

Energy Hardship Discussion Paper Energy Hardship Expert Panel

The Salvation Army Submission – 28 April 2023

Summary:

1. The Salvation Army has, over recent years, been involved in various aspects of this energy hardship advocacy. Overall, we are supportive of the direction that the Panel and their team are heading with in this Discussion Paper. This short submission offers some comments on specific aspects of these strategies.

Background of The Salvation Army:

2. The mission of The Salvation Army Te Ope Whakaora is to care for people, transform lives, and reform society by God's power. The Salvation Army is a Christian church and social services organisation that has worked in New Zealand for one hundred and forty years. It provides a wide range of practical social, community, and faith-based services, particularly for those facing various forms of hardship and vulnerability.
3. The Salvation Army employs almost 2,000 people in New Zealand, and the combined services support around 150,000 people annually. In the year to June 2022, these services included providing around 83,000 food parcels to families and individuals, providing some 2,300 people with short-or long-term housing, over 4,000 families and individuals supported with social work or counselling, around 6,600 people supported to deal with alcohol, drug or gambling addictions , around 3,500 families and individuals helped with budgeting, court and prison chaplains helped 3,300 people.
4. This submission has been prepared by the Social Policy and Parliamentary Unit (SPPU) of The Salvation Army. The SPPU works towards the eradication of poverty by advocating for policies and practices that strengthen the social framework of New Zealand. This submission has been approved by Commissioner Mark Campbell, Territorial Commander of The Salvation Army's Aotearoa New Zealand Fiji Tonga, and Samoa Territory.

Responses to the Discussion Paper:

5. We welcome the acknowledgement that there are a broad set of actors – budgeters, churches, power companies, and many others – all involved in this reducing energy hardship work. Additionally, we support the Panel's assertion that all children and whānau should be able to access and afford the energy they need to live in a safe and healthy home.
6. Energy Hardship contributors – Generally, we agree with the elements detailed in the Paper as contributors to energy hardship. We encourage the panel to keep considering the broader causes of energy hardship that exist outside of the elements in this Paper. In our experience with those using our services, there is often a complex, interconnectedness between the social challenges they are facing. Issues around food insecurity, addictions, problem debt and numerous others all impact on a family's ability to access and afford energy they need

to live. And unfortunately, it is rare that it is just 'one' issue or problem for that family. There are usually multiple issues that contribute to the stress, hardship, and chaos they are facing.

7. Overall, we support the five focus areas and the desired outcomes from this strategic framework. Therefore, our comments below will not exhaustively analyse each strategic action, but instead just focus on areas that we believe greater clarity or focus might be needed.

8. Health of the Home

- a. **HH1** – We strongly support this focus.
- b. **HH2** – We support this goal and also acknowledge community groups like Habitat for Humanity are already doing work like this. Supporting existing experienced retrofitters is preferable. Additionally, ensuring there are enough suitable skilled and qualified tradespeople for this work could be difficult given the huge surge nationally in consents for new builds.
- c. **HH4** – This is an admirable goal but definitely requires greater clarity. In our view, mechanisms like the Tenancy Tribunal effectively favour the landlord in disputes. Furthermore, disputes laid by landlords can be for a range of issues *including* energy hardship and so getting clear outcomes when disputes laid cover multiple issues might prove difficult. Finally, there are not enough tenant advocates operating across the country. Many different workers (e.g. financial mentors, welfare workers, social workers etc) engage in tenant advocacy in their everyday work. It is important to understand and remunerate this existing work effectively because of how stretched tenant advocates are in their work.

9. Knowledge and Navigation

- a. **KN1** – There is value in this collaboration. But there are also several regional and national collaborative groups already operating like the Energy Networks Aotearoa. How will this proposed new body connect with the existing groups? How does the Panel ensure that this group does not become another 'talkfest'? How does this group remain meaningful and worthwhile for super-busy groups and organisations?
- b. **KN2/KN3** – The focus on Maori and Pacific communities under these goals is understandable given their levels of energy hardship. There is mention of Maori and Pacific worldviews here. How has the Panel defined and decided on what constitutes these worldviews? Worldviews are complex yet critical things. They can also vary between and within ethnic groups. We submit that regularly testing and critiquing these by the Panel and possibly the new group under KN1 would be hugely helpful in the actual direct work with these communities.
- c. **KN5** – The portal idea is good. But the Panel must consider those with low or no access to digital devices and information. The CAB has done some great work recently in this digital exclusion space.
- d. **KN6** – We strongly support this goal. We also recommend that the role of support people, financial mentors etc is vital here to help those whanau who want personal support in understanding their bills.

10. Energy Accessibility and Choice

- a. **AC2** – The Salvation Army was involved in some of the recent work around disconnections and medically dependent customers. We believe some of that work with MBIE should, if not already, come into this goal.
- b. **AC5** – We strongly support this goal and exploring these possibilities further. There has been a lot of work lately in this social retailer space. Many groups have already

approached The Salvation Army to discuss collaborating with us. The details in this goal are positive, but they are heavily government influenced through contracting and funding. Balancing that government input and support with giving these organisations the flexibility to innovate and respond to the social issues is vital. Government over-reach and bureaucracy should be limited as much as possible so these groups can work effectively.

- c. **AC6** – We support this goal strongly. Working with groups like The Salvation Army who are *not* energy hardship support services, but who clearly work in this space, is very important.

11. Energy Affordability

- a. **AF1, 2 & 3** – We strongly support these strategic goals and actions. The better targeting of the Winter Energy Payment is a good idea that should be taken up. Another factor to consider here is the high levels of debt (both private and to government) that many lower income households have which impacts their payment of utilities, food etc. This again raises questions of income adequacy, particularly for benefit-dependent homes. Also, providing more options to safer and more ethical lending like Nga Tangata Microfinance and others can help address access to credit issues that are connected to energy hardship.
- b. **AF4** – We are very glad that this goal is presented as this area has been part of our ongoing advocacy around energy hardship for several years.

12. Consumer Protection

- a. **CP1** – We support the inclusion of mandatory consumer care obligations on all electricity retailers.
- b. **CP3** – The improvement in reporting around energy hardship indicators is crucial. Access to this data for community groups is vital to help us improve services and to inform advocacy for clients.
- c. **CP4** – In recent years, we have advocated strongly around reducing the number of the disputes resolutions scheme (DRS) and also reducing their complexity for people to navigate. DRS play an important role for customers, but they are complicated to use, especially for people with complex, high needs. Expanding the existing DRS makes a lot of sense. However for community organisations supporting people through a DRS claim, this adds greater workloads and stress for both the customer and our workers supporting the person. Our advocacy in this space has focussed on pushing for streamlining the DRS's and simplifying their processes as much as possible.