

Submission on energy hardship.

My name is Patricia Scott. I am an 88 year old great grandmother so I have a lot of life experience. I lived through WW2 in England and came to Aotearoa when I was 23, married with a new baby. I was a secondary school teacher of Science and Biology for 20 years and also active in community life on local committees involved in community development and environmentalism. I have written number of submissions on central and local government proposals and spoken to select committees.

Introduction

Energy hardship is an urgent problem and can only resolved in the short term by government increasing financial support to those experiencing energy hardship. We cannot continue to allow the poorest families in our society go hungry and live in cold damp houses. The problem is multi-dimensional involving, reducing energy demand, reforming the electricity industry, increasing householders' access to home generation of electricity, increasing housing quality and energy efficiency, affordability and availability, devising a more just and equitable income and taxation policy and introducing a wellbeing economy with economic, social and environmental bottom lines .Energy hardship is closely linked to climate change and reducing carbon emissions, old cars, uninsulated homes and inefficient home appliances all increase emissions. Improving access to public transport and electric cars are also relevant

My submission focuses on longer term solutions which require government to make major reforms.

Background.

1. All energy has come from the sun over time – coal, oil, wind, waves, solar, biofuels, geothermal ancient heat from Earth's formation. Even hydro is based on the water cycle driven by the sun. Hence energy is a commons and belongs to everyone.
2. Generation of energy from any source requires work (human or animal energy from food – photosynthesis uses the sun), mining, ancient windmills, cutting down trees or collecting fallen wood. In recent times the work required has become complex and

requires machinery, materials and more energy –oil rigs, steam engines, dams, wind turbines, PVs,

3. This infrastructure is expensive and in our economic system of capitalism it requires companies, capital, shareholders who want a return on their investment. The alternative is for governments to provide the capital by borrowing. However as banks create the money (ref Bank of England governor) even governments have to pay interest.

Why do some people experience energy hardship?

4. The cost of energy is high under our economic system. (see point 3 above)
Incomes in our society are extremely unequal. “Money makes money” – the rate of capital return in [developed countries](#) is persistently greater than the rate of economic growth, and that this will cause [wealth inequality](#) to increase in the future.
https://en.wikipedia.org/wiki/Thomas_Piketty . We have families locked into intergenerational poverty through no fault of their own. The gap between the wealthiest and the poorest is growing. As well as causing suffering to those at the bottom it threatens social stability and social security. Something has to change. Energy hardship is accompanied by housing hardship, food hardship, poor health and much more. The government must ensure that incomes can meet whanau’s essential needs.
5. The New Zealand government corporatized the electricity industry in 1987. It went from NZED to the electricity Corporation of NZ. Max Bradford deregulated the power market in 1997 and now the industry has 5 major power generators (3 of which have 51% ownership by the government) These power companies have made excess profits in recent years Meridian Energy has made \$3.5 billion in “*excess profits*” over the past 20 years, according to a study commissioned by the Major Electricity Users Group, which says high power prices are costing jobs. (<https://www.stuff.co.nz/business/126157551/big-firms-put-knife-into-power-market-saying-meridian-made-35b-excess-profit?rm=a>)
6. At the same time they “dictate” the timetable for building renewable generation because it is in their interests to “ration” generation.
7. It is not in the interests of the major generators to encourage Installation of solar panels on residential, commercial and public buildings like schools and hospitals. Government could legislate to incentivize such private generation through **i) increasing the financial**

return for electricity fed back into the national grid, ii) enabling the development of community energy companies, iii) providing financial support for householders to install solar panels, iv) requiring all new schools, hospitals libraries and other public buildings to install solar panels, v) reform the electricity industry

8. Many of our older homes, frequently rented to low income families, are still poorly insulated and consequently cold and damp. While landlords are required to insulate rental homes and put in heat pumps, tenants are fearful of reporting them for fear their rent will increase. Also home owners on lower incomes cannot afford to insulate their homes or install heat pumps or solar hot water heating. **Government enforcement for home insulation is imperative.**
9. The government recently upgraded the building code to ensure new houses are much more energy efficient, but deferred its introduction under pressure from the building industry. We need more passive heated homes as well. Building codes in many EU countries are much more energy efficiency focused. **Government enforce strong building codes for energy efficient homes.**
10. As well as the high price of electricity those facing energy hardship often rely on older heaters which are energy inefficient. **Government could provide financial support to install heat pumps, or more efficient electric heaters.**
11. **Families require healthy housing as a human right.** The housing market has seen housing affordability become a serious problem both for home owners and renters. Low interest rates fueled investment in rental properties, and building larger houses. Those on higher incomes were able to afford to buy a holiday home. As a result while some people are homeless thousands of houses stand empty all over the motu. I understand that in Scotland if a house stands empty for more than 3 months the owners are financially penalized. Empty houses are a cost to ratepayers and a poor use of land.
12. Developers have too much power in the housing market. They often seek zone changes or change of rules to Local government Plans. Local government faces consent hearings with commissioners and the appeals to the Environment Court if their consents are not granted. Many local governments cannot afford the costs of these hearings and so compromise of give in at a preliminary stage. I hope the BNE Act fixes this.

13. Inflation is putting pressure on home owners and home renters as mortgages increase and landlords put up rents. The real causes of inflation are not addressed by Reserve Bank measures. Current economic theory is inadequate in explaining the causes of inflation .**We need an enquiry into the real causes of inflation.**

14. People with energy hardship are also affected by the price of petrol. They are more likely to drive older, less efficient vehicles and perhaps work several jobs which require them to drive from one to another. If they work late shifts the public transport is infrequent. Climate Change requires us to abandon petrol fueled cars, unfortunately it will be a long time before second hand EVs are down to the price of petrol cars.

Government must incentivize a rapid change to EVs and their availability.

15. Food has also increased in price for several reasons and this puts further pressure on those in energy hardship. Climate change is expected to bring more severe weather events which can damage crops. We are often dependent on one or two regions for fruit and vegetables. Food security is threatened by supermarket domination of the food market. Community organisations are involved in growing food in community gardens or encouraging and supporting home gardening. Food banks simply reinforce the eating of processed and packaged foods and increase the profits of the supermarkets, this is unhealthy eating. In times of severe weather events when road transport and energy supplies are threatened, the supply of foods transported long distances by road can be interrupted causing a break down in supply chains hundreds of kms away. When we face an increase in severe weather events we need to encourage local resilience, local food growing, local markets, local manufacturing.

16. Our food supply is dependent on our export led food production. **We need a Government enquiry into our food security**

Conclusion.

The planet faces existential threats from climate change, environmental break down and social inequality. We face severe weather events and sea level rise. Covid and climate change showed we were vulnerable to breakdowns in supply chains. New Zealand has become economically dependent on global trade both exports and imports., and tourism. Aviation and shipping could

become very expensive and our overseas markets depend on our reputation for being Clean and Green. If the farming sector does not become regenerative we will lose our market share. What has this to do with energy hardship?

However fast we build a renewable energy supply scientists seem agreed we cannot supply the equivalent of what we now use from fossil fuels. If we are to decarbonize our economy we will need to downsize and live more simply. At the same time we must create a much fairer society where we can meet the needs of all people within the means of a living planet.

We can no longer rely on long distance road transport to distribute raw materials, manufactured goods and food. The extent of an area which can meet the needs of the inhabitants is probably the bioregion, with one or two cities and many smaller communities. Food, clothing, furniture, housing materials will need to be produced within that region. Energy will be generated from dams, wind and solar farms, but solar panels on house and other buildings will supply much of the energy. Houses will need to be energy efficient to ensure energy is not wasted. However our incomes are “earned” we will become more aware of our dependence on one another as we learned in Covid. Communities will be more self reliant, less dependent on supplies from far away, and more coherent and resilient.

This is the vision we should be aiming for and which the government should be focusing on.

We cannot continue Business as Usual. Energy hardship will be a thing of the past. We need to get there in the next 20 years.

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