

28 April 2023

Energy Hardship Expert Panel
c/ - Energy Use Team
Ministry of Business, Innovation and Employment
Wellington

Re: Te Kore, Te Pō, Te Ao Marama – Energy Hardship: The challenges and a way forward Discussion Paper

A whānau should never feel they need to go without the energy they need to keep their home healthy. Strategies for addressing energy hardship in Aotearoa must propose strong interventions to ensure we all have the essential energy services we need for our health, wellbeing, and social participation, at a fair price, by default.

FinCap welcomes the opportunity to comment on Te Kore, Te Pō, Te Ao Marama – Energy Hardship: The challenges and a way forward, Energy Hardship Expert Panel Discussion Paper (**Discussion Paper**). We support the general direction of the draft strategies proposed by the panel as start to a blueprint for a future without energy hardship. Since the commencement of the Energy Price Review¹ five years ago, through participation in the formation of the Electricity Authority's Consumer Care Guidelines² and into the Energy Hardship Reference group³ FinCap has pursued our vision of *people, whānau and communities free of hardship*.

While the strategies proposed are in the right direction and seek to strike a balance, we encourage the Panel not to lose sight of the end goal. There is a need to recommend stronger interventions as a backstop or in general. We also see a need for the Panel to put a spotlight on the under-regulated debt collection industry in Aotearoa. After five years of consultations, financial mentors and the whānau they are working with who are facing energy hardship need certainty that they will have clear pathways to realising energy wellbeing. We expand further on these comments in our submission below.

About FinCap

FinCap (the National Building Financial Capability Charitable Trust) is a registered charity and the umbrella organisation that in supporting 190 local, free financial mentoring services across Aotearoa. In 2022 these services supported almost 50,000 whānau. We lead the sector in the training and development of financial mentors, the collection and analysis of client data and encourage collaboration between services. We advocate on issues affecting whānau to influence system-level change to reduce the causes of financial hardship.

Further interventions need defining for when compromises fail

The draft recommended strategies seek the right outcomes. However, many of the strategies proposed will rely on multiple stakeholders all actioning supportive work. Other strategies involve

¹ See: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-consultations-and-reviews/electricity-price/>

² See: <https://www.ea.govt.nz/projects/all/consumer-care-guidelines/>

³ See: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/energy-hardship-expert-panel-and-reference-group/>

monitoring to find out if action is needed as a start. FinCap is concerned that many industry players will be incentivised to resist change due to a profit motive unless there is stronger intervention. Proposed strategies like CP2 somewhat deal with this in proposing penalty and reporting regimes to deal with non-compliance with mandatory minimum standards for assisting whānau facing payment difficulty. However, there may be more needed.

If, despite penalty regimes for non-compliance, ongoing compounding of energy hardship through wrongful disconnections persists, then more must be done to ensure whānau can heat their homes as the frontline of the health system. In general, FinCap challenges that energy retailers should have disconnection of an essential service available as a debt collection tool. We encourage the Panel to consider whether removing disconnection from retailers would force access when essential energy services are needed. While this might have the consequence of creating more debt for whānau, this could be dealt with through other supports as opposed to the immediate risk to their health from cold showers and cold meals in cold homes simply because they are facing financial hardship and unable to pay.

Ending disconnections is one example of how the Panel could take this rare opportunity to propose a back stop or even overhaul with a stronger approach available as a stick where a carrot isn't going to resolve energy hardship issues. We also discuss recommendations for such adjustments or additions along these lines in our responses to the strategies in each kete below.

Health of the home kete

FinCap recognises the work of community focused experts in this space like Community Energy Networks and their members. We generally support the Panel's proposed strategies, especially *HH3* to strengthen the monitoring, compliance and enforcement of the Healthy Homes Standards and *HH4* to strengthen advocacy and support services for tenants. A further back stop in this case might be the ability to blacklist rental providers who constantly found to be non-compliant.

We also strongly support strategy *HH5* for Ministry of Social Development purchase assistance programmes for household appliances to offer energy efficient options. Allowing whānau working with financial mentors' greater access to long term savings on appliances will help build financial capability and reduce the risk of energy hardship.

FinCap strongly support calls from the aforementioned experts for some of the strategies in this kete to go further. One example is recommending the extension of the Healthy Homes Standards to include a requirement for double-lined full-length curtains.

We also recommend the Panel note that repairing, building, or improving homes takes time and other stakeholders shouldn't be let off the hook from providing support simply by pointing to housing as an issue out of their scope. While energy retailers may not cause housing issues, they have visibility of the energy hardship such issues cause. Financial mentors say many whānau will go without to pay accommodation costs and energy so, if energy payments are strained then something is seriously stuck financially. Retailers must be required to take appropriate action to both proactively identify and support whānau facing energy hardship rather than be permitted to have an attitude that the harm seen is due to external issues and not their problem.

Knowledge and navigation kete

Currently when financial mentors in many areas request pointers on how to best help a whānau with an unhealthy home we do not have an organisation in their region that we can confidently point them to for independent assistance. We therefore strongly support *KN1*, to help build these links or identify

the gaps through establishing and funding a nation-wide energy wellbeing sector network including co-networks for Māori and Pasifika practitioners.

FinCap supports funding for wider roll out and further development of the Home Performance Advisor courses currently available, as recommended in KN2. We have also heard that some financial mentors at a Pasifika focused service have worked with HPA to ensure the training works for their communities and welcome the Panel signposting the need for such work to be supported.

An entry level version of this training being available without funding barriers to frontline community workers like financial mentors, would have considerable benefit. This could see these workers become more knowledgeable on energy hardship and help them to better identify and appropriately refer energy issues. Financial mentors and community workers are often leaders and well connected, trusted sources of information in their community and therefore are likely better at disseminating important messages about energy wellbeing than many other sources.

FinCap is aware of great projects being made possible through the Support for Energy Education in Communities (SEEC) programme. We support the Panel recommending this pool of funding be strengthened and extended at strategy KN3. Administrative frameworks being improved to make reporting simpler as suggested in the discussion paper would make it more realistic for grass roots community organisations to put forward solutions for their community. We also encourage the Panel to recommend the timeframes for funded projects be extended. This would reduce the time spent by community workers writing up yearly funding applications and, instead, increase the time they are out improving energy wellbeing in their community.

We support strategy KN4 to develop and deliver an Energy Wellbeing Education Strategy and consider that Utilities Disputes is a relevant stakeholder that should be leading or involved. Increased recognition of energy issues, familiarity with who the relevant dispute resolution is, as well as when best to take an issue there, will generally improve outcomes for whānau.

While FinCap supports KN5 and KN6 being strategies to create a ‘source of truth’ online portal on energy wellbeing and the need to simplify and standardise billing, we caution that these are not too heavily weighted as recommendations as they are unlikely to greatly improve outcomes. As mentioned above, training for community workers as sources of truth would be more likely to see the important messages getting where they are needed most in communities. Also, overseas experiences have shown that while making billing make more sense is obviously of merit, this and other initiatives to improve switching still don’t lead to flawless demand side participation that improves pricing outcomes.⁴ It can be tempting for decision makers to take up these relatively easy interventions that have low impact and it should be very clear these simply complement other strategies rather than standing alone.

Energy accessibility and choice kete

Financial mentors have often contacted experts at FinCap as they are stuck where a whānau they are working with is having difficulty getting electricity at all. At times this can lead to issues with economic harm where the account is in another person’s name. Otherwise, it drives whānau onto prepay where they are at constant risk of disconnection because their hardship has not been addressed. These issues should never arise.

⁴ See: Deller, David et al. *Switching Energy Suppliers: It’s Not All About The Money*, Centre for Competition Policy, University of East Anglia, 2017
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3024534
And: https://www.vepc.org.au/files/ugd/cb01c4_8babadb580d44ca080fefa8b2ae8b0b.pdf

It is vital that the strategy AC1 is implemented by decision makers as the highest priority. Without the ability for every whānau to obtain a post-pay supply for energy, even when they have an adverse credit rating, there is far too much risk any other initiatives to counter energy hardship will be undermined. The status quo now is a default pathway for a whānau unable to pay their bills to post-pay disconnection, reconnection only offered on pre-pay and then automatic disconnection wherever income does not meet expenses. The Consumer Care Guidelines might help where people trust it is worth engaging and where retailers also keep their word, but they offer little clear protection.

In terms of the best way for implementing this guaranteed access to energy, we encourage the Panel to further develop strategy AC1. This should include the principle that, where implemented, the post-pay contract available to the household must be at a fair price on a tariff structure appropriate to the whānau circumstances.

It should also include that, where implemented, the system for allocating guaranteed connection should incentivise all retailers to support their current customers who are having difficulty paying rather than incentivising those retailers to move customers on to another retailer. The cost and harm of retailers deliberately exiting a whānau unable to pay is undesirable. Financial mentors have told us how harsh actions from retailer staff have compounded the mental health issues leading to energy hardship in the first place. FinCap understands that the system of 'Financially Responsible Market Participant' in Australian jurisdictions, where the last retailer to service the dwelling must reconnect the property and offer a default contract, could be a practical way to achieve these desirable incentives.⁵

The Panel has also rightly recognised that credit reporting can be a major barrier to accessing essentials in Aotearoa. Closely linked to this issue is that Aotearoa lacks a coherent consumer protection regime regulating fair conduct from debt collectors. Energy hardship and debt collection have strong relations, just like the energy system and tenancy or housing issues. FinCap strongly recommends the Panel also presents strategy to counter harm from energy hardship being compounded or caused by debt collection.

Financial mentors have reported that historic debt from energy businesses often makes up what is being pursued with debt collectors.⁶ As financial mentors mentioned in a recent meeting with Panel members as a part of this consultation, paying for past usage that was unaffordable is getting in the way of paying for current and future usage, effectively compounding energy hardship.

Government reviews and academic research have confirmed the following common issues with debt collector's conduct that are currently unaddressed.:

- Debt collector's demands for unreasonable repayment amounts
 - Debt collectors are often demanding amounts that mean people need to access food banks to free up money to pay a debt
- Harassment from debt collectors
 - Excessively frequent contact of people who clearly have no way to pay
 - Calling at unreasonable hours and use of regular automated emails
 - Unnecessarily contacting whānau and employers to cause embarrassment
- Unreasonable fees and interest being applied through debt collection

⁵ See Sections 33 and 35 in the Victorian Energy Retail Code for example: <https://www.esc.vic.gov.au/electricity-and-gas/codes-guidelines-and-policies/energy-retail-code-practice>

⁶ Stace, V. & Gordon, L. (September 2021) Debt collection in Aotearoa from the perspective of financial mentors. P.70

- Fees or interest well exceeding the initial debt amounts without justification offered
- Debt collectors asserting incorrect information without consequence
 - Illegitimate threats of immediate legal action
 - Coercing people to pay debts that had previously been written off
 - Pursuing debts that have passed statutes of limitation
 - Not providing documentation to prove a debt is owed.

Researchers have also observed that Aotearoa under-regulates debt collection compared to other jurisdictions.⁷ FinCap has made a series of recommendations to counter harm from debt collection in Aotearoa, and we request the Panel include the following in its strategy as they are relevant to preventing energy hardship:

- Targeted regulation for fair debt collection practices through amendments in the Fair Trading Act including:
 - Penalties for prohibited conduct from debt collectors
 - Better defining unacceptable harassment in the debt collection context
 - Powers for the Commerce Commission to form a mandatory code of conduct comparable with the ASIC and ACCC debt collection requirements in Australia
- Introducing licencing requirements for all collecting debt to be a member of an appropriate dispute resolution scheme, so that the power imbalance between a whānau facing hardship and a creditor or their agent is reset through access to free and independent resolution
- Introducing a ‘Judgement Proof Debtor’ policy in Aotearoa, an overseas model⁸ that has been recommended by multiple community organisations.⁹ This would ensure those without significant assets and who are receiving benefit income have a clear right to not be pursued by debt collectors when they are unable to pay.
- Protecting benefit income for its intended use through the deletion of s157(4) of the District Court Act.

We have heard from some retailers’ staff that they are reconsidering how they engage debt collectors after we raise these concerns, but this is not an energy industry wide commitment. Nor are the relationships between debt sellers and purchasers or debt consignment contracts transparent.

FinCap strongly supports there being mandatory minimum standards for retailers assisting whānau unable to pay for their electricity, as is still an unimplemented recommendation in the Electricity Price Review and reflected in strategy AC2 in the discussion paper. AC2 is also good in making it clear that compulsory compensation payments for wrongful disconnection as well as other penalties available for enforcement have a place for countering the harm caused by retailers not complying. However, we encourage the Panel to adjust the framing of this strategy, as above in our submission, and not signal support for disconnection still being available to energy retailers for non-payment, or even as a legitimate inevitability or goal for energy retailers to work towards.

Should Aotearoa allow a retailer who wrongfully disconnects a medically dependent consumer to continue to use disconnection as a debt collection tool? Should we allow a retailer who has repeatedly disconnected whānau who needed assistance without attempting to check this to continue doing so? FinCap strongly recommends the Panel put forward that there is a mechanism to remove the ability for retailers to disconnect for non-payment. Disconnection is a safety issue; it deliberately removes an essential service, and it is an unreasonably punitive tool for businesses to have available.

⁷ See: <https://www.fincap.org.nz/wp-content/uploads/2021/09/Debt-collection-report.pdf>

⁸ See: <https://hlip.justiceconnect.org.au/practice-areas/credit-and-debt/first-steps-to-take/being-judgment-proof/#:~:text=This%20means%20that%20the%20client,but%20can't%20enforce%20it.>

⁹ Christians Against Poverty, The Salvation Army and FinCap

We also consider the following are best practice approaches that could be prescribed in practice or in expected outcomes, through the proposed minimum standards. We encourage the Panel to further define what adequate minimum standards might look like:

- That retailers must proactively reach out and offer the support available when there are signs that whānau may be facing payment difficulty (either through struggling to make payment, struggling to make payment on time, potentially rationing energy, or another sign).
- That retailers' staff receive appropriate training on identifying and respectfully assisting people experiencing vulnerability.
- That all whānau have the right to access payment plans that are flexible to their unique situation, including a right to be offered a complete pause for any payment recovery where there is simply no capacity to pay.
- That whānau facing payment difficulty are continuously helped despite previous repayment plans not being met and being unsuccessful.
- That late payment charges are always waived where any consumer in the home has a community services card.
- That late payment charges are otherwise waived where payment difficulty or financial hardship is disclosed by any consumer in their home or their representative (such as a financial mentor).
- Referrals are made to Work and Income for relevant assistance where appropriate.
- That all whānau who are facing payment difficulty be offered a referral to community supports (including financial mentors), but this is not a conditional requirement nor a barrier before receiving assistance.
- That no whānau receiving assistance due to payment difficulty is disconnected and that disconnection is not the default where a whānau is having trouble keeping up engagement with a retailer.
- That whānau having difficulty paying receives assistance to address faulty appliances where this is causing or compounding payment difficulty.
- That whānau in payment difficulty are offered support to identify whether there are opportunities to safely reduce usage through independent assessments of current usage.

Strategy AC3 recommends barriers to the uptake of smart meters be identified and addressed. We support this where there is an actual net benefit to the whānau who ultimately pays for the cost of the roll out. Under the current system we are aware of issues where the benefits of smart meters for whānau are not being realised. An example is that some distributors do not have visibility that a part of the network is offline, despite there being functionality available for such notification that would speed up the identification and response to outages. AC3 also needs to sit alongside requirements for retailers to proactively offer pricing plans and tariff structures that are likely to save money based on the data available.

In relation to strategy AC4 – to provide increased funding and support for community energy schemes and capability building in rural communities, we support these community initiatives where there are adequate consumer protections in place. These networks have merit where they improve reliability, sustainability, affordability and access. However, there needs to be thought around ensuring comparable protections when whānau are unable to pay or are potentially burdened by long term higher cost due to anyone's bad investment or design decisions.

FinCap welcomes social retailing initiatives in Aotearoa as initiatives like Toast Energy and Nau Mai Ra strive to demonstrate that it is not impossible to support whānau when retailing. However, as above

in response to strategy AC1, we are conscious that AC5 could incentivise some retailers to try and disconnect and move on, rather than support whānau who cannot pay. As all whānau could face vulnerability or energy hardship, it also may not be sustainable.

We are also conscious that some 'mainstream' retailers have told us they have undertaken long periods with almost no disconnections of their customers (yet to be confirmed as the Electricity Authority has not published disconnection data on what has happened since January 2022). All providers need to be regulated to onboard, retain and support any whānau for the best outcome, while specialist social retailers evidence what all retailers need to change for better outcomes.

FinCap strongly supports AC6, that those in energy hardship benefit from and do not face undue costs from the transition to a low-emissions economy. We are particularly concerned that the exit of many users from the residential gas system will see those either unable to have changes arranged to fuels at their tenancy, or those who cannot afford appliance replacement stuck. This could see them increasingly paying a bigger proportion of the network cost and putting them greater at risk of energy hardship.

Energy affordability kete

We support 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." Financial mentors have fed back that navigating support from the Ministry of Social Development (**MSD**) can be different for each whānau, and that contact wait times can often be a barrier to getting appropriate support. We also encourage the Panel to consider whether Utilities Disputes might need to be a part of a wider protocol. Generally, it would be good that there is a known convention that a whānau is always reconnected or has a disconnection put on hold as soon as they engage, whether directly with the retailer, or through an independent like Utilities Disputes.

However, when taking a step back, we again recommend that the Panel consider taking disconnection off the table, rather than relying on systemic changes at a range of institutions to get the same outcome.

FinCap has also recently submitted in response to the proposed framework for debt to government with the following relevant recommendations that could also be adopted in the Panel's final strategy:

- Implement a protected income approach so that debt repayments to government are not taken from beneficiaries or those on equally low incomes.
- Pause debt collection while a client is waiting for an appointment.
- Ensure that plain language is used consistently across government departments and, in particular, where there is the potential for debt being created.
- Waive debt that is held for two years with little prospect of prompt repayment.
- Implement affordability assessments across all government departments for all repayments.
- Implement a priority phone line for financial mentors to MSD/Work & Income and Inland Revenue.
- Consider Inland Revenue as a central point for core operations of debt to government.
- Improve training for case managers so that there's consistency across the country and for all whānau seeking support.
- Make all essential expenses available through non-recoverable grants. Use the affordability assessment approach to determine when support for expenses outside of the definition are recoverable or not.
- Ensure that products' quality is up to standard and train all staff to assess the needs of each whānau appropriately so that whānau have a choice in options.

- Implement the proposed strategies of the Energy Hardship Panel to provide energy efficient choices through W&I.
- Create consistency as to when external debt collection agencies are engaged if at all and what standards they must meet.¹⁰

Strategy AF2 directs a reconsideration of current energy related government support payments as well as additional financial support. We encourage more support but caution any strategy that might lead to justifying the blunt removal or changes to the Winter Energy Payment, which is currently relied on by many whānau on low incomes to avoid hardship in general.

Commentary around AF2 also includes the possibility of direct rebates for energy being introduced. FinCap supports such a system but also encourages the Panel to recommend that retailers be required to credit rebates at the lowest suitable price or at cost for their customer, so as to realise the greatest benefit from the funding. Retailers should also be bound not to disconnect anyone waiting for a rebate payment or who has received one in at least the previous year in recognition of why a subsidy to their business has been provided. Financial mentors have also suggested that arrangements like the Water Utility Consumer Assistance Trust's waiving of arrears, where a whānau has kept up for a set period of current usage payments, should be explored further as these have led to great outcomes.

FinCap also recommends the Panel go further, and directly call for all energy related emergency assistance payments to be non-recoverable, as we have in the above debt to government recommendations. Whānau having to pay for past unaffordable energy are simply eating up budget that could be used for heating their home today.

Charging fees for processes like disconnection for non-payment make no sense. If a person cannot pay, adding a fee, especially an unreasonable one, to their debt, lowers the chance they will be able to pay.

Strategy AF3, recommends all fees are fair and reasonable. This is a current requirement of the Consumer Care Guidelines, but FinCap does not believe retailers have aligned. We recommend the Panel go further and recommend enforceable penalties for the unreasonable charging of fees, monitoring of daily charges to ensure they reflect true cost pass through and consideration that some fees be prohibited altogether or for a cohort such as community service card holders.

Pre-pay power being better monitored and reviewed as recommended in strategy AF4 is an overdue necessity. Those left with no option but pre-pay currently are being let down by our energy system. FinCap has heard of whānau going through repeating cycles of disconnecting and waiting for their next income payment every round of income, with no option otherwise as they simply cannot afford the rates. Others sit and freeze as they are hyper conscious that they cannot afford energy. This should not be happening for an essential service where it is a risk to safety to disconnect or to go without heating. Strategy AC1 must be progressed with the highest urgency to bring the choice to break such cycles.

We recommend the Panel also expand this strategy and adjust the language around pre-pay disconnection. We have heard of some retailers moving whānau with post-pay debt onto pre-pay describing this as an 'opportunity' to stay connected while repaying debt. For those unable to pay this just exacerbates the problem. The monitoring of pre-pay should also include how arrears are being repaid when a top-up is made and how flexible these arrangements are.

¹⁰ These are from our submission available here: <https://www.fincap.org.nz/wp-content/uploads/2023/04/230405-Debt-to-government-submission-.pdf>

We also recommend the panel clearly strategise that pre-pay be prohibited where thorough monitoring finds it cannot continue without causing or compounding poverty. While some whānau value the sense of control prepay provides in preventing bill shock, paying in advance and live tracking of usage should be tools that are easily implementable for retailers otherwise.

FinCap takes issue with disconnections on prepay being termed 'self-disconnection.' This implies the disconnection is a choice which in many scenarios is simply not true. We recommend the Panel assert the more accurate 'automatic disconnection' to avoid the minimising of issues people in energy hardship face with these offerings.

As many who once relied on cheques are adjusting to their phasing out and an increasing amount of whānau find themselves in areas where bank branches and Post shops are limiting hours or closing, there needs to be flexibility from retailers. Strategy AF5 recommends retailers be required to accept more frequent payments or payments in cash or through smooth payments, rather than limited options like direct debit. Financial mentors and the whānau they work with face no end of hassle with cancelling direct debits, and we strongly support some extra flexibility being required in general.

Strategy AF6 is to investigate and address the implications of network pricing methodologies for energy hardship. FinCap supports this strategy and encourages the Panel to specifically note how moves to some theoretically cost reflective pricing models, like demand tariffs, could potentially just punish and confuse whānau who are not driving high demand, or who have no discretion to adjust demand safely. An example might be a demand tariff structured to have a charge for the highest consumption rate at any point in a week, a whānau might leave a heater on at a low demand time or have an appliance break and incur a high charge despite not straining the system. Those who have high rates of demand at peak times might also have these as a reflection of their inability to efficiently heat their home. A high charge will lower the likelihood that funds would be spared to fund efficiency improvements and improve energy wellbeing.

Consumer protection kete

FinCap welcomes the Panel recommending short to medium term work to implement strategy CP1 to bring minimum standards for retailers supporting people facing payment difficulty as is still outstanding from the Electricity Price Review. Financial mentors and the whānau they are working with need regulations that clearly state what they can expect when it is hard to pay the bill. Stronger protections are needed to stop issues in the first place or to give those who need them the most the confidence to work with Utilities Disputes to resolve and issue. Advancing this strategy should only be second in priority to AC1 for decision makers.

Please also see our comments in response to AC2 on what better practice mandatory minimum standards should require. We would welcome the Panel clearly setting out that such level of requirement is expected to actually improve outcomes from the agency ultimately implementing this strategy.

We also have heard from financial mentors that family harm can lead to an energy hardship issue. An example is economic harm where someone is forced to have their name on an electricity account and incur debt that prevents their future access to energy. The Panel could expand this strategy to include that there be mandatory minimum standards for retailer's family harm policy and assistance. There is a precedent for this in requirements in Australian jurisdictions¹¹ and in that some retailers already have such policies.

¹¹ See: <https://www.esc.vic.gov.au/media-centre/new-protections-energy-customers-experiencing-family-violence>

We also strongly support strategy CP2 towards better monitoring, compliance and enforcement of minimum standards that replace the Consumer Care Guidelines. Energy businesses need deterrents to keep the care for whānau facing energy hardship front of mind and regulators are unlikely to put resources towards compliance without a valid mechanism to further disincentivise misconduct.

We also strongly support CP3 to require energy retailers to report on energy hardship indicators. The list in the discussion paper could be expanded to include prices actually paid by whānau facing energy hardship. The Electricity Authority should also publish what is reported and analyse different retailer's numbers when doing so, to increase the community's confidence that issues will be identified and can be acted on.

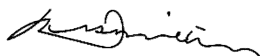
If this monitoring reveals undesirable price discrimination where those more likely to be in energy hardship are more likely to pay more for the same electricity, then the Panel should recommend that intervention as strong as price regulation be introduced where competition is failing whānau. Australian decision makers have made such a call after identifying market failure and a back stop needs to be clear, if unregulated price competition for essential energy services is disadvantaging those who need lower prices.

Strategy CP4 recommends that consumer protections and dispute resolution coverage be extended to new energy technology. FinCap strongly supports this recommendation. Increasing complexity in the ways our essential energy services are delivered also leads to greater risk that a whānau decision about technology could lead to energy hardship. In recent years there has been an intensification of advertising with grand claims about the benefits of solar that appear dubious, in our expertise. There also seems to be a proliferation of long-term solar leasing arrangements that could limit options for a whānau for decades.

A transition to lower emissions technology should not be undermined by distrust for legitimate technology stirred up by traders, who have little concern for what outcomes the community is seeking with essential energy supply. Installers should not gloss over that a battery, despite this being believed by many, won't actually islandise and prevent a power cut unless specially set up to do so. We recommend requiring that any businesses providing products or services that could interrupt or increase the cost of essential energy services to a whānau, be covered by consumer protections and belong to a dispute resolution scheme.

Please contact Senior Policy Advisor Jake Lilley on Privacy of natural persons to discuss any aspect of this submission further.

Ngā mihi,



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FinCap