



# Te Kore, Te Pō, Te Ao Marama

## Energy Hardship: The challenges and a way forward

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Energy Hardship Expert Panel Discussion Paper

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**Te Kāwanatanga o Aotearoa**  
New Zealand Government

# Te Kore, Te Pō, Te Ao Marama Energy Hardship - the challenges and a way forward

About the title of this discussion paper: The Energy Hardship Independent Panel looked, listened and learned from so many New Zealanders who are doing their best to create enduring solutions to seemingly intractable problems – high power bills; lack of access to alternatives, houses that are damp, draughty and uninsulated, low incomes; ineffective appliances. Each new idea gave us confidence that there are tangible approaches that shine a light ahead for tackling energy adversity.

Our own indigenous wisdom in Aotearoa New Zealand was key as we reflected on the enormity of climate change; and the ongoing pressure on communities to be resilient, innovative and strong. We thought about the importance of intergenerational strategies; the value of collective solutions; the need to be locally driven. We were inspired by the creation story – the passage from Te Kore to the place of light – to know that together, we can find meaningful responses to the challenges of energy hardship. It was in that context that we settled on the title of our discussion paper, Te Kore, Te Pō, Te Ao Marama; as a framework that all New Zealanders can play a part in building to ensure that every whānau can access and afford the energy they need to live in a safe and healthy home.

The story of creation passed on from generation to generation within Te Ao Māori reveals three states of evolution; the origins of all life.

The state of Te Kore is our starting place; the place of energy and unlimited potential or being. The late Rev Māori Marsden, a tohunga of the whare wananga of Te Aupouri, described Te Korekore as ‘the realm between non-being and being; that is the realm of potential being.’ It is often referred to as a void; an emptiness; the space without boundaries; a world beyond.

From there comes Te Pō: the perpetual night: a night that is long (Te Pō-roa), a night that is deep (Te Pō-uriuri); the dark night (Te Pō), the intense night (Te Pō-tangotango), and the night where nothing at all is seen. The final state of Te Pō-tahuri-mai-ki-taiao (the night of turning towards the revealed world) leads us towards the realm of being; the moment of transformation.

Finally, from Te Pō emerges Te Ao Mārama, the world of light and life. Within the realm of Te Pō are found our celestial parents, Ranginui (Sky Father) and Papatūānuku (Earth Mother), huddled together in a tight embrace with their children between them. As their son Tāne pushes Ranginui upwards, the two parents were separated, enabling Te Ao Mārama to come into being, giving their children room to move, explore and grow.

Na Te Kore, Te Pō  
Ki te Whai-Ao  
Ki te Ao-Mārama  
Tihei mauri-ora  
From the void, the night  
To the glimmer of dawn  
To the bright light of day  
There is life  
-Te Kore

Our world follows a daily passage from darkness (Te Pō) into the light (Te Ao); from the rising of each new dawn to the setting of the sun at night. It is a movement from nothingness to the world of light.

The process of transformation has given rise to the hope that we can work towards a world where energy hardship will no longer serve to constrain the limit the daily lives of New Zealanders; that all can flourish in a world of light and life.

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# Letter from the Panel Chair



Ko Waikato te awa  
Ko Maungatautiri te maunga  
Ko Tainui te waka Ko Ngāti Raukawa te iwi  
Ko Ngāti Māhara te hapū  
Ko Whakaaratamaiti te marae  
Ko Keri Brown tōku ingoa

It has been an absolute privilege to take up the role as Chair of the Energy Hardship Expert Panel. I'm excited to work alongside four knowledgeable and driven individuals on the Panel to provide advice and recommend policy priorities to government. They are: Dr Amanda-Lanuola Dunlop, a Pacific health and wellbeing expert; Helen Leahy, Ngā Waihua o Paerangi Trust Pou Ārahi / Chief Executive; Kay Brereton, long-time beneficiary advocate; and Kevin Angland, ex-Mercury and former ERANZ director.

*Kia whakatōmuri te haere whakamua  
I walk backwards into the future with my eyes fixed on my past*

As I watched Cyclone Gabrielle tear through parts of the North Island last month, I was reminded of the many crises we have endured as a nation – the earthquakes, floods, fires and landslides. In all of them, we have seen how critical power is in our daily lives. The cyclone impacts have been massive: hundreds of thousands of homes were without power, some for several weeks, and key services relied on diesel generators. The clean-up efforts for many will continue for a long time. My heart goes out to all those who have been affected.

For some people in our communities, not having access to power is a daily reality or risk. Perhaps because they can't afford it, perhaps it's because they're in a remote community and the connection to the national grid is vulnerable. Perhaps it's an entirely different reason altogether. Energy hardship can be a result of several different and intertwining factors, and likewise affects people in different ways.

Energy hardship can have a significant impact on people's lives, and as members of the Energy Hardship Expert Panel, we have been working to identify the underlying factors, understand the challenges and opportunities, and develop an understanding of what energy hardship looks like in our communities. Our goal is to recommend possible solutions to the government by 30 June this year to address energy hardship.

To support our mahi, we're running an engagement period which opens today through until 28 April 2023 and invite you to share your views and insights on energy hardship issues with us. This is the final step in our work programme.

We have identified five kete of challenges and responses, which have been informed by early engagement with key and diverse voices, collaborative workshops, and kōrero. However, we want to gather insights from all those who know, live or understand energy hardship, and refine our work to accurately portray the experiences in Aotearoa and what would make a difference.

It's critical that we capture a range of experiences and viewpoints to develop well-informed and effective recommendations to the government to address energy hardship. To share your feedback, we ask that you make a written submission, which can be accessed through the Expert Panel's page on the MBIE website.<sup>1</sup>

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<sup>1</sup>Ministry of Business, Innovation and Employment (MBIE) "Energy Hardship Expert Panel and Reference Group" (2022), accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/energy-hardship-expert-panel-and-reference-group/>.

On that page, you'll find our discussion paper, which outlines our current thinking and the key questions we're seeking feedback on.

The Panel will consider these submissions as we work towards developing final recommendations for the government.

We understand it's a busy time for many, and we appreciate your time and effort in sharing your thoughts with us. Our work is building on the fantastic mahi that is already being done by many others across community, industry and government. We see the Panel's role as drawing on the expertise and established work by others, and from there, identifying the next steps to address priority issues and support whānau in achieving energy wellbeing.

Keri Anne Brown  
Chair of the Energy Hardship Expert Panel

# Summary of our Proposed Strategies

Kete: HEALTH OF THE HOME		
Challenges	Proposed strategies	
A significant number of New Zealand homes require retrofit to bring them to a healthy standard of energy performance	HH1	Strengthen and expand Warmer Kiwi Homes (WKH) programme (measures, reach and funding) so more low-income New Zealanders are supported into energy wellbeing ( <i>links to KN1</i> )
The full benefits of energy efficiency improvements cannot be accessed unless a home is weathertight and reasonable quality	HH2	Fund broader building repair and improvement work to support home retrofit programmes
Tenants are four to five times more likely to experience energy hardship than owner-occupiers	HH3	Strengthen the monitoring, compliance and enforcement of the Healthy Homes Standards ( <i>links to HH4</i> )
	HH4	Strengthen advocacy and support services for tenants ( <i>links to HH3 and KN1</i> )
Energy efficient household appliances (e.g. whiteware, lighting, cooking) offer important long-run cost savings but the higher purchase price often puts them out of reach	HH5	Expand all energy-related MSD purchase assistance programmes for household appliances to offer energy efficient choices.

Kete: KNOWLEDGE AND NAVIGATION		
Challenges	Proposed strategies	
Stronger coordination and collaboration across providers of energy hardship programmes and support services is needed to improve effectiveness and coverage	KN1	Establish and fund a nation-wide “energy wellbeing sector network” to facilitate and support enhanced service integration and collaboration between local organisations and establish co-networks for Māori and Pacific practitioners ( <i>links to HH1, HH4, KN2, KN4 and KN5</i> )
There is a lack of widespread, easy access to trusted and informed community-based energy advisers, home assessors and service navigators	KN2	Strengthen and deliver energy wellbeing ‘navigator’ training (such as <i>Home Performance Advisor</i> ), including Māori and Pacific energy wellbeing training wananga/programmes that are grounded in Te Ao Māori and Pacific worldviews
	KN3	Strengthen and extend MBIE’s <i>Support for Energy Education in Communities (SEEC)</i> programme, and ensure funding targeting and programme design recognise those groups over-represented in energy hardship such as Māori, Pacific peoples and tenants
Increased support is needed to boost energy literacy among tenants, landlords and homeowners	KN4	Develop and deliver an Energy Wellbeing Education Strategy for targeted education on energy-saving practices, consumer protection rights, and how to access authoritative information (including targeting for specific groups over-represented in energy hardship)
	KN5	Develop and maintain a comprehensive online portal as a “go-to” for accurate, up-to-date and complete information for tenants, landlords and homeowners to support improved energy wellbeing, good energy choices, efficient energy use in the home and consumer protection rights
Households can face challenges in accessing and understanding bill and pricing information and options	KN6	Simplify energy bills and information access, improve comparability across electricity tariff structures, and improve price comparison services

Kete: ENERGY ACCESSIBILITY AND CHOICE		
Challenges	Proposed strategies	
Credit issues can prevent individuals, households and whānau from having choice in an electricity supplier or switching suppliers	AC1	Develop mechanism(s) to ensure all residential consumers can obtain a post-pay electricity supply despite “adverse credit” ( <i>links to AF5, CP1 &amp; CP2</i> )
Households struggling to pay their bills face disconnection	AC2	Develop mandatory rules for electricity retailers to follow before disconnecting for non-payment so that disconnection becomes the last resort, including penalties e.g. for wrongful disconnection ( <i>links to AF2, AF4, CP1 and CP2</i> )
Metering technology may constrain a household’s access to energy supply and tariff choice	AC3	Identify and address the barriers to completing smart meter roll-out, prioritising areas of low coverage, and requests from households in energy hardship
Rural and off-grid households or communities, and those living on communal or ancestral land, need additional support to build their energy access, resilience and sovereignty	AC4	Provide increased funding and support for community energy schemes and capability-building in rural communities to ensure rural and off-grid households and those on communal or ancestral lands (including Papakāinga) in energy hardship can access secure energy supply, linking with other energy programmes such as WKH and SEEC ( <i>links to HH1, KN3</i> )
Individuals, households and whānau in energy hardship often have limited options in choosing, and engaging with, an energy retailer	AC5	Explore ways to facilitate and support social retailing which can provide post-pay supply to those in energy hardship with low credit scores, deliver targeted wrap-around services, and provide tailored pricing and payment plans. Options may include one or more of: <ul style="list-style-type: none"> <li>a. Provide support for accredited social retailers eg through an industry fund, social generation hedge obligations or government funding</li> <li>b. Government contracts one or more retailer(s) to act as a social retailer</li> <li>c. Government support for community/regional integrated social generator-retailers</li> <li>d. Government support for a nationwide integrated social generator-retailer</li> </ul> ( <i>links to AC1, AC2, CP1</i> )
The energy transition presents new opportunities but risks leaving lower-socio-economic whānau behind	AC6	Ensure those in energy hardship can access the benefits of, and do not face undue costs from, the transition to low emissions energy, including explicitly reflecting energy wellbeing requirements in Government’s Equitable Transition Strategy, Energy Strategy and Gas Transition Plan

<b>Kete: ENERGY AFFORDABILITY</b>		
<b>Challenges</b>	<b>Proposed strategies</b>	
Low income is a major barrier for many whānau to afford the energy they need for wellbeing in their home	AF1	Prioritise lack of energy access as an emergency issue and implement nationally consistent processes and timeframes for responding to requests for assistance from customers in energy hardship/their advocate/retailer, and establish clear and direct lines of communications between MSD and those customers/their retailer/advocate ( <i>links to CP1 and AC2</i> )
	AF2	Provide extra Government financial support, needs-based and targeted at households in energy hardship, including those outside the existing beneficiary group. Possible mechanisms include better targeting of the Winter Energy Payment (WEP) eligibility criteria/funding levels, an energy-related income supplement, an energy bill rebate, and making a portion of energy-related grants non-recoverable
	AF3	Ensure all fees and costs charged to energy consumers are cost-reflective and reasonable (including pre-pay, disconnections, reconnections, top-ups, bonds, metering)
Pre-pay accounts often impose significantly higher costs on those most in need and self-disconnection is hidden	AF4	Review and monitor the use and pricing of pre-pay accounts to ensure they do not create or exacerbate disadvantage, including tracking and publishing self-disconnection (how many, how often, for how long) and reviewing pre-pay terms and conditions, fees, wraparound support ( <i>links to CP2, CP3</i> )
Payment options may impact affordability and choice	AF5	Require retailers to include payment options that recognise the difficulty those in energy hardship face, e.g. cash payment, smooth pay, weekly or fortnightly billing/payment ( <i>links to CP3</i> )
Distribution pricing methodologies can impact affordability	AF6	Investigate and address the implications of network pricing methodologies for energy hardship, particularly in high cost-to-serve areas

<b>Kete: CONSUMER PROTECTION</b>		
<b>Challenges</b>	<b>Proposed strategies</b>	
The Electricity Authority's Consumer Care Guidelines (CCG) are voluntary and there is no regulatory penalty for not complying	CP1	Review and strengthen the Consumer Care Guidelines including expanding to include mandatory consumer care obligations on all electricity retailers
	CP2	Strengthen monitoring, compliance and enforcement of the Consumer Care Guidelines, including a penalty and reporting regime for non-compliance
There is a lack of reporting and monitoring of key energy hardship information from electricity retailers	CP3	Require electricity retailers to report key energy hardship indicators to the Electricity Authority for it to monitor and publish (e.g. number of customers refused supply, disconnection numbers/durations/reasons, customer debt levels, bonds, pre-pay, referrals to Income Support, retailers' alignment with Consumer Care Guidelines ( <i>links to AC1, AC2, AC5, AF4</i> ))
Other consumer protection regimes and dispute resolution schemes may be too narrow as new technologies and business models emerge	CP4	Expand consumer protection and existing dispute resolution schemes to cover other forms of energy provider relationships taking an energy hardship lens e.g. solar power providers ( <i>links to AC6</i> )

# Setting the scene for the work of the Energy Hardship Expert Panel

## The Panel

The Energy Hardship Expert Panel (the Panel) was established in 2021 as part of the government's response to the Electricity Price Review (EPR) recommendations.<sup>2</sup>

The Panel brings together five leaders from a range of backgrounds who collectively hold key insights, connections and experience working directly with households living in or at risk of energy hardship. Members of the Panel were appointed in September 2021 and their term ends 30 June 2023.

The objective of the Panel, as set out in its terms of reference, is to recommend to government policy priorities and actions to alleviate energy hardship, and provide impartial, evidence-based expert advice.<sup>3</sup>

Government also established an Energy Hardship Reference Group to provide a forum to share information and encourage coordination across industry, NGOs, and government agencies. The Reference Group has provided an important forum for the Panel to gain insights from those active in the energy hardship space and to test its ideas. You can find more information on the Reference Group here.<sup>4</sup>

## Panel members

### Chair

Keri Brown (Ngāti Raukawa, Ngāti Whātua, Ngāti Mahana) is a dedicated community leader and public servant, currently serving as a councillor at Hutt City Council. She is a strong advocate for social housing and has taken a leading role in developing strategies to address homelessness in her community. In her current role, she is also responsible for improving child outcomes, ensuring that all children in her area have the opportunity to thrive. As a Director of Urban Plus Ltd, a Council-controlled development company, Keri works closely with community housing Providers and mana whenua to build high-quality social housing that meets the needs of her community.

With her extensive background in public service, including her previous role as a senior national adviser for the Family Start programme, Keri brings a wealth of knowledge and experience to her work. Keri is deeply committed to improving the health and wellbeing of whānau and communities. As a former Hutt Valley DHB board member, she has first-hand experience of the challenges faced by many. Through her work at Hutt City Council and beyond, Keri is dedicated to making a positive difference in the lives of those she serves.

### Other panel members

#### Dr Amanda-Lanuola Dunlop

Dr Amanda-Lanuola Dunlop (Samoan, Ngāti Maniapoto, Waikato-Tainui) is a Pacific health and wellbeing expert. She has more than 25 years' experience working in health policy development, relationship management, research and evaluation. Amanda-Lanuola has held a variety of roles spanning central government, academia, a district health board and a not-for-profit organisation. Most recently she was chief executive of Vaka Tautua, a national Pacific health, disability and social services provider. Amanda-Lanuola holds a PhD in Community Health.

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<sup>2</sup> MBIE, "Electricity Price Review", (2023), accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-consultations-and-reviews/electricity-price/>.

<sup>3</sup> The term energy hardship refers to residential household energy hardship and does not include energy affordability issues relating to commercial and industrial users.

<sup>4</sup> MBIE, "Energy Hardship Expert Panel and Reference Group" (2022), accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/energy-hardship-expert-panel-and-reference-group/>.

## Helen Leahy

Helen Leahy is Pou Ārahi for Nga Waihua o Paerangi which is the operational hub leading environmental, social, Whānau Ora, cultural and other kaupapa across the rohe of Ngāti Rangī. As the former chief executive of the Whānau Ora Commissioning Agency for the South Island she has extensive experience working with Māori communities and whānau and has a long history of involvement in areas of children's, health, hardship, education, vulnerable communities and wellbeing. Helen was a senior ministerial and policy advisor in Parliament from 1999 to 2015. Helen lives in Raetihi, a small rural locality which lies in a valley between Tongariro and Whanganui National Parks.

## Kay Brereton

Kay Brereton is the manager for the Beneficiaries and Unwaged Workers Trust and co-convenor of the National Beneficiary Advocacy Consultative Group. Kay has been a beneficiary advocate for more than 16 years and has extensive experience on focus groups in areas such as welfare, housing and service alignment. She received a Queen's Service Medal last year for services to welfare of beneficiaries.

## Kevin Angland

Kevin Angland has several years' governance experience as a director of the Electricity Retailers' Association of New Zealand where he oversaw strategic work with an emphasis on supporting vulnerable communities. He also has executive experience with electricity generator-retailer Mercury, which included working on programmes to reduce energy hardship. His leadership in the technology and digital sector was recognised in 2014 when he was named New Zealand CIO of the year.



Energy Hardship Expert Panel workshop, May 2022. Helen Leahy, Kay Brereton, Keri Brown, Kevin Angland, Dr Amanda-Lanuola Dunlop

## An outcomes framework, landscape and focus areas

The Panel began by developing an outcomes framework and focus areas for its work.<sup>5</sup> We believe all children and whānau should be able to access and afford the energy they need to live in a safe and healthy home. In particular:

- Individuals, whānau and households can access energy regardless of income or location
- People can access and afford appropriate levels of energy within their home

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<sup>5</sup> Energy Hardship Expert Panel, "Energy hardship outcomes framework and focus areas", (2022), accessed at: <https://www.mbie.govt.nz/dmsdocument/22233-energy-hardship-outcomes-framework-and-focus-areas>.

- People are able to reach out and receive the support they require when they are struggling to afford their energy needs
- People easily understand and are supported to make the best decisions about their energy needs
- People are confident to articulate their needs to energy companies and easily compare plans and make choices
- Energy protections, with clear compliance standards, are in place for people living in sub-standard homes, vulnerable or medically dependent.

The Panel sees energy hardship in New Zealand as being the inability of whānau to access and afford enough energy to meet the needs of all those living in a household. Its causes include housing quality; appliance efficiency; energy access and needs, income levels and price. Health impacts from energy hardship can be severe, such as respiratory and cardiovascular problems, and mental health issues. Current issues contributing to energy hardship include:

- a significant portion of New Zealand's housing stock is damp, draughty and uninsulated, and such houses are expensive and difficult to heat to a comfortable temperature
- there is minimal information about individual housing performance
- not all energy plans and offers are available to all consumers, leading to inequitable outcomes
- many households are unable to afford efficient appliances and are not turning on heat but are instead 'rugging up'
- living pay-to-pay means families can't cope with sudden increases in household expenditure
- climate change is affecting weather patterns and accessibility
- housing shortages mean more people are living in overcrowded or substandard properties, and are fearful of eviction or housing cost increases
- comparing home energy plans is complex and difficult to navigate
- some have no energy supply and struggle to get energy due to previous credit issues
- new technologies and innovations are not always reaching those who would benefit most and do not have access to them

Estimates of the levels of energy hardship in Aotearoa vary, but it is likely that COVID-19 and cost of living increases are exacerbating energy hardship. However, evidence is emerging that benefit increases, winter energy payments and other income support measures are helping, as are programmes run by community-based support agencies, financial mentors, government and industry.

The Panel identified seven foundation principles which have guided its work to identify the challenges individuals, households and whānau experiencing energy hardship face, and strategies to address these challenges:

**Whanaungatanga:** The social organisation of individuals to the collective. The recognition that the people are our wealth.

**Mana motuhake or rangatiratanga:** The capacity to be self-determining. Self-managing over our own energy supply, energy provision, assets, and information.

**Manaakitanga:** The capacity to care. The ability to acknowledge the mana of others as having equal or greater importance than one's own through the expression of aroha, hospitality, generosity, and mutual respect.

**Mauri:** Lifeforce. To create a clean, safe and healthy environment, to protect and enhance mauri.

**Kaitiakitanga:** An active exercise of duty in a manner beneficial to resources and the wellbeing of the people so that we live in reasonable prosperity. A focus on biodegradable, recyclable or sustainable resources so as to not leave a mess for future generations.

**Ōritetanga:** Capacity to collaborate, codesign and empower to work in partnership with Māori and Pasifika entities who have relationships (trust) and language skills to achieve equity - to actively reduce poverty. To address and confront systematic inequities in wellbeing determinants, energy outcomes and services.

**Hao Ora:** The great net which captures the data, stories, narrative or purakau related to energy. Using qualitative community-based data alongside national statistics and databases.

## Key contributors to energy hardship

Through the Panel's kōrero with key voices, discussions with MBIE and others working to understand what drives individuals, households and whānau into energy hardship, we have crystallised eight key contributors to energy hardship (Figure 1). These align with the framework proposed by MBIE in its recent process of developing a formal definition of energy hardship for government purposes<sup>6</sup>, however we have re-interpreted them through our own perspective and the experiences shared with us by our communities.

Figure 1: Key contributors to energy hardship



<sup>6</sup>MBIE, "Defining Energy Hardship, have your say" (2022), accessed at: <https://www.mbie.govt.nz/have-your-say/defining-energy-hardship/>.

The kāinga or household stands at the centre of this experience. These key contributing factors sit around the outside, impacting on the people inside as they live their lives. The eight contributing factors are inter-related, and those in energy hardship will be impacted by one, several or all of the factors at different times and to varying degrees.

Building on this thinking and engagement with community groups, advocates, government agencies, and industry, the Panel has organised its thinking and its work programme into five focus areas or kete (Figure 2).

**Figure 2: The Panel's five kete**



## Wider government response to addressing the drivers of energy hardship

The work of the Panel is just one part of the government's wider response to energy, health and wellbeing issues, and sits within the context of work happening elsewhere. For example:

- The **Ministry of Business, Innovation and Employment** (MBIE) leads a number of workstreams relevant to energy hardship, including:
  - Development of policies, programmes, analysis and advice on alleviating energy hardship in Aotearoa (including the energy education in communities and community energy funding programmes discussed below).
  - Provision of Secretariat support to the Energy Hardship Expert Panel and facilitation of the Energy Hardship Reference Group.
  - Development of a formal definition of energy wellbeing (as the antithesis of energy hardship) and a conceptual framework of the drivers of energy hardship, to assist with clarity and alignment in policies and programmes aimed at addressing this challenge.
  - Development of a suite of formal measures to assist the government in tracking the level of energy hardship in New Zealand and regularly reporting on progress towards energy wellbeing over time.

- Ensuring we have **competitive and efficient energy markets** underpins wider efforts to reduce energy hardship. Improving market performance and competition is the responsibility of a number of bodies:
  - The **Electricity Authority** (EA) is an independent Crown entity providing regulatory oversight of the electricity sector.<sup>7</sup> The main statutory objective of the EA is to promote competition, ensure that there's a reliable supply of electricity and to promote the efficient operation of the electricity industry, for the long-term benefit of consumers.
  - In late 2022 Government amended the legislation to give the EA an additional objective to protect the interests of small consumers – including households – in relation to their supply of electricity.
  - The EA administers the Consumer Care Guidelines which set out expectations on retailers in relation to household consumers. The EA has been undertaking a review into competition in the wholesale electricity market and also of options to better manage potential tight supply situations for winter 2023 and beyond. [www.ea.govt.nz](http://www.ea.govt.nz)
  - The **Commerce Commission**, an independent Crown entity, is New Zealand's primary competition, fair trading, consumer credit and economic regulatory agency. Of relevance to energy hardship, it has both a general consumer protection function, and a specific regulatory function for electricity networks and gas transmission and distribution networks. [www.comcom.govt.nz](http://www.comcom.govt.nz)
  - Aotearoa's consumer gas markets are co-regulated by **Gas Industry Co**, working alongside industry and government. Part of this industry body's role is to facilitate better outcomes for consumers. [www.gasindustry.co.nz](http://www.gasindustry.co.nz)
- **Representation and support for energy consumers** is provided via a number of channels:
  - To address the power imbalance between small electricity consumers (such as residential and small business electricity consumers) and the electricity providers, Government established the **Consumer Advocacy Council** in mid-2021. The Consumer Advocacy Council advocates on behalf of small electricity consumers to help make their voices heard within the electricity sector. Information on the Council is available at [www.cac.org.nz/](http://www.cac.org.nz/).
  - Access to free and independent **dispute resolution** for energy customers is provided by Utilities Disputes Limited (UDL). Dispute resolution can support those facing energy hardship by helping them to understand their rights, navigate problems with their energy providers, and connect to other services and information. <https://www.udl.co.nz/>.
  - The **Energy Efficiency and Conservation Authority** (EECA) is a Crown entity established to support energy efficiency, energy conservation and the use of renewable sources of energy. EECA regulates **energy using products** to ensure minimum energy performance standards are met and energy use labels are present and accurate.
- Government funding programmes to **help consumers and communities reduce energy costs** include:
  - The **Warmer Kiwi Homes Programme**, administered by EECA, which provides grants for a heater, insulation or both. <https://www.eeca.govt.nz/co-funding/insulation-and-heater-grants/warmer-kiwi-homes-programme/>
  - MBIE's **Support for Energy Education in Communities (SEEC) Programme**, a funding programme that delivers community-level energy education to help households in need through partnering with community providers. <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/support-for-energy-education-in-communities-programme/>
  - MBIE's \$28 million **Māori and Public Housing Renewable Energy Fund**, which was established in 2020 to trial small-scale renewable energy technologies on Māori and public housing. In 2022, a

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<sup>7</sup> The EA administers the Electricity Industry Participation Code, a set of rules that govern nearly every aspect of New Zealand's electricity industry including generation, transmission, system operation, security of supply, market arrangements, metering, distribution and retail.

further \$16 million over 4 years was allocated to small-scale **community renewable energy projects** to support low-income communities or communities with insecure access to energy. <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/energy-efficiency-in-new-zealand/maori-and-public-housing-renewable-energy-fund/>

- The government has been working to ensure sufficient **income supports are available**.
  - This is the responsibility of the Ministry of Social Development (MSD) which advises the government on social policy, and providing social services. Relevant work by MSD, (of which Work and Income is a part) includes income supports and financial assistance such as main benefits, NZ Superannuation, and Working for Families. Of particular note for energy hardship is the Winter Energy Payment and hardship assistance for utility bills. <https://www.workandincome.govt.nz/products/a-z-benefits/winter-energy-payment.html>.
- **Housing policy** is also critical for reducing energy hardship.
  - **Housing policy** is primarily the responsibility of the Ministry of Housing and Urban Development (HUD). The Government's policy statement on Housing and Urban Development identifies how improved housing quality, affordability and supply is critical for reducing energy hardship – for example, by reducing energy bills through making homes efficient and affordable to run. <https://www.hud.govt.nz/our-work/government-policy-statement-on-housing-and-urban-development/>.
  - Kāinga Ora also has an important role in reducing energy hardship for their clients, by improving their **public housing stock** to be more energy efficient and providing information to their clients about how to reduce energy costs and heat their homes more efficiently. <https://kaingaora.govt.nz/tenants-and-communities/our-tenants-health-and-safety/keeping-your-home-warm-and-dry/>.
  - MBIE's **Tenancy Services** provides information and resources to tenants and landlords, provides a dispute resolution service, and monitors and enforces compliance with the Residential Tenancies Act, Healthy Homes Guarantee Act and associated regulations. <https://www.tenancy.govt.nz/>.
- **Health policy and delivery** also help address energy hardship.
  - The Ministry of Health and Te Whatu Ora both play roles in ensuring energy hardship is being addressed. Energy hardship can have knock on effects for people's wider wellbeing and can negatively impact their health. Medically dependent electricity users can be particularly vulnerable energy consumers. One of the key initiatives Te Whatu Ora delivers is the **Healthy Homes Initiative**, which helps eligible families to get the interventions they need to create a better living environment, which can result in lower energy costs. <https://www.tewhatauora.govt.nz/keeping-well/for-families-and-children/healthy-homes-initiative>.
- Work to **reduce child poverty** is also relevant.
  - The Child Wellbeing and Poverty Reduction Group sits within the Department of the Prime Minister and Cabinet. The group, established in February 2018, has a leadership role focused on achieving improved outcomes for children and young people and on the system as a whole. <https://dpmc.govt.nz/our-business-units/child-wellbeing-and-poverty-reduction-group>.

The Panel acknowledges that these Government actions exist in a wider context where energy hardship is also being tackled by the energy sector, iwi, NGOs, community groups, charities and businesses, sometimes, but not always in partnership with Government. From the budgeting services and advocates helping people struggling with power bills, to community energy groups, to emerging social retailers, to the churches helping their communities and whānau helping each other – there is a large community of people working to reduce energy hardship.

## The Energy Transition and energy hardship

Aotearoa New Zealand has set emissions reduction targets through the Climate Change Response (Zero Carbon) Amendment Act (2019) to mitigate climate change and meet our international obligations. We know the drivers of energy hardship are changing over time, with the transition to a low emissions future and increased electrification affecting different individuals, whānau and communities in different ways. The cost of many low-emissions technologies such as electric vehicles, solar PV electricity and energy efficient appliances makes them less accessible for those experiencing energy hardship. It's important that those in energy hardship have equitable access to the benefits offered by the new sustainable energy future and that the costs of the transition do not fall disproportionately on those already experiencing hardship or disadvantage.

The Panel acknowledges that the Government is developing the Equitable Transition Strategy to make sure that our country's transition to a low emissions future is fair and inclusive.<sup>8</sup> Government is also developing the New Zealand Energy Strategy to support the transition to a low emissions economy, address strategic challenges in the energy sector, and signal pathways away from fossil fuels.<sup>9</sup> Energy hardship will be considered as part of both these pieces of interconnected work.

## The Panel's work in context

As set out in its Terms of Reference, the objective of the Panel is to recommend to government, policy priorities and actions to alleviate energy hardship, and provide impartial, evidence-based expert advice. While the Panel acknowledges the broad and complex drivers of energy hardship, it should avoid duplicating existing work underway in other areas of government.

The Panel has also sought to take into account any crossovers and linkages with existing and planned work across government, industry and NGOs. However, the Panel is not seeking to branch too broadly into the areas being addressed by policy agencies such as those identified above.

The Panel acknowledges the significant body of research, analysis and evaluation reports on energy hardship in Aotearoa, its contributing factors, and initiatives to address it. The Panel drew on this published material throughout its work programme.

This discussion paper provides a proposed package to sit alongside the work being undertaken by other parts of government, industry and the community sector. We have structured this discussion paper around the five kete introduced above. Each kete chapter discusses the current landscape, challenges identified in our kōrero, and proposed strategies, and seeks your feedback on the Panel's thinking.

Responding to the strategies identified by the Panel will require coordinated action across government, and with industry and communities.

## The approach the Panel has adopted

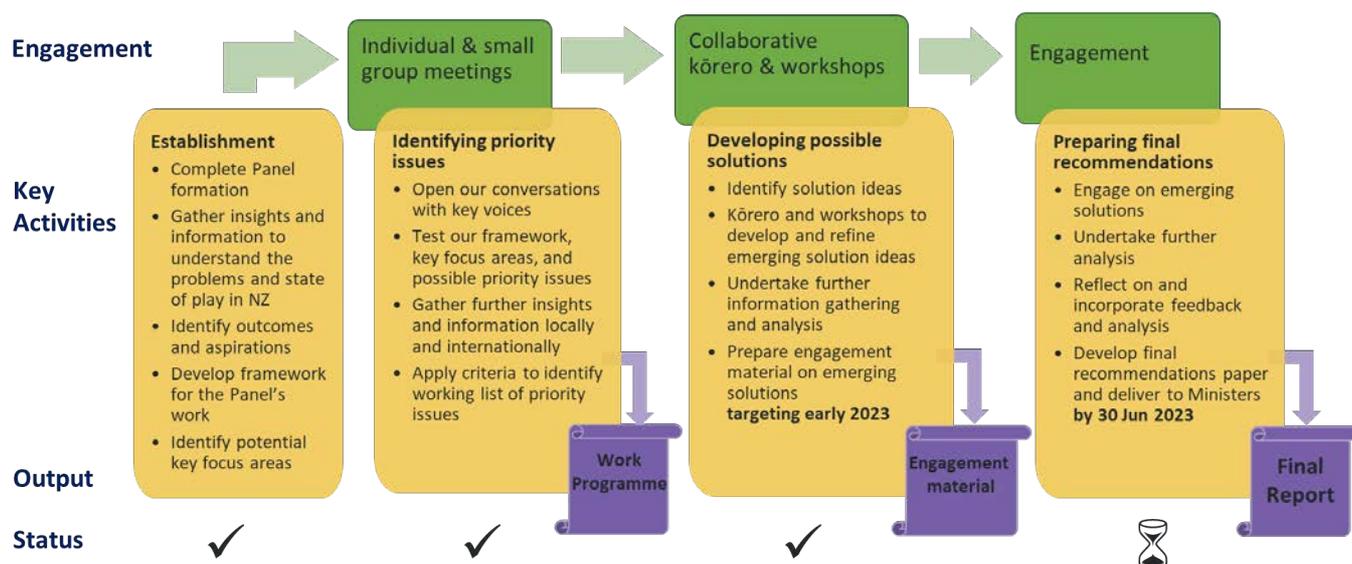
The Panel identified a phased approach to progressing its work and mapped out the key activities for each phase. It needed to remain flexible and responsive to changing circumstances, refining its approach as it progressed its mahi particularly in response to COVID-19. Its phased approach is illustrated in the high-level roadmap (Figure 3). The publication of this discussion paper marks the end of its collaborative solutions development phase and the beginning of the final phase of its work. Feedback on this discussion paper will inform the Panel's final report to Government.

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<sup>8</sup> MBIE, "Equitable Transitions Strategy", (2023), accessed at: <https://www.mbie.govt.nz/business-and-employment/economic-development/equitable-transitions-strategy/>.

<sup>9</sup> MBIE, "New Zealand Energy Strategy", (2023) accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-strategies-for-new-zealand/new-zealand-energy-strategy/>.

Figure 3: The Panel's approach to its mahi – high level Roadmap



Engagement is at the heart of the Panel's work. As illustrated in the high-level roadmap, engagement feeds into every stage of the Panel's mahi, taking an inclusive and collaborative approach throughout the development of its work.

*I orea te tuatara ka patu ki waho –  
A problem is solved by continuing to find solutions*

To get to this point in its work programme, the Panel has undertaken over 30 engagements with a range of key stakeholders – including iwi/Māori, NGOs, consumer advocates, academics, industry participants, electricity retailers, and regulators. We have been particularly keen to hear from those groups most likely to be impacted by energy hardship – including tenants, disabled, Māori and Pacific people. The rich insights gathered through a series of one-to-one conversations and small group meetings, hui and talanoa have been used in conjunction with other data, reports and insights gathered to inform the challenges and strategies set out in this discussion paper.

MBIE's Energy Hardship Reference Group has played a key role in guiding the Panel's work by providing technical and specialist knowledge and expertise. The 25 member Reference Group includes representatives from key government agencies, NGOs, industry, community organisations, researchers and iwi/Māori. Reference Group members have been invaluable in sharing their knowledge and experience of both the drivers of energy hardship and the potential solutions required.

Prior to the Panel's establishment, MBIE undertook targeted engagement to help inform the Panel's issues identification phase so that the Panel could hit the ground running. This included four small group forums targeting diverse stakeholder groups, attended by over 80 participants which fed into preparation of briefing materials on the key issues for the incoming Panel.

The Panel has also drawn on insights gathered through MBIE's energy hardship definition development work. In particular, Haemata Limited's wānanga series with Māori provided rich insight into Te Ao Māori lived experiences of energy hardship.<sup>10</sup>

Panel members have also gathered insights through their own mahi and community connections through many informal kōrero and their own networking. The Panel members have connections from across the country, and are based across the motu – two in Tāmaki Makaurau - Auckland, one in Ōtautahi –

<sup>10</sup> Ka Mahana i Taku Kiri: Māori Perspectives on the Measurement of Energy Wellbeing, a report by Haemata for MBIE, June 2022. <https://www.mbie.govt.nz/assets/ka-mahana-i-taku-kiri-maori-perspectives-on-the-measurement-of-energy-wellbeing.pdf>

Christchurch who moved to King Country part way through the Panel's process, one in Te Whanganui a Tara-Wellington, and one in Te Tai o Aorere – rural Tasman region.

The key stakeholder engagements the Panel has drawn on include:

- ongoing expert advice from the Energy Hardship Reference Group
- insights from over 80 participants from MBIE's small group forums with iwi/Māori, consumer advocates, financial mentors, beneficiary advocates, academics, industry, NGOs and regulators
- MBIE's work to develop a definition and measures for energy hardship including Haemata Limited's wānaga
- Several hui and a series of one-to-one meetings with key Māori Kaupapa organisations and iwi representatives
- six small group talanoa sessions with Pacific peoples and groups working with Pacific peoples
- a series of five workshops based on the themes of the five kete which helped us move beyond issues identification and into solution development
- a series of one-to-one meetings with energy companies to help us understand the sector and what work they are already doing to help alleviate energy hardship.

In addition, the Panel has drawn on several other sources of information to develop this discussion paper, including but not limited to:

- the Electricity Price Review (2019) findings and recommendations
- commissioned research by Concept Consulting on social retailing, statistical analysis on energy hardship
- commissioned research by SEA – Sustainable Energy Advice Limited on international examples of energy hardship
- MBIE's Evidence, Data and Insights team
- key papers, reports and publications related to energy hardship in Aotearoa.

### **The voices of Māori**

It is crucial that iwi/Māori voices and experiences are captured and heard throughout this ongoing, fluid engagement process; and reflected in the recommendations to government for two key reasons. First, as tangata whenua who have a unique perspective that is grounded in cultural values, beliefs, and practices.

Second, because the limited evidence we have in this space confirms energy hardship affects Māori disproportionately and tangata whenua/iwi/Māori are well placed to not only tell us what the challenges are, but also the solutions.

Whānau, hapū and iwi are actively involved in building capability across a range of energy solutions including renewable energy (geothermal, wind and hydroelectric power) natural gas, electric generation, transmission, distribution and retail.

As noted, seven foundation principles grounded in Te Ao Māori guided the Panel's work to identifying the challenges individuals, households and whānau who are experiencing energy hardship face, and strategies for addressing these challenges.

Panel members have had hui, meetings and one-on-one kōrero with iwi/Māori and kaupapa Māori organisations who work in energy hardship and related spaces to hear their stories, experiences and views on how to alleviate energy hardship. Focused workshops on the five kete have also been held, and Māori on the Energy Hardship Reference Group have also provided a voice on the challenges impacting on Māori and potential solutions.

In addition, the Panel was able to draw on the findings and insights obtained from previous and concurrent work done in this space by MBIE. This included a hui with iwi/Māori on the key issues and impacts of energy hardship for Māori in preparation for the incoming Panel. Also, on the findings and insights from the series

of wānanga with Māori communities to develop the Energy Hardship Definition, which were run by Haemata Limited (see Haemata report *Ka mahana i taku kiri: Māori perspectives on the measurement of energy wellbeing*, June 2022).<sup>11</sup>

### **The voices of Pacific peoples**

Pacific peoples are also disproportionately impacted by energy hardship. It is, therefore, crucial that their voices experiences are captured and heard throughout this engagement process; and reflected in the recommendations to the government.

A series of talanoa (group and one-on-one discussions) were facilitated with Pacific peoples for this purpose. It involved six talanoa (group discussions) with Pacific community people in Auckland and Wellington; and over a dozen talanoa (one-on-one discussions) with Pacific energy sector and health and social services experts. These talanoa were facilitated face-to-face, as per the Pacific talanoa methodology.<sup>12</sup> The views and perspectives of Pacific peoples on the Energy Hardship Reference Group were also obtained, as part of the stakeholder-wide engagement process.

### **This engagement – have your say**

After listening, researching, talking and testing our ideas with others, the Panel has developed this discussion paper, *Te Kore, Te Pō, Te Ao Marama | Energy Hardship – the challenges and a way forward*, to reflect the rich discussions and kōrero held to date, and to use it as an important vehicle for broadening its engagement while moving conversations forward.

The Panel seeks your views on the package of proposed strategies set out in this discussion paper to inform preparation of our final report. It's critical that we capture a range of experiences and viewpoints to develop well-informed and effective recommendations to the government to address energy hardship.

Just like the discussion paper, the submission format is structured around the five kete. Further details on how to have your say can be found at the end of this discussion paper.

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<sup>11</sup> MBIE, accessed: <https://www.mbie.govt.nz/assets/ka-mahana-i-taku-kiri-maori-perspectives-on-the-measurement-of-energy-wellbeing.pdf>.

<sup>12</sup> Vaiioleti, T. M. (2006). Talanoa research methodology: A developing position on Pacific research. *Waikato Journal of Education*, 12, 21-34.

# Health of the Home

## *Improving individual, house and whānau energy wellbeing through healthier homes*

### Where we are now

New Zealand’s housing landscape – its make-up, our needs, the role and functions of our houses, available building materials, and our expectations – have changed considerably over the past fifty years. A rapidly growing population, intensification, larger family sizes and extended family living, with a limited housing stock has raised a number of housing, health and social challenges.

The growing literature on the detrimental impact poor housing quality has on individual and whānau health and wellbeing, and advocacy by key groups (health and housing experts, academics and consumer advocates) over the past fifty years has led to government legislation, regulations and policies that are focused on improving the quality of the housing stock from a health perspective. These include mandatory insulation for new houses with gradually strengthening standards since 1978 and the recent arrival of minimum standards for rental properties with the Residential Tenancies (Healthy Homes Standards) Regulations 2019.

These regulatory efforts are further supported by a number of initiatives that are focused on ensuring the housing stock in New Zealand supports health and wellbeing, particularly for low-income individuals and households and whānau, who tend to live in poor, substandard housing conditions. As shown in Table 1.

**Table 1: Health of the Home – examples of existing mahi**

Key Initiative	Description	Delivery agency
Warmer Kiwi Homes (WKH) programme	Provides insulation and clean heating subsidies for low-income, owner-occupier households	EECA
Residential Tenancies (Healthy Homes Standards) Regulations (HHS) 2019	Introduced specific minimum standards for healthy homes in rental properties, including private rentals; boarding houses; and public housing managed by Kāinga Ora and community housing providers	HUD
Healthy Home Implementation Programme	Bringing all public housing owned or managed by Kāinga Ora up to or beyond the Healthy Homes Standards by July 2024	Kāinga Ora
Healthy Homes Initiative (HHI)	Tackling multiple elements of health of the home for those with housing-related health issues, through GP referrals	Collaborative project led by Te Whatu Ora
There are various local healthy homes programmes provided by community organisations such as Habitat for Humanity, Sustainability Trust, Awarua Synergy and many more.		

### Current challenges

Despite these efforts, the progress made, and general acceptance of the relationship between housing quality and health and wellbeing, New Zealand’s housing stock is still underperforming. A significant proportion of New Zealanders are living in poor quality houses, which cost more to keep warm; requiring them to make choices on a daily basis about if, and how they use energy (e.g. electricity).

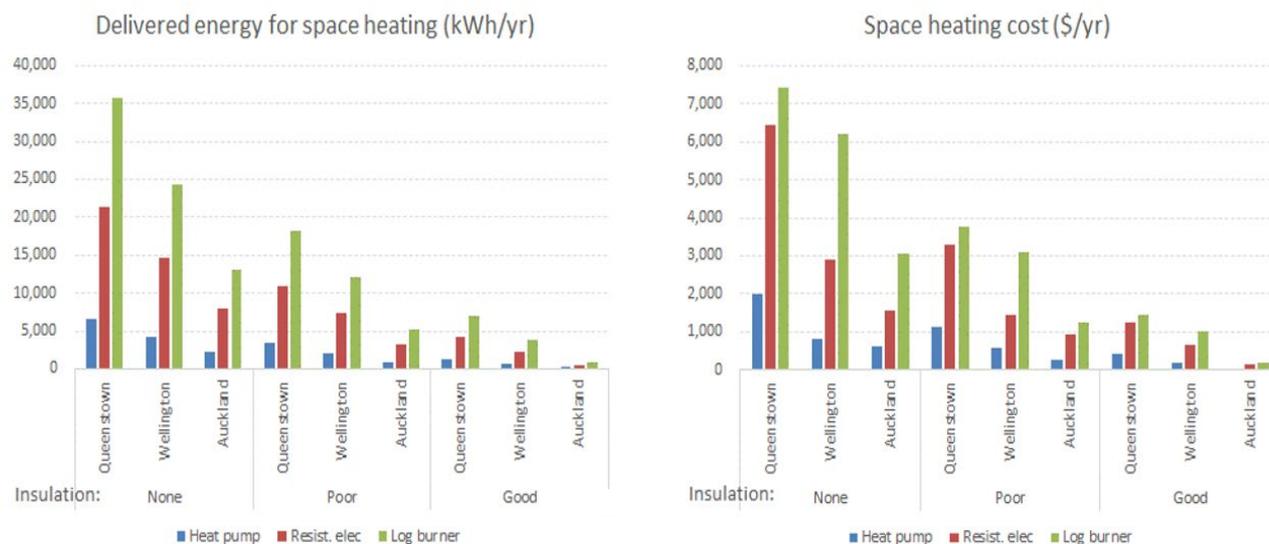
- A significant proportion of New Zealand houses have roof, floor, wall and window **insulation below current standards**.<sup>13</sup> Poorly insulated homes cost significantly more to heat than well-insulated homes.

<sup>13</sup>NZGBC, “Better performing homes for New Zealanders: Making it Happen”, (2008). Accessed at: <https://www.sbc.org.nz/wp-content/uploads/2022/07/Better-Performing-homes-for-New-Zealanders.pdf>

Where one lives (geographic location), and their heating needs and heater type (e.g. heat pump, log burner) also impact on the amount of energy that is required to heat a home, as shown in Figure 4.

- The full benefits of **energy efficiency improvements cannot be achieved unless a home is weathertight**. However, critical repairs to the building envelope (i.e. repairs to floors, roofs, walls and windows) can be expensive and complex and are not an option for low-income households without government intervention and support.

**Figure 4: Modelled energy requirements to achieve 19C for a typical heating regime for a 100m<sup>2</sup> home**



\* Approximates to morning and evening heating for living areas. Evening heating for kitchen & bedrooms

Source: Modelling by Concept Consulting, Slide 17, drawing on EECA AccuRate data

- **The compliance deadline** for boarding houses to meet the Healthy Homes Standards is 1 July 2021. Kāinga Ora and community housing providers have been granted a one-year extension on their compliance deadline, which is now set for 1 July 2024. Private landlords, on the other hand, were given an extension until either 1 July 2025 or 120 days after the start of a new or renewed tenancy, whichever comes first. These extensions have not helped the situation for tenants.
- According to the most recent self-reported monitoring survey conducted by Kantar Public and commissioned by HUD<sup>14</sup>, the **proportion of landlords who have fully met the Healthy Homes Standards Regulations (2019) is unknown**, while 17% of all surveyed landlords were reported to have already achieved full compliance. 75% of landlords answered that they have done something to prepare their properties to meet the HHS.
- However, the stories we have heard from those in energy hardship and their advocates<sup>15</sup> provide anecdotal evidence that the **proportion of landlords who fully comply with Healthy Homes Standards Regulations (2019) is lower among tenants experiencing energy hardship**. Furthermore, tenants may be hesitant to report non-compliance to authorities, due to the fear of being evicted from their homes or their rent being raised.
- **Low-efficiency appliances are cheap but cost more to run in the long-term** (they use more electricity), contributing to energy hardship. However, low-income individuals, households and whānau

<sup>14</sup> The Kantar Survey can be accessed at: <https://www.hud.govt.nz/assets/Uploads/Documents/Pulse-survey-reports-published-March-2023/Healthy-Homes-Guarantee-Act-monitoring-Topline-Report-Wave-3-Dec-2022.pdf>

<sup>15</sup> Refer next section on what the Panel has heard.

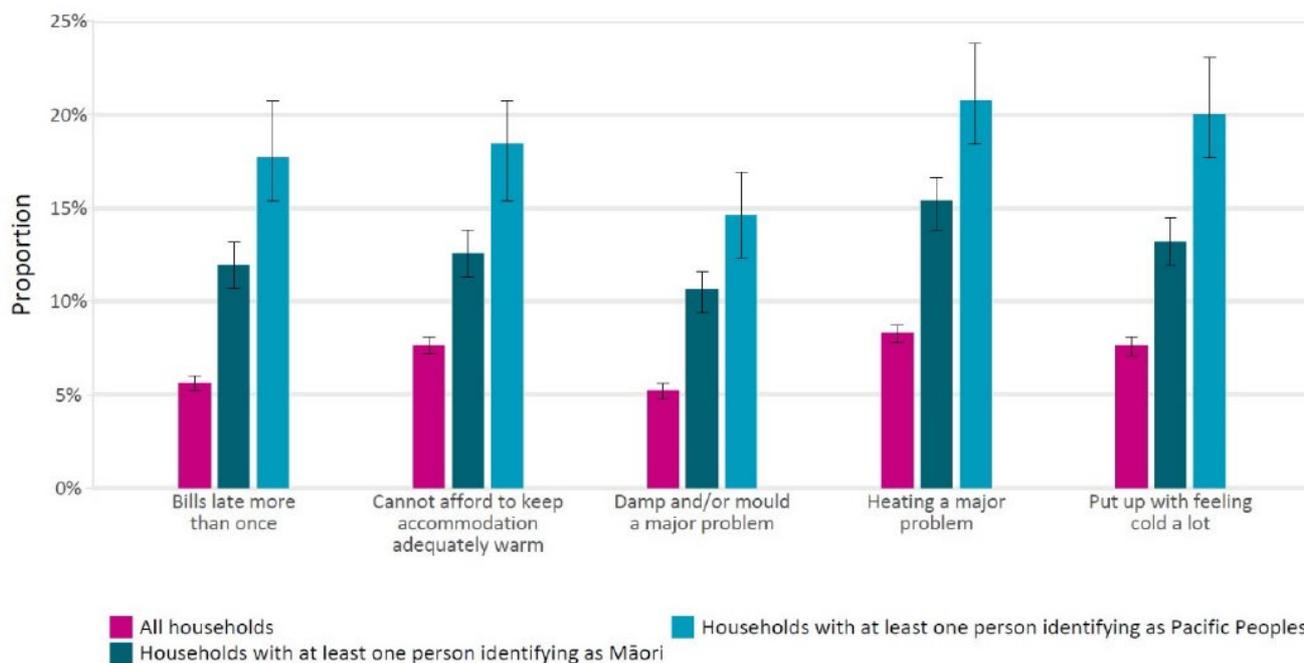
generally cannot afford the higher purchase price of higher-efficiency appliances. Appliances given out through government assistance programmes also tend to be low-efficiency appliances.

- **Poor, sub-standard homes impact on health and wellbeing.** They contribute to a significant number of hospitalisations and affect individual and whānau comfort and mental wellbeing, their ability to attend and achieve at work and school<sup>16</sup>, and to socialise or practice manaakitanga<sup>17</sup> in their home.

Inequities in energy hardship exist among different groups of New Zealanders, with certain groups bearing a greater burden of these challenges than others.

- **Māori and Pacific peoples are over-represented in energy hardship**, as shown in Figure 5.

Figure 5: 2018/2019 Subjective measures of energy hardship by selected ethnicities



Error bars show the 95% confidence interval  
Note: Groups are not mutually exclusive

Source: MBIE, 'Defining Energy Hardship: A discussion document on defining and measuring energy wellbeing and hardship in Aotearoa', (2021), Figure 9. Accessed at: <https://www.mbie.govt.nz/dmsdocument/17802-defining-energy-hardship-discussion-document>

- **Tenants experience greater energy hardship than homeowners.** Tenants are around four to five times more likely to report experiencing energy hardship than owner-occupiers.<sup>18</sup> Those with existing health conditions are most likely to suffer health impacts.<sup>19</sup> Rental properties tend to be in worse

<sup>16</sup> Grimes et al, "Cost Benefit Analysis of the Warm Up New Zealand: Heat Smart Programme", (2012), accessed at: <https://www.eeca.govt.nz/assets/EECA-Resources/Research-papers-guides/Cost-Benefit-Analysis-of-the-Warm-Up-New-Zealand-Heat-Smart-Programme.pdf>

<sup>17</sup> Ka Mahana I Taku Kiri: Māori Perspectives on the Measurement of Energy Wellbeing, (2022), Report prepared for MBIE by Haemata Ltd. Accessed at: <https://www.mbie.govt.nz/assets/ka-mahana-i-taku-kiri-maori-perspectives-on-the-measurement-of-energy-wellbeing.pdf>

<sup>18</sup> MBIE, "Defining Energy Hardship: A discussion document on defining and measuring energy wellbeing and hardship in Aotearoa". November – December 2021. Figure 10 & 11, page D-26, accessed at: <https://www.mbie.govt.nz/dmsdocument/17802-defining-energy-hardship-discussion-document>. Based on 2018/19 data from StatsNZ, also Stats NZ (2017). Investigating different measures of energy hardship in New Zealand. Retrieved from [www.stats.govt.nz](http://www.stats.govt.nz).

<sup>19</sup> Telfard-Bernard, L. et al, "The Impact of Retrofitted Insulation and New Heaters on Health Services Utilisation and Costs, Pharmaceutical Costs and Mortality: Evaluation of Warm Up New Zealand: Heat Smart", (2012), accessed at: <https://www.motu.nz/assets/Documents/our-work/urban-and-regional/housing/The-Impact-of-Retrofitted-Insulation-and-New-Heaters-on-Health-Services-Utilisation-and-Costs-Pharmaceutical-Costs-and-Mortality-Evaluation-of-Warm-Up-New-Zealand-Heat-Smart.pdf>.

condition than owner-occupied homes. According to statistics released by Stats New Zealand in December 2020, a pilot housing survey showed that rented homes were more likely to be older and in need of major repair, and less likely to have double glazing than owned homes.<sup>20, 21</sup>

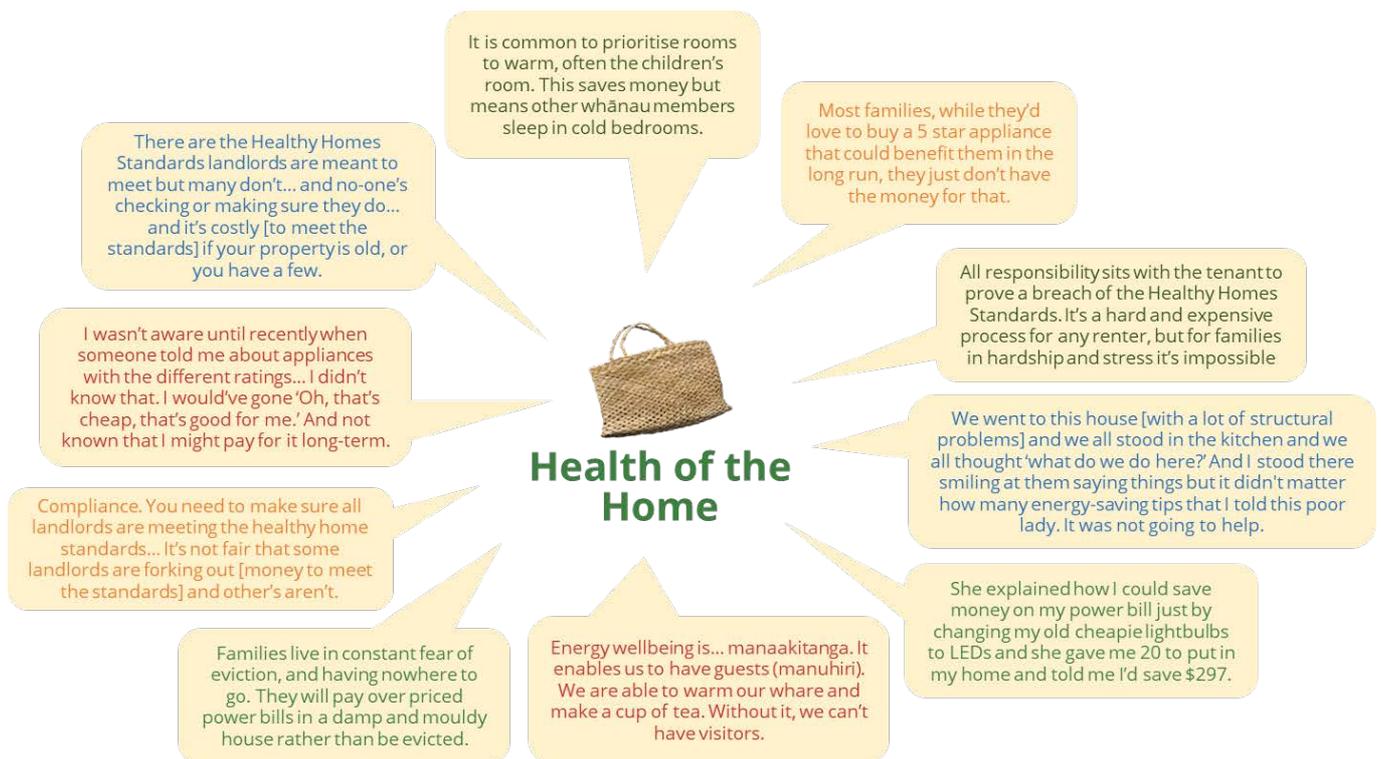
## What we have heard

The Panel engaged with a wide range of communities and key stakeholder groups to hear their experiences of households in energy hardship. We also sought their views and perspectives on what needs to be done to improve the health-supporting qualities of the home to support energy wellbeing. These groups have included individuals and whānau living in energy hardship, researchers and experts in home energy performance and representatives of community-level groups delivering healthy homes programmes across Aotearoa New Zealand. We sought to hear from Māori and Pacific providers in the community, health and social services sectors in particular.

Māori and Pacific peoples spoke of the wider role and functions their whare-homes play in their lives, in terms of being integral spaces for social and familial interactions and cultural protocols and practices (e.g. tangi, funerals, fa'alavelave) - and with much pride. However, for some, the poor, substandard conditions of their whare-homes (rentals) impacted on this, and importantly the health and wellbeing of their whānau and visitors. Warm, dry, healthy homes for all whānau was considered crucial.

Some of the communities' and stakeholder experiences gathered are set out in Figure 6.

Figure 6: Health of the Home – some of what we've heard



<sup>20</sup> BRANZ, House Condition Survey, accessed at: <https://www.branz.co.nz/healthy-homes-research/hcs/>.

<sup>21</sup> Radio New Zealand, "Rental homes in poorer condition than owner-occupied", (2017), accessed at: <https://www.rnz.co.nz/news/national/329510/rental-homes-in-poorer-condition-than-owner-occupied>.

## What we think – strategies to improve the Health of the Home

From the rich kete of evidence and insights that were received, the Panel has identified six key strategies for improving the health of the home – which, in turn, will contribute to the energy wellbeing of individuals, households and whānau. The strategies are summarised in Table 2 against the challenges or issues they are addressing.

**Table 2: Health of the Home – challenges and proposed strategies**

Challenges	Proposed strategies	
A significant number of New Zealand homes require retrofit to bring them to a healthy standard of energy performance	<b>HH1</b>	Strengthen and expand Warmer Kiwi Homes (WKH) programme (measures, reach and funding) so more low-income New Zealanders are supported into energy wellbeing (links to KN1)
The full benefits of energy efficiency improvements cannot be accessed unless a home is weathertight and reasonable quality	<b>HH2</b>	Fund broader building repair and improvement work to support home retrofit programmes
Tenants are four to five times more likely to experience energy hardship than owner-occupiers	<b>HH3</b>	Strengthen the monitoring, compliance and enforcement of the Healthy Homes Standards (links to HH4)
	<b>HH4</b>	Strengthen advocacy and support services for tenants (links to HH3 and KN1)
Energy efficient household appliances (e.g. whiteware, heating, cooking) offer important long-run cost savings but the higher purchase price often puts them out of reach	<b>HH5</b>	Expand all energy-related MSD purchase assistance programmes for household appliances to offer energy efficient choices

These proposed strategies are discussed in the following sections.

## Strategy HH1:

## Strengthen and expand the Warmer Kiwi Homes programme

The Warmer Kiwi Homes (WKH) programme is considered an effective initiative for improving the health of the homes, and ultimately the health and wellbeing of recipients. The proportion of households restricting heating due to cost falls from 80% to 21% after a heat pump is installed as part of the programme<sup>22</sup>.

Households with vulnerable occupants such as those with existing health conditions, young children and the elderly also report better health because of WKH. WKH delivers a 4.66:1 return on investment (\$4.66 in benefits for every \$1 spent), primarily through health benefits and the flow-on effects of them.<sup>23</sup>

Strengthening and expanding WKH (including measures, reach and funding) so more New Zealanders are able to stay warmer, healthier and reduce their energy costs – helping them to move towards energy wellbeing - is considered by the Panel to be a key strategy for addressing the challenges it has identified. This involves:

- **Refocusing WKH objectives to include energy hardship.** Alleviating energy hardship should be an overarching objective of the WKH programme, alongside health. This would have flow-on implications for impactful programme design and encourage targeting the programme to reach more households most in need.
- **Expanding the package of measures.** Currently, WKH subsidises insulation and heating only (the two most impactful measures for improving the health of the home). There is an opportunity to fund a more comprehensive package of healthy home support, to increase the programme's impact. For example, free or subsidised LEDs; ventilation, basic draught stopping; hot water cylinder wrapping or replacement; thermal curtains.
- **Expanding eligibility criteria.** Currently WKH targets low-income owner-occupiers (landlords excluded), using simple eligibility criteria, with cost-effectiveness a key driver for outreach and coverage. As a result, some of the harder-to-reach households in energy hardship are missed. The 20% cost contribution required from the homeowner can also present a significant barrier. Expanding the criteria to ensure the programme reaches everyone in need is considered crucial.

In order to reach “harder-to-reach” households, localised, community-based sub-programmes specifically targeting priority groups (e.g. *community housing; Māori communities; Pacific communities; the elderly*) by partnering with local NGOs are encouraged. Also offering needs-based funding packages for priority groups (e.g. *priority regions; priority groups such as families with children or single parents; income-based rates*).

While this would be a high-impact response, the risks associated with it may include increased administrative costs, challenges in prioritising different groups in need, high reliance on local partners; and crowding-out third-party funding.

- **Developing referral pathways.** There are several government and community agencies working in the energy hardship space, or with those experiencing energy hardship, but they often do so in isolation. This presents an opportunity for increased collaboration and referral pathways between the different agencies to ensure individuals, households and whānau who need healthy homes support, particularly those “hard-to-reach” communities, are identified and get access to all relevant programmes – and do not “fall through the gaps”. It is envisaged that the Energy Wellbeing Sector Network proposed by the Panel (see KN1) could play a key role in establishing, overseeing and supporting this collaborative mahi.

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<sup>22</sup> Motu, “Working Paper 22-14 Evaluation of the Warmer Kiwis Homes Programme: Full Report including Cost Benefit Analysis” (2022), Commissioned by EECA, accessed at: [https://motu-www.motu.org.nz/wpapers/22\\_14.pdf](https://motu-www.motu.org.nz/wpapers/22_14.pdf).

<sup>23</sup> Motu, “Working Paper 22-02 Warmer Kiwis Study: Interim Report An impact evaluation of the Warmer Kiwi Homes programme” (2021) Commissioned by EECA, accessed at: <https://www.eeca.govt.nz/assets/EECA-Resources/Research-papers-guides/Warmer-Kiwis-Study-Interim-Report-2021.pdf>.

**Table 3: Delivering HH1**

Strategy and elements	Who could benefit	Who could design and deliver it	Expected impact timeframe
Strengthen and expand Warmer Kiwi Homes (WKH) programme (measures, reach and funding) so more low-income New Zealanders are supported into energy wellbeing			
Refocus programme objectives	<ul style="list-style-type: none"> <li>All eligible households</li> </ul>	MBIE; EECA	Short
Expand package of measures	<ul style="list-style-type: none"> <li>All eligible households or</li> <li>High-need groups only</li> </ul>	MBIE; EECA	Short - Medium
Expand eligibility	<ul style="list-style-type: none"> <li>High need and hard-to-reach groups e.g. Māori; Pacific peoples; the elderly; families with children</li> </ul>	MBIE; EECA	Medium - Long
Develop referral pathways	<ul style="list-style-type: none"> <li>All eligible households</li> </ul>	EECA; MBIE; MoH; MSD; TPK; MPP; proposed Energy Wellbeing Sector Network ( <i>see KN1</i> )	Short - Medium

## Strategy HH2:

## Fund broader building repair and improvement work to support home retrofit programmes

Before energy efficiency measures like insulation can have real impact, the house must be weather-tight and provide a complete building envelope.

Many individuals and whānau experiencing energy hardship live in homes with structural weaknesses, such as major holes, in the basic building envelope i.e. floors, roofs, walls and windows. Feedback from the Energy Hardship Reference Group, in particular the Community Energy Network, indicates that organisations are sometimes forced to “walk away” from homes eligible for home retrofit work because buildings are in such disrepair that the energy efficiency work would have no effect. Many SEEC providers have also confirmed widespread housing quality issues in the homes they visit.

Repairs and maintenance to the basic building envelope are needed on the homes of many in energy hardship, but are unachievable for these households, especially where they are costly or complex.

Strengthening home retrofit programmes so more New Zealanders can stay warmer, healthier and reduce their energy costs – helping them to move towards energy wellbeing – is considered by the Panel to be a key strategy for addressing the challenges it has identified. At a minimum this involves:

- **Government funding to support minor repairs.** Small repairs (funding limit of, for example, up to \$10k) focused on securing the building envelope, would increase the effectiveness of insulation and heating improvements delivered under the existing WKH programme and improve the energy efficiency of the home. This could include minor building repairs and maintenance; fixing broken windows; as well as other critical measures such as hot water cylinder repair; and could be integrated into the WKH programme as a streamlined intervention or referred to a separate repairs fund.

The Panel believes that a coordinated effort to improve the quality of New Zealand’s worst housing stock needs to be a fundamental component of addressing energy hardship in Aotearoa. Setting an ambitious objective that all treated homes are brought up to the standard set by the current Building Code<sup>24</sup> for new buildings where practicable, and even aspiring towards the standard of Homestar rating 6<sup>25</sup>, could make energy wellbeing a reality for those individuals, households and whānau. Delivered in tandem with energy efficiency retrofit programmes, Warmer Kiwi Homes specifically, such improvement measures could be more cost effective and mutually reinforcing.

- **Government funding to support more extensive repairs and improvements.** More substantial building repairs and improvements, with a higher cost and greater impact on housing quality, could include fixing roofs, other major issues with the building envelope and upgrading sub-standard wiring. It could potentially extend to more complex improvements, to move homes to a point where they meet the current Building Code where practicable or above. As this is likely to require different skillsets, delivery through a separate fund would need to be considered. Any aspiration to bring homes to a certain standard would require a verification process which will add complexity. Increased funding levels also raise some risks. Consideration would need to be given to setting a certain funding cap to ensure spending scale is predictable, appropriately balanced against the energy efficiency aspect of the funding and balances public and private benefits. This might be offered on a means-tested basis to those most in need.

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<sup>24</sup> For information on the current Building Code, as contained in Schedule 1 of the Building Regulations 1992, see: <https://www.building.govt.nz/building-code-compliance/>.

<sup>25</sup> For information on the Homestar rating system run by the New Zealand Green Building Council, see: <https://www.nzgbc.org.nz/homestar>.

There are many existing initiatives in this space that could help inform the development and implementation of this strategy. They include Te Puni Kōkiri *whānau-owned home repairs programme*, and the *Low-Income Home Energy Assistance Programme* (LIHEAP)<sup>26</sup> in the United States, which has successfully provided a complete home repair and retrofit solution for low-income households for decades.

**Table 4: Delivering HH2**

Strategy and elements	Who could benefit	Who could design and deliver it	Expected impact timeframe
Fund broader building repair and improvement work to support home retrofit programmes			
Minor repairs	<ul style="list-style-type: none"> <li>Homeowners</li> <li>Could be targeted to higher-need groups</li> </ul>	EECA; MBIE; HUD; TPK; Local govt; approved providers	Short - Medium
More extensive improvements	<ul style="list-style-type: none"> <li>Homeowners</li> <li>Could be targeted to higher-need groups</li> </ul>	EECA; MBIE; HUD; TPK; Local govt; approved providers	Medium

<sup>26</sup> For more information see: <https://www.acf.hhs.gov/ocs/low-income-home-energy-assistance-program-liheap>.

## Strategy HH3:

## Strengthen monitoring, compliance and enforcement of the Healthy Homes Standards

The Healthy Homes Standards (HHS) were enacted in 2019 with the aim of ensuring all rental properties meet a minimum level of quality to support the health and wellbeing of the tenants. The HHS are specific and minimum standards for heating, insulation, ventilation, moisture ingress and drainage, and draught stopping in rental properties (including boarding houses) and public housing managed by Kāinga Ora and community housing providers.<sup>27</sup>

Renters are around four to five times more likely to report experiencing energy hardship than owner-occupiers<sup>28</sup> and the HHS are a critical tool in moving these individuals, households and whānau towards energy wellbeing.

The latest data shows that, as at 31 January 2023, 91% of tenanted Kāinga Ora homes either met the HHS or had work in progress to meet them. However, the recent extension of the compliance deadline for Kāinga Ora and community housing providers (to 1 July 2024) and private landlords (to 1 July 2025) by 12 months may delay the benefits of HHS for tenants whose homes do not currently meet the required standards<sup>29</sup>.

Compliance with the HHS is monitored by the Ministry for Housing and Urban Development (HUD) through the Kantar Public Healthy Homes Guarantee Act monitoring survey. Although self-reported, this data indicates that 17% of landlords have already met the standards<sup>30</sup>. 75% of landlords answered that they have done something to prepare their properties to meet the HHS. While this is promising and a move in the right direction, it is imperative non-compliant landlords are identified and encouraged to meet the HHS as soon as possible.

The Tenancy Compliance and Investigations Team (TCIT) within MBIE conducts both reactive and proactive compliance and enforcement activities. The Panel understands that the team has limited resources relative to the number of rental properties in New Zealand. To help them achieve their goals, TCIT collaborates with stakeholders who have a wider reach than the team itself, including Healthy Homes Initiative providers.

Limited resources mean that the responsibility still lies mainly with tenants to initiate conversations with their landlords or report non-compliant landlords to the Tenancy Tribunal. Unfortunately, this often leaves tenants in a vulnerable position due to the power imbalance between them and their landlords. The Panel has heard time and again that tenants in deep hardship are often too scared to say anything as they cannot risk being evicted when rental supply is so scarce.

The current dispute resolution system in the rental market puts tenants at a disadvantage due to the inherent power imbalance between tenants and landlords, and the onus is on the tenant to prove a breach. To address this, there is a need for a fair, timely, and well-resourced system that includes better monitoring and enforcement, and stronger regulation of non-compliant landlords.

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<sup>27</sup> The Panel acknowledges that some advocates and experts do not consider the HHS go far enough, noting for instance they do not require curtains nor heaters in bedrooms.

<sup>28</sup> MBIE, Defining Energy Hardship: A discussion document on defining and measuring energy wellbeing and hardship in Aotearoa. November – December 2021. Figure 10&11, page D-26. Based on 2018/19 data from StatsNZ.

<sup>29</sup> Data provided to the Panel by the Ministry for Housing and Urban Development (HUD).

<sup>30</sup> The 2022 Kantar Survey can be accessed at: <https://www.hud.govt.nz/assets/Uploads/Documents/Pulse-survey-reports-published-March-2023/Healthy-Homes-Guarantee-Act-monitoring-Topline-Report-Wave-3-Dec-2022.pdf>.

The Panel considers that strengthening the monitoring, and enforcement of the HHS to facilitate higher compliance is a crucial strategy to shift the burden away from vulnerable tenants and to enable more New Zealanders to achieve better energy wellbeing. This would help them to stay healthier, warmer, and reduce their energy expenses. This involves:

- **Collecting better information about compliance** to understand and tackle this issue. HUD should continue to strengthen their monitoring of impact of the HHS on tenants and report relevant data points publicly (e.g. on compliance; effects on rental prices; mobility; barriers to enforcement).
- **Taking a more proactive approach to enforcement**, ensuring a safe and effective system for reporting compliance issues, supported by increased investment in proactive enforcement programmes (e.g. inspection of tenancies through bond system records).

**Table 5: Delivering HH3**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Strengthen the monitoring, compliance and enforcement of the Healthy Homes Standards	<ul style="list-style-type: none"> <li>• Focus on landlords and tenants</li> </ul>	HUD; MBIE; Tenancy Services	Medium

## Strategy HH4:

## Strengthen advocacy and support services for tenants

To leverage the full potential benefit of the HHS and to reduce barriers to delivering energy hardship initiatives in the home, tenants need to be aware of and understand their rights under the regulations. There also needs to be ready access to support that helps tenants enact and enforce those rights. Online information and resources, such as those available through the Tenancy Service website,<sup>31</sup> are key here.

However, information alone, even if it is extremely accessible and user-friendly, will not overcome the imbalance of power and information many tenants face in their relationship with their landlords. As one expert told the Panel, “rights only exist when you enact them, and the current process doesn’t support tenants to enact – the power imbalance is huge.” Support with enforcing rights is particularly important for those in energy hardship who are vulnerable and need support navigating the system, and the context of the currently tight rental market. Consumer advocates, community providers and others working with those in energy hardship report that some tenants live in constant fear of eviction, and having nowhere to go, and are therefore reluctant to raise issues about the state of their house with landlords or with authorities.

There are currently few specialist tenancy support services available in communities across New Zealand. Local community law centres and Citizens Advice Bureaux are currently providing the main source of local tenant support.<sup>32</sup> They do a hugely important job in advising and acting on tenants’ behalf in disputes with landlords, as well as generally promoting the welfare and interests of tenants. Many of these support services rely on limited funding and volunteers.

It is critical to shift the burden of enforcing Healthy Homes Standards (HHS) away from vulnerable tenants and volunteer organisations. Strengthening and adequately resourcing the compliance and enforcement regime is an important part of achieving this (see HH3). This needs to be complemented by strengthening central and local tenancy advocacy and support services, to empower those tenants who do have an issue, to enforce their rights and protect them from any adverse consequences of doing so. This involves:

- **Establishing local advocacy and support services in all regions.** Adequate funding should enable establishment of local branches which are visible and accessible, and designed to make people feel safe engaging, providing opportunities to meet face-to-face with a support person as well as accessing advice by email or telephone. Local specialist services could draw on the community energy navigator services currently working with households experiencing energy hardship, such as the *SEEC* programme and *Healthy Homes Initiative*, and be able to connect tenants to relevant resources.
- **Energy navigator training for local tenancy services** to equip them with the knowledge skills required to be able to provide optimal support to tenants in energy hardship. This training should cover enforcement of rights under the HHS relevant to energy hardship, providing home energy efficiency advice and/or referrals to specialist home performance assessor and information on available energy hardship support services. These services should be well publicised and linked into the network of energy wellbeing support providers, e.g. through the proposed Energy Wellbeing Sector Network (*KN1*).

**Table 6: Delivering HH4**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Strengthen advocacy and support services for tenants	<ul style="list-style-type: none"> <li>• Focus on tenants, especially those with additional barriers</li> <li>• Community groups</li> </ul>	HUD; MBIE Tenancy Services; tenancy advocates	Medium - Long

<sup>31</sup> For more information see: <https://www.tenancy.govt.nz/>.

<sup>32</sup> The Aratohu Tenant Advocacy is an online resource that provides support and guidance to tenants and their advocates. <https://tenant.aratohu.nz/>.

## Strategy HH5:

## Expand all energy-related MSD purchase assistance programmes for household appliances to offer energy efficient choices

Electrical appliances (including lights, dryers, kitchen appliances, televisions, etc.) account for approximately one-third of household energy use in a typical New Zealand home.<sup>33</sup> There are significant opportunities for electricity bill savings by using energy efficient appliances. For example, LED lightbulbs use around 75% less electricity to produce the same amount of light and last significantly longer before needing to be replaced. This makes their whole-of-life cost vastly cheaper than traditional incandescent bulbs.<sup>34</sup> However, more energy efficient products often come at a higher upfront cost - a barrier to many individuals, households and whānau, particularly those with limited incomes.

Government funding assistance for the purchase of appliances is limited and recoverable. We understand that government has preferred supplier arrangements for some whiteware and that whiteware grants are made to enable the client to get the appliance at a subsidised cost. Grants are available for other appliances, but we understand from speaking with beneficiary advocates that clients are expected to get the cheapest.

Clients applying for appliances through recoverable assistance should be given the option to choose between a lower efficiency and cheaper appliance, or a more expensive appliance with better efficiency. The Panel considers that clients should have the opportunity to repay the more expensive appliance over a longer term. Ultimately, this will allow clients to make an informed decision that aligns with their budget and energy saving goals.

Opportunities for improving energy efficiency of household appliances is a win-win-win solution: in addition to reducing energy bills in the short-term for recipients of purchase assistance, efficient appliances support the security of the electricity system (by reducing electricity demand at peak times of the day) and the efficient use of New Zealand's precious energy resources in general.

Ensuring all energy-related government purchase assistance programmes for household appliances offer the choice of higher energy-efficiency appliances is considered by the Panel to be a key strategy for improving the health of the home and the energy wellbeing of the people living in the home. This involves:

- **Amend energy-related MSD purchase assistance programmes for household appliances:** Review and amend purchase assistance programmes to give clients applying for appliances through recoverable assistance the option to choose between a lower efficiency and cheaper appliance, or a more expensive appliance with better efficiency.
- **Advice and referrals:** Energy wellbeing navigators, such as *Home Performance Advisors*<sup>35</sup> or *Ecodesign*<sup>36</sup> advisors, can play an important role in informing households in energy hardship about the long-run savings offered by energy efficient appliances. Referrals to tools and support with identifying energy efficient appliances could be integrated into energy-related government purchase assistance programmes for household appliances and, more broadly, into home retrofit programmes such as WKH.

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<sup>33</sup> EECA, 'Energy End Use Database', (2021). Accessed at: <https://www.eeca.govt.nz/insights/data-tools/energy-end-use-database/>

<sup>34</sup> For more information visit: <https://www.energyrating.gov.au/products/lighting>.

<sup>35</sup> Refer to strategy KN2 below for further discussion of the *Home Performance Advisors* training programme.

<sup>36</sup> Ecodesign Advice is a free service which provides personalised, independent building efficiency advice. For more information visit: <https://www.ecodesignadvisor.org.nz/>.

**Table 7: Delivering HH5**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Expand all energy-related MSD purchase assistance programmes for household appliances to offer energy efficient choices	<ul style="list-style-type: none"><li>Those receiving government assistance for appliance purchase</li></ul>	MSD; EECA; other agencies; energy wellbeing navigators	Short - Medium

### Questions on Health of the Home

Please have your say using the online submission form which can be found on the Energy Hardship Expert Panel page of the MBIE website.

# Knowledge and Navigation

## Supporting and empowering whānau energy decisions

### Where we are now

Understanding energy is complex. From the cheapest and best ways to get it, to the most efficient ways to use it, as well as knowing what support is available – getting the most out of energy can be difficult and it requires a lot of time and often specialist knowledge. These complexities can contribute to pushing whānau into energy hardship.

To empower New Zealanders to have more control over their energy use, we need to boost “energy literacy”. This means understanding the role of energy in our daily lives, accompanied by the ability or confidence to apply this understanding to better manage our energy use and energy accounts. These days, this is closely tied to digital literacy and access to the internet.

There are many trusted and well-informed community-based programmes across Aotearoa New Zealand that are working hard to assist those in energy hardship. Some of these organisations provide wraparound energy navigation services such as budgeting help, energy efficiency advice and community support.

The government is also active in this space, in particular EECA provides energy efficiency advice to the public and runs an innovative motivation campaign through its Gen Less website.<sup>37</sup> More recently, MBIE launched the SEEC fund which is piloting ways to support the community sector in its work of helping households in energy hardship. More than 6,000 home energy assessments and advice sessions have been supported by the fund to date. Preliminary results from some SEEC pilots have suggested savings of between \$180 and \$230 per year for a household helped onto an electricity plan better suited to their needs.<sup>38</sup>

**Table 8: Knowledge and Navigation – examples of existing māhi**

Key Initiative	Description	Delivery agency
Gen Less public information and motivation campaign	A public information and motivation campaign providing lots of energy efficiency tips online	EECA
The Support for Energy Education in Communities (SEEC) programme	A pilot programme providing funding for local energy education projects and low-cost energy efficient devices	MBIE
MoneyTalks programme	Programme provides advice on managing and budgeting for household energy needs	FinCap
PowerSwitch website	Website enables consumers to compare electricity tariffs and plans to help them choose the right one for them	ConsumerNZ
Home Performance Advisor training programme	Programme equips community actors with knowledge and skills to assess home energy performance and advice households on improvements	Charitable Trusts
There is a wide range of industry and community organisations offering energy advice and support to households experiencing energy hardship in their local area such as <i>Ecobulb</i> ; <i>Sustainability Options</i> ; <i>Ngāti Whare Housing Trust</i> , <i>EnergyMate</i> , <i>Habitat for Humanity</i> , <i>Agape International Ministries</i> and many more.		

<sup>37</sup> For more information see: <https://genless.govt.nz/>.

<sup>38</sup> For more information see: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/support-for-energy-education-in-communities-programme/progress-reporting/>.

## Current challenges

Despite the huge amount of work underway, from the community sector in particular, there are plenty of opportunities remaining to empower New Zealanders to have more understanding of, and control over, their use of energy.

We know that some of those most in need are unaware help is available. Low-income consumers are more likely to face language, education and internet access barriers that can make it hard for them, not only to understand the various energy plans and choices, but also to find support. Increased support is needed to boost energy literacy among tenants, landlords and homeowners and several key challenges remain:

- **Availability of trusted energy advisors:** The Panel is aware that resources for community groups are often stretched and energy can be low on the priority list behind help with food, housing and clothing. We have also been told that only some parts of Aotearoa have energy advice services, and many of those in hardship do not know there are organisations they can approach for help, or are too embarrassed or fearful to reach out.
- **Diversity of supports and resources:** Stronger coordination and collaboration across providers of energy hardship programmes and support services is needed to improve effectiveness and coverage.
- **So many plan options makes it hard to know which is best:** Energy companies try to provide a variety of plans to suit a range of needs and to provide customers with choice. These include different prices for different times of the day and night, free power at a certain time, offers that bundle electricity and gas together or add in other services such as internet, and special offers for joining. There can be significant variation in what is available in different areas and between the best and worst option for a household given their circumstances. This all makes choosing the right plan important, and often quite tricky, even more so for those in hardship where a wrong decision could make things worse.
- **Price comparison websites could better support vulnerable consumers:** Websites which help households find the right plan for their needs, such as Powerswitch<sup>39</sup> run by ConsumerNZ, perform an important role in supporting information and choice for electricity consumers. However, there is scope for the uptake of these platforms to be improved and better serve the needs of those experiencing energy hardship.

## What we've heard

The Panel has engaged with a wide range of stakeholder groups and communities to hear their experiences of energy and energy hardship. We have also heard their views and perspectives on what needs to be done to alleviate energy hardship, and support energy wellbeing. These groups have included individuals and whānau living in energy hardship, and a wide range of community-level organisations serving various communities; Māori and Pacific providers; iwi representatives; energy consumer advocates and energy navigators; and representatives from across the energy sector, including those trialling new consumer support and education programmes.

The Panel has heard the ways whānau struggle to navigate finding the best deals and to boost their energy literacy. We have also heard that some critical support services need to be offered more widely across all of Aotearoa.

For Māori, there was a call for energy-related messages, information and education to be conceptualised within Te Ao Māori, and mātauranga Māori (traditional concepts of knowledge and knowing) used so the messages, information and education strategies resonate with Māori; and lead to positive energy-related practices. Also for Māori to lead and navigate the way forward in this space for their whānau, iwi and hapu – building on relationships and mahi that already exist.

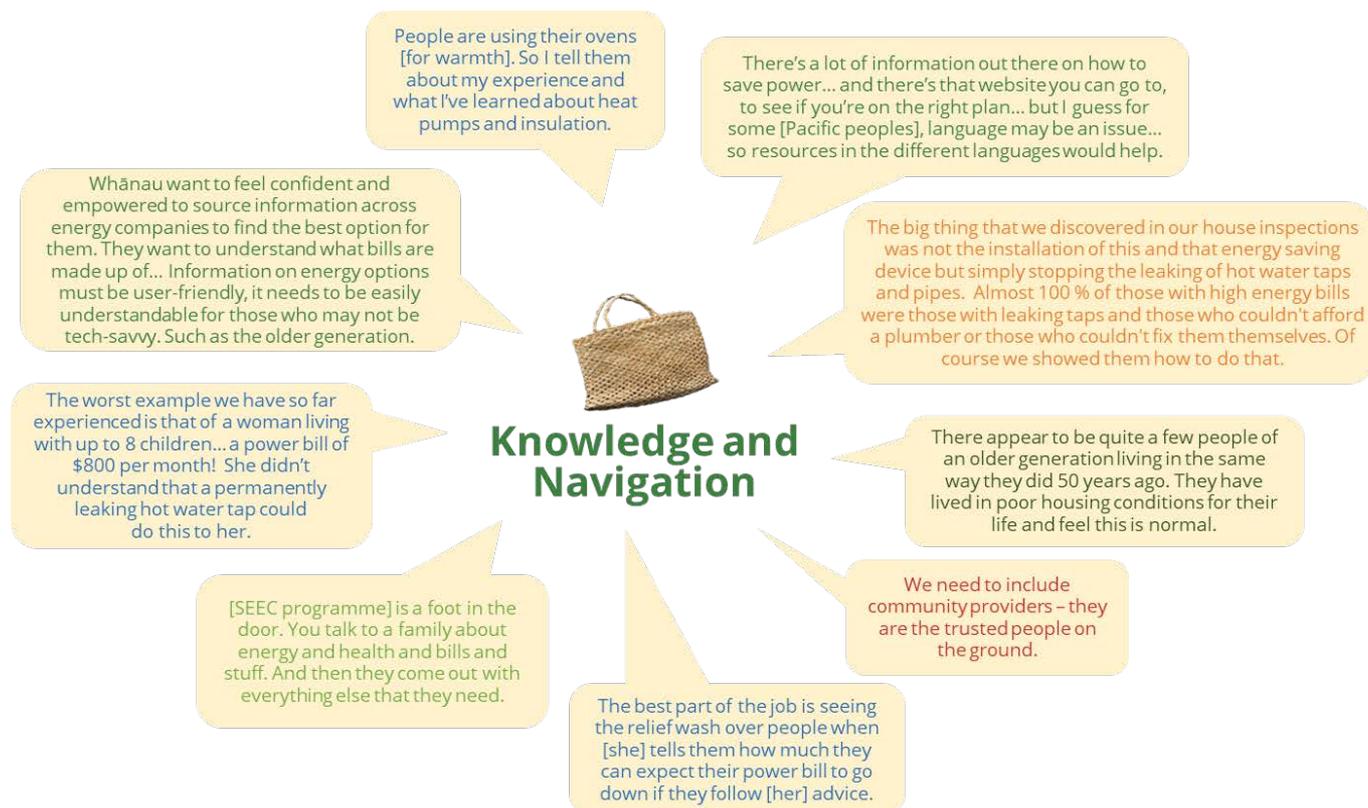
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<sup>39</sup> Alongside PowerSwitch (<https://www.powerswitch.org.nz/>) other services include PowerCompare (<https://www.powercompare.co.nz/>) and SwitchMe (<https://switchme.co.nz/>).

Pacific peoples expressed similar views. That “by Pacific for Pacific” approaches to addressing energy hardship are needed to support and facilitate positive energy-related practices - starting with the messages, information and education strategies being conceptualised within Pacific worldviews; and delivered by Pacific peoples in their ethnic-specific languages. Building on existing relationships and initiatives was also considered crucial.

Some of the communities’ and stakeholder experiences gathered are set out in Figure 7.

**Figure 7: Knowledge and Navigation – some of what we’ve heard**



## What we think – strategies to support Knowledge and Navigation

Having gathered a rich kete of insights about the challenges in knowledge and navigation of energy-related options and supports, the Panel has identified six proposed strategies. These are summarised in the table below, mapped against the challenge or issue it addresses.

**Table 9: Knowledge and Navigation – challenges and proposed strategies**

Challenges	Proposed Strategies	
Stronger coordination and collaboration across providers of energy hardship support is needed to improve effectiveness and coverage	KN1	Establish and fund a nation-wide “energy wellbeing sector network” to facilitate and support enhanced service integration and collaboration between local organisations and establish co-networks for Māori and for Pacific practitioners. ( <i>Links to HH1, HH4, KN2, KN4 and KN5</i> )
There is a lack of widespread, easy access to trusted and informed community-based energy advisers, home assessors and service navigators	KN2	Strengthen and deliver energy wellbeing ‘navigator’ training (such as Home Performance Advisor), including Māori and Pacific “energy wellbeing” training wananga/programmes that are grounded in Te Ao Māori and Pacific worldviews

	KN3	Strengthen and extend MBIE’s Support for Energy Education in Communities (SEEC) programme, and ensure funding targeting and programme design recognise those groups over-represented in energy hardship such as Māori, Pacific peoples and tenants
Increased support is needed to boost energy literacy among tenants, landlords and homeowners	KN4	Develop and deliver an Energy Wellbeing Education Strategy for targeted education on energy-saving practices, consumer protection rights, and how to access authoritative information (including targeting for specific groups over-represented in energy hardship) ( <i>links to KN1 and KN5</i> )
	KN5	Develop and maintain a comprehensive online portal as a “go-to” for accurate, up-to-date and complete information for tenants, landlords and homeowners to support improved energy wellbeing, good energy choices, efficient energy use in the home and consumer protection rights ( <i>links to KN1 and KN4</i> )
Households can face challenges in accessing and understanding bill and pricing information and options	KN6	Simplify energy bills and information access, improve comparability across electricity tariff structures, and improve price comparison services ( <i>Links to CP1</i> )

These proposed strategies are discussed in the following sections.

## Strategy KN1:

## Establish and fund a nation-wide “energy wellbeing sector network”

Community-based organisations tend to be the primary delivery agents for interventions aimed at alleviating energy hardship in Aotearoa New Zealand, whether directly or in partnership delivering government programmes. The importance of involving trusted community partners in designing and delivering energy hardship initiatives has been a strong theme in our kōrero with key voices.

We have heard the message that these organisations would value stronger coordination and collaboration across providers, the opportunity to co-design government programmes that they know will work in their regions and communities, and to work together on projects.

To leverage existing expertise across the sector, we propose that government fund the establishment of a more formal, national “energy wellbeing sector network” to support enhanced service integration and collaboration between local organisations. In making this recommendation we echo the observations made in the 2019 Electricity Price Review in recommendation B3.<sup>40</sup>

A network would bring together community-level support services already active in the energy wellbeing space. It would enable experience-sharing and the co-development of large, well-structured programmes to help consumers in energy hardship. It could also help guide the equitable energy transition as Aotearoa New Zealand moves towards a low-emissions economy. A properly mandated network, with links into relevant government agencies, could also provide leadership and coordination for several specific energy wellbeing-related activities proposed by the Panel in this document.

This network could provide a range of functions, such as:

- Building capability and enabling widespread access to trusted energy advice and navigation support
- Facilitating collaboration between existing organisations and presenting a unified voice as and when appropriate
- Coordinating development and delivery of tailored training programmes for navigators, such as the Home Performance Advisor courses (see KN2)
- Providing internal education/training/mentoring opportunities
- Supporting culturally responsive and trusted community navigators and programmes
- Coordinating a communication strategy to boost energy literacy in target groups (see KN4)
- Managing or generating authoritative information and tools on energy hardship and energy efficiency materials (see KN4)
- Supporting regionally tailored information and signposting to local organisations and supports to make it easy and efficient to find help (see KN5)
- Encouraging and supporting better evaluation of energy hardship initiatives, the sharing of best practice and a platform for qualitative and quantitative data

### Co-networks for Māori and for Pacific practitioners

We’ve heard that development of a kaupapa Māori network is a key priority for stakeholders working in energy hardship. We support the proposal that co-networks for Māori and Pacific practitioners be developed as part of this “energy wellbeing sector network”. The Māori co-network could be structured alongside the general network utilising a co-management model. Similarly, a co-network could be developed for Pacific practitioners – as with iwi/Māori, Pacific aiga are over-represented in energy hardship.

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<sup>40</sup> EPR recommendation B3: “Establish a network of community-level support services to help consumers in energy hardship”. ‘Electricity Price Review: Hikohiko te Uira’ (2019). Accessed at: <https://www.mbie.govt.nz/assets/electricity-price-review-final-report.pdf>.

Due to the multitude of competing priorities and often limited resources, Māori and Pacific organisations are likely to be constrained in their capacity to establish an initiative of this type, so strong government support would be needed.

**Table 10: Delivering KN1**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Establish and fund a nation-wide “energy wellbeing sector network” to facilitate and support enhanced service integration and collaboration between local organisations and establish co-networks for Māori and Pacific practitioners	<ul style="list-style-type: none"> <li>• Those in energy hardship</li> <li>• Community Groups</li> </ul>	MBIE; community agencies active in supporting those in energy hardship	Short

## Strategy KN2:

## Strengthen and deliver energy wellbeing 'navigator' training

Trusted advisors, or energy navigators, play an important role in helping households manage their energy needs. With proper training, these advisors can give households specialist advice on how to make their home warmer, dryer and healthier. They can also connect households to other assistance, for example, retrofitting improved insulation, curtains and heaters, as well as electricity use monitors and thermostats.

Advisors who go into communities and homes in-person are best-placed to understand the circumstances of those experiencing hardship and the best measures to help alleviate it. Face-to-face consultations assist greatly in increasing communities' knowledge to manage hardship and support them to take action.<sup>41</sup> It is important that these energy navigators have good training on best-practice energy wellbeing knowledge and skills.

Currently, *Home Performance Advisor (HPA)*<sup>42</sup> is the primary course in Aotearoa New Zealand for training and certification to healthy homes advisors. This course is run by a conglomerate of charitable trusts and is widely used by frontline community and health workers, including local government *EcoDesign Advisors* and many SEEC-funded providers. It equips future advisors with authoritative, science-based knowledge and skills as well as tools for sharing this knowledge in an accessible way. Wider use of this training could support the quality and consistency in the information being shared with households. There is significant potential to scale-up the *Home Energy Advisor* programme in terms of its content and its reach.

- **Extend the availability of training:** Access to this kind of training needs to be increased and extended across Aotearoa New Zealand. This will require additional government funding for trainers and courses, so that more navigators, advisors and support services can support households with securing their energy wellbeing.
- **Culturally relevant training:** Work is needed to make the available energy advisor training more culturally relevant to Māori and Pacific peoples, by integrating concepts and messages that are grounded in Te Ao Māori and Pacific worldviews. The Panel proposes that specific training in a kaupapa Māori framework, or through the lens of Pacific worldviews, should be developed for Māori practitioners and Pacific practitioners.
- **Opportunity to distribute low-cost in-home energy efficiency solutions:** There is potential to enhance energy advisory services by funding home energy advisors to directly distribute low-cost, in-home energy efficient devices such as LED lightbulbs, thermostats, window seals, efficient showerheads; moisture removal tools and timers as part of their service. These small measures can quickly deliver additional energy savings for families, at a small marginal increase in investment. The active use of these devices is best when coupled with advice and ensuring the installation is done in a technically correct and timely way<sup>43</sup>. (see KN3).

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<sup>41</sup> Kelly, S, "EnergyMate Phase 2 Evaluation Report, Electricity Retailers' Association of New Zealand" (Sept 2021). Evaluation of the 'EnergyMate' programme found that 90% of participating whānau agreed that EnergyMate was very helpful in providing new knowledge or reminders of what they should be doing for energy efficiency.

<sup>42</sup> <https://homeperformanceadvisor.org.nz/> and <https://hpa.arlo.co/w/aboutus/>.

<sup>43</sup> Ministry of Business, Innovation and Employment. Accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/support-for-energy-education-in-communities-programme/progress-reporting/>.

**Table 11: Delivering KN2**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Strengthen and deliver energy wellbeing 'navigator' training (such as <i>Home Performance Advisor</i> ), including Māori and Pacific energy wellbeing training wananga/ programmes that are grounded in Te Ao Māori and Pacific worldviews	<ul style="list-style-type: none"> <li>• Those in energy hardship</li> <li>• Community Groups</li> </ul>	MBIE; EECA; Energy Wellbeing Sector Network (KN1); HPA Network	Short

## Strategy KN3:

## Strengthen and extend MBIE’s SEEC programme

The SEEC Programme was established by MBIE in 2020 to deliver community-level energy education to help households in need<sup>44</sup>. The SEEC Programme is an element of the \$17 million 4-year package from the Government’s COVID-19 Response and Recovery Fund and was part of Government’s response to key Electricity Price Review recommendations<sup>45</sup> relating to assisting households in energy hardship to become more energy efficient.

The SEEC Programme supports community-level projects that provide personalised, specialist advice and education to households in energy hardship, as well as purchasing low-cost energy-saving equipment and devices that can be delivered alongside. To date a total of over 40 projects have been supported by four rounds of the Fund, some reporting that they have generated annual energy savings of between \$600 - \$700 for a household from this assistance<sup>46</sup>.

This funding is helping to reinforce the network of services available across Aotearoa New Zealand to support people experiencing energy hardship achieve healthier, more energy-efficient homes and lower their energy bills. The Panel has heard wide support for this programme and its role in supporting community providers to get on and do more of what they know works for their local community.

- **Extend reach, durability and targeting:** To build on this success to date, the Panel would like to see the pool of funding expanded and made available over a longer period, to broaden its availability across all of Aotearoa and to support the continuity and reach of successful community projects. Programme design needs to promote a focus on those groups who are over-represented in energy hardship, such as Māori, Pacific peoples, students, elderly and tenants. Establishing specific funding streams for projects with a focus on assisting Māori and Pacific peoples and applying culturally specific approaches to energy education may be an effective strategy for this.

There is an opportunity to further boost the impact of this fund by providing an administrative framework to simplify reporting processes and provide an impact evaluation framework that is easy to apply and ensures good, comparable data is being collected by all funded projects with minimal extra effort. Additional dedicated funding for evaluation efforts may also be appropriate.

**Table 12: Delivering KN3**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Strengthen and extend MBIE’s <i>Support for Energy Education in Communities</i> (SEEC) programme, and ensure funding targeting and programme design recognise those groups over-represented in energy hardship such as Māori, Pacific peoples and tenants	<ul style="list-style-type: none"> <li>• Providers delivering SEEC initiatives</li> <li>• Households engaging with these providers</li> </ul>	MBIE; EECA	Short

<sup>44</sup> Find out more about the SEEC Fund here: [Support for https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/support-for-energy-education-in-communities-programme/](https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/support-for-energy-education-in-communities-programme/)

<sup>45</sup> EPR recommendation B4: “Set up a fund to help households in energy hardship become more energy efficient”. ‘Electricity Price Review: Hikohiko te Uira’ (2019). Accessed at: <https://www.mbie.govt.nz/assets/electricity-price-review-final-report.pdf>

<sup>46</sup> NZ Herald, “Whanganui homeowners advised on saving around \$700 per year from power bills thanks to energy saver pilot” (2023), accessed at: <https://www.nzherald.co.nz/whanganui-chronicle/news/whanganui-homeowners-advised-on-saving-around-700-per-year-from-power-bills-thanks-to-energy-saver-pilot/>

## Strategy KN4:

## Develop and deliver an Energy Wellbeing Education Strategy

Given the complexity of the issues to navigate on the way to energy wellbeing, there is a strong need for better and more readily accessible information to assist New Zealanders to secure their energy wellbeing.

Various sources of energy wellbeing information already exist, particularly the EECA website as well as its motivational platform *Gen Less*.<sup>47</sup> Organisations such as Consumer NZ also provide information.<sup>48</sup>

The Panel has identified the need to better engage people and communities on energy-saving practices, their rights under the Healthy Homes Standards<sup>49</sup> and the Consumer Care Guidelines<sup>50</sup>, and where/how to access authoritative energy wellbeing information and supports. The Panel considered proposing a scaled-up, more targeted and public energy wellbeing education programme. However, our discussions with stakeholders have indicated that this would not ensure adequate targeting to those experiencing energy hardship.

- A co-designed education strategy:** Instead, a co-designed 'Energy Wellbeing Education Strategy' would enable careful planning of how to reach key audiences with the most impactful messages and channels in a coordinated way. It should identify which of the existing communication efforts can be best scaled up with minimal cost and maximum impact, at pace. It should also consider the role of the Electricity Authority and opportunities for regular authoritative public campaigns to be run in collaboration with consumer advocates like the Consumer Advocacy Council, Consumer NZ, and Fincap, to educate consumers on their rights. Many have also talked to us about the role children could play in helping their families boost their energy understanding. Secondary audiences such as government ministries, local government, service providers and energy retailers should be included in the strategy where appropriate. This task should be pursued in a streamlined and efficient manner and would be suited to the mandate of the Energy Wellbeing Sector Network proposed in KN1 above.
- Cultural relevance:** The proposed Energy Wellbeing Education Strategy should focus on targeting for specific groups over-represented in energy hardship and ensure that information be presented in multiple, culturally relevant forms for the various communities in energy hardship. It should also recognise mātauranga Māori as a form of energy literacy based on tangata whenua analysis and application of their knowledge and understanding of te taiao/te ao turoa and interlinkage between health of natural resources and human wellbeing. This will include key concepts such as kaitiakitanga; manaakitanga; mauri; rangatiratanga; mana motuhake and mana whenua.

**Table 13: Delivering KN4**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframes
Develop and deliver an Energy Wellbeing Education Strategy for targeted education on energy-saving practices, consumer protection rights, and how to access authoritative information (including targeting for specific groups over-represented in energy hardship)	<ul style="list-style-type: none"> <li>Targeted energy consumers, navigators, energy companies, and community actors</li> </ul>	MBIE; EECA; representatives of groups in energy hardship; possible role for an Energy Wellbeing Sector Network (KN1)	Short

<sup>47</sup> <https://www.eeca.govt.nz/> and <https://genless.govt.nz/>

<sup>48</sup> <https://www.consumer.org.nz/topics/tenants-guide-to-a-warmer-home>

<sup>49</sup> Refer to strategy HH3 and HH4 above for more discussion on the Residential Tenancies (HHS) Regulations 2019.

<sup>50</sup> Refer to the Consumer Protection section below for more discussion on the Consumer Care Guidelines.

**Strategy  
KN5:**

**Develop and maintain a comprehensive online portal as a “go-to” for accurate, up-to-date and complete information**

While there is already a wealth of information available and many organisations offering support to those experiencing energy hardship, it can be difficult for individuals, households and whānau to know where to find it. What’s more, people may find information that is conflicting or outdated, and may be unsure if they can rely on the information they do find.

A comprehensive online portal is needed to bring together the diverse range of energy wellbeing information and help available, to simplify the user experience. The portal should provide one centralised place for directing users to existing authoritative information, tools and supports relating to energy wellbeing.

The portal should include links to electricity price comparison services; energy bill and plan assistance; energy efficiency tools and skills; subsidies and support programmes; rights information; and signposting to providers of further support, advice and training.

The expected audience for the portal would be individuals experiencing energy hardship, landlords, energy navigators, advocates and other practitioners assisting those in energy hardship. More specific details of portal objectives and design should be mapped out as a key element of the ‘Energy Wellbeing Education Strategy’ (see KN4).

It should be run by an appropriately funded and staffed organisation, with strong connections to both community and government initiatives in the energy wellbeing and related spaces. As such, this is likely to be a good role for the proposed Energy Wellbeing Sector Network (KN1).

Two further keys to the success of this initiative will be: excellent visibility, so that the website becomes a household name; and clear responsibility for continued management and maintenance of the links and information to ensure it remains up-to-date and relevant.

Identifying authoritative energy education support materials recommended for use by energy navigators, energy companies and any other community agencies should be another key element of this task. These may already exist and can simply be highlighted. Portal management should include a process for regular review and update of those materials as well as issuing notification of any updates to interested users. The Education Strategy work proposed in KN4 above, could also identify opportunities to distribute these authoritative materials through relevant existing programmes, e.g. financial literacy programmes; energy navigation support; energy-related financial assistance; and the school curriculum. As with all elements of the solutions to energy hardship, this process should be done in consultation community providers, to ensure they are tailored or adaptable to a range of cultural contexts.

**Table 14: Delivering KN5**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Develop and maintain a comprehensive online portal as a “go-to” for accurate, up-to-date and complete information for tenants, landlords and homeowners to support improved energy wellbeing, good energy choices, efficient energy use in the home and consumer protection rights	<ul style="list-style-type: none"> <li>All energy consumers, navigators, energy companies, and community actors</li> </ul>	MBIE; EECA; possible role for an Energy Wellbeing Sector Network (KN1)	Short

## Strategy KN6: Simplify energy bills and information access, improve comparability across electricity tariff structures and improve price comparison services

The Panel considers that there are opportunities to assist those in energy hardship through simplifying energy bills, making it easier to access information needed and compare plans.

- **Energy bills and information:** Every electricity provider has a different structure and format to their bills and they often use specific terminology and complex data, all of which can make it difficult for consumers to understand what they are paying for. This includes bundling, discounts, and time of use pricing or fixed price components. This range may or may not suit a household's needs and can make it difficult to understand and identify the best option. The Panel has also heard it can sometimes be hard to access usage data and other relevant information when choosing a plan.

The Panel supports the work being considered by the Consumer Advocacy Council around standardised energy bill format requirements, to make bill information clear, simple, easy to understand and comparable across providers. This simplification should consider retailer bills, but also all forms and other communications from a provider. Working closely with retailers should enable the balancing of benefits against the cost to retail businesses of making changes, as well as any potential effects on competition and innovation.

- **Electricity price comparison websites:** Existing electricity price comparison websites, such as PowerSwitch, PowerCompare, SwitchMe or Glimp<sup>51</sup>, enable consumers to compare electricity tariffs and plans to help them in using the right one for them. In a study by ConsumerNZ in late 2022, the median amount people could save annually using PowerSwitch was \$385<sup>52</sup>. There is scope for these platforms to be more widely used and to better serve the needs of those in energy hardship. For example, by: ensuring information is accurate, up-to-date and complete; including broader information (e.g. plan options; tariff options; payment options; social offers, customer support services provided); and providing user support services or building links to energy navigation organisations.
- **Tariff structures:** The complexity of different electricity tariff structures presents a barrier to the simplification of electricity bills, and the comparability of offers presented by different electricity plans and providers. Exploring scope to streamline tariff structures could help to resolve the comparability challenges mentioned above. The EA should work with energy sector players to look for opportunities to simplify where possible, while acknowledging the role of innovation and tailoring to customer needs.

**Table 15: Delivering KN6**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Simplify energy bills and information access, improve comparability across electricity tariff structures, and improve price comparison services	<ul style="list-style-type: none"> <li>• All residential electricity consumers</li> </ul>	Consumer Advocacy Council (CAC); EA; energy retailers; website providers; Energy Wellbeing Sector Network	Short - Medium

### Questions to guide feedback:

Please have your say using the online submission form which can be found on the Energy Hardship Expert Panel page of the MBIE website.

<sup>51</sup> PowerSwitch (<https://www.powerswitch.org.nz/>) other services include PowerCompare (<https://www.powercompare.co.nz/>) and SwitchMe (<https://switchme.co.nz/>), and Glimp (<https://www.glimp.co.nz/>). This list may not be exhaustive.

<sup>52</sup> ConsumerNZ, accessed at: <https://www.consumer.org.nz/articles/how-to-save-hundreds-on-your-power-bills-in-3-minutes>.

# Energy Accessibility and Choice

## *Individuals, households and whānau having energy access and choices, regardless of income and location*

### Where we are now

Aotearoa New Zealand has a high-quality energy network and infrastructure and well-established energy markets and regulatory regimes. However, our ever-increasing population size, increased demands for energy, the emergence of new technologies and business models, cost of living pressures, and the diversity of lifestyles in households across Aotearoa, have impacted how we engage with energy and energy providers. These factors, along with the transition to a low emissions future, impact our access to, and choices of, energy sources.

Stories of individuals, households and whānau living with no energy source (particularly electricity) for a period of time, have not been uncommon over the past decade, as people struggle to meet basic living costs. Some individuals, households and whānau, particularly those with low incomes, continually have to decide about what to prioritise – food, shelter or energy – with energy often not considered the top priority. In addition, poor credit makes it difficult for some people to find alternative energy providers if they are disconnected for unpaid bills.

Some electricity retailers offer pre-pay as an option for those with poor credit and struggling to stay on top of their energy bills, but this too presents problems – improving pre-pay arrangements is considered in our Energy Affordability kete.

A growing acknowledgement of the need to find ways to support those struggling to access and maintain energy supply, particularly electricity, has seen the rise in recent times of what has been termed “social retailing” – that is, socially-focused and socially-driven activities in the energy retail sector, which are focused on ensuring individuals, households and whānau experiencing energy hardship can access energy, regardless of their income, location and circumstances. This practice can take many forms, including relaxing eligibility requirements, offering lower or capped prices, or special services and wraparound supports to make energy more accessible and affordable for households struggling with challenges such as those described in this document.

The Panel defines social retailing as: *Energy retailing that provides additional support to consumers who are in energy hardship*. Social retailing can be provided through “traditional retailers” or through a specialised social retailer which has a special focus on greater customer support. Social retailing can be combined with community energy or social generation to provide an integrated social generator-retailer.

Several specialised social retailing energy providers have emerged in recent times, focusing on supporting those in energy hardship in their local communities. These include Nau Mai Rā, Our Power, and Toast Electric. Some traditional energy retailers are also adopting various practices that support their customers struggling with their energy bills and offering tailored customer care services which could fit the description of a form of social retailing.

All electricity retailers are expected to align their practices with the Electricity Authority's Consumer Care Guidelines which include guidelines for households facing payment difficulties and disconnection. Strengthening these Consumer Care Guidelines is considered in our Consumer Protection kete.

In the community energy space, the Community Energy Network and its member organisations are working to establish an equitable energy sector in which communities set up and run large-scale renewable energy generation, storage and demand management services. Also relevant to community energy, MBIE has been

piloting renewable energy on Māori and public housing and is in the early stages of designing its new Community Energy pilot funding scheme.<sup>53</sup>

**Table 16: Energy Accessibility and Choice – examples of existing mahi**

Key Initiative	Description	Delivery agency
Māori and Public Housing Renewable Energy Fund	Trialling renewable energy technologies on Māori and public housing, to improve energy affordability and create warm, healthy and energy efficient homes.	MBIE
Community Energy Fund	A new funding stream will offer funding for projects supporting energy access and affordability by enabling local communities to generate their own power.	MBIE
There are several local community-led energy generation schemes and community-based social retailers.		

## Current challenges

Despite these efforts and the progress made, a significant proportion of New Zealanders continue to have limited access to energy, and choices, for a myriad of reasons.

- **Poor credit limits choices.** Some individuals, households and whānau struggle to get connected to any energy retailer, or are not able to switch to a new provider, because of a poor credit rating or unpaid bills from their previous provider. In a 2021 survey<sup>54</sup>, one in ten consumers had been refused service from a power company due to previously missed payments. This severely limits the choices open to those experiencing energy hardship and other financial issues.
- **Households unable to pay face disconnection.** Remaining connected is also a challenge – households can be disconnected from their energy supply due to non-payment of bills and may struggle to be reconnected with an outstanding debt. Disconnection, particularly from electricity, is a serious issue, especially if there are vulnerable people in the household such as young children, elderly or those with health issues, or if the disconnection lasts for a long period.
- **Pre-pay accounts are an option, until the credit runs out.** Often prepay – which requires individuals to pay for their electricity in advance – is the only option available after disconnection or bad credit. However, the power is cut off once the credit runs out.
- **Metering technology may be constraining some households.** Smart meters are required for certain electricity tariffs, such as “time of use” pricing<sup>55</sup>, and access to digital tools and services such as up-to-date usage information. Smart metering can often act as a gateway to greater understanding and control of household energy use. However, not all households have smart meters, constraining their energy access and choices.
- **Rural and off-grid communities have a unique set of challenges.** These include higher connection costs, higher prices and limited availability of different energy sources, which impact on their access and affordability. They often face logistical challenges due to the remoteness of their location and reliance on older network assets, meaning they take longer to repair when they go down. Those living on ancestral or leasehold land can face additional challenges in a system that may not be well-suited to shared-ownership situations. The fact that incomes tend to be lower, and cost of living higher, in rural communities increases these challenges.

<sup>53</sup> MBIE, accessed from: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/energy-efficiency-in-new-zealand/maori-and-public-housing-renewable-energy-fund/>.

<sup>54</sup> Consumer NZ, “Energy Retailer Survey”, (2021).

<sup>55</sup> Customers on a time-of-use plan pay different prices for energy used at certain times of the day. Typically, off-peak prices are cheaper, meaning customers can shift their energy use to off-peak times to save on their energy bills.

- **Not all New Zealanders have access to social retailing-type providers** or schemes, and therefore do not have the “choices” these types of retailers can provide for those with poor credit or struggling to pay their energy bills.
- **Our transition to low-emissions energy may impact those in energy hardship.** The Government’s response to addressing climate change by moving towards electrification means houses will be increasingly reliant on a single secure and reliable electricity supply. Individuals, households and whānau experiencing energy hardship are likely to need more support navigating innovative technologies and accessing the benefits of these, as well as avoiding any unintended negative consequences such as reduced resilience.

## Where we have heard

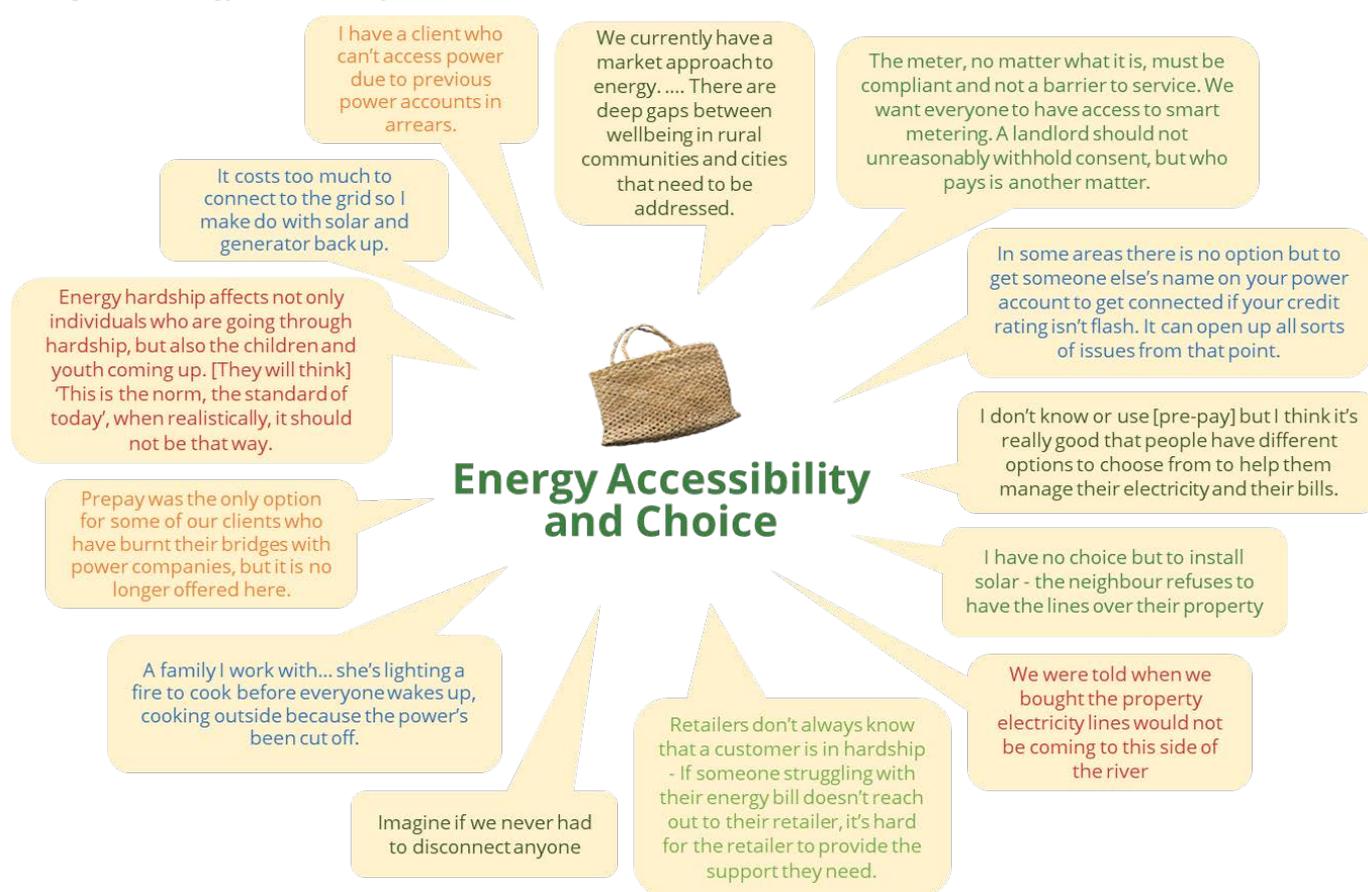
The Panel engaged with a wide range of key stakeholder groups and communities to hear their experiences of energy and energy hardship. We also heard their views and perspectives on what needs to be done to improve energy access and choices in Aotearoa New Zealand. We held one-to-one and group discussions with a range of experts in energy markets, electricity sector structure, and community energy, representatives from across the energy sector in particular businesses offering innovative social retailing services, representatives from the community and charitable sectors, beneficiary advocacy groups, and Māori and Pacific providers in the community.

The resounding message from all groups and people the Panel engaged with, including Māori and Pacific peoples, is that access to energy is a basic necessity and should be available to all whānau, regardless of their income or location. No New Zealander should have to struggle with basic essentials such as hot water and heating. As such, there was a strong call to address the barriers that prevent equitable access to energy to ensure that it is accessible, reliable and affordable to everyone. Regardless of income and location.

Māori also spoke of the protection of te taiao, and greater recognition of the different environmental concerns across Aotearoa. That whānau in areas that experience extreme temperature drops and extreme weather events, and those in rural settings may need further targeted support.

Some of the communities’ and stakeholder experiences gathered are set out in Figure 8:

**Figure 8: Energy Accessibility and Choice – some of what we've heard**



## What we think – strategies to improve Energy Accessibility and Choice

The Panel has identified six key strategies for improving energy accessibility and choice for individuals, households and whānau – which, in turn, will contribute to their energy wellbeing. These strategies were informed by the rich kete of evidence and insights that were received, and are summarised in Table 17, against the challenges they are addressing.

**Table 17: Energy Accessibility and Choice – challenges and proposed strategies**

Challenges	Proposed strategies	
Credit issues can prevent individuals, households and whānau from having choice in an electricity supplier or switching suppliers	AC1	Develop mechanism(s) to ensure all residential consumers can obtain a post-pay electricity supply despite “adverse credit” (links to strategies CP1, CP2 and AF5)
Households struggling to pay their bills face disconnection	AC2	Develop mandatory rules for electricity retailers to follow when/before disconnecting for non-payment so that disconnection becomes the last resort, including penalties e.g. for wrongful disconnection (links to CP1)
Metering technology may constrain a household’s access to energy supply and tariff choice	AC3	Identify and address the barriers to completing smart meter roll-out, prioritising areas of low coverage and requests from households in energy hardship
Rural and off-grid households or communities, and those living on communal or ancestral land, need	AC4	Provide increased funding and support for community energy schemes and capability-building in rural communities to ensure rural and off-grid households and those on communal or

additional support to build their energy access, resilience and sovereignty		ancestral lands (including papakāinga) in energy hardship can access secure energy supply, linking with other energy programmes such as WKH and SEEC (links to HH1 and KN3)
Individuals, households and whānau in energy hardship often have limited options in choosing, and engaging with, an energy retailer	AC5	Explore ways to facilitate and support social retailing which can supply those with low credit scores, targeted wrap-around services, and tailored pricing and payment plans. Options may include one or more of: a. Provide support for accredited social retailers e.g. social generation hedge obligations or government funding b. Government contracts one or more retailer(s) to act as a social retailer c. Government support for community/regional integrated social generator-retailers d. Government support for a nationwide integrated social generator-retailer
The energy transition presents new opportunities but risks leaving lower-socio-economic whānau behind	AC6	Ensure that those in energy hardship can access the benefits of, and do not face undue costs from, the transition to low-emissions energy, including explicitly reflecting energy wellbeing requirements in Government's Equitable Transition Strategy, Energy Strategy and Gas Transition Plan

These proposed strategies are discussed in the following sections.

## Strategy AC1:

## Develop mechanism(s) to ensure all residential consumers can obtain a post-pay electricity supply despite “adverse credit”

Despite Aotearoa New Zealand’s high quality electricity network, those in energy hardship can struggle with access to and choice of electricity provider, or switching providers, if they have a history of debt or an adverse credit score. It has become common practice amongst energy retailers in Aotearoa New Zealand to run a credit check on potential customers before agreeing to sign them up. Credit checks are designed to protect retailers from the risk of carrying debt and the administrative costs associated with common debt management practices such as late-payment fees, disconnection notices and disconnection. However, individuals, households and whānau that have adverse credit (bad credit) are left “out in the cold” by this practice, often with their only option being to take a pre-pay account, if offered by a local retailer.<sup>56</sup>

A key feature of emerging social retailers tends to be a waiver of the credit-check process or using it as a diagnostic tool to identify customers in need, rather than a barrier to service. The Panel understands that, for those with adverse credit, options for accessing an electricity provider without credit checks remain limited, particularly in the South Island.<sup>57</sup>

Adverse credit should not be a barrier to accessing energy. Instead, it should trigger a “high-care model”, where retailers offer those customers increased support.

Experience shared with the Panel during its earlier engagement indicates that replacing common debt management practices with increased customer support services – such as empathetic engagement, weekly billing, referrals to energy efficiency and budget advice, support with energy efficiency improvements and personalised payment plans - has the potential to produce a net benefit for retailers. Furthermore, this can improve the customer relationship and help customers to stay connected, improve their credit rating over time and set them on a course to being a reliable customer into the future. This could involve a “probation period” for a customer to develop and demonstrate financial capability.

The Panel proposes the principle that all residential consumers should be able to choose a post-pay electricity account if they wish. There may be a number of possible mechanisms to achieve this.

At a minimum, the Panel considers that the Electricity Authority should include mandatory provisions in the Consumer Care Guidelines for electricity retailers to monitor and report refusals to supply or conditions imposed. This is included in the expanded this list of reporting data proposed in strategy CP2. The marginal compliance and administrative costs of this would be outweighed by the value of providing a clearer picture of the extent of this problem and the appropriate solutions.

Going further, the Electricity Authority could establish obligations on retailers to support customers with adverse credit with wraparound support, including connecting with relevant community organisations such as financial management services, home performance advisors and other services of the type described in the Knowledge and Navigation kete above. This obligation could be included in expanded Consumer Care Guidelines (see CP1). We note a submission made to the Electricity Authority’s consultation on its draft Consumer Care Guidelines: *“No company is obliged to retail electricity, but any company that chooses to do so should accept that it entails the cost of servicing the people in our society who struggle.”*<sup>58</sup>

A more interventionist solution could involve the Electricity Authority establishing a scheme to randomly allocate a “poor credit” customer to any local energy supplier, pro-rata based on market share. Such a

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<sup>56</sup> See response AF4 for a deeper discussion of pre-pay accounts.

<sup>57</sup> See Concept Consulting, “Social Retailing – Phase One”, (December 2022), Figure 2.1. Prepared for MBIE and the Energy Hardship Expert Panel.

<sup>58</sup> David Close, Submission to the Electricity Authority on the Consumer Care Guidelines, 2020, page 4.  
<https://www.ea.govt.nz/assets/dms-assets/27/David-Close-submissions.pdf>

system would require close monitoring to ensure fair allocation of customers, and customer awareness and use of this system.

These are some of the possible mechanisms that have emerged in our kōrero, and there are certainly other ways to respond to this challenge. The electricity industry has a key role to play in working with the Electricity Authority to develop the most appropriate mechanism or package of arrangements, as does MBIE from an energy policy perspective. Consideration would need to be given to any disproportionate costs this would place on smaller retailers and those with business models not well-suited to providing this type of support. The Panel also acknowledges there may be possible implications for retail prices and retail competition more generally that would need to be considered.

**Table 18: Delivering AC1**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Develop mechanism(s) to ensure all residential consumers can obtain a post-pay electricity supply despite “adverse credit”	<ul style="list-style-type: none"> <li>Households with debt issues in extreme risk of energy hardship</li> </ul>	EA; electricity retailers; MBIE	Short - Medium

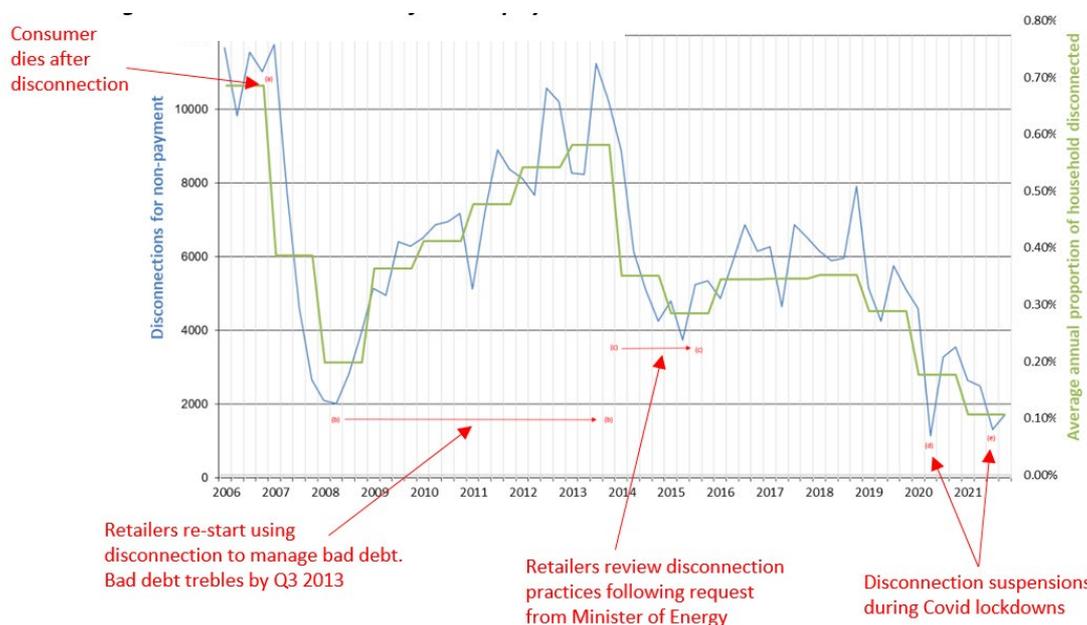
## Strategy AC2:

## Develop mandatory rules for electricity retailers to follow before disconnecting for non-payment

Disconnecting customers from their power supply is among the strongest penalties an energy retailer can impose, and it can have serious consequences for households who suffer it.

As shown by Figure 9 below, disconnections for non-payment have fallen substantially from the levels of 15 years ago (to around 0.7% of all customers). This improvement is largely due to a change of practice within the energy sector following the tragic death of Mrs. Muliaga in 2007, who was medically dependant on an oxygen machine and died after being disconnected for non-payment. Disconnection rates dropped further following a Ministerial request for improved industry practices, and again during COVID-19 lockdowns, as retailers sought to reduce the pressure on whānau already suffering from financial stress and long periods at home during lockdowns.

**Figure 9: Disconnection for non-payment**



**Source:** Based on Electricity Authority data and additional analysis, in Concept Consulting, 'Quantitative analysis & compendium of past statistics on energy hardship' (May 2022).

Disconnection rates don't tell necessarily tell the full story – some households may be prioritising paying their energy bill over other household needs. It is also important to note that the disconnection data does not include “self-disconnections” by customers on pre-pay plans. The Panel has not been able to access a reliable dataset showing pre-pay self-disconnections, how long customers remain disconnected, and the reasons why these customers are disconnecting. Some self-disconnections may be occurring for reasons other than energy hardship, but this too needs to be better understood.

It has been argued that access to energy, particularly electricity, as an extension of the right to housing and given its critical links to health, should be treated as a basic human right<sup>59</sup>. The Panel acknowledges this view, but also recognises the need for retailers to receive payment for the energy they provide.

- **Requirement for stay-connected practice:** Establishment of industry-wide processes and protocols requiring retailers to work proactively with consumers in a 'stay connected' practice would recognise the social and moral obligation to maintain supply to all customers. This would require retailers to build their capability and partnerships with relevant community organisations such as financial management

<sup>59</sup> Lars, Lofquist, "Is there a universal human right to electricity?", The International Journal of Human Rights, 24 (2020).

services or home performance advisors to offer the type of wraparound support services already offered by many community organisations and by some social retailers.

The first step should be to shift the practice of disconnection from a standard debt management practice to a measure of last resort for retailers, coupled with an obligation to exhaust all other avenues first. The Panel acknowledges that moving to disconnection as a last resort may weaken incentives to pay outstanding energy bills – this would need to be factored in the design of the regime.

Minimum standards should also be established to ensure people who have been disconnected can be easily and quickly be reconnected, and that any disconnection and reconnection fees are minimal (see AF3). There is also a need for better working relationships with Ministry of Social Development in this space (see AF1).

- **Data needs and reporting:** Better understanding of the issue of disconnection is needed to identify the right long-term solution. Mandatory reporting of data and fees related to disconnections, reconnections and debt levels should be established, with metrics and a reporting system to be developed in partnership with retailers and customer advocates. (See CP3).
- **Monitoring, compliance and enforcement:** To be effective and deliver the outcomes sought, the proposals above should be supported by monitoring, compliance and enforcement. This should include imposing penalties on retailers for wrongful disconnection or failure to fulfil their obligations to provide proactive customer support. (See CP1 and CP2).

**Table 19: Delivering AC2**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Develop mandatory rules for electricity retailers to follow before disconnecting for non-payment so that disconnection becomes the last resort, including penalties e.g. for wrongful disconnection	<ul style="list-style-type: none"> <li>• Those at risk of disconnection and disconnected customers – likely to be in energy hardship</li> </ul>	MBIE; EA; Electricity retailers; Utilities Disputes	Medium - Long

## Strategy AC3:

## Identify and address the barriers to completing smart meter roll-out

Smart meters are required for certain electricity tariffs (prices), and access to digital tools and services such as up-to-date usage information. Metering can often act as a gateway to greater understanding and control of household energy use.

A smart meter installed in the house records a household's electricity at half-hourly intervals and sends this information daily to their retailer (using similar technology to text messages or a radio network). With this level of data, the retailer can offer a range of smart tariffs, such as time-of-use tariffs, where the cost of electricity is lower at certain times of day. Households can save on their energy bills if they can shift some of the energy use to off-peak times when energy is cheaper on a time-of-use plan. Smart meters, coupled with apps and tools energy companies provide, may also help individuals, households and whānau keep closer track of how much electricity they are using, which can help them keep on top of bills and budgets.

Smart meters are also required to get a pre-pay electricity account, which may be the only option available to those with a poor credit score – see AC1 and AF4 for more discussion of pre-pay accounts. If a consumer with poor credit has no smart meter, then their access to an electricity retailer that will take them on may be very limited.

Aotearoa New Zealand has relatively high coverage of smart meters across the country but, access to smart meters is lower on some of the smaller electricity networks.<sup>60</sup>

For some individuals, households and whānau who don't have a smart meter, particularly those with lower incomes, the cost of getting the electricity meter upgraded presents a barrier to accessing these choices. We have also heard that electrical wiring and safety issues that may be associated with smart meter installation can be very expensive to remedy. Another challenge is getting permission to go ahead with a meter upgrade, in the case of tenants or those on a secondary network such as apartment building or retirement village.

- **Examine barriers to smart meter roll-out:** The Panel considers the Electricity Authority should investigate the gaps in smart meter roll-out and why it has slowed. The Electricity Authority should promote continuation of this process to all homes where it is technically possible, with a focus on areas where the convergence of a lack of retailers that will take customers with low credit scores, and low smart meter coverage presents an urgent issue. The investigation should make recommendations on how to address this issue at least cost to households and look to identify mechanisms to prevent landlords or building managers from unreasonably withholding consent for tenants who would like a meter change.
- **Obligations on retailers/meter providers:** The Panel would also like to see a requirement for retailers to disclose key meter information on the customer bill, including meter type and functionality, making it easier for customers to know what meter they have and therefore what tariffs and plans are open to them with their current meter configuration. Retailers should also disclose relevant retail tariffs to the customer irrespective of meter type – the Panel has heard of customers or their energy navigators being told that tariff options cannot be disclosed if the customer does not have the relevant meter type installed. This presents a catch-22 situation: not being able to work out if the cost to change the meter (or its configuration) is warranted given the potential savings of switching.

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<sup>60</sup> Nationally, about 91% of residential consumers have a smart meter, however, it varies by network and is as low as 60% on one network. See: Concept Consulting, "Social Retailing – Phase One" (December 2022), Prepared for MBIE and the Energy Hardship Expert Panel.

The Panel's vision is that, ideally, retailers or meter providers would carry the cost of meter upgrades for those in energy hardship, as a key element of providing a modern electricity service to all customers. This would be done without simply passing on the costs of replacement to the customer indirectly through other charges.

**Table 20: Delivering AC3**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Identify and address the barriers to completing smart meter roll-out, prioritising areas of low coverage, and requests from households in energy hardship	<ul style="list-style-type: none"> <li>Households in energy hardship who do not have a smart meter</li> <li>All electricity consumers</li> </ul>	EA; retailers, metering equipment providers; CAC	Short - Medium

## Strategy AC4:

## Provide increased funding and support for community energy schemes and capability- building in rural communities

Rural and off-grid households or communities face special challenges in energy access, choice and resilience which can push them into energy hardship. This can be due to physical limitations of the electricity grid reaching remote locations, or related to local prices.

Community power generation projects can give communities increased, control and sense of agency over their energy supply, access and affordability. The increased resilience that local energy schemes can deliver is likely to become increasingly important as the impacts of climate change deliver more adverse weather events that disrupt energy supplies more frequently and for sustained periods, like the recent Cyclone Gabrielle which devastated parts of the east coast of the North Island in particular.<sup>61</sup>

Projects are likely to be most cost-effective at a larger, community scale rather than attached to individual dwellings. Projects are also likely to be more empowering when coupled with a collaborative model of local participation, ownership and management and when they take the opportunity to incorporate training for local people to be able to take a role in the project.

Energy sovereignty is important for Māori communities wishing to exercise greater rangatiratanga and kaitiakitanga over their local energy resources. This is particularly relevant for rurally located iwi and hāpu and those on communal or ancestral lands, (including papakāinga) where this may intersect with energy hardship and access issues. Marae-based community energy projects, such as those funded by MBIE's current pilot *Māori Housing Renewable Energy Fund*,<sup>62</sup> have proven extremely successful, with monthly energy bills halved in some cases.<sup>63</sup> Recently allocated funding for MBIE's *Community Energy Fund* provides an opportunity to build on these learnings and successes and to expand the programme.

- **Social retailing opportunities:** Community energy schemes may be able to provide generation to support social retailing enterprises (as discussed in AC5) who are otherwise dependent on larger generators and integrated generator/retailers. Depending on how this option would be funded and designed, there is also the potential to build capacity for Māori and iwi groups who would like to break into this area or share surplus power through community energy networks or micro-grids.
- **Holistic design:** A holistic support package should take into account the design and development phases, equipment install, new connection costs, and long-term running and maintenance costs associated with a successful local power generation project. Community co-design should be used to involve those the work is intended to serve. It will be important to build partnerships, with communities and with related funding agents in making these decisions and to provide space for cultural adaptation. Care will be needed to assess and maximise the cost-effectiveness of individual projects and consideration of suitable funding mechanisms, whether direct subsidy or low-cost loan for example will be an important design element.
- **Training and capability building:** Access to authoritative and independent sources of advice and information to support communities in these projects will be critical to their success. Government should identify sources of technical expertise that could support local delivery of these projects, as well as gaps, as there are likely to be many gaps at the community level and especially in rural areas. Including a training element to build local knowledge and skills in targeted areas, through apprenticeships for example, would enable this initiative to enrich communities on multiple levels as

<sup>61</sup> Stuff, "About 11,000 still without power in Hawke's Bay and Gisborne" (20 February 2023). Accessed at: <https://www.stuff.co.nz/business/131279233/about-11000-still-without-power-in-hawkes-bay-and-gisborne>.

<sup>62</sup> To date 42 projects have been funded over three funding rounds, with approximately \$8.1 million allocated. For more information visit: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/low-emissions-economy/energy-efficiency-in-new-zealand/maori-and-public-housing-renewable-energy-fund/maori-housing-renewable-energy-fund/>.

<sup>63</sup> For more information see: <https://www.beehive.govt.nz/release/solar-tech-boost-cost-saver-m%C4%81ori-households>.

well as supporting the development of the future workforce in the fast-growing sustainable energy sector.

The positive impact of this initiative on alleviating energy hardship would be boosted by building linkages with existing energy-related funds, such as: EECA's WKH programme (see HH1), MBIE's SEEC programme (see KN3), and any social retailing programmes that exist or emerge (see AC5).

**Table 21: Delivering AC4**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Provide increased funding and support for community energy schemes and capability-building in rural communities to ensure rural and off-grid households and those on communal or ancestral lands (including Papakāinga) in energy hardship can access secure energy supply, linking with other energy programmes such as WKH and SEEC	<ul style="list-style-type: none"> <li>• Households in rural communities</li> <li>• In particular Māori and iwi groups on whenua Māori</li> <li>• Energy sector capacity building</li> </ul>	MBIE; EECA; Are Ake, CEN; EA; service providers; iwi/Māori; rural community groups; EDBs	Short - Medium

## Strategy AC5:

# Explore ways to promote and facilitate social retailing as an option to increase access and choice

## An introduction to Social Retailing

Social retailing, in many and varied forms, has been raised with the Panel as a means of providing those in energy hardship with increased access and choice. Concept Consulting was commissioned by the Panel and MBIE to undertake research on social retailing, specifically, its benefits, various social retailing models, and how they might be helpful in alleviating energy hardship.<sup>64</sup>

The Panel defines social retailing as: *Energy retailing that provides additional support to consumers who are in energy hardship*. Social retailing can be provided through “traditional retailers” or through a specialised social retailer which has objectives more akin to a “Not for Profit” entity. Social retailing can be combined with community energy or social generation to provide an integrated social generator-retailer.

The characteristics of social retailing include:

- accepting all households as customers regardless of their credit score
- a policy not to disconnect customers for non-payment (or only under very limited circumstances)
- offering discounted or capped energy charges and reduced fees for customers in energy hardship
- offering wrap around services (such as energy navigators) to help customers engage more with their retailer.

Some traditional retailers, already offer tailored and targeted customer care services which could be considered a form of social retailing. Specialised social retailers, such as Nau Mai Rā, Our Power, and Toast Electric have also emerged in recent times, focusing on supporting those in energy hardship in their local communities.

## The current social retailing landscape

The Panel met with specialist social retailer representatives to better understand their mahi and to hear about the challenges they faced in establishing and maintaining their services.

Some of the main issues associated with social retailing are absorbing the elevated costs involved in offering tailored services, and reaching the scale required to adequately address the quantum of energy hardship in our communities. Greater support and funding of social retailers could substantially impact energy accessibility and affordability for many consumers in energy hardship.

For independent social retailers – ones that do not have their own electricity generation to supply their customers – a critical issue is establishing contracts with generators at a price, volume and duration that provides wholesale price stability over time and enables them to support their customer base.

## Issues social retailing might address

Some of the issues that social retailing could address include:

- Poor credit history restricting energy accessibility and choice for many consumers, an issue that is exacerbated if the consumer has no smart meter or also requires gas for heating
- Debt accumulation and high disconnection rates
- Fees disproportionately affecting those in energy hardship
- The difficulty that retailers can have engaging with some customers in energy hardship
- Energy plan complexity making it difficult for many consumers to understand their bills, compare plans, or switch retailers.

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<sup>64</sup> See: Concept Consulting research papers: Phase 1 and Phase 2 on social retailing. (2022).

## Strategies to address the challenges

Concept Consulting's work identified a number of different options (models) for social retailing in Aotearoa New Zealand. Drawing on Concept's analysis and the Panel's own consideration and kōrero with key stakeholders, the Panel has highlighted four of these in particular as representative of key points on the spectrum of possible options, and is seeking feedback on them through this engagement. They are:

- a. Support for accredited social retailers e.g. through an industry fund, wholesale generation social contract (hedge) obligations or government funding
- b. Government contracts one or more retailer(s) to act as a social retailer
- c. Government support for community/regional integrated social generator-retailers
- d. Government support for a nationwide integrated social generator-retailer

A brief description of each is provided. Each of these options (models) will have advantages and limitations. The Panel acknowledges that while there would be benefits for those in energy hardship, some of these options would involve government intervention or participation in competitive markets, technical complexities and the associated risk of unintended consequences that would require careful consideration.

### **Option A: Provide support for accredited social retailers**

Currently independent social retailers can find it difficult to secure electricity generation at a reasonable price to on-sell to its customer. In this model, financial support would lower costs for the independent social retailer, and arguably its customers. This could encourage more social retailers to enter the market and/or to scale-up. Financial assistance could be delivered in several ways, including:

- By requiring some or all generators (the organisations who "make" the energy) to provide monetary assistance or discounted wholesale electricity contracts (often known as hedges) to social retailers or retailers providing social retailing services. Direct financial assistance would be easier to implement than a hedge, which would need to be clearly defined<sup>65</sup> and care taken with any effect on wholesale prices. This obligation would likely be limited to generators over a certain size.
- Government putting funding into a pool that social retailers (and possibly other retailers providing social services) could access through an application process. Government could provide guidance on the types of features it would expect to see in social retailing programmes (and therefore, approve funding for).
- A levy on electricity industry participants as an alternative to Government putting funding into a pool for social retailers to access.

### **Option B: Government contracts one or more retailers to act as a social retailer**

The terms of such a contract could require the retailer(s) to provide a guaranteed supply of energy to residential consumers in energy hardship and deliver social retailing programmes that meet the needs of those consumers with favourable terms. With careful oversight, this could enable much greater availability of effective social retailing services. Funding could be provided either through general taxation or an industry levy. While this solution would have high impact, it would be a high-cost solution and would be dependent on wholesale electricity costs which can be volatile. There may be other unintended consequences such as crowding out existing and emergent social retailing activity (particularly at the community level) and limiting the ability of the retailer to be agile in meeting customer needs.

### **Option C: Government support for a number of community/regional integrated social generator-retailers**

The Government could establish a scheme to support small-scale distributed generation located in communities through a contestable funding pool. Integrated social generator-retailers ("social gen-tailers") would be expected to operate on a community level to support local households experiencing energy

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<sup>65</sup> For instance what the discount should be relative to, whether the hedges have a fixed shape, over what term the hedges are offered.

hardship. They would be community or regionally focussed, leveraging all the benefits of organisations based in the local community, i.e. being more attuned and better placed to address the community's needs, acting as a trusted partner and pathway to further supports, and working in partnership with other organisations in the local community to deliver wraparound services. They would likely be required to undertake certain minimum social retailing activities for the funding provided.

They could rely on small-scale distributed generation to provide a natural hedge for providing social retailing, allowing the social gen-tailers to charge competitive (or lower) energy charges to their customers, with any remaining generation supplied to the grid. The scale of funding would need to be decided, and funded social gen-tailers may be able to reapply for funding periodically if they need ongoing funding support beyond start-up costs, or to support expansion. As community-based not-for-profit organisations, they may be able to attract co-funding to support their service provision. The community benefits would need to be weighed against the cost-effectiveness and basis for investment decision-making in this option.

### Option D: Government support for a nationwide integrated social generator-retailer

Government could provide finding support to enable a single organisation to be an integrated nationwide social gen-tailer, providing a guaranteed supply of energy to those in energy hardship. Government could maintain a role in key major investment decisions, and the gen-tailer's own electricity generation would provide a natural hedge for electricity retailing as in Option C above.

Because the retailer component of social gen-tailer would be quicker to set up than the generation component (due to time taken to consent and develop or acquire generation), the integrated social gen-tailer would likely start as a social retailer with generation added over time. When the generation component comes online the social gen-tailer may no longer need much (if any) funding support.

This option is similar to Option B above with longer-term potential as a high impact solution. It does come with several risks and limitations however, in particular providing unfair competitive advantage to this entity in the retail market, benefitting customers of the integrated social generator-retailer only, and crowding out community-scale social retailers. The risk of creating a two-tier market where those in hardship use one retailer and the rest of the market has a range of more traditional choices, is an issue to be considered.

**Table 22: Delivering AC5**

Strategy and options	Who could benefit	Who could design and deliver it	Expected impact timeframes
Explore ways to facilitate and support social retailing which can provide post-pay supply to those in energy hardship with low credit scores, deliver targeted wrap-around services, and provide tailored pricing and payment plans. Possible options include one or more of:			
A: Provide support for accredited social retailers	<ul style="list-style-type: none"> <li>Those experiencing energy hardship</li> <li>All accredited social retailers</li> </ul>	MBIE; Electricity Authority; Electricity retailers	Medium
B: Government contracts one or more retailer(s) to act as a social retailer	<ul style="list-style-type: none"> <li>Those experiencing energy hardship</li> <li>All funded social retailers</li> </ul>	MBIE; Electricity Authority; Electricity retailers	Long
C: Government support for community/ regional integrated social gen-tailers	<ul style="list-style-type: none"> <li>Those experiencing energy hardship</li> <li>All funded social retailers</li> </ul>	MBIE; Electricity Authority; Are Ake; CEN and other community actors	Medium
D: Government support for a nationwide integrated social gen-tailer	<ul style="list-style-type: none"> <li>Those experiencing energy hardship</li> <li>The funded social retailer</li> </ul>	MBIE; EA; partner organisations	Long

## Strategy AC6:

## Ensure those in energy hardship can access the benefits of, and do not face undue costs from, the transition to low-emissions energy

As Aotearoa New Zealand works towards net-zero carbon emissions by 2050<sup>66</sup>, sustainability must remain a bottom line of all work in the energy sector, including alleviating energy hardship.

- **A sustainability principle:** Sustainable energy has multiple co-benefits for social and economic development, from reducing local pollution to delivering new green jobs<sup>67</sup>. Sustainable use of natural resources also aligns with Māori values of kaitiakitanga and mana motuhake, and the distributed nature of renewable energy technologies lends itself naturally to smaller-scale community-led development. For these reasons the Panel proposes a “sustainability principle” be applied across Aotearoa New Zealand’s energy hardship policies and programmes, as has been done within the United Kingdom’s energy hardship strategy<sup>68</sup>.
- **Equitable access to new technologies:** The global transition to sustainable energy presents a huge amount of new innovation and opportunity, but it often comes with high upfront costs, and there will be winners and losers as energy systems change. It is important that those in energy hardship have equitable access to the benefits offered by the new sustainable energy future and that the costs of the energy transition do not fall unreasonably upon those in hardship – we know that today, those who have the least often pay the most for energy<sup>69</sup>. Care is needed to ensure the transition addresses, and not worsens, existing inequities within our energy system and broader society.

Many in energy hardship lack access to existing technologies such as computers, the internet or necessary data, further hindering ability to access energy, new technologies and interact with potential suppliers. Support should be provided to enable those in energy hardship to access (and not be excluded from) new, often more expensive, technologies that could meet their energy needs more efficiently, such as demand management tools, small-scale power generation and electric vehicles.

- **Information and advice:** Reliable sources of authoritative information are needed to boost energy literacy around new technologies, and help whānau to understand the pros and cons of new technologies and whether they are a good fit for their own needs and means. For example, rapidly increasing availability of residential solar installations is driving an urgent need for good advice in this area<sup>70</sup>, to avoid those most in need falling prey to unfavourable practices.
- **A voice for those in energy hardship:** The needs and challenges of those experiencing energy hardship, including Māori and Pacific peoples as key stakeholders, and other marginalised groups, must be considered when planning for a sustainable energy transition. Their voices must be properly represented in the strategy development processes underway now, in particular the Equitable Transition Strategy, Gas Transition Plan and Energy Strategy.

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<sup>66</sup> Target set by the Climate Change Response (Zero Carbon) Amendment Act 2019, accessed at: <https://environment.govt.nz/acts-and-regulations/acts/climate-change-response-amendment-act-2019/>.

<sup>67</sup> IEA, accessed at: “[People centred transitions – World Energy Outlook 2021 – Analysis](#)”.

<sup>68</sup> “Sustainable Warmth, Protecting vulnerable households in England”, (Feb 2021), accessed at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/960200/CCS207\\_CCS0221018\\_682-001\\_CP\\_391\\_Sustainable\\_Warmth\\_Print.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/960200/CCS207_CCS0221018_682-001_CP_391_Sustainable_Warmth_Print.pdf).

<sup>69</sup> Stats NZ, “Investigating different measures of energy hardship in New Zealand”, (2017), accessed at: [www.stats.govt.nz](http://www.stats.govt.nz).

<sup>70</sup> Tools such as the Solar Calculator provided by EECA should be more widely promoted. For more information see: <https://genless.govt.nz/for-everyone/at-home/explore-solar-energy/solar-power-calculator/>.

**Table 23: Delivering AC6**

Strategy	Who could benefit	Who could design and deliver	Expected impact timeframe
Ensure those in energy hardship can access the benefits of, and do not face undue costs from, the transition to low emissions energy, including explicitly reflecting energy wellbeing requirements in Government’s Equitable Transition Strategy, Energy Strategy and Gas Transition Plan	<ul style="list-style-type: none"> <li>All energy consumers, in particular those in energy hardship</li> </ul>	MBIE, MSD	Long

**Questions on Energy Accessibility and Choice**

Please have your say using the online submission form which can be found on the Energy Hardship Expert Panel page of the MBIE website.

# Energy Affordability

## *Affording the energy whānau need for their wellbeing*

### Where we are now

The ability to afford the energy needed for a healthy home is a complex combination of the amount of energy the household needs for wellbeing, the cost of acquiring it and the resources available to the household.

Improving the health of the home and helping with knowledge and navigation can make a material difference to the affordability of energy for some whānau – our first two kete – but affordability will likely still be an issue for a significant number of households because of their energy circumstances. Where they live, the number and age of the people living in the home, their cultural practices and health needs, and the household's income are some of the key factors affecting energy affordability.

The Ministry of Social Development (MSD) administers income support to New Zealanders with low or no income through Work and Income. A range of benefits and supplements are available depending on the person's circumstances to support the income of households in need. These include main benefits, NZ Superannuation, Working for Families and also hardship assistance for energy-related bills or arrears. Of particular note for energy hardship is the Winter Energy Payment (WEP), a supplement automatically paid from May to October to all people receiving a main benefit, including NZ Superannuation.

The Panel acknowledges recent announcements about increases to ease pressure on the cost of living, thereby helping those in energy hardship who receive this additional support. On 1 April 2023, a suite of increases to household incomes take effect. This includes inflation-adjusted increases to all of minimum wage, Working for Families tax credits, Superannuation, benefits, and student allowances. Childcare assistance income thresholds will have a one-off additional increase, allowing more families to qualify for assistance.

For some New Zealanders the costs of electricity are likely to present a significant component of overall household costs. The Panel acknowledges that household average electricity prices fell by 6.4% in real terms between 2017 and 2022, based MBIE's household sales-based electricity cost data.<sup>71</sup> The Panel is mindful, however, that Aotearoa New Zealand has experienced an extended period of high wholesale electricity prices. Residential consumers are generally insulated from volatile wholesale prices due to arrangements retailers have in place to purchase electricity from generators. However, the extended period of high wholesale prices is likely to have resulted in retailers paying more overall for the electricity they purchased. This may be reflected in prices they charge to their residential consumers. The Electricity Authority is currently undertaking work to address the drivers of sustained higher wholesale prices.<sup>72</sup>

Another component of the electricity prices households pay to retailers is distribution charges (transporting electricity). There are three key factors that will drive adjustments in distribution-level charges, which together may impact household electricity prices from 1 April 2023. These are changes to the way

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<sup>71</sup>MBIE, accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-statistics-and-modelling/energy-statistics/energy-prices/electricity-cost-and-price-monitoring/>.

<sup>72</sup> Electricity Authority, accessed at: <https://www.ea.govt.nz/monitoring/enquiries-reviews-and-investigations/2022/wholesale-market-competition-review-oct2022/>.

transmission charges<sup>73</sup> are recovered, the second step of the phase-out of the Low Fixed Charge (LFC) regulations<sup>74</sup> and inflationary pressures affecting distributors' own costs.<sup>75</sup>

Electricity retailers are increasingly looking to support customers in energy hardship. Some have developed novel programmes, tariffs and payment plans specially designed to provide extra support to households that are struggling to manage their energy costs, as well as industry-wide initiatives led by the Electricity Retailers Association of New Zealand (ERANZ).

The Electricity Authority's Consumer Care Guidelines set out expectations for retailers when their customers are facing payment difficulties. These guidelines, and opportunities to strengthen and expand them, are discussed in the next kete, Consumer Protection.

**Table 24: Energy Affordability – examples of current mahi**

Key Initiative	Description	Delivery agency
Work and Income benefits and payments	A range of regular financial benefits are available to eligible low-income individuals and households.	Work and Income
Hardship assistance payments for energy-related issues	A one-off recoverable payment to cover an immediate and essential need such as threat of disconnection for non-payment of debt. This is available to anyone who meets an income and asset test including those who do not qualify for any other income support payments.	Work and Income
Winter Energy Payments (WEP)	This is an extra payment to help with the cost of heating your home over the winter months. This is paid automatically to existing beneficiaries along with other regular payments from WINZ. It is possible to opt out of this payment.	Work and Income
Various programmes run by retailers and network companies providing additional financial support, power credits and capped winter prices		

## Current Challenges

- A significant proportion of low-income households are facing energy hardship.** Based on 2018/19 data from the Household Economic Survey<sup>76</sup>, almost 20% of all households report insufficient income to adequately heat their home, rising to 37% of households in the lowest income quintile<sup>77</sup> (Figure 10). It is acknowledged that these statistics are prior to the impacts of COVID-19 and cost of living increases, and that benefits, income support and access to hardship assistance have increased since. Not all low-income households struggle with their energy bills; some low-income households have low living costs and low energy needs, and therefore do not have energy affordability problems. This contrasts with some middle-income households that have large or extended families, high living costs, poorly insulated homes and high energy needs, and are struggling to keep up with paying big energy bills every month.

<sup>73</sup> Electricity Authority, accessed at: <https://www.ea.govt.nz/development/work-programme/pricing-cost-allocation/transmission-pricing-review/development/final-tpm-decision/>.

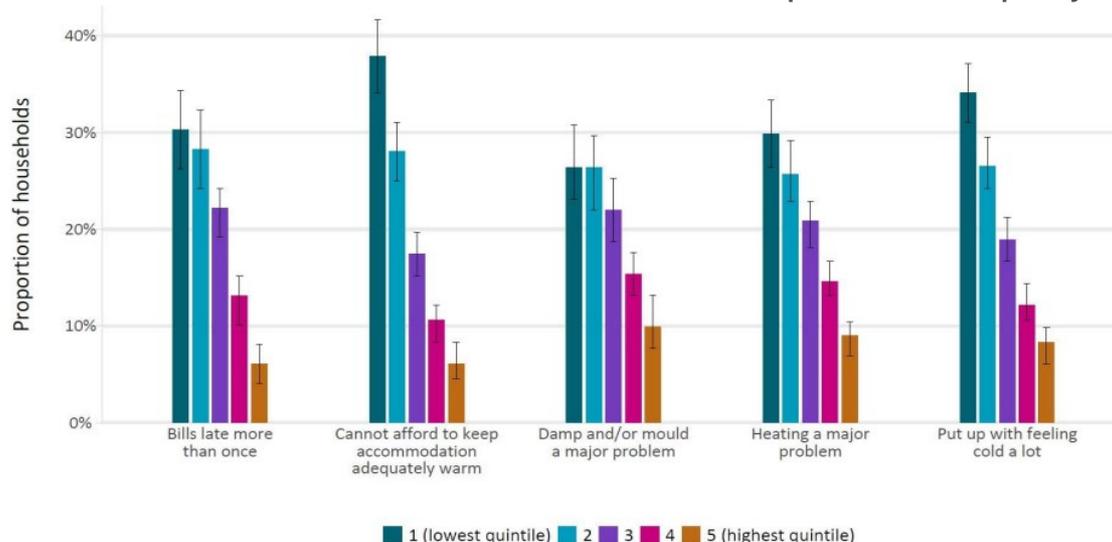
<sup>74</sup> MBIE, accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-consultations-and-reviews/electricity-price/phasing-out-low-fixed-charge-tariff-regulations/>.

<sup>75</sup> The LFC phase-out and changes to transmission charges are for the long-term benefit of consumers. While the LFC regulations did help some (generally smaller) households, they pushed others into greater energy hardship and created barriers for industry to adopt better pricing signals. Phasing out the LFC regulations is helping power companies incentivise households to shift their power consumption to non-peak times. This helps avoid the need for expensive network upgrades that would ultimately see higher costs passed onto consumers. Similarly, the changes to transmission charges aim to ensure more efficient decisions in transmission investments and on the location of new generation - both of can reduce the cost of electricity at peak times.

<sup>76</sup> MBIE, "Defining energy hardship discussion document", MBIE, 2021, Appendix D

<sup>77</sup> The lowest income quintile means the lowest 20% based on income.

**Figure 10: Almost 40% of low-income households could not afford to keep their home adequately warm**



Source: MBIE analysis of StatsNZ Household Economic Survey data 2018/19

- Energy accounts for a much higher proportion of income and expenditure for low-income consumers.** Energy costs don't vary as much with income as other household costs do.<sup>78</sup> Living pay-to-pay means families can't cope with sudden increases in household expenditure.
- Energy needed for wellbeing varies with circumstances.** The amount of energy needed to heat a home, and therefore the affordability of energy bills, can vary hugely depending on whānau circumstances. Factors affecting the size of the energy bill include where the home is in Aotearoa, the quality of the home and its appliances (discussed in detail in the "Health of the Home" kete), how many rooms need to be heated and whether this is 24/7 or just the evenings and overnight, the number of people in the home and their age, health and cultural needs.
- Energy prices vary across the country.** Where whānau lives can affect not just the amount of energy needed but also the price. In particular, there is significant regional variation in electricity prices much of which is due to the component that pays for the pylons, poles and wires transporting electricity from where it is generated to each home on the network. Analysis by Consumer NZ (September 2021) found that the areas with incomes lower than average are paying prices higher than average, and that larger towns and cities generally pay the least. An example they gave was Kerikeri electricity prices being about 40% higher than they are for a similar household in Auckland where median incomes are about 25% higher.<sup>79</sup> As noted, new pricing arrangements come into effect on 1 April this year, and this will affect electricity prices across the motu.
- Payment options also impact affordability.** Those with tight budgets can struggle to pay a large energy bill, particularly if it comes at the same time as other big bills. We've heard from budget advisors that an unexpectedly large electricity bill can be the trigger for a household spiralling into debt. Many retailers offer a range of payment options to help smooth out bills over time or provide shorter billing cycles, and payment plans for those who are behind in their payments. Some offer pre-pay electricity which helps households manage their electricity bills within their budget, but this means those who can't afford to top up their pre-pay meter are disconnected until they can. Being on the right pricing plan is also critical for affordability, to ensure households in hardship are paying no more than they need to for the energy required for their wellbeing. Addressed in more detail in the Knowledge and Navigation kete.

<sup>78</sup> Analysis of Stats NZ HES data, "Quantitative analysis and compendium of past statistics on energy hardship", Concept Consulting, May 2022, page 9

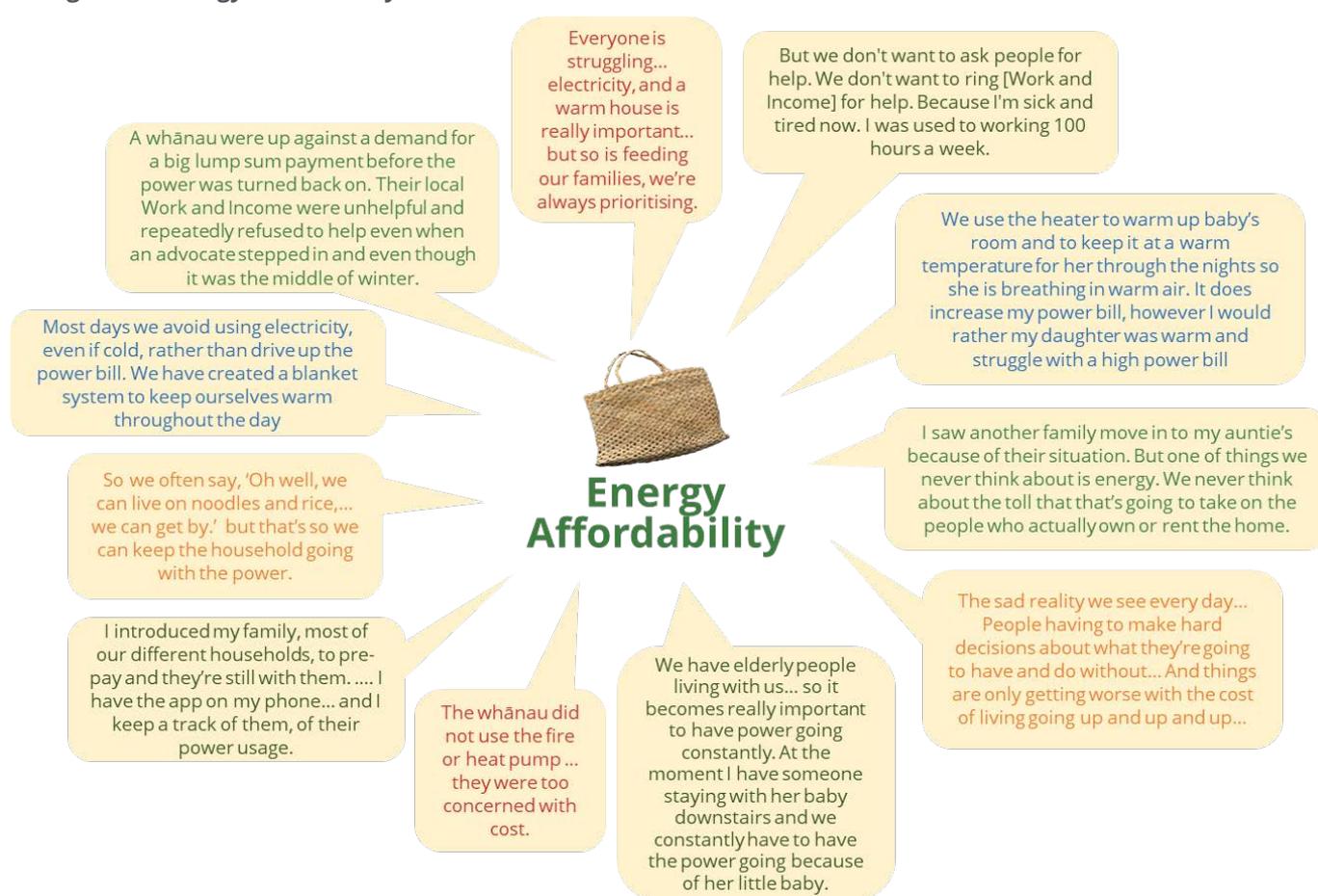
<sup>79</sup> ConsumerNZ article, "The shocking difference in electricity prices across New Zealand" (Sept 2021), accessed at: <https://www.consumer.org.nz/articles/the-shocking-difference-in-electricity-prices-across-new-zealand>.

## What we have heard

The Panel engaged with a wide range of communities and key stakeholder groups to hear their experiences of energy and energy hardship. We also sought their views and perspectives on what needs to be done to alleviate energy hardship, and to support energy wellbeing. These groups have included individuals and whānau living in energy hardship, experts and representatives from across the energy sector, beneficiary advocacy groups, and Māori and Pacific providers in the community, health and social services and energy-related sectors.

Without doubt, the cost of energy was considered by community people, and Māori and Pacific peoples in particular, to be the biggest contributor to energy hardship. The Panel has heard about the struggles whānau face in affording their power bills, how this impacts their wider wellbeing, and what this looks and feels like for those whānau experiencing it. The choice between “heat or eat” is a common theme. Some of the communities’ and stakeholder experiences gathered are set out in Figure 11.

Figure 11: Energy Affordability - some of what we've heard



## What we think - strategies to improve energy affordability

From the rich kete of evidence and insights that were received, the Panel has identified seven key strategies for improving the affordability of energy – which, in turn, will contribute to the energy wellbeing of individuals, households and whānau. The strategies are summarised in, against the challenges or issues they are addressing.

**Table 25: Energy Affordability – challenges and proposed strategies**

Challenges	Proposed Strategies	
<p>Low income is a major barrier for many whānau to afford the energy they need for wellbeing in their home</p>	<p><b>AF1</b></p>	<p>Prioritise lack of energy access as an emergency issue and implement nationally consistent processes and timeframes for responding to requests for assistance from customers in energy hardship/their advocate/retailer, and establish clear and direct lines of communications between MSD and those customers/their retailer/advocate. (links to CP1 and AC2)</p>
	<p><b>AF2</b></p>	<p>Provide extra Government financial support, needs-based and targeted at households in energy hardship, including those outside the existing beneficiary group. Possible mechanisms include better targeting of the Winter Energy Payment (WEP) eligibility criteria/funding levels, an energy-related income supplement, an energy bill rebate, and making a portion of energy-related grants non-recoverable.</p>
	<p><b>AF3</b></p>	<p>Ensure all fees and costs charged to energy consumers are cost-reflective and reasonable (including pre-pay, disconnections, reconnections, top ups, bonds, metering)</p>
<p>Pre-pay accounts often impose significantly high costs on those most in need and self-disconnection is hidden</p>	<p><b>AF4</b></p>	<p>Review and monitor the use and pricing of pre-pay accounts to ensure they do not create or exacerbate disadvantage, including tracking and publishing self-disconnection (how many, how often, for how long) and reviewing pre-pay T&amp;Cs, fees, wrap around support (links to CP2, CP3)</p>
<p>Payment options may impact affordability and choice</p>	<p><b>AF5</b></p>	<p>Require retailers to include payment options that recognise the difficulty those in energy hardship face, eg cash payment, smooth pay, weekly or fortnightly billing/payment (links to CP3)</p>
<p>Distribution pricing methodologies can impact affordability</p>	<p><b>AF6</b></p>	<p>Investigate the implications of distribution pricing methodologies for those in energy hardship and identify approaches to address any adverse impacts</p>

These proposed strategies are discussed in the following sections.

**Strategy AF1:**

**Prioritise lack of energy access as an emergency issue, and implement nationally consistent processes and timeframes for responding to requests for assistance from customers in energy hardship**

Energy access, due to its role in providing warmth, cooking and light in particular, is widely agreed to be an essential human need in the modern world, evidenced by its inclusion in the United Nations Sustainable Development Goals.<sup>80</sup> Even for those with a secure energy source, energy costs can, at times, be unpredictable. This can be a significant wellbeing issue for those already in energy hardship, where a higher-than-expected energy bill or other unforeseen expense can put severe pressure a household’s budget.

The Panel has heard from beneficiary advocates and financial mentors that they often encounter challenges in establishing communication and getting timely responses from MSD on matters relating to energy access emergencies. They and the whānau they were helping often struggled to get assistance in time to avoid being disconnected for unpaid power bills. There can also be inconsistencies across different offices or regions.

The faster an energy retailer knows a process is underway, the more likely it is that mutually beneficial outcomes can be reached, and potentially harmful situations such as disconnection or a build-up of debt can be avoided.

A timely and nationally consistent approach to dealing with energy-related enquiries is needed, which recognises the appropriate priority level for energy access. An operational policy is needed that establishes clear processes, direct lines of communication and appropriate timeframes for responding to requests for assistance from customers. This should also apply to enquiries on behalf of a customer made by their authorised advocate or their energy retailer. Development of these processes should involve advocates, support agencies, energy retailers and regulators.

Another challenge that faces some households in energy hardship is a lack of awareness of what government support is available. It may be appropriate for MSD to review its communications strategy, to embed the prioritisation of energy hardship and wellbeing. A communications policy might also take the opportunity to plan how to better communicate to the public about the range of measures available to support households in energy hardship. There should be an emphasis on diversity and inclusion, taking account of the range of physical and cultural needs and barriers related to a wide range of energy user groups.

**Table 26: Delivering AF1**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframes
Prioritise lack of energy access as an emergency issue and implement nationally consistent processes and timeframes for responding to requests for assistance from customers in energy hardship/their advocate/retailer, and establish clear and direct lines of communications between MSD and those customers/their retailer/advocate	<ul style="list-style-type: none"> <li>Households unable to pay their energy bills</li> </ul>	MSD; advocates and support agencies; energy retailers; energy regulators	Short - Medium

<sup>80</sup> [Goal 7 | Department of Economic and Social Affairs \(un.org\)](#): “Ensure access to affordable, reliable, sustainable and modern energy for all”.

## Strategy AF2:

## Provide extra Government financial support, needs-based and targeted at households in energy hardship, including those outside the existing beneficiary group

One of the main causes of energy hardship is low income. Ensuring households are paying no more than they need to can make a material difference (see our responses in other kete), but affordability will nevertheless likely remain an issue for a significant number of low-income households.

Providing extra financial support, and ensuring it is needs-based and targeted towards households experiencing energy hardship, could be one of the most effective tools to alleviate energy hardship. The Electricity Price Review recommendation *B5: Offer extra financial support for households in energy hardship* echoed these same observations and sentiments.

The Panel acknowledges the potential for this to have significant financial, legislative and operational implications for Government, and that further work would be needed to determine the size, targeting and delivery model for any such additional financial support. The Panel also acknowledges that moving to more complex arrangements for determining eligibility and funding levels would increase administration costs.

The Panel has several ideas for Government to consider:

- Reviewing eligibility and funding levels for existing financial support, particularly the Winter Energy Payment (WEP)
- Additional needs-based financial support for those in energy hardship, such as an energy bill rebate or energy-related income supplement
- Making a portion of energy-related grants non-recoverable.

### Reviewing existing support, such as the Winter Energy Payment (WEP)

As part of the suite of MSD benefits and payments, the Winter Energy Payment (WEP) provides support to more than one million New Zealanders to meet their energy costs through the coldest months of the year. For the 2022/23 financial year, the Government has allocated over \$518m for the WEP. It is automatically paid out to all people on main benefit, including all superannuitants.

We have heard from beneficiary advocates and financial mentors that the whānau they help rely heavily on the WEP, but for many it is not enough to be able to afford the energy they need for wellbeing in their homes. Furthermore, not all who are in energy hardship are eligible to receive a main benefit and therefore do not receive the WEP.

A recent study identified that the estimated cost to heat one child's bedroom (\$58 per month) equates to 46% of the 2021 monthly WEP. The study notes that the current WEP is insufficient to cover the costs of heating living areas and more than one child's bedroom.<sup>81</sup> Main benefit rates have increased since this study was completed; however, the cost of living has also increased.

The Panel considers further investigation is needed into a more targeted approach for existing support such as the WEP and/or for additional needs-based financial support for those in energy hardship, including those outside the existing beneficiary group (see next subsection).

There is a growing body of research that would support a needs-based approach to providing additional financial assistance to those in energy hardship. For example, there is increasing evidence that early life is a key vulnerability. The He Kāinga Oranga research group<sup>82</sup> recommends extending the WEP universally to

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<sup>81</sup> Howden-Chapman, P., et al (2022). The cost of achieving healthy temperatures in children's bedrooms: Evidence from New Zealand. *Energy Policy*, 164.

<sup>82</sup> For more information see: <https://www.healthyhousing.org.nz/>.

families with infants and young children in the same way that the WEP is currently provided universally to pensioners who can choose to opt-out if they feel they do not need the payment.<sup>83</sup>

There are other factors that could be considered for improving targeting of additional financial support and making it more needs-based, for instance:<sup>84</sup>

- Where the home is located in Aotearoa can make a big difference to the energy needed, and therefore affordability – over five times as much energy is needed to heat a home in the evenings to 17C in Otago than the same home in Northland
- The heating regime needed for the household's wellbeing also makes a big difference, putting greater strain on budgets for households that have people at home all day and who need to heat the whole house (for example elderly, young children and those with health conditions):
  - heating all areas of a house 24/7 takes over five times as much energy as only heating the living areas in the evening;
  - heating a home in Wellington in the evenings to 20C rather than to 14C takes nearly five times more energy.

Location can affect not just the amount of energy needed but also the price. There is significant regional variation in energy prices, particularly for electricity.

Health and disability is also a key factor in energy needs. MSD assists people on benefits and low incomes who have a health condition or disability with additional costs arising from their health conditions through payment of Disability Allowance. The cost of additional energy consumption can be included as an allowable cost in Disability Allowance, but the Panel has heard that the current process for determining extra energy used does not always deliver an outcome reflecting the individual's circumstances and increased energy needs.<sup>85</sup>

### **New needs-based financial supports**

There are many options for delivering needs-based financial support for those in energy hardship, including those outside the existing beneficiary group, and the Panel has highlighted two in particular: an energy bill rebate and an energy-related income supplement.

Additional financial support could be provided by applying a rebate to the energy bills of households in energy hardship. This option has the potential to be an effective intervention to help households struggling to meet their bills as the payment would likely be applied directly to that household's energy bill. It is likely this option would rely on significant assistance from energy retailers to help identify and appropriately apply the rebate.

Another is establishing an energy-related income supplement for households in energy hardship, taking into account key factors such as location, house size/quality, size of family and their age/health needs. This could be more straightforward to apply, however, there may not be a guarantee that the payment would go directly towards energy bills as households in energy hardship may view other expenses, such as a doctor's or mechanic's bill, as more urgent.

### **Make a portion of energy-related emergency assistance payments non-recoverable**

We acknowledge there are other existing benefit options such as Advance Payment of Benefit or Recoverable Assistance Payment that can assist households when they are unable to meet the costs of an

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<sup>83</sup> Howden-Chapman, P., et al (2022). The cost of achieving healthy temperatures in children's bedrooms: Evidence from New Zealand. *Energy Policy*, 164.

<sup>84</sup> Concept modelling drawing on EECA AccuRate data, "Quantitative analysis and compendium of past statistics on energy hardship", Concept Consulting, May 2022, page 23

<sup>85</sup> This is due to the current assessment process for including heating costs for Disability Allowance not comparing like with like; because policy instructions result in using a price comparison website to compare the additional energy cost/use of a beneficiary household with the average energy use of a same sized household not on a fixed income.

essential or emergency need. However, these benefit options are recoverable, which means that the budgetary impact of the unexpected cost might only be delayed temporarily rather than resolved. MSD should consider whether a portion of payments made for immediate and essential or emergency costs, such as energy, could be made non-recoverable. The Panel acknowledges the risk that this may encourage non-payment of energy bills.

**Table 27: Delivering AF2**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframes
Provide extra Government financial support, needs-based and targeted at households in energy hardship, including those outside the existing beneficiary group. Possible mechanisms include better targeting of the Winter Energy Payment (WEP) eligibility criteria/funding levels, an energy-related income supplement, an energy bill rebate, and making a portion of energy-related grants non-recoverable	<ul style="list-style-type: none"> <li>Households unable to pay their energy bills</li> </ul>	MSD; energy retailers	Long

**Strategy  
AF3:**

**Ensure all fees and costs charged to energy consumers are cost-reflective and reasonable**

Most energy retailers charge a range of fees on top of the bill for the energy the home uses. Examples include fees for disconnection and reconnection, late payment, dishonoured payment, failing to meet an agreed payment arrangement and paper billing. These fees tend to hit hard for those households that are already struggling to pay their energy bill. Retailers may also require consumers with bad credit to pay a bond. Consumers on pre-pay plans may also pay fees such as for topping up their credit.

Ensuring all fees and costs charged are reasonable will help improve the affordability of energy for those in energy hardship, who are disproportionately affected by high fees.

The Panel acknowledges that the Authority’s Consumer Care Guidelines include a section on fees and bonds relating to electricity. Proposed strategies in the Consumer Protection kete are therefore relevant here.

**Table 28: Delivering AF3**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframes
Ensure all fees and costs charged to energy consumers are cost-reflective and reasonable (including pre-pay, disconnections, reconnections, top-ups, bonds, metering)	<ul style="list-style-type: none"> <li>Households unable to pay their energy bills</li> </ul>	EA; energy retailers; meter equipment providers; network companies	Short - Medium

## Strategy AF4:

## Review and monitor the use and pricing of pre-pay accounts to ensure they do not create or exacerbate disadvantage

About 27,000 households are on pre-pay electricity plans offered by Mercury's GloBug and Wise Prepay Energy.<sup>86</sup> Many consumer advocates, budget advisors and whānau have told us about the benefits of pre-pay electricity plans and the essential role a pre-pay option plays for many whānau struggling with their household bills. Pre-pay is often the only option for households with a poor credit history that are denied access to post-pay plans. Some have said they prefer pre-pay as it provides more control over power bills and helps them with their budgeting.

We heard this from a family in Auckland explaining how their pre-pay has really helped their budgeting "what was appealing about [pre-pay] was not getting a \$400 bill the following month .... We put \$30 on our electricity every 10 days and I know what my power should be sitting at \$2.31 every day... [pre-pay] helps make you more aware and to be able to manage your power and money better because they show you straight away what your usage is [via the app] and you can see why the power goes down quite fast."

But many have told us of the problems with pre-pay electricity, particularly if it's the only choice. We've been told that pre-pay plans can be more expensive than post-pay plans due to the rates and/or fees charged. Any reconnection fees would impose further costs each time the power runs out.

The Panel acknowledges the role that pre-pay electricity plans play, but considers the terms and conditions should be reviewed to ensure they are fair and do not create or exacerbate disadvantage. Similarly, all fees should be clear, fair and reasonable.

Another concerning aspect of pre-pay electricity is the lack of visibility over pre-pay disconnections. While some customers may place value on the ability to deliberately self-disconnect as a cost management strategy, evidence suggests that customers facing household budget pressures are making a choice whether to "heat or eat", risking the health and wellbeing of their household. Currently, there is only anecdotal evidence of such choices being made on pre-pay plans, as there is no readily available industry-wide data on the frequency, duration, timing and reasons for pre-pay self-disconnections which would clarify the extent of this issue and point to solutions.

Reviewing the use of pre-pay plans and ensuring retailers have more comprehensive reporting obligations could help protect consumers, especially those in energy hardship. It would also provide more data to drive evidence-based decision-making regarding pre-pay electricity plans. The Panel also would like to see all electricity retailers taking a more proactive approach taken to supporting customers on pre-pay plans, including identifying households at risk of under-heating, offering additional wrap-around supports and providing pathways into post-pay accounts if wanted by the customer. The Authority's Consumer Care Guidelines provide a means of setting out expectations and requirements relating to pre-pay electricity plans.

While acknowledging the benefits of pre-pay, the Panel considers choice is also very important. The Panel therefore believes all whānau should have access to a post-pay option despite their credit situation – this is addressed in the Energy Accessibility kete.

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<sup>86</sup> Data sourced from: [www.emi.ea.govt.nz](http://www.emi.ea.govt.nz) provided by the Electricity Authority (New Zealand). Note other retailers may also offer a pre-pay account option, but data on customer numbers is not available on the EMI.

**Table 29: Delivering AF4**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframes
<p>Review and monitor the use and pricing of pre-pay accounts to ensure they do not create or exacerbate disadvantage, including tracking and publishing self-disconnection (how many, how often, for how long) and reviewing pre-pay terms and conditions, fees, wraparound support</p>	<ul style="list-style-type: none"> <li>Households on pre-pay electricity plans</li> </ul>	<p>Electricity Authority, electricity retailers, consumer advocates</p>	<p>Short - Medium</p>

**Strategy AF5:**

**Require energy retailers to include payment options that recognise the difficulty those in energy hardship face**

A key challenge for those in energy hardship can be paying their electricity bill at a time and in a manner which works with their own budget planning and constraints. Those who are already in energy hardship are more likely to struggle to be able to commit to monthly direct debit payments, generally the preferred option of power companies.

Some customers may prefer making cash payments rather than online or direct debit payments, and some do not have a bank account.

We've heard that the frequency of payment is also a factor – paying a smaller amount weekly or fortnightly would be easier to manage than a larger monthly bill. The longer the billing cycle, the greater the risk that a household racks up an unexpectedly large bill it then can't afford. Winter energy bills tend to be higher than the summer months, adding to budgeting pressures across those months.

Some energy retailers do facilitate a range of payment options, including smoothing payments out over the year and offering shorter billing cycles. There can, however, be an additional cost involved for choosing these options, and although this is generally a relatively small charge, if it is applied for each payment it adds up over time. For households already struggling, having to pay an extra cost on top of already paying for their energy can make bills unaffordable.

Energy retailers should be mindful of the payment options they make available and their suitability for households in energy hardship. For electricity retailers, provisions could be set out in strengthened Consumer Care Guidelines (see CP1).

The Panel acknowledges that requiring multiple payment options might be a challenge for small or very small retailers and that careful design would be needed to ensure the requirements do not adversely affect retail competition

**Table 30: Delivering AF5**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframes
Require retailers to include payment options that recognise the difficulty those in energy hardship face, e.g. cash payment, smooth pay, weekly or fortnightly billing/payment	<ul style="list-style-type: none"> <li>Households in energy hardship</li> </ul>	Energy regulators; energy retailers; consumer advocates; financial mentors	Short - Medium

**Strategy AF6:**

**Investigate and address the implications of network pricing methodologies for energy hardship**

Energy distribution businesses transport energy on local networks to peoples’ homes – electricity across poles and wires, and gas through pipes. They are natural monopolies, and subject to regulation through the Electricity Authority and Commerce Commission.

Distribution pricing is important as it affects how consumers use electricity and gas, how distributors and others manage load on their networks, when distributors invest in new (or replacement) network infrastructure or network alternatives, and the timing, level and location of investments in new technology, such as distributed energy resources or demand management.

The Electricity Authority has been leading work around electricity distribution pricing reforms including publishing distribution pricing principles in 2019, to set clear expectations for efficient distribution prices. Electricity distribution pricing reform is important for facilitating an efficient transition to a low-emissions future and increased electrification. Also relevant is MBIE’s work with the gas industry co-regulator, the Gas Industry Company, to develop a plan for an equitable transition for the fossil gas sector to decarbonise and reduce reliance on fossil gas.

Distribution pricing methodologies have the potential to adversely affect customers in energy hardship, particularly those who live in high cost-to-serve areas of Aotearoa. Our transition to a low emissions future may exacerbate this. The Panel considers it important that the potential for adverse effects be investigated to gain a better understanding of the nature and scale of the implications for consumers in energy hardship. This investigation should include identifying possible approaches to mitigating any adverse effects identified.

**Table 31: Delivering AF6**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframes
Investigate and address the implications of network pricing methodologies for energy hardship, particularly in high cost-to-serve areas	<ul style="list-style-type: none"> <li>Households in energy hardship</li> <li>Households in high cost-to-serve areas</li> </ul>	MBIE, energy regulators, energy distribution businesses	Medium - Long

**Questions on Energy Affordability**

Please have your say using the online submission form which can be found on the Energy Hardship Expert Panel page of the MBIE website.

# Consumer Protection

## *Protecting energy consumers in their relationships with providers*

### Where we are now

Household energy consumers, particularly those experiencing energy hardship, are at a disadvantage in their relationships with energy suppliers. Reasons include an imbalance of power, energy sector complexity, lack of time, language barriers and cultural differences. Vulnerable customers may not reach out for help as they are fearful of disconnection. Customers may not know their rights or how to enforce them, and many are fearful of raising their voice.

Recognising the challenges household electricity consumers face, Government amended the Electricity Industry Act in 2022 to give the Electricity Authority a specific objective and function to protect the interests of small consumers (household and small business consumers) in relation to their supply of electricity.<sup>87</sup> The amended Act also gives the Authority clearer powers to make mandatory rules to deliver on this. The new objective, function and powers came into force in late 2022.

In 2021, the Electricity Authority published its Consumer Care Guidelines which focused on retailers providing a consistent and supportive standard of service to household electricity consumers.

In response to EPR recommendations, Government established the Consumer Advocacy Council in mid-2021 to advocate for change in the energy sector, on behalf of all residential and small business electricity consumers.<sup>88</sup>

Other agencies such as the Commerce Commission and Utilities Disputes (UDL) play important roles in protecting the interests of household energy consumers. Examples of existing initiatives can be found in Table 32.

**Table 32: Consumer Protection – examples of existing mahi**

Key Initiative	Description	Delivery agency
Consumer Care Guidelines for residential electricity consumers	Guidelines focusing electricity retailers on providing a consistent and supportive standard of service to domestic consumers.	Electricity Authority
Electricity Authority's guidelines for residential electricity contracts	The principles and minimum terms and conditions for electricity contracts between the retailer and the consumer	Electricity Authority
Utilities disputes services	UDL provides a free and independent dispute resolution service for electricity, gas, and water complaints, and disputes about access to shared property for fibre installations.	Utilities Disputes Limited
General consumer protection law	Relevant protections include: <ul style="list-style-type: none"><li>• Fair Trading Act</li><li>• Consumer Guarantees Act</li><li>• Credit Contracts and Consumer Finance Act</li></ul>	Commerce Commission

<sup>87</sup> For more information see: <https://www.ea.govt.nz/about-us/what-we-do/>

<sup>88</sup> Consumer Advocacy Council, accessed at: <https://www.cac.org.nz/>

## Current Challenges

Despite these efforts household energy consumers, particularly those in energy hardship, are still struggling to have their voices heard and receive the protections they need.

- **Current Consumer Care Guidelines are not as effective as they could be.** The Panel acknowledges that many electricity providers are taking steps to improve their consumer care practices, however, the existing Consumer Care Guidelines are neither mandatory nor enforceable, and the Panel has heard the level of alignment with the guidelines varies across retailers.
- **The lack of accessible data is hindering deeper understanding.** There are various official data sources that provide input to measuring energy hardship and understanding the nature and extent of challenges households are facing. There is also relevant and helpful information in some data sources that are not continuous but are one-off collections.<sup>89</sup> MBIE has also developed a definition of energy hardship and is developing measures to track energy hardship over time. This work is expected to be completed in the near future.<sup>90</sup> While these are all valuable data sources, the Panel has found it difficult to access more detailed information in some areas. These include information on the frequency and duration of disconnections for non-payment, reconnection times, consumer debt levels, refusal to supply due to poor credit, and data around pre-pay electricity. The Panel understands that the Electricity Authority is collecting certain information relevant to energy hardship from electricity retailers, but this is not published on a regular basis.
- **New technologies and business models.** The pace of energy sector innovations, particularly in pursuit of the renewable energy transition, means consumers may need extra support and protection in relationships with emerging, non-traditional energy technologies and energy service models. The Panel is aware that this is a growing issue here and in other countries, such as Australia, and that the current consumer protection regimes and dispute resolution schemes in Aotearoa New Zealand might not be fit for purpose for new emerging technologies.<sup>91</sup>

## What we have heard

The Energy Hardship Expert Panel (the Panel, EHEP) engaged with a wide range of key stakeholder groups and communities to hear their experiences of energy and energy hardship. The Panel also sought their views and perspectives on what needs to be done to improve consumer protection to support energy wellbeing. These groups have included individuals and whānau living in energy hardship, electricity retailers and consumer advocates.

Some of the communities' and stakeholder experiences gathered are set out in Figure 12.

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<sup>89</sup> Ministry of Business, Innovation and Employment, "Defining Energy Hardship Discussion Document, (2021), <https://www.mbie.govt.nz/dmsdocument/17802-defining-energy-hardship-discussion-document>, page 32.

<sup>90</sup> Ministry of Business, Innovation and Employment, accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/defining-energy-hardship/>

<sup>91</sup> Newsroom (2022), accessed at: <https://www.newsroom.co.nz/sustainable-future/calls-to-regulate-solar-energy-disputes>

**Figure 12: Consumer Protection - some of what we've heard:**



## What we think – strategies to increase consumer protection

From the evidence and insights that we have received, the Panel has identified four key strategies which could support energy wellbeing by improving Consumer Protection in Table 33.

**Table 33: Consumer Protection – challenges and proposed strategies**

Challenges	Proposed Strategy	
The Electricity Authority's Consumer Care Guidelines (CCG) are voluntary and there is no regulatory penalty for not complying	CP1	Review and strengthen the Consumer Care Guidelines including expanding to include mandatory consumer care obligations on all electricity retailers.
	CP2	Strengthen monitoring, compliance and enforcement of the Consumer Care Guidelines, including a penalty and reporting regime for non-compliance.
There is a lack of reporting and monitoring of key energy hardship information from electricity retailers	CP3	Require electricity retailers to report key energy hardship indicators to the Electricity Authority for it to monitor and publish (e.g. number of customers refused supply, disconnection numbers/durations/reasons, customer debt levels, bonds, pre-pay, referrals to Income Support, retailers' alignment with CCG)
Other consumer protection regimes and dispute resolution schemes may be too narrow as new technologies and business models emerge	CP4	Expand consumer protection and existing dispute resolution schemes to cover other forms of energy provider relationships taking an energy hardship lens (e.g. solar providers)

These proposed strategies are discussed in the following sections.

## Strategy CP1:

## Review and strengthen the Consumer Care Guidelines

To strengthen protections for household electricity consumers, the Electricity Authority should review and strengthen its Consumer Care Guidelines (CCG), including making key elements mandatory. This could be achieved through including mandatory consumer care obligations in the Electricity Industry Participation Code (the Code).

The current CCG replaced existing guidelines on arrangements to assist vulnerable consumers, and guidelines on arrangements to assist medically dependent consumers, both of which had been in place since 2009. As a result of prompting from the EPR, and issues arising during COVID-19 lockdown, those guidelines were reviewed and were found to be no longer fit for purpose. The Electricity Authority developed and consulted on new guidelines between 2020 – 2021, and the CCG came into effect on 1 July 2021.<sup>92</sup>

A key feature of the current CCG is that they are voluntary guidelines, rather than the mandatory minimum standards EPR recommended. One of the principal reasons behind this decision<sup>93</sup> was that voluntary guidelines would be easier to update compared to mandatory guidelines which would need to be set out in Code. This was important as, in the Authority's view, the work on the guidelines was linked to other Electricity Price Review recommendations relating to energy hardship which, at the time, MBIE was still progressing. In particular, MBIE was progressing amendments to the Electricity Industry Act to ensure the Authority had clear powers to make Code to protect the interests of small consumers. Government has since completed these legislative changes which came into effect in late 2022.

The Panel acknowledges the Authority's voluntary CCG regime has been an understandable intermediate step towards the EPR recommendation for mandatory minimum standards. However, the Panel considers this should now be progressed to the next stage. Specifically, the CCG should be reviewed and strengthened including expanding to include mandatory consumer care obligations on all electricity retailers. Areas where the Panel considers there should be mandatory minimum standards include arrangements for supporting those in payment difficulty, fees and bonds, disconnection for non-payment and medically dependent consumers. Mandatory minimum standards will become even more important as innovations in business models and technology lead to the emergence of new providers that may not otherwise give high priority to voluntary arrangements.

The Panel acknowledges this may mean increased costs for retailers, however it considers this should not be a significant increase if retailers' consumer care practices are fully aligned with the voluntary guidelines already in place.

An international example of this is the requirement on the Australian Energy Regulator (AER) under National Energy Retail Rules to develop, maintain and publish a binding and enforceable customer hardship policy guideline. The purpose of this guideline is to strengthen protections for customers experiencing hardship. The Guideline outlines important responsibilities that retailers need to comply with when they submit a new or varied customer hardship policy to the AER. The AER published the Guideline On 29 March 2019.

**Table 34: Delivering CP1**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Review and strengthen the Consumer Care Guidelines including expanding to include mandatory consumer care obligations on all electricity retailers	<ul style="list-style-type: none"> <li>All residential electricity consumers</li> </ul>	EA; CAC; financial mentors; consumer advocates; retailers	Short - Medium

<sup>92</sup> Electricity Authority, "Consumer Care Guidelines" (2021), accessed at: <https://www.ea.govt.nz/development/work-programme/operational-efficiencies/medically-dependent-consumer-and-vulnerable-consumer-guidelines/>

<sup>93</sup> Electricity Authority, "Consumer Care Guidelines Decisions Paper", (2021) accessed at: <https://www.ea.govt.nz/assets/dms-assets/28/Consumer-Care-Guidelines-Decisions-Paper.pdf>, page 26.

## Strategy CP2:

## Strengthen monitoring, compliance and enforcement of the Consumer Care Guidelines

Hand-in-hand with strengthening the CCG is the need for stronger monitoring, compliance and enforcement, to ensure the regime is being upheld and household electricity customers are being protected. This will also deliver a level playing field for all electricity retailers, as they will all be subject to the same obligations and monitoring regime.

The protections offered by strengthened CCG are critical to protecting the most vulnerable electricity consumers. The regime therefore needs more teeth. Industry should be required to show that they are in full compliance with mandatory aspects of the strengthened regime and, if they cannot, there should be suitable penalties in place.

If key elements of the strengthened CCG were mandatory and included as part of the Code, a breach would be treated as a breach of the Code. The Code, and associated provisions in the Electricity Industry Act and Enforcement Regulations, together provide an appropriate enforcement and penalty regime which could then be applied to enforce the newly mandated protections.

An example of enforcement in an international context is in June 2022, when Australian company Origin Energy Electricity and other Origin related entities were ordered by the Federal Court to pay penalties totalling \$17 million for failing to comply with their obligations to protect customers experiencing hardship and payment difficulties, in proceedings brought by the Australian Energy Regulator (AER).<sup>94</sup> This is the largest total penalty ever imposed for breaches of the National Energy Retail Law and Rules.<sup>95,96</sup>

To strengthen compliance, the AER also conducts a regular compliance check on retailers against hardship obligations. This is then reported on and published on its website.<sup>97</sup> The AER's compliance and enforcement work ensures that protections are upheld. It also gives consumers and energy market participants confidence that energy markets are working effectively and in their long term interests.<sup>98</sup> Where potential non-compliance is identified, the AER will consider further investigation and enforcement action.

**Table 35: Delivering CP2**

Strategy Elements	Who could benefit	Who could design and deliver it	Expected impact timeframes
Strengthen monitoring, compliance and enforcement of the Consumer Care Guidelines	<ul style="list-style-type: none"> <li>All residential electricity consumers</li> </ul>	EA; CAC; consumer advocates; retailers;	Short - Medium

<sup>94</sup>Origin admitted that the automated processes it put in place in relation to its customers experiencing hardship and payment difficulties resulted in it breaching its hardship obligations on more than 100,000 occasions, over a period of nearly four years (starting in January 2018). In total, more than 90,000 customers were affected from four states across New South Wales, ACT, Queensland, and South Australia.

<sup>95</sup>AER, accessed at: <https://www.aer.gov.au/news-release/origin-penalised-17-million-for-customer-hardship-breaches>.

<sup>96</sup>AER, accessed at: <https://www.aer.gov.au/communication/aer-mid-year-compliance-and-enforcement-update-1>.

<sup>97</sup>AER, accessed at: <https://www.aer.gov.au/retail-markets/compliance-reporting>.

<sup>98</sup>AER, "AER Compliance and Enforcement Policy" (2021), accessed: <https://www.aer.gov.au/publications/corporate-documents/aer-compliance-enforcement-policy>.

**Strategy CP3:**

**Require electricity retailers to report key energy hardship indicators**

Electricity retailers should be required to report key energy hardship information to the Electricity Authority, who should monitor and publish the information. This will augment existing data sources for measuring and analysing energy hardship published by agencies such as Stats NZ, Commerce Commission, Ministry of Social Development, and the Ministry of Health. MBIE’s work to develop indications and measures to track energy hardship over time is nearing completion and will add to the information base.<sup>99</sup>

It has proved difficult for the Panel to get up-to-date data on certain detailed energy hardship information, such as the number of households with pre-pay meters; the frequency and duration of disconnections and reconnections; and number of refusals of supply to households due to poor credit. Reliable and regular reporting of such information would enable better-informed decision making and improved targeting of energy hardship initiatives. This data could supplement other available information to create a clearer picture of the nature and extent of energy hardship in Aotearoa.

Electricity retailers are likely to hold, and have easy access to, this information already so it is not considered likely that it would impose onerous levels of compliance cost for industry. The Panel understands that the Electricity Authority has been collecting some of this information since the first COVID-19 lockdown in 2020.

Involving key voices in designing the reporting regime will ensure the information gathered is relevant, useful, and readily accessible, while protecting privacy and commercial sensitivities.

**Table 36: Delivering CP3**

Strategy	Who could benefit	Who could design and deliver it	Expected impact timeframe
Require electricity retailers to report key energy hardship indicators to the Electricity Authority for it to monitor and publish (e.g. number of customers refused supply, disconnection numbers/durations/reasons, customer debt levels, bonds, pre-pay, referrals to Income Support, retailers’ alignment with Consumer Care Guidelines	<ul style="list-style-type: none"> <li>Industry participants, researchers, policy analysts and decision makers</li> </ul>	Electricity Authority	Short

<sup>99</sup> Key data sets are referenced in this document: MBIE, (2022), accessed at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/defining-energy-hardship/>.

## Strategy CP4:

## Expand consumer protection and existing dispute resolution schemes to cover other forms of energy provider relationships

As technology advances, and services expand, existing dispute resolution schemes may struggle to keep up with new types of providers entering the market offering new and bundled services. Current schemes are designed to work within defined boundaries and cover specified market participants. Increasingly, the services offered and the providers which offer them, blur the boundaries of current regulatory regimes and dispute resolution schemes. The Panel acknowledges that this challenge is not just for those in energy hardship, but for all residential consumers. However, those in energy hardship are particularly vulnerable.

Utilities Disputes Limited (UDL) provides free and independent dispute resolution services for electricity, gas, and water complaints. UDL operates the approved Energy Complaints Scheme under the Electricity Industry Act 2010, and the Gas Act 1992. All electricity and gas retailers, and all electricity and gas distribution and transmission companies, are required by law to be a member of the complaints scheme. The scheme rules explain what disputes the complaints Commissioner can consider.

Providers of solar services are an example of a consumer protection gap that has been brought to the Panel's attention. Some solar providers can fall outside the existing bounds of UDL's jurisdiction depending on the nature of the complaint. UDL can only consider complaints about solar providers if the complaints are connected to a retailer's or distributor's provision of traditional energy services. UDL is likely to accept a complaint if:

- A provider offers a bundled service including solar panels (or any other additional service) and retails energy, and
- A consumer makes a complaint about the bundled offer.

UDL cannot consider complaints about solar installers that are not also retailers or distributors, which is the case for most solar installers.<sup>100</sup>

The Panel acknowledges the existing consumer protections that can assist consumers in this area such as the Fair Trading Act and other general consumer protection law, however, navigating these systems is often difficult for consumers, especially those groups of consumers who are already vulnerable.

As our energy system becomes more innovative (for instance through the emergence of multiple trading relationships, community energy schemes, increased bundling of products and services) new forms of consumer interaction not covered under current jurisdictional arrangements will arise.

The Panel therefore considers it important that existing consumer protection and dispute resolution schemes be expanded to cover other forms of energy provider relationships, taking an energy hardship lens.

This issue is also being investigated internationally. The Victorian government in Australia is in the process of determining whether further protections may be required for consumers of new energy products and services.<sup>101</sup> The AER is undertaking a review of consumer protections for future energy services.<sup>102, 103</sup>

Energy Consumers Australia has also launched a campaign, called Plug In<sup>104</sup>, features a dedicated information hub with fact sheets, blogs and videos that help consumers thinking about purchasing or using new energy technology.

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<sup>100</sup> Newsroom (2022), accessed at: <https://www.newsroom.co.nz/sustainable-future/calls-to-regulate-solar-energy-disputes>

<sup>101</sup> Engage Victoria, "Protecting consumers of distributed energy resources (DER)", (2022), accessed at: <https://engage.vic.gov.au/protecting-consumers-of-der>.

<sup>102</sup> AER, "Review of consumer protections for future energy services", (2022), accessed at: <https://www.aer.gov.au/retail-markets/guidelines-reviews/review-of-consumer-protections-for-future-energy-services>

<sup>103</sup> ABC News, "Calls for better consumer protections intensify as complaints over shoddy solar panels soar", (2022), accessed at: <https://amp.abc.net.au/article/101478300>

<sup>104</sup> Plug in website, accessed at: <https://www.energytechguide.com.au/>.

In the interests of consumer protection, these issues should be addressed before problems arise rather than after numerous disputes have arisen. The Panel suggests that MBIE work with the relevant groups in this area to address this challenge.

**Table 37: Delivering CP4**

Strategy Element	Who could benefit	Who could design and deliver it	Expected impact timeframe
Expand consumer protection and existing dispute resolution schemes to cover other forms of energy provider relationships taking an energy hardship lens e.g. solar power providers	<ul style="list-style-type: none"> <li>All residential energy consumers</li> </ul>	MBIE; UDL; EA; GIC; Commerce Commission; CAC; energy sector providers	Medium - Long

### Questions on Consumer Protection

Please have your say using the online submission form which can be found on the Energy Hardship Expert Panel page of the MBIE website.

# Supporting environment

The Panel has identified a number of supporting or enabling elements it considers are important for the landscape surrounding energy hardship initiatives, to ensure the proposed strategies can be implemented effectively and in a long-term sustainable manner:

- **Data and insights:** Methods for identifying those who are ‘going without’ adequate energy need to be improved to assist in identifying households for priority treatment and targeted assistance. Key activities will include building on the work being done by MBIE to establish measures of energy hardship, developing data collection systems on the range of issues within energy hardship, and monitoring energy hardship levels over time. The Panel has specifically identified data gaps relating to energy hardship - see CP3 in particular, along with AC1, AC2, AF2 and AF4. These include: number of customers refused supply; disconnection numbers/durations/reasons; customer debt levels; pre-pay, referrals to Income Support, retailers’ alignment with CCG.
- **Learning environment:** Better monitoring and evaluation of the effectiveness of policies and programmes to alleviate energy hardship is needed across government, industry and community. Part of the overall investment in this work should be explicitly targeted to support a robust learning system, including mechanisms to regularly share what works and enable initiatives to improve over time. The Energy Wellbeing Evaluation Consortium (EWEC) is a positive example of a collaborative forum which has grown organically to support learning in this space – it would benefit from more a formalised role and funding.
- **Leadership and coordination:** Reducing energy hardship requires active leadership and coordination across government, industry and community. Relevant government ministries and agencies, in particular EECA, MBIE and MSD, must prioritise their role in supporting energy wellbeing, and their success will depend upon building strong partnerships and mechanisms to support and draw on collaboration across the sector. (See AF1 and KN1 in particular).
- **Participatory approach:** It is critical that the voices of those experiencing energy hardship remain central to this work, beyond the term of this Panel’s investigation. These include:
  - *Consumer involvement:* An effective forum to share consumer voices, such as the Consumer Advocacy Council, should be actively involved in the development of new energy hardship alleviation programmes and evaluation design.
  - *Māori and Pacific peoples:* Dedicated advisory networks by and for Māori and Pacific peoples could be developed, or existing fora enhanced, to ensure energy hardship alleviation programmes and evaluation design are culturally responsive. (See KN1)
  - *Other groups over-represented in energy hardship:* it is important to include other voices in these discussions, representing the particular challenges and needs of the elderly, children, students and those with special health needs or disabilities.
- **Collaborative service models:** Alignment and collaboration between the wide range of service providers, government supports, and local projects relevant to alleviating energy hardship, across various sectors, is critical to increasing access and impact for those in energy hardship. A new, people-centred, multi-sector service model for energy hardship alleviation could build pathways between key energy hardship-related programmes and local delivery organisations (e.g. EECA’s WKH, MBIE’s SEEC, Te Puni Kokiri repairs fund etc). It could draw on existing models in this style such as MOH’s Healthy Homes Initiative and Whānau Ora (Project Mauri Hiko / Kaiārahi/Navigators).

- **Durable funding environment:** The funding environment needs to support innovation, action and sustainable outcomes. Funding that is durable and places minimal burden on recipients, enables them to maximise their capacity to focus on their core business of helping those experiencing energy hardship.
- **Targeting of solutions.** It is important to carefully target solutions for addressing energy hardship, and also understand how they affect others in the wider system. For example, some potential solutions could add cost to the operations of commercial entities and regulators, which can flow on to wider costs for all consumers, or change incentives in ways that were not initially anticipated. This makes it important to both play out the practicalities (and potential unanticipated consequences) of implementing some solutions, and also consider what measures can be specifically targeted at people in energy hardship rather than the wider market.

### Question on Supporting Environment

Please have your say using the online submission form which can be found on the Energy Hardship Expert Panel page of the MBIE website.

# How to make a submission and next steps

The Panel seeks written submissions on the material and proposals in this document by **5pm on Friday 28 April 2023**. Any submissions received after this date may not be able to be considered.

If submitting as a member of an organisation, we would appreciate one submission on behalf of the organisation or group with summarised input from your members.

All submissions received within the engagement period will be considered by the Panel and the MBIE secretariat. Submissions will be made publicly available on the MBIE website, unless otherwise clearly stated.

All insights gathered throughout this process will be used to inform the Panel's final recommendations report to government which is due no later than 30 June 2023.

Government will then consider the Panel's final recommendations and will determine its own response and course of action.

## You can make your submission in a number of ways:

- By completing the Online Submission Form which can be found on the Energy Hardship Expert Panel page of the MBIE website, or
- By downloading the Submission Form available on the Energy Hardship Expert Panel page of the MBIE website, completing it then either:
  - emailing both a Word and PDF version of the completed form to: [energyhardshipMBIE@mbie.govt.nz](mailto:energyhardshipMBIE@mbie.govt.nz) with "Energy Hardship discussion paper submission" in the subject line, or
  - posting the completed template to:  
Energy Hardship Expert Panel  
c/- Energy Use Team  
Ministry of Business, Innovation and Employment  
15 Stout Street  
PO Box 1473, Wellington 6140

Please direct any questions that you have in relation to the submissions process to: [energyhardshipMBIE@mbie.govt.nz](mailto:energyhardshipMBIE@mbie.govt.nz)

### Privacy statement

The information provided in your submission will be used to inform the Panel's final recommendations to government on energy hardship and related policy development, and will inform government agencies' advice to Ministers. Your submission will also become official information, which means it may be requested under the Official Information Act 1982 (OIA). The OIA specifies that information is to be made available upon request unless there are sufficient grounds for withholding it.

### Use and release of information

To support transparency in our decision-making, MBIE, as the secretariat for the Energy Hardship Expert Panel, proactively releases a wide range of information. MBIE will upload copies of all submissions to its website at [www.mbie.govt.nz](http://www.mbie.govt.nz). Your name, and/or that of your organisation, will be published with your submission on the MBIE website unless you clearly specify you would like your submission to be published anonymously. Please tick the box provided if you would like your submission to be published anonymously i.e. without your name attached to it.

If you consider that we should not publish any part of your submission, please indicate which part should not be published, explain why you consider we should not publish that part, and provide a version of your

submission that we can publish (if we agree not to publish your full submission). If you indicate that part of your submission should not be published, we will discuss with you before deciding whether to not publish that part of your submission.

We encourage you not to provide personally identifiable or sensitive information about yourself or others except if you feel it is required for the purposes of this consultation.

### **Personal information**

All information you provide will be visible to Energy Hardship Expert Panel members and to the MBIE officials who are analysing the submissions and/or working on related policy matters, in line with the Privacy Act 2020. The Privacy Act 2020 includes principles that guide how personal information can be collected, used, stored and disclosed by agencies in Aotearoa New Zealand.

### **Contacting you about your submission**

The Energy Hardship Expert Panel or MBIE officials may use the information you provide to contact you regarding your submission. By making a submission, MBIE will consider you to have consented to being contacted, unless you clearly specify otherwise in your submission.

### **Viewing or correcting your information**

This information will be securely held by MBIE. Generally, MBIE keep public submission information for ten years. After that, it will be destroyed in line with MBIE's records retention and disposal policy. You have the right to ask for a copy of any personal information you provided in this submission, and to ask for it to be corrected if you think it is wrong. If you'd like to ask for a copy of your information, or to have it corrected, please contact the MBIE secretariat by emailing [energyhardshipMBIE@mbie.govt.nz](mailto:energyhardshipMBIE@mbie.govt.nz).

# Key Terms used in this discussion paper

Acronym	Definition
<b>AER</b>	Australian Energy Regulator (AER) is similar to New Zealand's Electricity Authority. It exists to ensure energy consumers are better off, now and in the future. It focuses on ensuring a secure, reliable and affordable energy future for Australia. <a href="https://www.aer.gov.au/">https://www.aer.gov.au/</a>
<b>CEN</b>	Community Energy Network (CEN) <a href="https://www.communityenergy.org.nz/">https://www.communityenergy.org.nz/</a>
<b>CAC</b>	The Consumer Advocacy Council (CAC) is a recently established independent advocacy body representing residential and small business electricity consumers in New Zealand. <a href="https://www.cac.org.nz/">https://www.cac.org.nz/</a>
<b>CCG</b>	Consumer Care Guidelines (CCG) were published by the Electricity Authority in 2021. They encourage electricity retailers to provide a consistent and supportive standard of service to residential electricity customers in New Zealand. <a href="https://www.ea.govt.nz/consumers/what-are-my-rights-as-an-electricity-consumer/consumer-care-guidelines/">https://www.ea.govt.nz/consumers/what-are-my-rights-as-an-electricity-consumer/consumer-care-guidelines/</a>
<b>DPMC</b>	The Department of the Prime Minister and Cabinet (DPMC) <a href="https://dPMC.govt.nz/">https://dPMC.govt.nz/</a>
<b>EA</b>	The Electricity Authority/ He Mana Hiko (EA) is an independent Crown entity, appointed as the electricity market regulator. Its role is to develop, administer and enforce the market rules that govern nearly every aspect of New Zealand's electricity industry. <a href="https://www.ea.govt.nz/about-us/">https://www.ea.govt.nz/about-us/</a>
<b>EDB</b>	Electricity distribution businesses (EDBs), also known as network companies or lines companies, are responsible for the delivery of electricity from the wider transmission system to individual consumers. Examples include Vector, Northpower, and Wellington Electricity.
<b>EECA</b>	The Energy Efficiency and Conservation Authority/ Te Tari Tiaki Pūngao (EECA) is a Crown entity tasked with encouraging, promoting and supporting energy efficiency, energy conservation and the use of renewable energy sources in New Zealand. <a href="https://www.eeca.govt.nz/">https://www.eeca.govt.nz/</a>
<b>ENA</b>	The Electricity Networks Association (ENA) represents the EDBs which operate the poles and wires delivering electricity to every region across New Zealand. <a href="https://www.ena.org.nz/about/">https://www.ena.org.nz/about/</a>
<b>EPR</b>	The Electricity Price Review (EPR) 2019 was commissioned by the Minister for Energy and Resources to investigate whether the current electricity market was delivering a fair and equitable price to consumers. Among its recommendations was a set of actions relating to energy hardship. <a href="https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-consultations-and-reviews/electricity-price/">https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-consultations-and-reviews/electricity-price/</a>
<b>ERANZ</b>	The Electricity Retailers' Association of New Zealand (ERANZ) is an industry body that represents companies that sell electricity to New Zealand households and businesses, and coordinates joint discussions and projects. <a href="https://www.eranz.org.nz/">https://www.eranz.org.nz/</a>
<b>EWEC</b>	The Energy Wellbeing Evaluation Consortium (EWEC) is an informal collaborative forum which has grown organically to support experience-sharing and alignment of research and evaluation methods in the energy hardship/energy wellbeing space. It includes experts from across the sector: academia, research, consultancies, industry, government and community organisations.
<b>FinCap</b>	FinCap is a non-government organisation that supports over 200 free financial mentoring services in New Zealand, working to address financial hardship in New Zealand. <a href="https://www.fincap.org.nz/">https://www.fincap.org.nz/</a>
<b>Gen Less</b>	A public communication platform delivered by EECA that informs and motivates New Zealanders to be world leaders in clean and clever energy use. <a href="https://genless.govt.nz/">https://genless.govt.nz/</a>
<b>HHI</b>	The Healthy Homes Initiative (HHI) is a collaborative project, led by Health New Zealand/ Te Whatu Ora, which tackles multiple elements of health of the home for those with housing-related health issues, identifying households in need through referrals from doctors who see patients with illnesses related to cold, damp homes.
<b>HHS</b>	The Residential Tenancies (Healthy Homes Standards) Regulations 2019 (HHS) set minimum standards for healthy rental properties by imposing requirements for landlords to ensure adequate heating, insulation, ventilation, drainage, and draught stopping. They are enacted under the Healthy Homes Guarantees Act (2017).
<b>HPA</b>	Home Performance Advisor (HPA) is a programme providing training and certification to healthy homes advisors. It is run by a conglomerate of charitable trusts and is widely used by frontline community and health workers who wish to upskill with home energy knowledge. <a href="https://homeperformanceadvisor.org.nz/">https://homeperformanceadvisor.org.nz/</a> and <a href="https://hpa.arlo.co/w/aboutus/">https://hpa.arlo.co/w/aboutus/</a>

<b>KO</b>	Kāinga Ora – Homes and Communities (KO) is a Crown entity that provides social housing for New Zealanders in need and plays a strong role in urban development as it builds new housing. It provides tenancy services to nearly 200,000 customers and their whānau. <a href="https://kaingaora.govt.nz/">https://kaingaora.govt.nz/</a>
<b>LED</b>	A highly efficient lightbulb type, which uses light emitting diodes (LEDs) to produce light. LEDs are about 90% more efficient than traditional incandescent bulbs and they last at least 15 times longer. They do however come at a higher up-front purchase price.
<b>LFC</b>	Low Fixed Charge (LFC) relates to regulations which are being phased-out in response to the recommendation to do so in the Electricity Price Review 2019 (EPR). Phase-out is for the long-term benefit of consumers. <a href="https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-consultations-and-reviews/electricity-price/phasing-out-low-fixed-charge-tariff-regulations/">https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-consultations-and-reviews/electricity-price/phasing-out-low-fixed-charge-tariff-regulations/</a>
<b>MBIE</b>	The Ministry of Business, Innovation and Employment/ Hīkina Whakatutuki (MBIE) is responsible for the growth of New Zealand’s economy. The Energy and Resources policy teams sit within this wider Ministry. <a href="https://www.mbie.govt.nz/">https://www.mbie.govt.nz/</a>
<b>HUD</b>	The Ministry of Housing and Urban Development/ Te Tūāpapa Kura Kāinga (HUD) shapes the strategies and work programmes for housing and urban development in New Zealand. HUD is responsible for the Healthy Homes Standards (see above). <a href="https://www.hud.govt.nz/">https://www.hud.govt.nz/</a>
<b>MOH</b>	The Ministry of Health/ Manatū Hauora (MOH) manages health policy in New Zealand. They work closely with Health New Zealand/ Te Whatu Ora, which now leads the day-to-day running of the health and disability system across New Zealand; the Māori Health Authority/ Te Aka Whai Ora; and the Ministry of Disabled People/ Whaikaha.
<b>MPP</b>	Ministry for Pacific Peoples/ Te Manatū mō ngā iwi ō te Moana-Nui-ā-Kiwa (MPP) is the Crown’s principal advisor on policies and interventions aimed at improving outcomes for Pacific peoples in New Zealand, and brings the Pacific voice, perspective and understanding to the process. <a href="https://www.mpp.govt.nz/">https://www.mpp.govt.nz/</a>
<b>MSD</b>	The Ministry of Social Development/ Te Manatū Whakahiato Ora (MSD) provides policy advice and delivers social services and assistance to over 1 million New Zealanders. <a href="https://www.msd.govt.nz/">https://www.msd.govt.nz/</a>
<b>NGO</b>	Non-Governmental Organisations (NGOs) are usually non-profit organisations that operate independently of any government, typically one whose purpose is to address a social or political issue.
<b>SEEC</b>	Support for Energy Education in Communities programme (SEEC); a funding programme run by MBIE to support community level energy education services. It was announced in 2020 as part of a suite of government initiatives to lift people out of energy hardship. <a href="https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/support-for-energy-education-in-communities-programme/">https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/support-for-energy-education-in-communities-programme/</a>
<b>TCIT</b>	The Tenancy Compliance and Investigations Team (TCIT) sits within MBIE Tenancy Services unit and is responsible for compliance and enforcement of the Healthy Homes Guarantees Act (2017) for rental properties. The team conducts both reactive and proactive compliance and enforcement activities and works collaboratively with a range of stakeholders in the sector. <a href="https://www.tenancy.govt.nz/about-tenancy-services/compliance-team/">https://www.tenancy.govt.nz/about-tenancy-services/compliance-team/</a>
<b>TPK</b>	Te Puni Kōkiri/ The Ministry of Māori Development (TPK) is the government’s principal policy advisor on Māori wellbeing and development. <a href="https://www.tpk.govt.nz/en">https://www.tpk.govt.nz/en</a>
<b>UDL</b>	Utilities Disputes Limited (UDL) provides access to free and independent dispute resolution for energy customers, helping them to understand their rights, navigate problems with their energy providers, and connect to other services and information. <a href="https://www.udl.co.nz/">https://www.udl.co.nz/</a>
<b>WEP</b>	Winter Energy Payment (WEP) is an extra payment automatically paid to social welfare beneficiaries by the government agency Work and Income, to help with home heating costs over the winter months.
<b>WKH</b>	Warmer Kiwi Homes (WKH) is a government programme offering insulation and heater grants to low-income home-owners. It is delivered by EECA. <a href="https://www.eeca.govt.nz/co-funding/insulation-and-heater-grants/warmer-kiwi-homes-programme/">https://www.eeca.govt.nz/co-funding/insulation-and-heater-grants/warmer-kiwi-homes-programme/</a>