

9 December 2024

Submitted via: [appropriations@ea.govt.nz](mailto:appropriations@ea.govt.nz)

Electricity Authority  
Wellington

**Re: Proposed levy-funded appropriations 2025/26 Consultation Paper**

Effective energy regulation is critical to financial wellbeing in Aotearoa. An effectively utilised levy increase will be of net benefit to communities and we support the preferred option 3 for this reason.

FinCap has regularly recommended the Electricity Authority put more resourcing into consumer protection in the retail space. Enforcement of the Consumer Care Obligations is critical to ensuring more whānau avoid the significant costs of being without electricity where disconnection for non-payment wasn't a last resort. Without essential energy services supporting their health, wellbeing and social participation whānau who already have challenges to their financial wellbeing will face huge costs from:

- Stress and declining mental health;
- Time to make other arrangements for washing;
- Additional costs from spoilt food and limited access to storing some core groceries safely;
- Time away from work or everyday life due to sickness;
- Struggling to communicate with social supports;
- Incurring late fees to other creditors due to communication barriers or the additional cost of living without electricity or paying reconnection costs; and,
- Many other forms of difficult to measure harm.

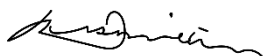
The above list also leads to flow on costs to the wider community such as those associated with hospital visits or where financial mentors' limited time is further strained when addressing the harm from energy retailer non-compliance. Where all of these costs are avoided more often, through effective regulations, they will far outweigh the aggregated additional costs to households had the regulator not resourced enforcement.

**About FinCap**

FinCap (the National Building Financial Capability Charitable Trust) is a registered charity and the umbrella organisation supporting the 185 local, free financial mentoring services across Aotearoa. These services supported over 69,000 whānau facing financial hardship in 2023. 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.

Please contact Jake Lilley, senior policy advisor at FinCap on [REDACTED] or at [REDACTED] to discuss any aspect of this submission.

Ngā mihi,



Ruth Smithers  
**FinCap Chief Executive**