



M A N A T Ā H U N A
C H A R I T A B L E T R U S T

Submission

'Te Kore, Te Po, Te Ao Marama | Energy
Hardship – the challenges and a way forward'

April | Paengawhāwhā 2023

Mana Tāhuna submission to the Energy Hardship Expert Panel

Introduction

1. Mana Tāhuna Charitable Trust (Mana Tāhuna) welcomes the opportunity to submit on the Energy Hardship Expert Panel's Discussion Paper, *Te Kore, Te Pō, Te Ao Marama | Energy Hardship: the challenges and a way forward*.
2. We would appreciate being kept informed of progress in the lead up to the Panel's final report to the government on 30 June 2023.
3. As a grassroots organisation based in Tāhuna Queenstown, we see the first hand impacts of energy hardship across our rohe.
4. However, a pervasive myth persists: the community is affluent and not in need of additional support. While this may be true for some, it is not for many of the whānau we work with. As a grassroots organisation it is commonplace to speak with whānau who are making heartbreaking choices: feed the family or heat the home.
5. Therefore, Mana Tāhuna makes the following recommendations:
 - 5.1. **Recommendation 1:** that proposed strategy AFI is adopted and implemented with urgency.
 - 5.2. **Recommendation 2:** that a long-term plan be developed to help empower our community through the proposed strategies under the knowledge and navigation, consumer protection and energy accessibility and choice kete.

The Five Kete of Challenges and Responses

6. Mana Tāhuna supports the proposed strategies that better enable communities to understand their choices when it comes to energy retailers, and we acknowledge the Panel's work to bring structure to the consultation through the use of five kete of challenges and responses.
7. However we are concerned that many of these strategies have missed the fundamental issue facing our whānau: whether they can afford to consume energy at all?
8. We acknowledge that this is echoed in the Panel's outcome framework that **all children and whānau should be able to access and afford the energy they need to live in a safe and healthy home.**
9. Mana Tāhuna submits that fully understanding and quantifying this issue should form the basis of the report to the government, in order to provide better building blocks for action.
10. It is fair to say that those most in need—that is, those most vulnerable to energy hardship—will not see this as a matter of choosing an alternative energy retailer, or understanding the laws around consumer protection.
11. What the consultation considers “hardship,” we consider reality. We do not want anyone across Te Wai Pounamu to consider access to energy as a nice to have - it is a necessity.

12. It should also be noted that we do not claim to speak for those most impacted by energy hardship, rather we write this submission with their lived-experience in mind, and hope effort will be given to elevating these stories in the Panel's report to the government.

Geographic realities

13. Situated at the foot of the Southern Alps and on the shores of Lake Whakatipu, one part of our reputation remains true: it is cold in Tāhuna. Temperatures regularly reach below zero in winter, and in summer we are lucky to crack 20°.
14. While MBIE data suggests that the average price per kilowatt-hour in Tāhuna is comparable to that of Auckland (32.09c and 31.68c respectively¹), it is clear from the geographic differences that there is a far greater need for heating (and therefore energy consumption) than in other parts of Aotearoa. The Low Fixed Charge Tariff Regulations 2004 which asserted that homes of lower Te Wai Pounamu consumed, on average, 12% more power over a year than in the rest of the country. Given that 12% would be concentrated in the 6 colder months, it is really 24% - on average, worse in Tāhuna.
15. Interventions across our rohe are slow, so Mana Tāhuna is currently:
 - 15.1. offering a range of self-funded financial capability and literacy training opportunities to improve whānau decision making regarding energy hardship
 - 15.2. using discretionary funding to provide financial relief to several whānau (five) to clear their electricity debt and ensure their power is not turned off;
 - 15.3. providing environmental services including deforestation, which means increased access to felled willow and pine that can be turned into firewood for whānau in need. The waiting list for this firewood continues to grow.
16. Even kaimahi within our own organisation have shared that turning on their heating systems and appliances is a decision that requires considerable consideration due to cost. They have shared that they often wait until it is the depth of winter and absolutely necessary before they use them. However this year, the temperatures have dropped sooner than expected, meaning they are financially stretched as early as March.
17. We do not need to commission studies or additional research to tell us what we already know: whānau in the South are likely to consume more energy heating a home than in the North, resulting in higher energy bills - before even considering the difference in per kilowatt-hour pricing.

¹ MBIE Quarterly Survey of Domestic Electricity Prices to February 2023

Energy Affordability

18. Tāhuna Queenstown is often considered by those from outside our rohe to be an affluent district. While this may be the case for some parts of the community, the whānau we support have a different story to tell.
19. With our below-average temperatures, those whānau struggling to make ends meet in Tāhuna face a considerable challenge when it comes to heating their homes.
20. While it is true that pre-pay accounts, payment options and distribution pricing methodologies may impact affordability and choice of energy retailers, many whānau across Tāhuna are faced with a simpler challenge: whether or not they can turn their heating on, knowing that each time they do they risk climbing toward a quarterly power bill that, in the depths of winter, can be in excess of \$1,000.
21. The reality for whānau is that they would save far more by using more efficient appliances than by switching retailers. Given the significance of heating requirements in Tāhuna, the replacement of low quality heating devices with high efficiency heat pumps, for example, has two hardship reducing impacts: whānau will be warmer in their homes, and they will also spend less of their income on electricity.
22. We support proposed strategy AF1 to prioritise lack of energy access as an emergency issue, and establish clear and direct lines of communication with the Ministry of Social Development. Mana Tāhuna recommends this strategy be adopted and implemented with urgency, and we are prepared to support its implementation across Tāhuna Queenstown.
23. Tāhuna - Queenstown is challenged by the fact that it has a very small number of census area units classified as high deprivation. This, and the other restrictive criteria of the government's Warmer Kiwi Homes programme, prevents many of our whānau accessing the subsidies available for heat pumps.

Long-term empowerment of whānau

24. As already mentioned, the main concern for many whānau is not which energy retailer to choose and engage with, it is whether or not they can afford to consume energy at all.
25. While we have raised issues that need immediate attention, we recommend that a long-term plan be developed to help empower our community through the proposed strategies under the knowledge and navigation, consumer protection and energy accessibility and choice kete.
26. Mana Tāhuna remains ready and willing to assist with the development and delivery of this plan.

Meaningful consultation

27. It is also important to note that those most impacted by energy hardship—whether due to cost, connection, or location—are often the voices with the scarcest resource to be able to respond.
28. In writing this submission, we are trying to bring their lived-experience to the fore. We make no claim of speaking for these individuals, as only they can share their whakaaro, however we write with the lives of these people in mind.
29. The letter from the Panel Chair states “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.” Yet Mana Tāhuna has not been able to meet kanohi ki te kanohi with members of the Panel, nor officials from the Ministry of Business, Innovation and Employment.
30. We do not think that appropriate efforts have been made to ensure that consultation is done in a way that is meaningful.
31. As an organisation, Mana Tāhuna was only made aware of the consultation process through a public servant in an unofficial capacity, leaving less than two weeks for us to prepare our response.
32. If the job of the Panel is to “build on the fantastic mahi that is already being done by many others across community, industry and government” then rather than have us divert our already scarce resources away from the kaupapa we serve toward writing this submission, we submit that government should give better consideration to how they can carry the burden of consultation. This would ensure that the impact on grassroots community groups is as minimal as possible, and would allow us to gather much higher quality feedback.

About Mana Tāhuna Charitable Trust

33. Mana Tāhuna Charitable Trust is a kaupapa Māori organisation committed to positive social, cultural and environmental development for the Tāhuna (Queenstown) community.
34. Established in 2020 the Trust operates under a great korowai of support, delivered by our 28 passionate kaimahi. Their work alongside the community is focused on improving the wellbeing of our whānau and the health of our Taiao in the Tāhuna community.
35. The vision of Mana Tāhuna is a united Māori community, with a strong voice. All whānau should be able to access an abundance of opportunities and use those opportunities to thrive.



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