is some work to do to find out exactly what happened. The daily meeting identifies it, the weekly meeting reviews it and then we report on a monthly basis to the industry, obviously the regulator but the industry in general and say what we have found and what are compliance issues and then as required the alleged breaches against ourselves or against other parties in the industry as required. So there is a very formal structured process that we go through risk and compliance. And that is against quite a sophisticated matrix of compliance obligations that we have developed ourselves to manage the work that is required in terms of compliance processes. (Distributor)

This stakeholder also put significant resource into managing compliance.

We have got a section with three or four people who manage the compliance and investigate complaints and things like that. Not a risk committee but a compliance group that manages. We have got a regulatory manager as well so his job is really to look after compliance of regulations as well. (Distributor)

This distributor's risk was managed at the highest level in their company, which included their obligations under the Code - they said:

We have a very formal risk management framework and register. The whole regulatory environment is a key component of that and that is monitored both by the executive management and the board, the board six monthly. It is not just the Code and the EA's area of work it is the whole regulatory environment and legislative environment that the board are interested in. Code responsibilities are just one part of it. (Distributor)

This purchaser did not refer to committees and specialist compliance managing roles. However they talked about the development of strict protocols around how they dealt with compliance risk including training for the appropriate staff.

We know enough about direct regulations from an operational point of view, I couldn't quote you the clause and the item number but we know what we have to do. In our communications protocols and documentation around this sort of stuff we have got very strict things we follow. We train our operators and we train ourselves to comply and a lot of that stuff has to be honest due to breaches. (Purchaser)

Part of their compliance training and protocols included having:

Half a dozen terms that we use when communicating with the system operator to make sure that we use the right language. So I think that is risk management in one form or another. (Purchaser)

Engagement

5.1 Accessibility and understanding

There was a mixed response to how accessible the Code and regulations were for stakeholders to access, make sense of and apply within their organisations. There were those who felt it was fine to access and work with, others found the accessibility of the Code difficult but expected this given the complexity of the sector and others felt more work was needed on making the Code more accessible and easier to understand and work with.

This gentailer who clearly had the resources to apply to accessing and understanding the Code had canvassed the views of their team on this topic prior to the interview and reported:

I don't think we have any problems. I did raise that point with our guys and they are all of the right mindset to understand both legal and technical applications.
(Gentailer)

Another gentailer was also happy with the accessibility of the Code, they stated that:

The Code is fine, you print it off and they provide amendments, they provide the Code in a form of its future amendments for example Part 10 which is coming in next year, they have already provided it in a form that it will look like next year. So it is there, no one should say they can't get it. (Gentailer)

This distributor gave some light praise to the Authority over the accessibility of the Code they said:

I have never had an issue. I actually think they do it quite well, I like their methodology. [Is there any way that the EA could make it easier at all or more accessible?] Not really, I say the same thing to the Commerce Commission.
(Distributor)

Even though they would like things to move faster and be clearer they were resigned to the fact that the nature of the sector did not lend itself to moving quickly and providing 'black and white' guidelines.

I would like things done more quickly. It takes a long time. We have been talking about user systems and standardization for years. It is not a criticism. I know these things take a long time, change evolves very, very slowly. But in an ideal world you would have that in black and white and then you could get on with it but it doesn't work with the EA and it certainly doesn't work with the Commerce Commission. If anything the Commerce Commission's processes are laboured, they go around the loop so many times and that is good process you just have to be patient.
(Distributor)

This distributor gave a more blunt view of the accessibility of the Code and how easy it was to work with. They found it very hard to navigate and had created their own matrix of the Code so it could be more easily interpreted and applied within their business.

They were originally written by committees and to get by originally that was necessary but those two manual things there are almost impossible to use unless you know exactly what you want. And our big compliance matrix allows us cross referencing of where all the bits are. [And you have had to do that to make it work?] We have done it ourselves to make it work and that is only for our piece of it, there are measuring experts and experts in the other areas as well and I have no doubt they have the same sort of problem. The investment side is the same, it is actually really, really difficult to work your way through it. (Distributor)

A distributor noted that there were some parts of the Code that related to each other but were located at different places of the document which made it difficult to interpret and work with. They also commented that the drafting language of the Code was at times hard to understand. In light of this, this distributor went on to suggest that the Authority develop some guide booklets in plain easy to understand language that could sit alongside the Code and help market participants interpret what was meant.

They could improve drafting in some places or consider producing guide booklets done in plain English in user-friendly language with practical examples. (Distributor)

This purchaser also agreed that the Code was not easy to access and understand, however they acknowledged that due to the complexity of the sector it was somewhat warranted. Being a purchaser they felt there was less need for them to be across all the detail and as they contracted out their interactions with the electricity market they were more removed from the debate.

[Is it accessible and easy to understand the parts of the Code?] No it is not but if you do it the way we do it, it is. [Do you think they need to make it more accessible for companies like yourself or is it fine the way you work with it now?] I think it is a really, really complex product, you can't store electricity you have to have performance at both generation and demand side otherwise you just can't run the system. So it is an industry that needs to be highly regulated and therefore it needs to have lots of rules and regulations. [So you can understand that the Code is that dense?] Yes - completely understand the need for it but we just don't have the need to understand the detail. (Purchaser)

Inevitably there were also comments that the Code could be simplified. However, any steps to simplify the language of the Code needed to be viewed as secondary to maintaining its robustness.

In terms of the language, drafting language does change and styles do change and it is always a push to try and get drafting down to ordinary English levels. Personally from my observations that is a thing that takes some time. Ultimately because they were drafted by committee it in some ways indicates that there was a lot of input into them. So you don't want to lose that strength and I can understand why they would draft them that way for that purpose. But yes gradual improvements to drafting style definitely all for that. (Gentailer)

This stakeholder felt that:

There were places where things could be simplified. All these information requirements we set up in the first place, how much of those are really applied when you look back at it now? (Distributor)

This service provider felt that it:

Would be good if the Code was searchable like you can search a statute. Right now it is all PDF's and it is a bit clunky, that makes compliance harder. (Service provider)

Talking less about the Code and more about the Authority as an organisation this gentailer said that they were:

Very accessible, if you do need to talk to them you can ring them up. You can go and see them. They are, except in a few examples that are more ad hoc, they are an accessible organisation and they do keep you informed. There is no suggestion that they withhold information. (Gentailer)

A similar positive assessment of the Authority was also given by this distributor who said:

The Authority is the most enlightened regulator we deal with by comparison we find the Commerce Commission on many fronts more challenging – we are comfortable with how the Authority operates. (Distributor)

5.2 Registration

All of those interviewed were registered participants. Most were aware that there were some market participants who were not registered. This gentailer was concerned that there were participants who were not registered. They suggested that maybe there was some sort of 'enforcement function' that the Authority needed to take on to ensure all participants were registered.

I don't know unfortunately the degree to which it is a problem. So if there are people out there participating who aren't registered market participants then there are two questions, one is should they be, two if they are not and if they are identified as a sub-class then is there an appropriate other way of dealing with them. My first reaction would probably be to say they should be market participants which means there is an enforcement function the EA needs to take. (Gentailer)

This distributor suggested that because the industry consisted of participants which hugely varied in terms of turnover it was likely that some smaller ones could not see any value in registering.

The industry ranges from businesses which turn over \$2 or 3 billion a year down to people who are little more than their local power bill type of thing. So in some ways you have to cater for all of those people and the people at the lower end really don't want to be and probably see not a lot of value in being a fully blown participant. (Distributor)

This retailer who knew that some participants weren't registered also pointed to the fact that size of operation would be a motivating factor for participants to elect to stay out of the registering process.

[Are you a registered electricity market participant?] *Yes.* [Do you think it is common or do you think there are some out there who aren't registered?] *We know that.* [Can you think of reasons why they don't get registered?] *Don't want to be bothered.* [Are there some really small players out there?] *There are some people out there retailing somewhere between 50 and 500 customers and they don't belong to any of this stuff.* (Retailer)

5.3 Ratings of communication channels

To gain a measure of how effective stakeholders felt a range of Authority communication channels were working at helping to keep them informed of the Code and regulations we asked them to complete the following table.

The Authority uses a number of ways to try and make companies aware of the Code and regulations. Please tick all you have used and regardless of whether or not you have used it how effective you think each is. Use a 1 to 5 scale, where 1 means very effective, 5 not effective at all.

		Rate between 1 to 5	Tick all used
1	Posting on the Authority's website		
2	Holding a Compliance Conference each year		
3	Placing case studies on the Authority's website		
4	Responding to requests from companies to do site visits		
5	Send out flyers		
6	Compliance Update link		
7	Facilitated settlement		
8	Industry workshop		

Being only a small sample of ten it was difficult to see a clear pattern of which channels appealed most to stakeholders. In addition to this, given that the stakeholders of the Authority vary considerably in size and the role they play in the sector, the communication channels that stakeholders preferred also varied considerably. Each of the eight communication channels above received either at least one 5 on the scale (meaning it was viewed as not being effective at all) or was not given a rating because it was viewed as not being applicable to the stakeholder. On the other hand, all of the eight channels also received at least some 1's or 2s on the scale (meaning they were viewed as being either very effective or effective). This variance suggests that the Authority needs to maintain a number of communications channels to ensure its messages are picked up by its varied stakeholders. Despite this variance there were some themes that emerged and these are reported on next.

5.4 Most favoured channels

Given the small size of this sample, care needs to be taken when interpreting which channels were viewed as most effective. A more definitive reading of this will be garnered from the quantitative on-line study to come. However in the meantime the three channels that received more positive responses included:

- market and compliance updates
- industry workshops, and
- responding to requests from companies for site visits

The market updates provided a good overview for people to have a scan of and keep up to date with developments.

I think the Market Update is a weekly bullet point of what is going on and it is a good scan for people in the organisation to deal with. (Service provider)

For this distributor the compliance updates provided a useful history that they had delved into in the past to help them when preparing papers for their Board to give background as to why the Code may have developed in a certain way.

[They have what is called the Compliance Update link is that the weekly thing you are referring to?] Yes all the links are there and I bury down the ones that are of interest to me. You get the history, it is actually quite good. Especially if you come to write a report to the board and you have to have a background paper you just go in there. It is very similar to the Commerce Commission it is all there. An example of that is when we did the report to the board on standardization of user system agreements and we went back to early 2010 as to how that evolved, so you can bury down and get that which is good. You can run off as many of the old copies as you want. (Distributor)

Face to face interactions were also seen as an effective channel for communicating in an industry that has complex subject matter. This was a main reason why activities like industry workshops and site visits were considered as effective channels of communication in the electricity sector.

So website stuff and flyers we get very little response to and most people basically haven't seen them because they can't be bothered. So when we front up, either specific site visits or industry workshops or seminars, that is by far and away the most effective. We usually get good questions at those sorts of things and then mostly because most of the issues are quite complicated, you get follow-up stuff which we deal with. (Distributor)

[Industry workshops, have you ever done those or been to those?] Like AUFLS if there is something going on I have done those things if that is what you are referring to. [And they have been quite useful?] Absolutely. Mainly because it puts faces - to communicate one on one versus via a technical email is chalk and cheese in terms of effectiveness. So they would be rated very high. (Purchaser)

Being able to meet and put a face to some of the leaders at the Authority was another positive of workshop type events. Once again, being able to talk through some of the complex issues the industry faces was seen as the best way to help bring more clarity for stakeholders.

I think the industry workshop could be good where you have some annual report. [So that could be a bit about the briefing you are talking about.] The annual conference is probably not frequent enough. And if you miss it, it is missed. If you are not available that day you never go. (Service provider)

What could be useful is - I am not sure if this is possible but there are one or two personalities within the Authority who have been around the industry a long time, they are respected but we never see them, you have to go to Wellington to see them. Maybe the Commission should have a bit of a face. Maybe visit a few line companies and have that personal touch. We are a customer of Transpower but in some ways we are a customer of the Authority. To me, having the workshops and having the compliance conferences in whatever form they take, would give the industry the opportunity to actually meet these people and put a face to it. Just meet the guys. I am just thinking of a case of talking about getting some clarity around things. (Distributor)

While many had not been involved in a site visit it was clearly on the 'to do' list for this purchaser. He knew that the Authority was open to this type of engagement and they were keen to take the offer up.

[Requests from the company to do site visits have you ever got them to do a site visit?] No it is actually on my To Do List after the dinner this year. [Was it brought to your attention then?] I know they are willing and keen to come out and visit individually and we will invite them up at some stage. So I think it probably rates fairly high, 4. I know all that I have to do is pick up the phone and they will come. (Purchaser)

This gentailer, however, had experienced site visits and their view was that it mostly benefited the Authority, as it helped them to be more practically informed of the industry but only had marginal benefit to them as a market participant.

[Responding to requests from companies to do site visits?] I have had the board at some of our stations, it is no use to me that they come and visit other than they become more practically informed about the industry which is useful for them to be and that is good for us that they are practically informed about how the industry works. But there is no advantage for me to have 8 people traipse around a power station and eat sandwiches. But the fact that they are informed if that is the purpose of the question that is a really good thing that they are informed. [It is more if they get these experts in they can feedback to you where there are issues.] No they come for a walk around so I am not aware of any. (Gentailer)

5.5 Other channels

5.5.1 Annual conference

There were some stakeholders who thought the annual conference was a useful channel, however on balance there was a preference for more industry workshop type events. This was driven by a desire to only attend events that were going to clearly focus on the areas that were most pertinent to the stakeholder.

Because of the specialist roles that many organisations played in the sector, it was likely that any conference would have limited topics that they would be interested in. They needed information that gave clear direction on whether an information sharing event would be directly relevant to them.

Given the time pressures that stakeholders faced this made it even more desirable to have a range of workshops or briefings so there was a greater chance of one being delivered or facilitated at a time that suited and on a topic that was relevant. This gentailer suggested structuring workshops around specific industry issues.

I suppose the thing you have to remember is that we all have pressures on our time and so the amount of time you invest into these processes, there has to be value from it, and that is not just from our perspective but also from an Authority perspective. So these workshops might be useful but it would probably be more useful to identify the problems and say this is a big problem and we suggest we need workshops to consider why people aren't complying rather than having general compliance workshops. Problem definition I think is where the EA would add value in putting out those preliminary problem definition issues. (Gentailer)

5.5.2 Case studies on website

There were also quite mixed views on the use of case studies. This Gentailer felt that sometimes the way some cases studies were used and portrayed did not necessarily reflect the view of the industry. They suggested that to foster greater compliance across the industry the Authority needed to garner buy-in and the case study approach would not necessarily achieve this. Once again, they concluded that discussion based initiatives would have greater cut through.

I am just a bit hesitant about this case studies one because I suppose you would have to be careful to make sure the case studies are actually accepted by the industry as being appropriate. And to be honest agreeing with where the Authority got to which is why I think in some ways almost the industry workshop is a substitute - the case studies would be an outcome because I think that is where you would get the real value from having multiple participants providing their views on say some example case studies that the EA has worked on. Because ultimately if you are trying to bring compliance across then you need people to buy into it and they are only going to buy into it if they understand and agree with you and to do that you really need to have a discussion, you can't tell them, or an argument even. (Gentailer)

This other gentailer liked the sound of case studies but was unaware that the Authority produced them.

[How about placing case studies on the website?] *Yes that is good, do they do it?*
(Gentailer)

5.5.3 Flyers

Most indicated that flyers were not a fantastic communications channel. This gentailer suggested that the complex nature of the industry did not lend itself to simplistic explanations. Another gentailer was also not interested in receiving flyers.

Most of these look pretty good apart from the flyer. As you said at the beginning the industry is so complicated that I think if we try and melt it down to a flyer we are going to start losing. (Gentailer)

[Sending out flyers?] *Not for us.* (Gentailer)

5.5.4 Facilitated settlement

Almost a third did not offer a rating for the facilitated settlement as it either did not apply to them or they were not aware of it. One who felt it was useful basically just saw it as:

If you have an issue you can go and talk to them I suppose. (Gentailer)

5.5.5 Postings on the Authority's website

There was a reasonably warm response to these postings as they kept you up to date, however they could be missed if you were not notified. More to the point this channel prompted some negative comments towards the Authority's website

The EA's website is one of the worst in New Zealand. (Distributor)

And calls for the Authority to improve their website:

They should just sort their website out. If you go into the front page of their website it is harder to find what you are looking for than to just going straight to Google. A Google search will lead you to where you want to go quicker. Their site structure is just not intuitive, it is not user based. (Gentailer)

5.6 Communication suggestion

A few stakeholders suggested that maybe the odd one-to-one visits would help develop relationships, understandings and clarity between stakeholders and the Authority. These could be face to face meetings or even just the odd phone call when there was something pertinent to share such as advising of an important relevant that was on the horizon.

I suppose the only other thing would possibly be periodic one-on-one engagement. They could consider annual visits to each member or something like that. To spend an hour in here chewing the fat about how we see the world and how they see the world would probably add a bit of value on both sides. Our interactions tend to

always be topic specific, there is a workshop on model use of systems agreements, there is a workshop on lines company retail activities as opposed to a general overview. [Then you can give your general point of view.] And hear theirs. I don't mind listening as well as handing it out. (Distributor)

[Anything missing you think would be useful for them to try and get information to someone like you?] Again a personalized approach, you can't call it an account manager. [What sort of communication, actually coming to meet you?] Telephone calls. There is something coming up, this newsletter coming out next week, read that. And that is probably too much to ask but that would be the ultimate from our point of view. (Purchaser)

[Is there any other channel you would think would be useful for the Authority to look at in terms of providing companies with better awareness of the Code and regulations and updates and changes to it?] What could be useful is - I am not sure if this is possible but there are one or two personalities within the Authority who have been around the industry a long time, they are respected but we never see them, you have to go to Wellington to see them. Maybe the Commission should have a bit of a face. Maybe visit a few line companies and have that personal touch. (Distributor)

One Gentaileer finished their interview with some positive feedback for the Authority saying:

I understand the EA are starting to publish compliance meeting minutes which our guys have found very useful. (Gentaileer)