EECA Consumer Energy Monitor: Q1 FY25

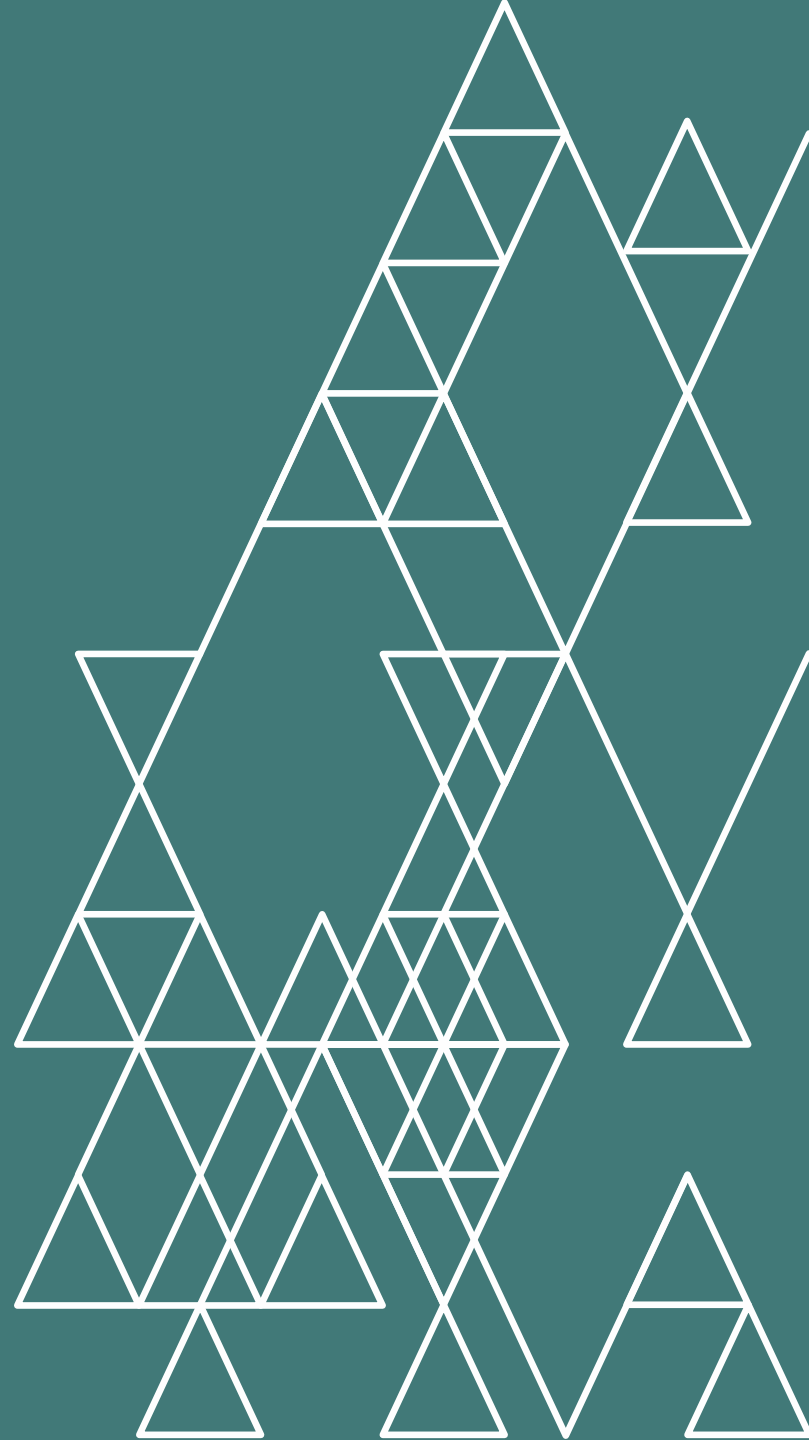
October 2024

Background

This study is designed to understand New Zealanders' relationship with energy, aligning to EECA's three strategic pillars:

- Energy efficiency first: efficient energy use is the first option users adopt
- Empower energy users: users are empowered to control their energy
- Accelerate renewable energy: users transition to a low-emissions energy

The monitor captures data on how New Zealanders are interacting with energy in their home, both as a snapshot and how this develops over time. Alongside broader behavioural and attitudinal trends, this study allows EECA to evidence impact of its programmes and intervention.



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Methodology

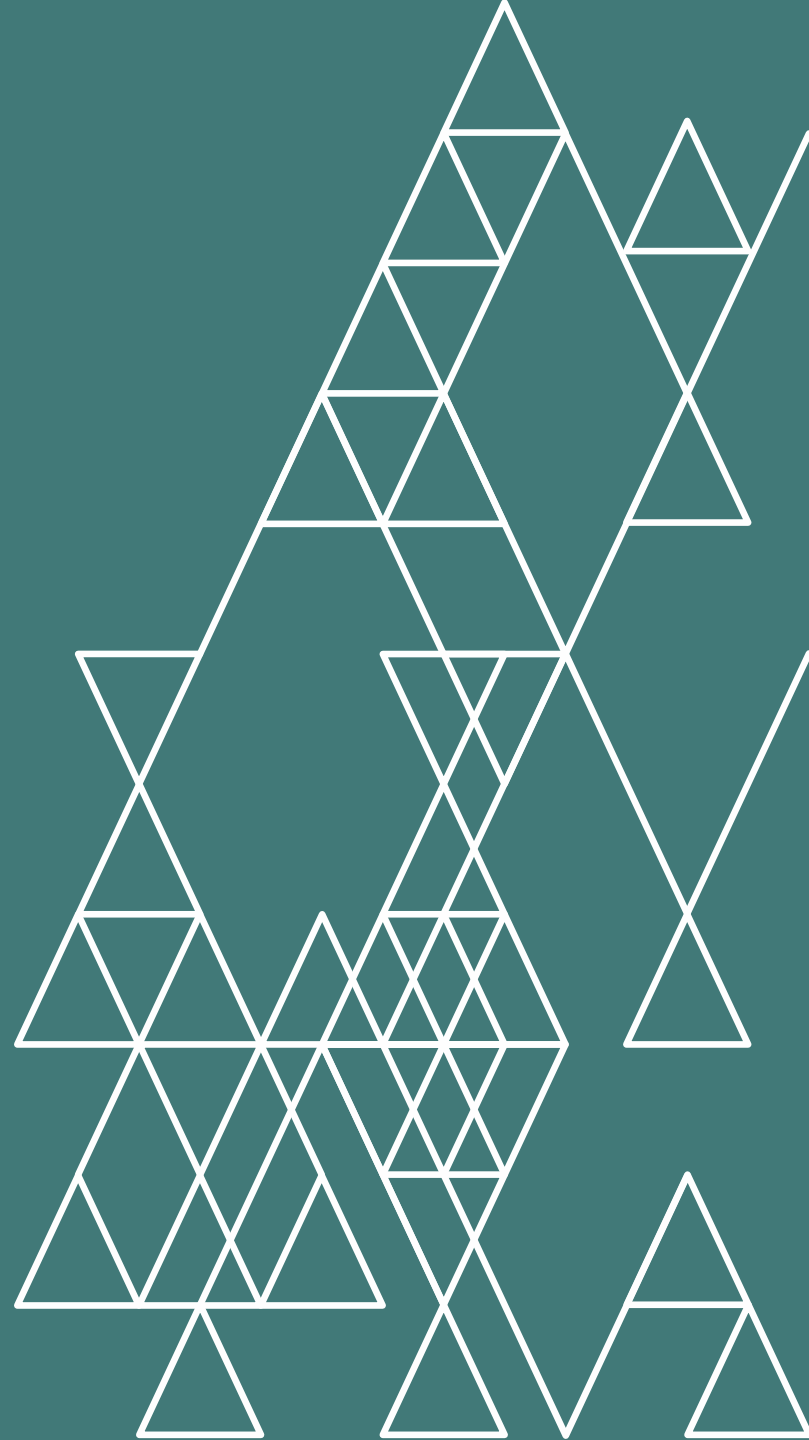
This is the first edition of this tracking study, which replaces a previous tracking programme that ran from 2019 – 2023.

Each quarter, 750 New Zealanders take part in an online survey designed to capture insight in the following areas:

- Context of energy use (house age, energy supply, household structure etc.)
- Approach to energy consumption (how aware they are of their energy costs, their sentiment towards this, what actions – if any – they are aware they could take to reduce energy use, and what they actually do)
- Broader attitudes towards energy, knowledge of renewables and appetite to find out more

The sample is nationally representative based on age, gender and region. Although not selected for, around 8/10 of our respondents were decision makers in their household.

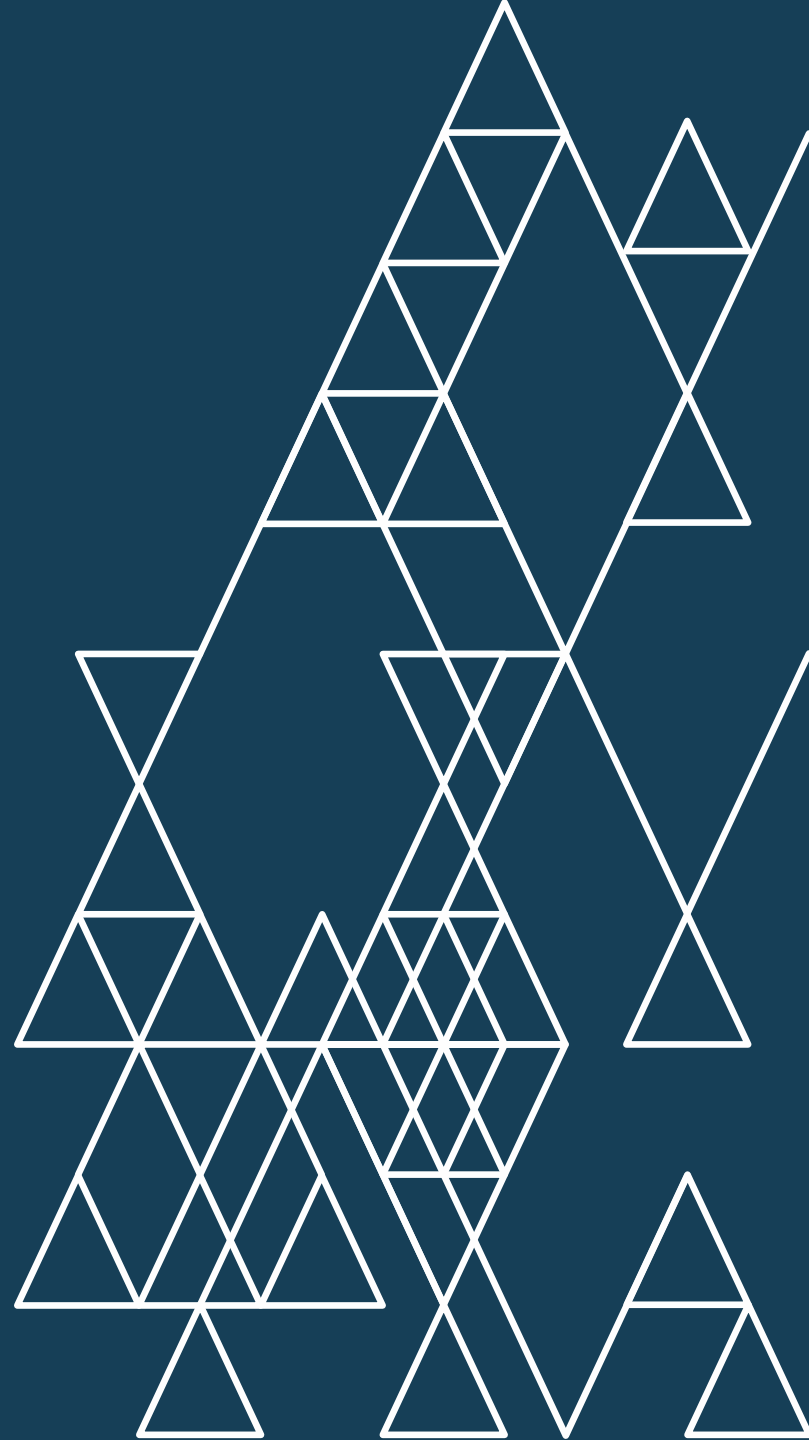
This quarter n=760 took part in the study, giving a margin of error of +/- 3.6% at a 95% confidence interval. Fieldwork took place from 16th – 26th September, 2024.



A note on survey design

Ahead of launching the study, five ‘cognitive testing’ interviews took place with a range of respondents spanning age, household structure, location, and gender. The interviews included a respondent living in a large flat-share and a respondent in a retirement village. This stage was designed to check interpretation of questions and answer options in order to ensure an accessible survey that makes sense to consumers.

Although this issue didn’t emerge within cognitive testing, the first round of results suggested that not everyone has understood the idea of getting electricity ‘from the grid’, with 14% not selecting this option (rising to 32% among 18-34s). Questions that ask explicitly about energy sources will be adapted for the next wave, meaning energy sources can be reported more comprehensively in the next report.

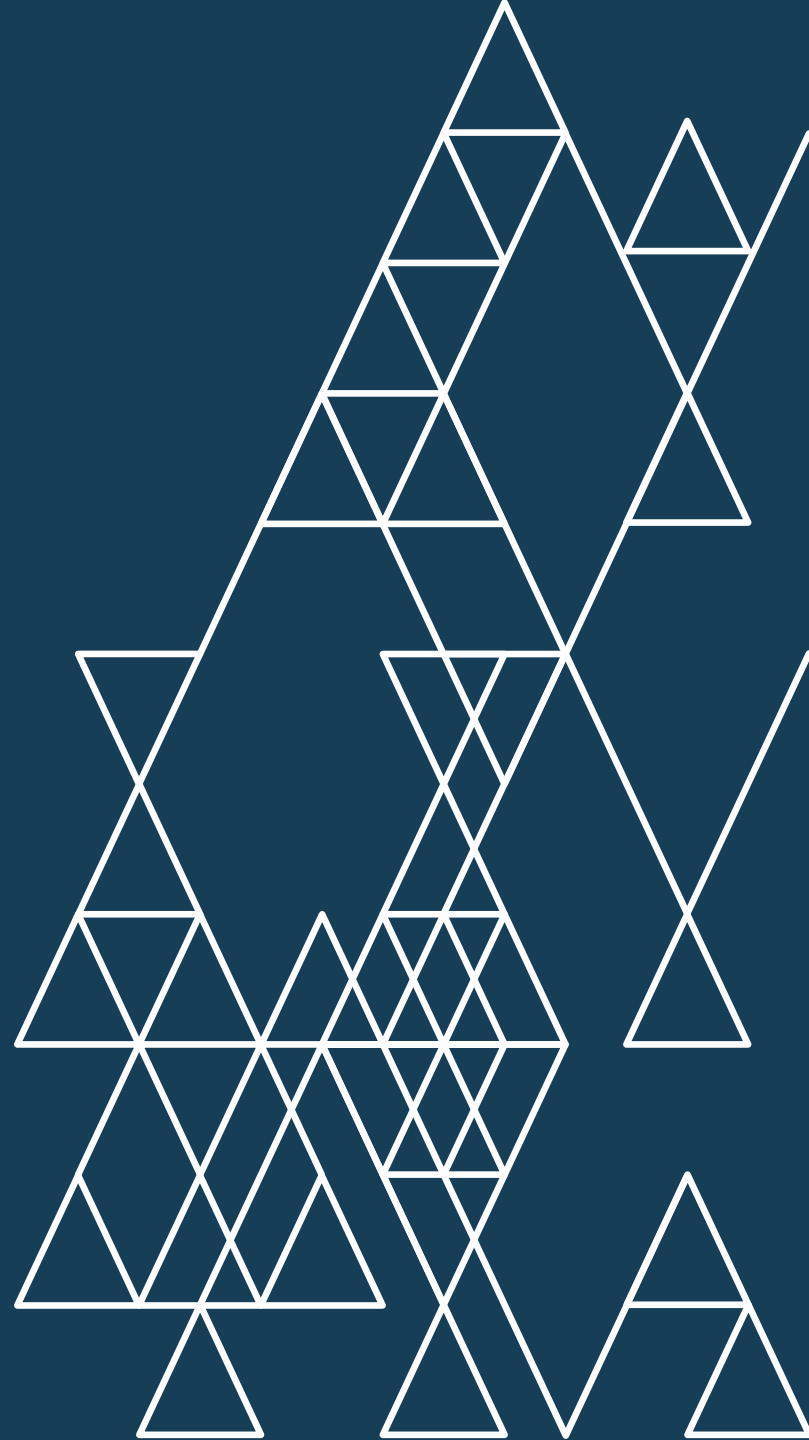


Summary

Home energy is a ‘hot topic’ in today’s climate. With prices increasing, it’s an essential cost that is on consumers’ minds more and more. Over 8 in 10 people express concern over increasing household energy prices.

Most people are aware, to some extent, of what they spend on energy bills and a lot are actively engaging in the energy market by ‘shopping around’ energy providers over the past year. New Zealanders also generally factor in ongoing running costs when choosing an appliance, using the Energy Star Rating recognised by over 9 in 10 consumers to help inform most appliance purchases.

People generally want to learn more about how to improve their energy efficiency at home. There are signs of knowledge gaps when it comes to knowing what the most efficient and clean sources of energy are, and what actions people can take that will have most impact on increasing their energy efficiency.



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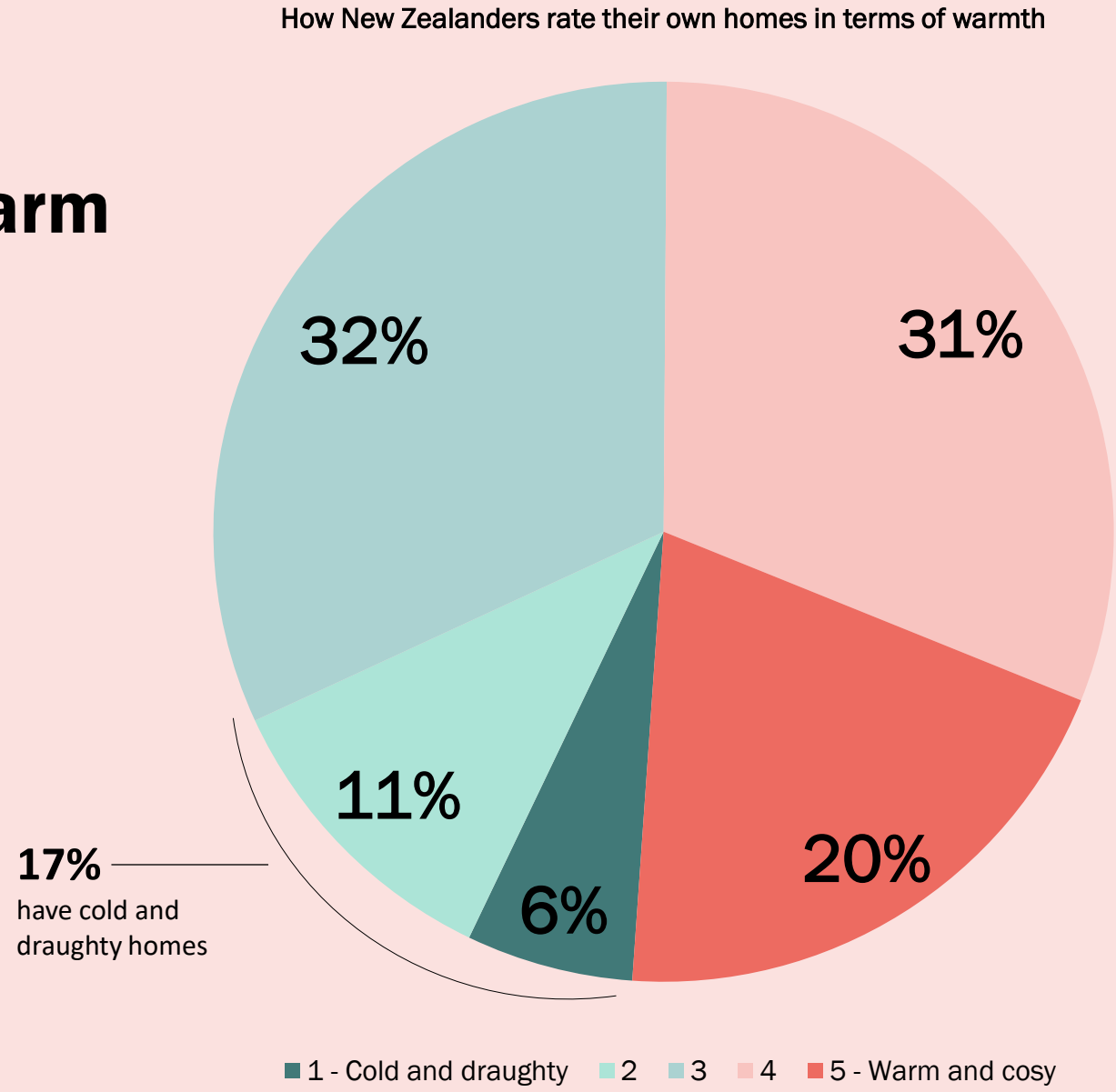
Home energy landscape

Context: only half of New Zealanders surveyed described their homes as warm and cosy.

17% say their homes are cold and draughty. Renters and Aucklanders are significantly more likely to indicate their homes are cold and draughty, indexing at 22% and 26% respectively.



Q. Thinking about your home (rather than how much you heat it), would you say that your house is cold and draughty or warm and cosy?
Base: total sample n=760

Context: residential energy prices have increased year-on-year, a trend that is expected to continue.

Residential electricity prices have been rising since 2019.

Prices rose 6.4 percent in the year to March 2024, after a 4.4 percent increase in the year to March 2023.[1]

Natural gas has also become more expensive for residential households.

The nominal average cost of natural gas for residential increased from 14.41c/kWh in the calendar year 2022 to 15.98c/kWh in 2023, and rose again to 16.70 c/kWh for the calendar year 2024.[2]

Currently, there is noise in the media about an anticipated and imminent increase to household power prices…

… an onflow from the high wholesale power prices that energy retailers are experiencing as we enter the second half of 2024.[3]

There are public concerns about the number of New Zealanders who cannot afford the electricity that they need.

Data reported in August 2024 from Consumer NZ's most recent energy survey estimates about 140,000 households had to take out a loan to cover their power bill in the past year.[4]

1. Ministry of Business, Innovation and Employment data, Household sales based electricity cost data. https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-statistics-and-modelling/energy-statistics/energy-prices/electricity-cost-and-price-monitoring
2. https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-statistics-and-modelling/energy-statistics/energy-prices
3. https://www.rnz.co.nz/news/business/524548/power-price-warning-for-households-as-major-users-feel-the-crunch
4. Consumer NZ Sentiment Tracker, https://www.consumer.org.nz/articles/the-scale-of-power-poverty-in-new-zealand

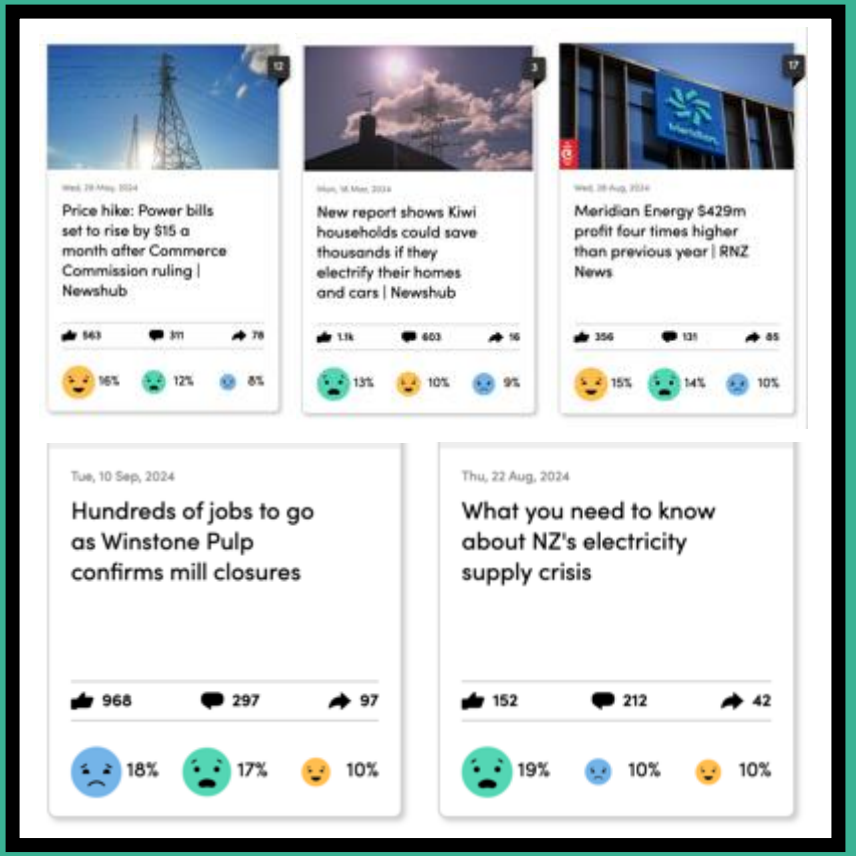
As a result, conversations about energy prices have ramped up.

Mentions of ‘energy prices’ in New Zealand media and on social were at a particularly high volume in the lead-up to this research

Mentions of ‘energy prices’ in the media and on social over past 12 months

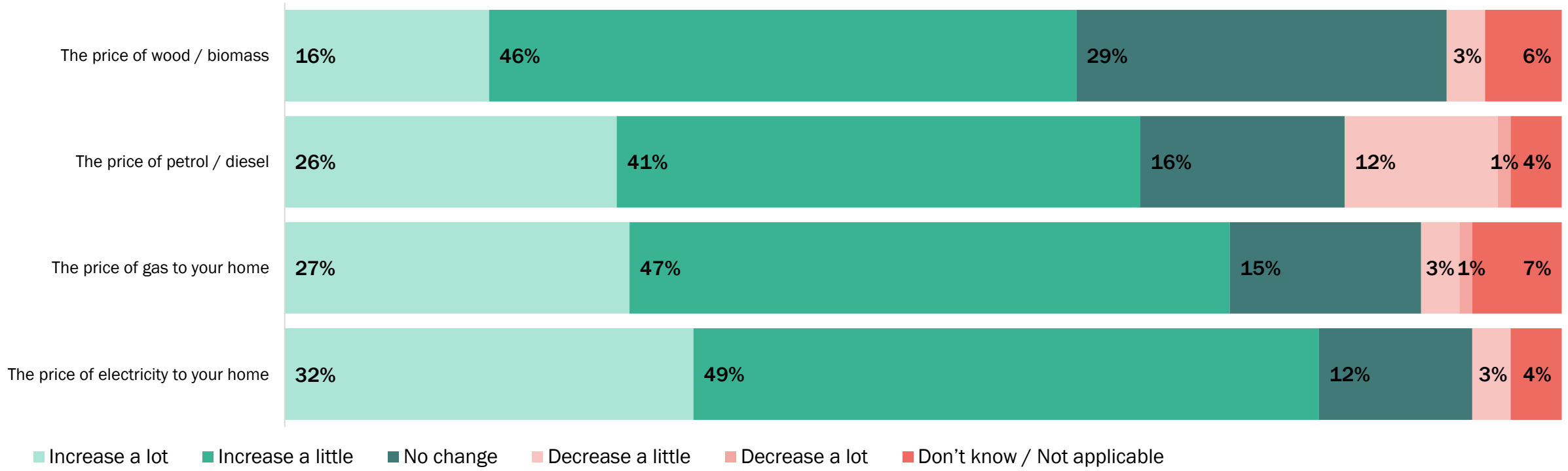
Source: Zavy Radar

A selection of the articles and posts with highest engagement over this period:



81% of New Zealanders anticipate some degree of rising electricity prices – a higher level than other energy sources.

Expectation of unit price increases over the next year, by fuel type (among users of each fuel)



Note: Currently 77% of householders with gas estimate their monthly bill to be $200 or less, compared to 53% for electricity.

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Q. How much is your household's monthly gas bill? How much is your household's monthly electricity bill?
Base: Mains electricity users n=664, Gas users n=259
Q. To what extent do you expect the price of the following to change in the next year? Please answer as if your usage remains the same, so that any changes would be due to unit price changes.
Base: Mains electricity users n=664, Gas users n=259, Petrol/Diesel users n =754, Wood users n=124

This is a concern for many New Zealanders, with 83% agreeing that they worry about increasing household energy prices.

It especially affects those who identify as not financially comfortable, where almost 9 in 10 express concern.

Consumers who either agree or strongly agree that they are worried about increasing prices for their electricity and/or gas bills.

Agree **47%** + Strongly Agree **36%** = **83%**

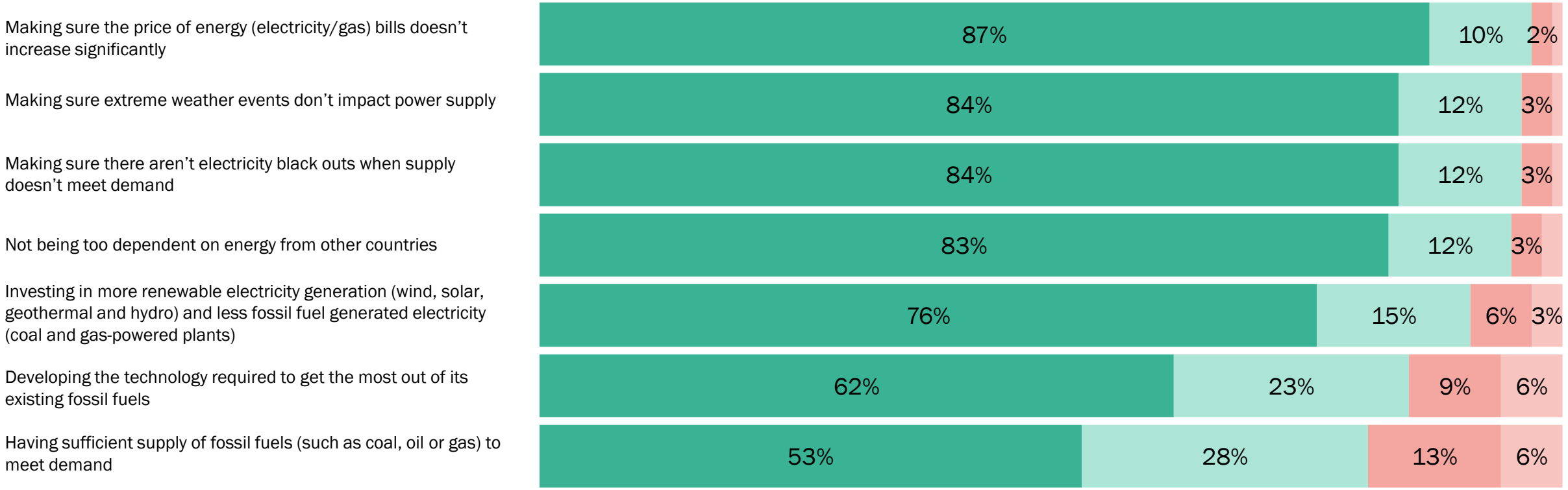
agreeing they worry about increasing household energy prices

Q. To what extent do you agree or disagree with the following in relation to your gas/electricity bills?
Base: Electricity or gas users n=704

Pricing and security of supply are the most important factors for the future of our energy.

Short-term issues are rated higher in importance than longer-term issues, such as future investment in renewables or technology. Significantly lower levels of importance were placed on both issues relating to fossil fuels.

Perceived importance of matters relating to New Zealand's future (next 10 years) energy



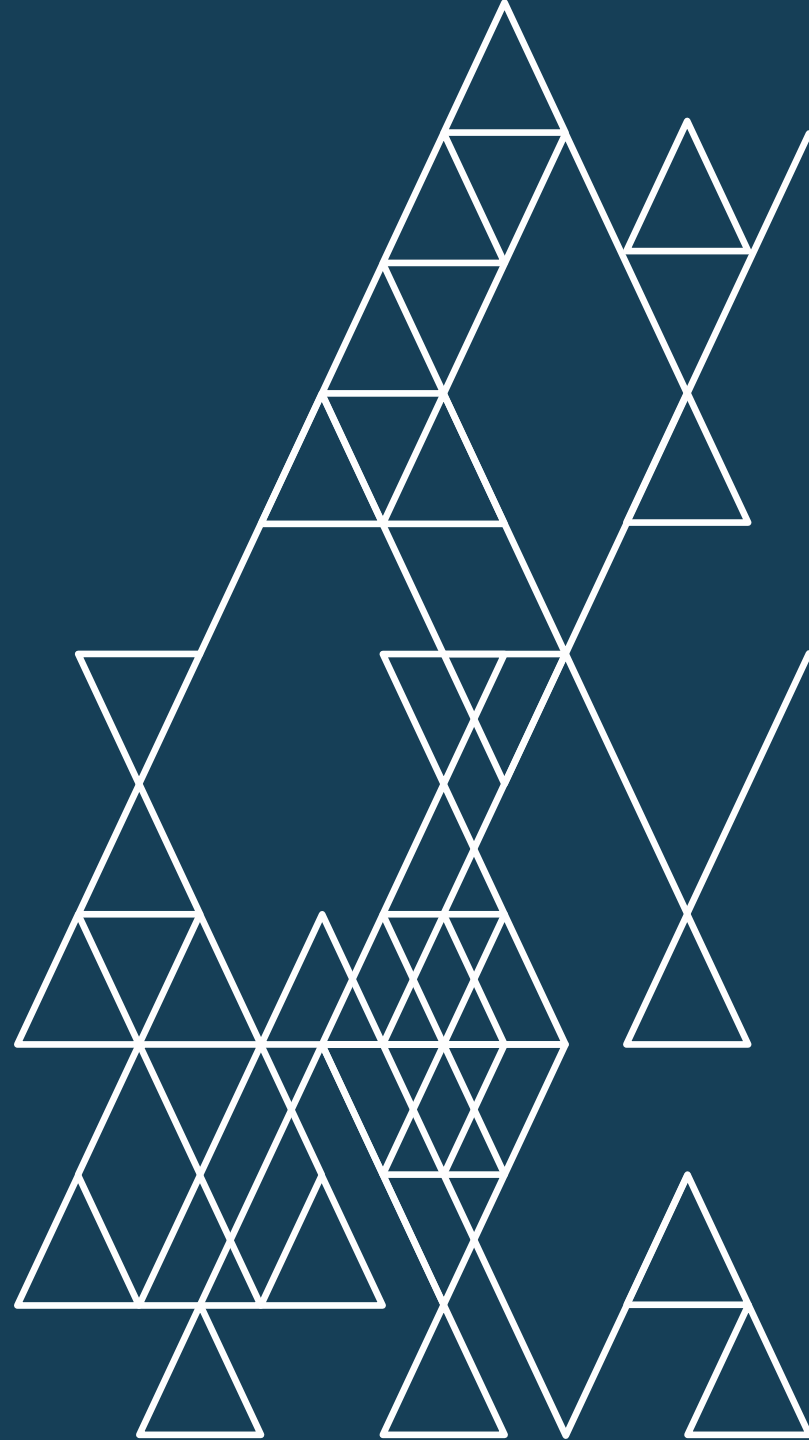
Q How important do you consider each of the following to be for the future of New Zealand's energy?
Base: total sample n=760

Summary

Energy costs – and particularly electricity costs - are on New Zealanders' minds. This involves both current increases and concerns about future increases.

Concerns are greater for those who are not financially comfortable.

New Zealanders place high importance on energy issues, but shorter-term issues, such as pricing and security of supply, rank more highly than longer-term issues (e.g. investment in renewables or new technology). New Zealanders also place significantly less importance on issues relating to fossil fuels than on renewable energy.



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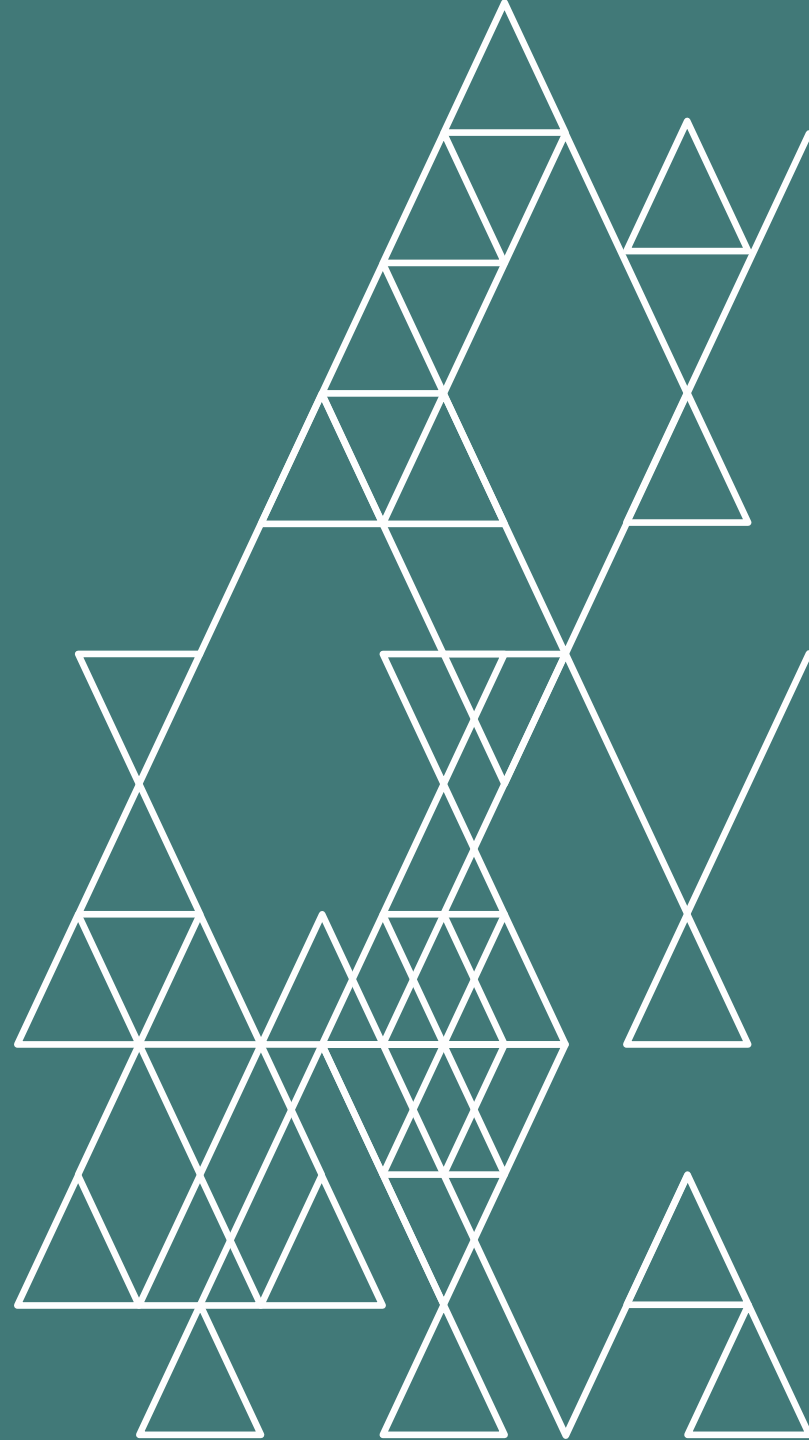
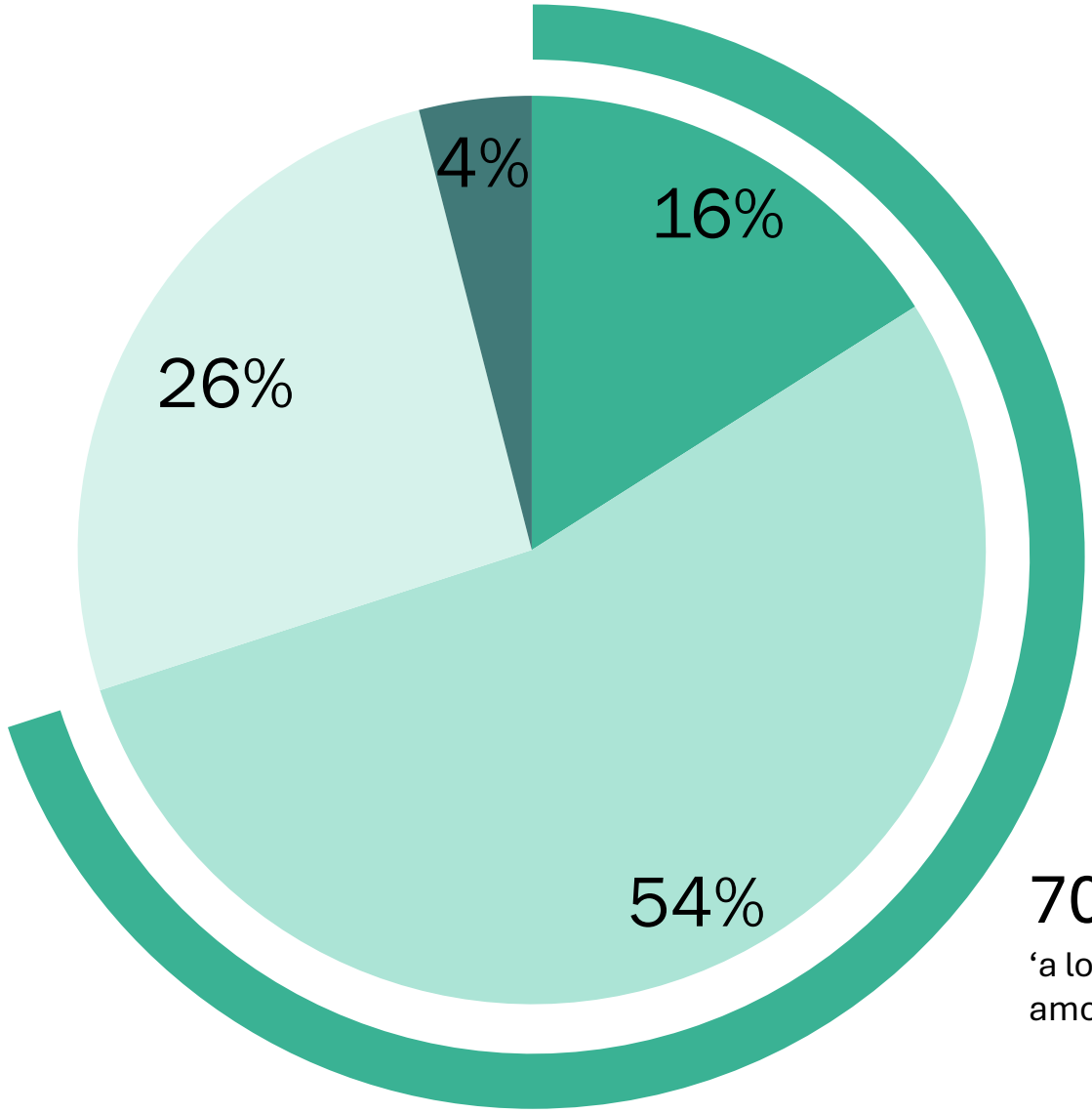
Empower energy users



70% of New Zealanders pay at least a ‘fair amount’ of attention to how much energy they use in the home.

Younger New Zealanders (18-34) are significantly less likely to give ‘a lot’ of thought towards their energy use compared to New Zealanders aged 35+ (7% vs 20%).

How much thought consumers give to the amount of electricity/gas they use.

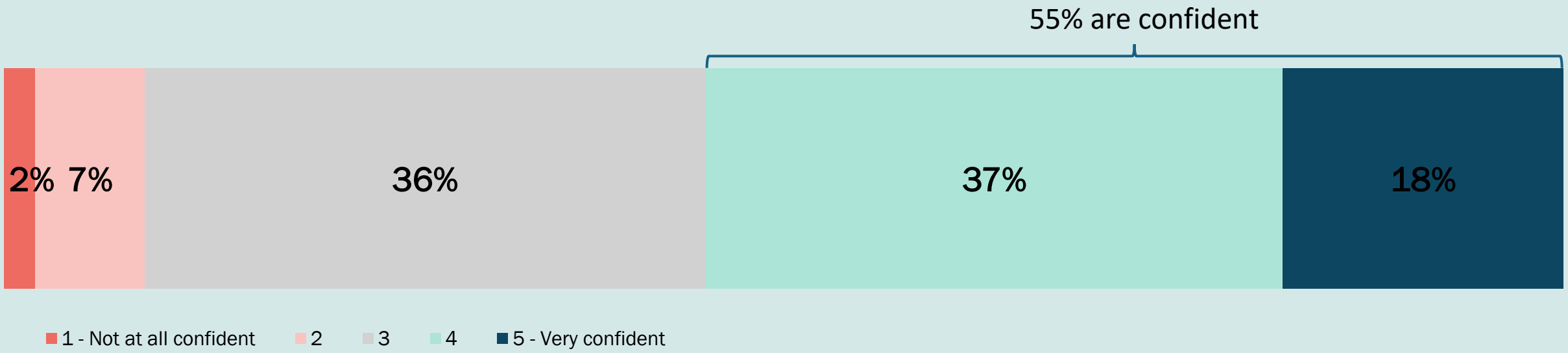


Q. How much thought, if any, would you say you give to the amount of electricity / gas you use in your home?
Base: Electricity or gas users n=704

However, just over half are confident in understanding and managing their energy use.

Homeowners are significantly more likely to indicate they are confident or very confident in their ability to manage their energy use. They index at 61%, 6 points more than the total population.

How confident are New Zealanders in their ability to manage their energy use.



Q. How confident are you in your ability to understand and manage your energy use? By manage we mean take steps to optimise, control or reduce your energy use. This includes energy use in your home such as electricity, gas, wood or coal, and for by Demos banner
Base: total sample n=760

There is an appetite to know more: over half of New Zealanders want to learn more about energy efficiency.

35-54 year olds are significantly more likely (65%) to want to know more about this than both younger (18-34, 50%) and older New Zealanders (55 and over, 53%).

Interest in learning more about home energy efficiency

56%

Yes, I would like to know more about this

34%

No, I am not interested in finding out more about this

10%

Don't know

Q. Would you like to know more about the most effective ways to use energy more efficiently in your home?
Base: total sample n=760

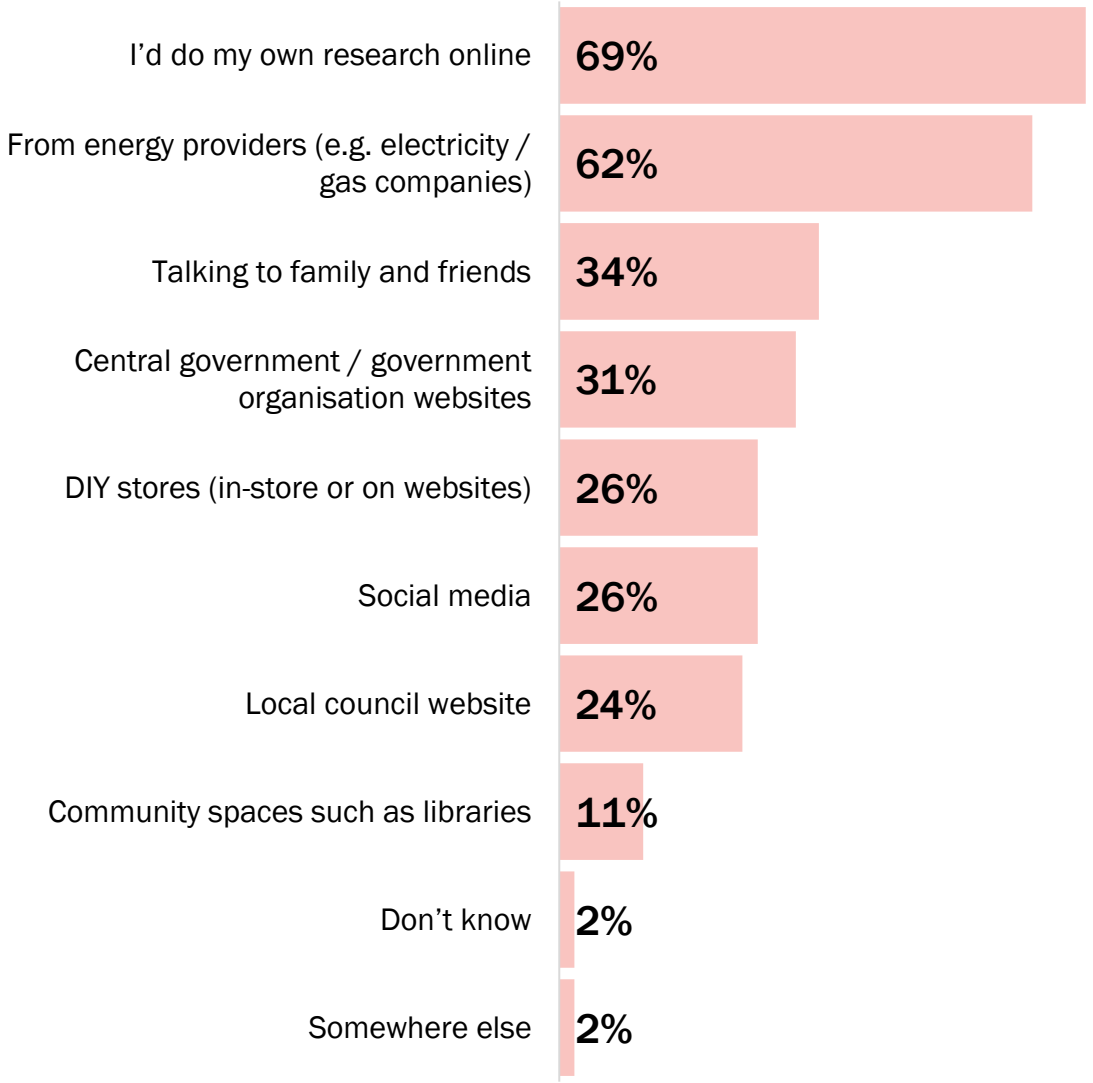
Most people would expect to do self-directed research or turn to energy retailers in order to learn more about home energy efficiency.

There are key generational differences:

Government sources would be used by around 3 in 10 people. Younger New Zealanders (18-34) are significantly less likely than average to use government and energy provider resources, but significantly more likely to use social media, or to talk to family and friends.

Q. Where would you look for information on actions that you could take to make your household energy use more efficient?
Base. People who want to learn more about energy efficiency n=433

Where New Zealanders would look for information to make their household energy use more efficient



The survey asked specifically about three behaviours that help understand people's approach to managing their energy use.

1.

The extent to which they shop around in order to get a good or better energy plan

2.

Whether or not they make use of off-peak plans

3.

Their general approach to factoring in energy-efficiency ratings when making an appliance purchase

We cover behaviour and actions in more detail in the next section.

It’s a dynamic market, with around half of energy decision makers having ‘shopped around’ in the last 12 months.

New Zealanders aged 55+ are significantly less likely to have taken action to switch electricity suppliers in the last 12 months. 43% indicated they have taken some steps towards switching, compared to 60% of those under 55.

Steps taken to switching energy providers in the last 12 months.

Shopped around for a new gas supplier by comparing prices / services (regardless if you switched or not)	44%
Engaged a new supplier / switched gas providers	14%

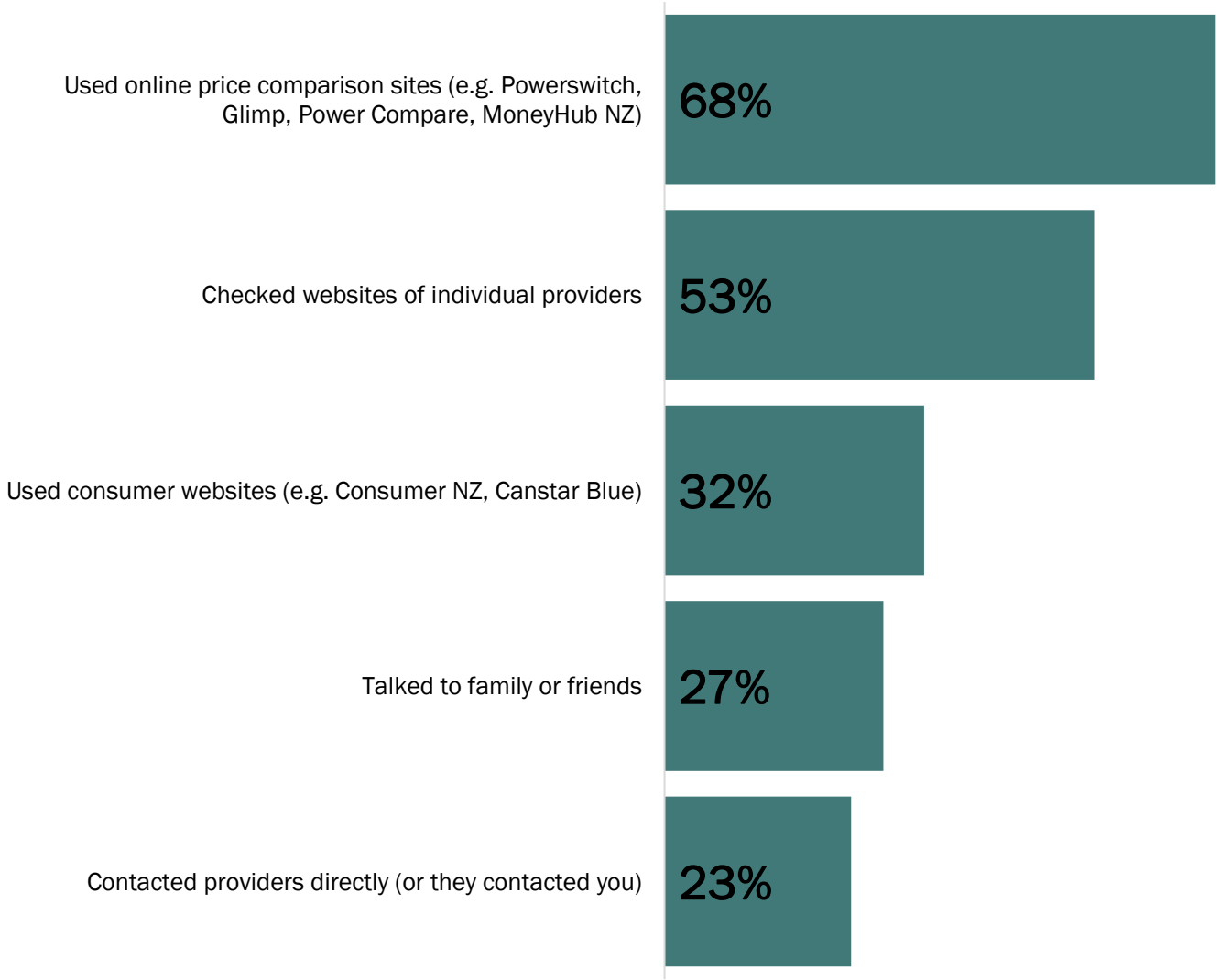
Shopped around for a new electricity supplier by comparing prices / services (regardless if you switched or not)	43%
Engaged a new supplier / switched electricity providers	16%

Q. Have you done any of the following in the past 12 months? Have you done any of the following in the past 12 months?
Base: Mains electricity users n=664, Gas users n=259

Online price comparison sites are the most common resource used when shopping around.

Q. Please think about the last time you shopped around for electricity / gas in the last 12 months. In which ways did you shop around for this?
Base. New Zealanders who have shopped around for electricity or gas n=274

How New Zealanders are shopping around for new gas/electricity providers (among those who have shopped around within the past 12m)



Off-peak electricity and bundling plans are used by a minority.

Nearly 3 in 10 report being on an off-peak energy tariff. A further 4 in 10 are aware of this type of plan, but don’t have it.

Off-peak pricing usage

Yes	29%
No – I am aware of off-peak pricing but don’t have it	39%
No – I am not aware of off-peak pricing and don’t have it	14%
Don't know	18%

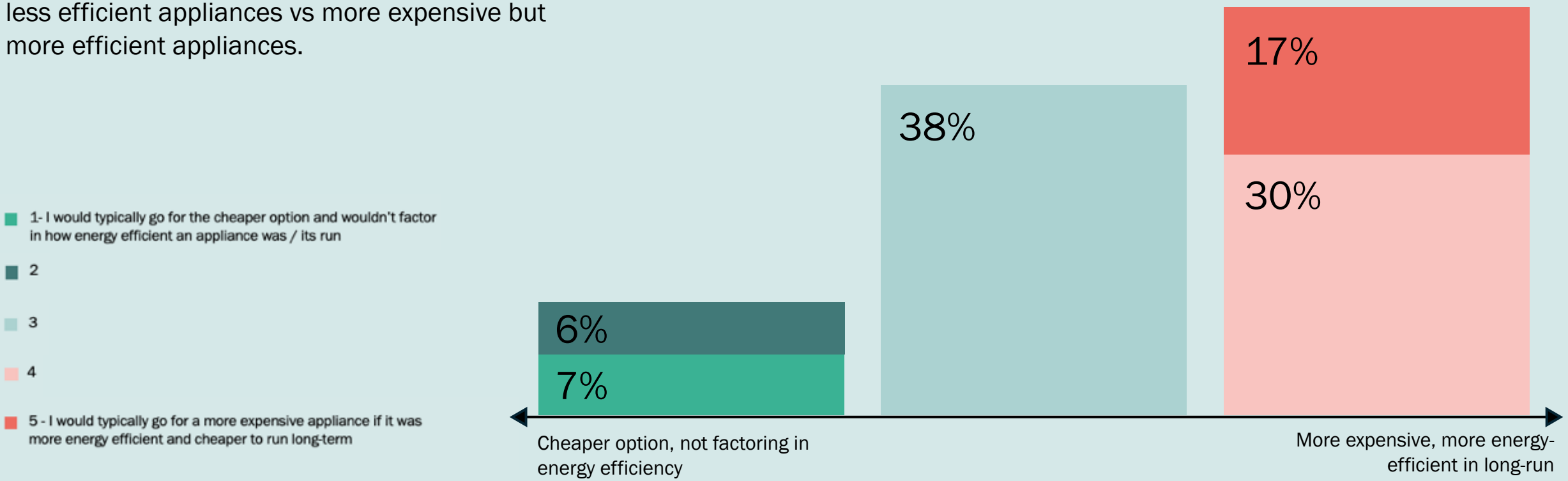
‘Bundled plans’ usage (where power is bundled with other services like broadband)

Yes	27%
No	67%
Don't know	6%

Q. Electricity costs can change depending on whether you’re using it on or off-peak. Off-peak times are typically when people are at work or after most people have gone to bed. Are you currently on an electricity plan which has off-peak pricing?
Some power plans are 'bundled' with other services like broadband and phone providers. Is your gas and / or electricity part of a 'bundled' plan like this?
Base: Electricity or gas users n=704

When it comes to appliances, people are more likely to go for a more expensive but more efficient option as opposed to the cheaper, less efficient option.

New Zealanders' tendency to purchase cheaper, less efficient appliances vs more expensive but more efficient appliances.

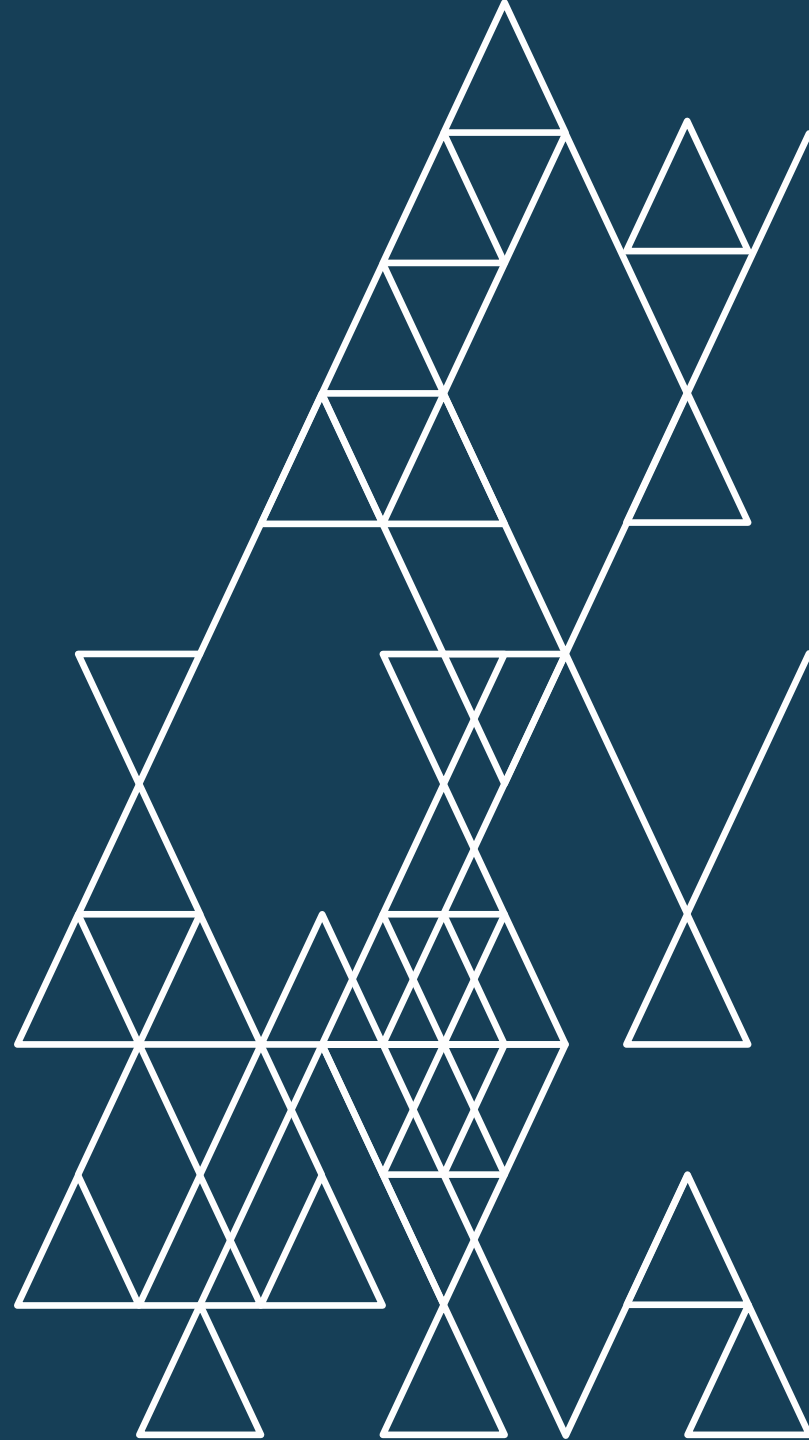


Q. Thinking about if you were purchasing a large household appliance such as a washing machine or dishwasher. Where would you place yourself on the following scale?
Q. Have you purchased any of the following household appliances within the past 12 months? Options included: Fridge, Freezer, Washing machine, Clothes dryer, Dishwasher, Television, Heat pump / air conditioner, Computer monitor.
Base: total sample n=760

Summary

Most people have at least a rough idea of their household energy expenditure and are involved in managing the bills. But with only just over half feeling confident in understanding and managing their energy use, there are clear knowledge gaps. There's appetite to fill these gaps, with over half of those New Zealanders saying they'd like to learn more about how to be more energy-efficient at home.

There are also clear intervention points. Energy bill-paying is something that most are involved in, and around half have shopped around in the past 12 months. Appliance purchases also offer a key moment, with just over half of New Zealanders making this type of purchase in the past 12 months. With those aged 18-34 generally less engaged and knowledgeable in the home energy space, but more active when it comes to switching suppliers and making appliance purchases, there are important considerations for how messaging during these moments could be crafted to appeal to younger generations.



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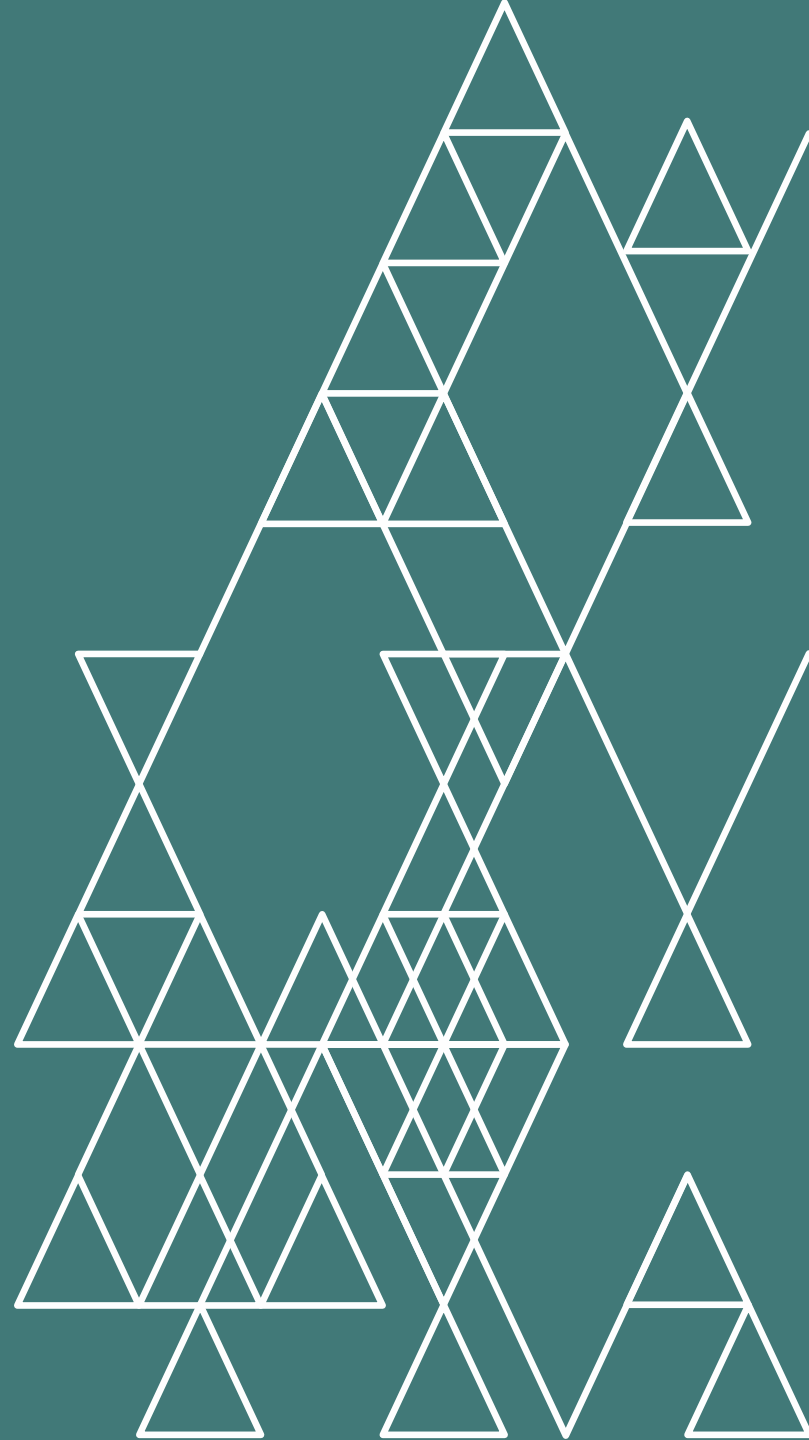
Energy efficiency first



There are many dimensions to what an ‘energy-efficient home’ means to New Zealanders, but all claim to see its benefits.

Cost savings are top of mind. This is often coupled with the idea that an efficient home does not use more power than is required – i.e. it is “not wasteful” of energy.

Energy-efficient homes are also seen as ones that are warm, dry and comfortable. There is an awareness of different products that feature in an energy-efficient home, such as insulation, double glazing, solar panels, sealed doors and draught stoppers, and appliances with high star efficiency ratings.

Consciousness for the environment and power from renewable energy sources are also salient associations of energy-efficient homes in the minds of New Zealanders.

> Not having such large electricity bills but also staying warm.

> One that does not have any situations where energy is wasted and appliances are efficient.

> Relying less on electricity providers and getting more from renewable resources.

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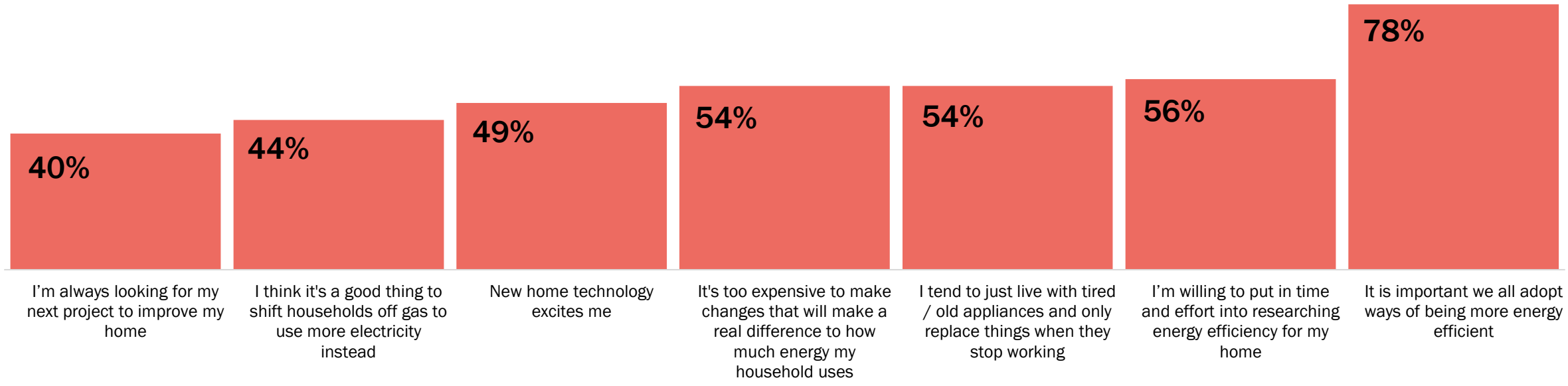
Q. What does having an energy-efficient home mean to you? [Open response]
Base: total sample n=760

Nearly 8 in 10 New Zealanders think it's important that we all adopt ways to be more energy-efficient.

However, cost and effort remain barriers at an individual level.

Energy statements – Agree or strongly agree

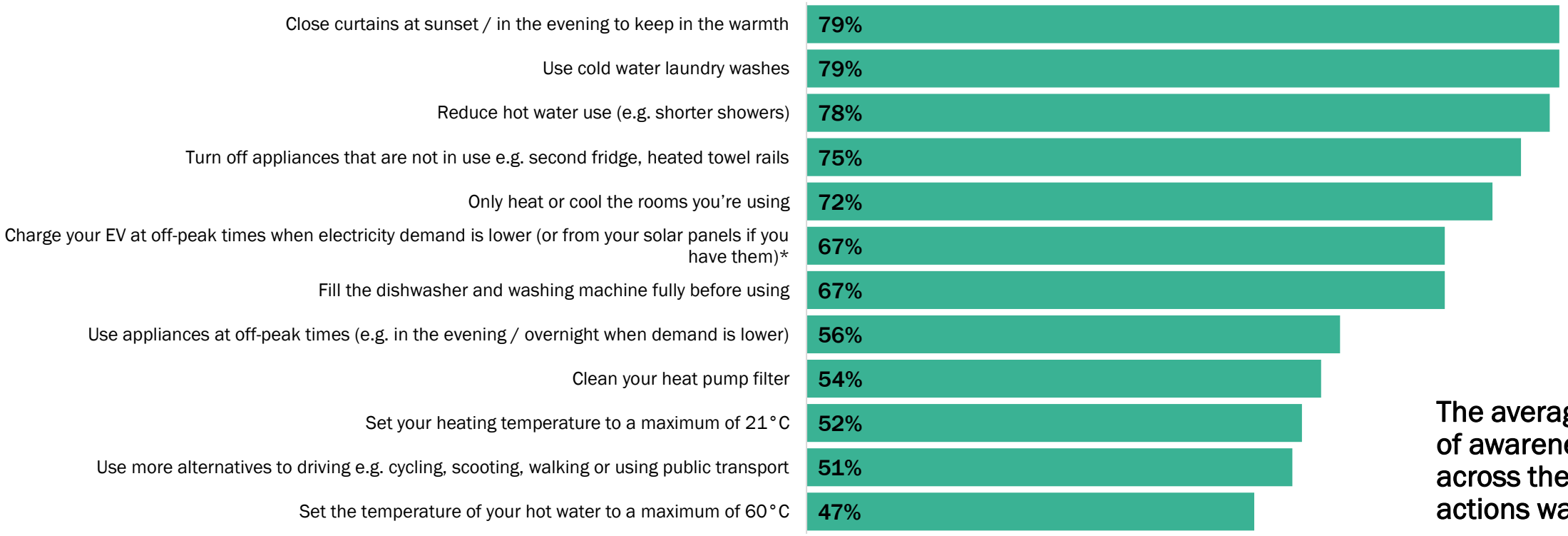


Q. How much do you agree or disagree with the following statements
Base: total sample n=760

Most New Zealanders are aware of things they can do day-to-day to save energy, or to increase their use of renewable energy.

Awareness increases with age, with younger New Zealanders (aged 18-34) aware of fewer actions than those 35+.

Awareness of energy saving actions



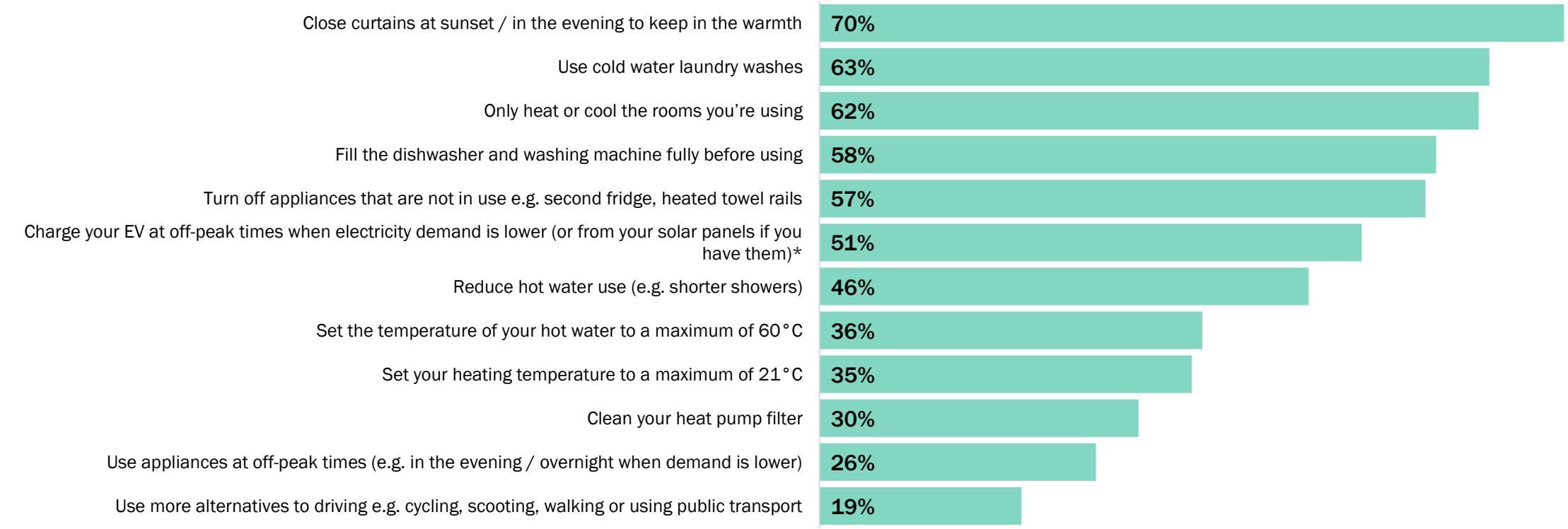
The average level of awareness across these 12 actions was 65%.

*Option shown to EV owners only
Q. Before today, were you aware of any of the following actions you could take to make your household energy use more efficient or increase your use of renewable energy?
Base: total sample n=760

But uptake isn't consistent, with half of the key efficiency actions only taken regularly by a minority.

While most New Zealanders do some actions regularly, there are others with relatively low regular uptake. Alternatives to driving as a way of increasing energy efficiency is the most extreme example, where fewer than 1 in 5 do this action regularly.

Actions done always or almost always to make household energy use more efficient or increase use of renewable energy (rebased to total sample)

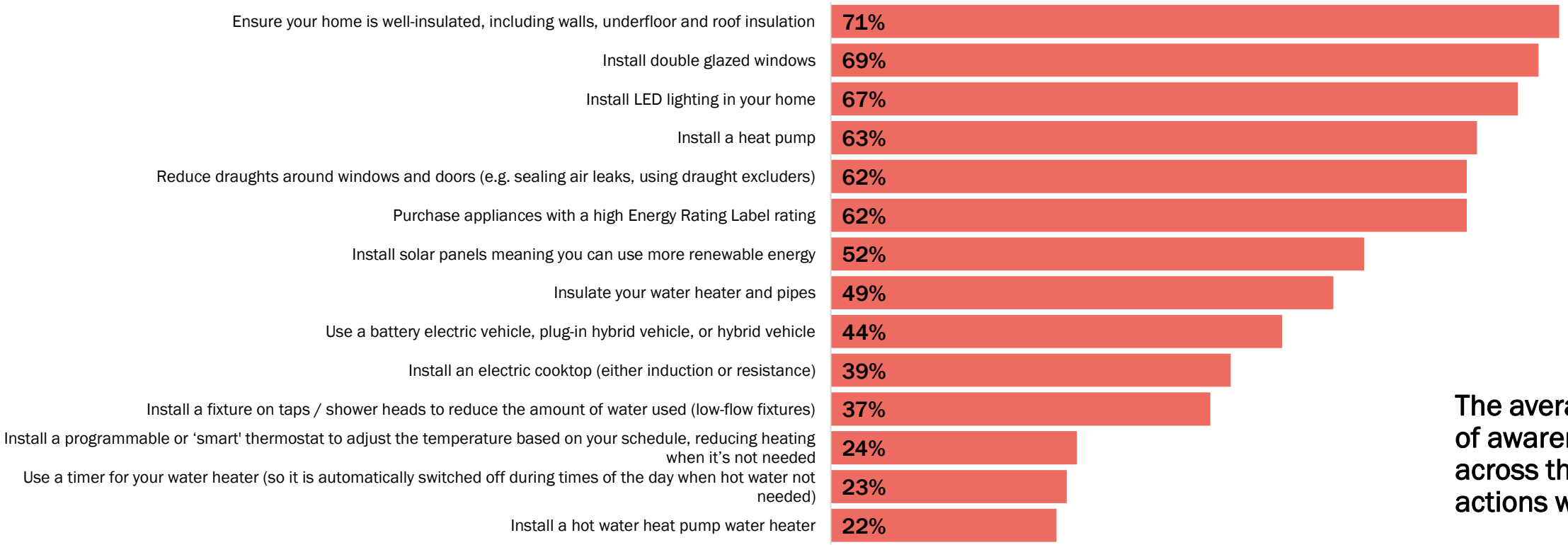


*Option shown to EV owners only
Q. And how often, if ever, do you do these in order to make your household energy use more efficient or increase your use of renewable energy?
Base: total sample n=760

Actions that involve investing in more efficient technology generally have lower awareness.

Most New Zealanders know about certain ‘investment’ actions like installing insulation or double-glazing. But some actions have lower awareness, with around one-quarter aware of actions like smart thermostats, timers for hot water heaters, and installing hot water heat pumps.

Awareness of energy saving actions



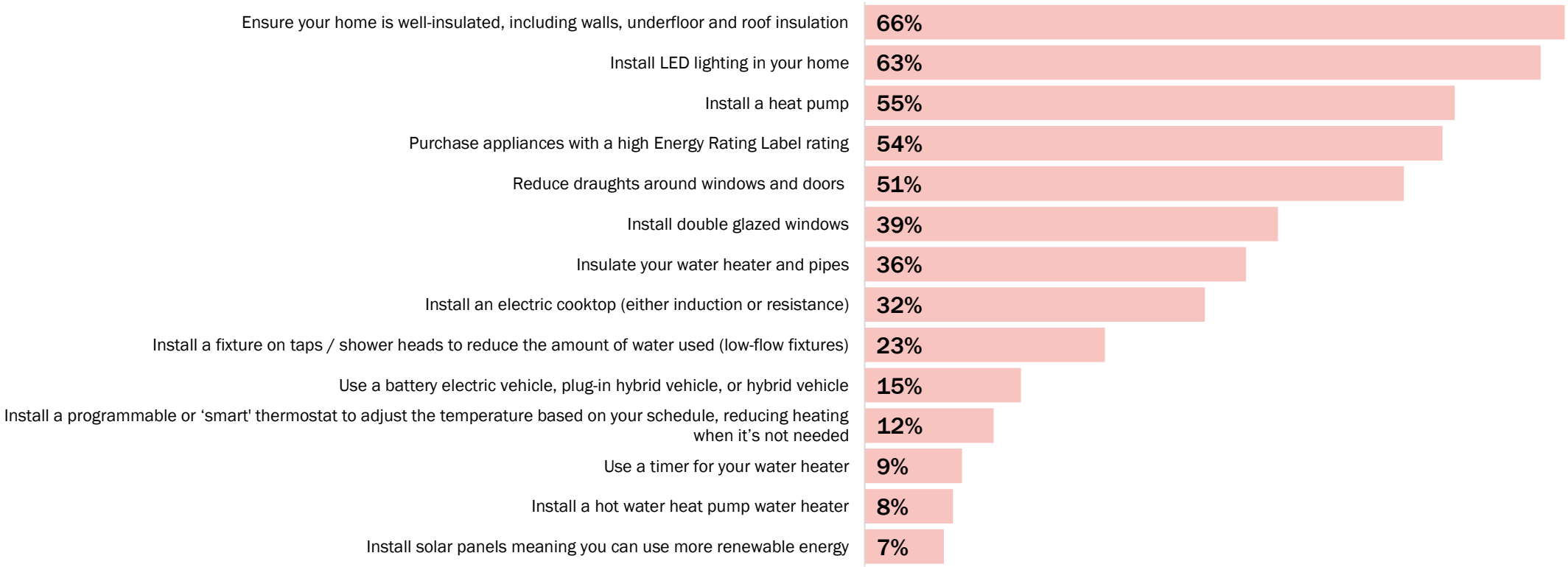
The average level of awareness across these 14 actions was 49%.

Q. Before today, were you aware of any of the following actions you could take to make your household energy use more efficient or increase your use of renewable energy?
Base: total sample n=760

And these actions are more prevalent amongst those more empowered to do so - homeowners.

But there is still a lack of widespread uptake with a large majority of actions being undertaken less by less than half of homeowners.

Actions taken in the past (rebased to homeowners)

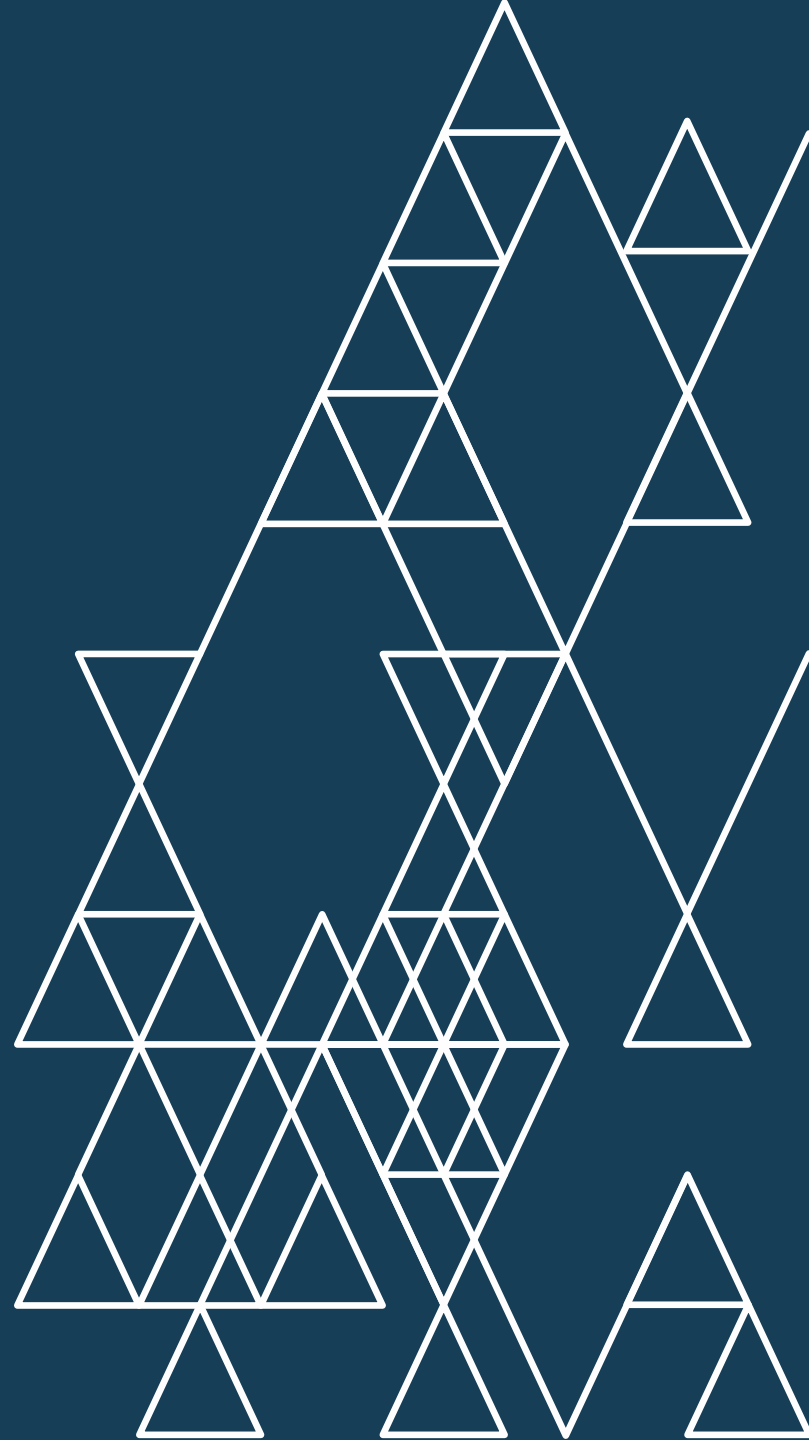


Q. And which, if any, have you done?
Base: Homeowners n=488

Summary

There is a broad understanding of what having an energy-efficient home looks like to New Zealanders and they associate it with benefits for both their household and the environment.

Most people are aware of actions they can take to improve energy efficiency at home, but knowledge is greater when it comes to smaller, easier actions. Generally, only a minority are aware of those actions that have the biggest impact, such as installing hot water heat pumps or simple technology like smart thermostats or hot water timers.



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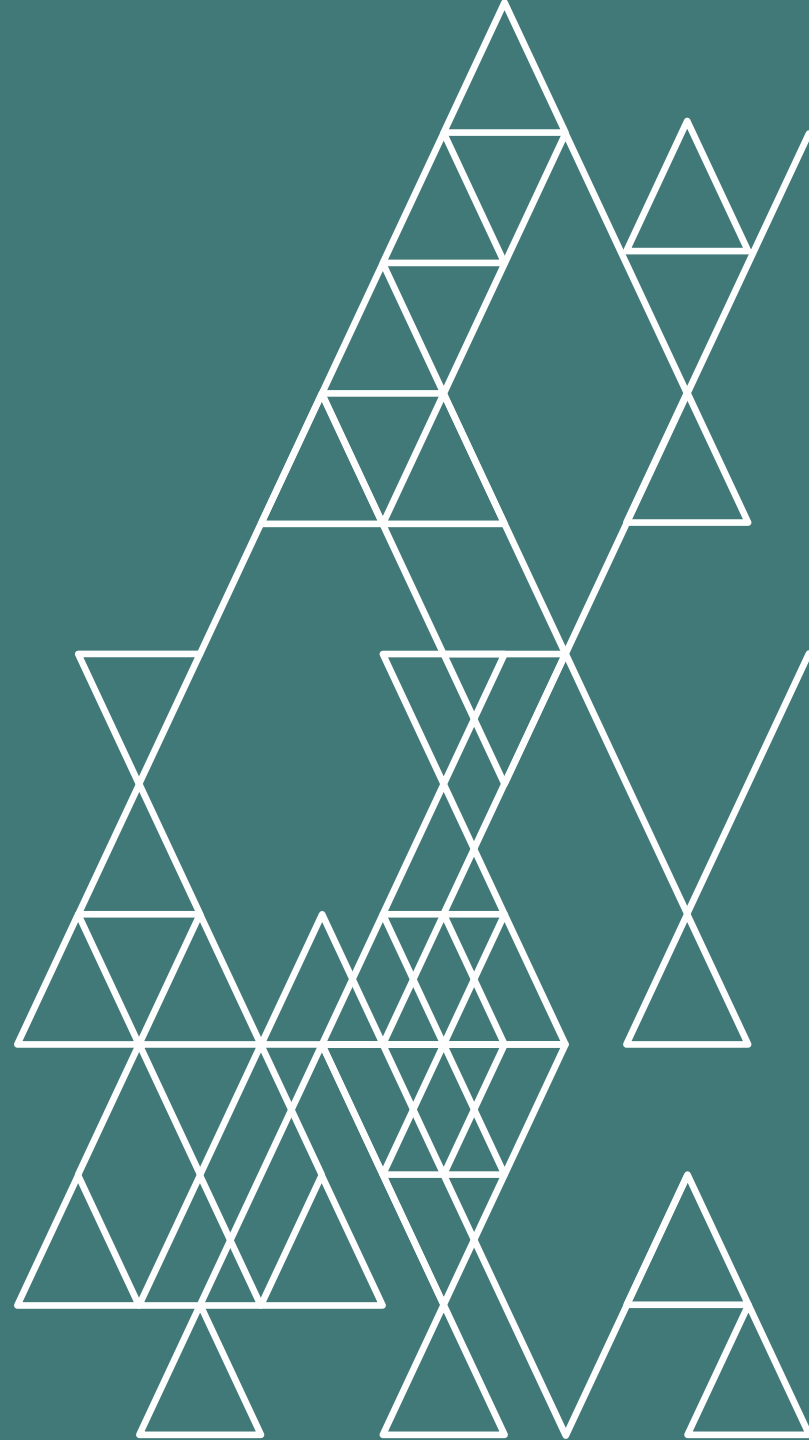
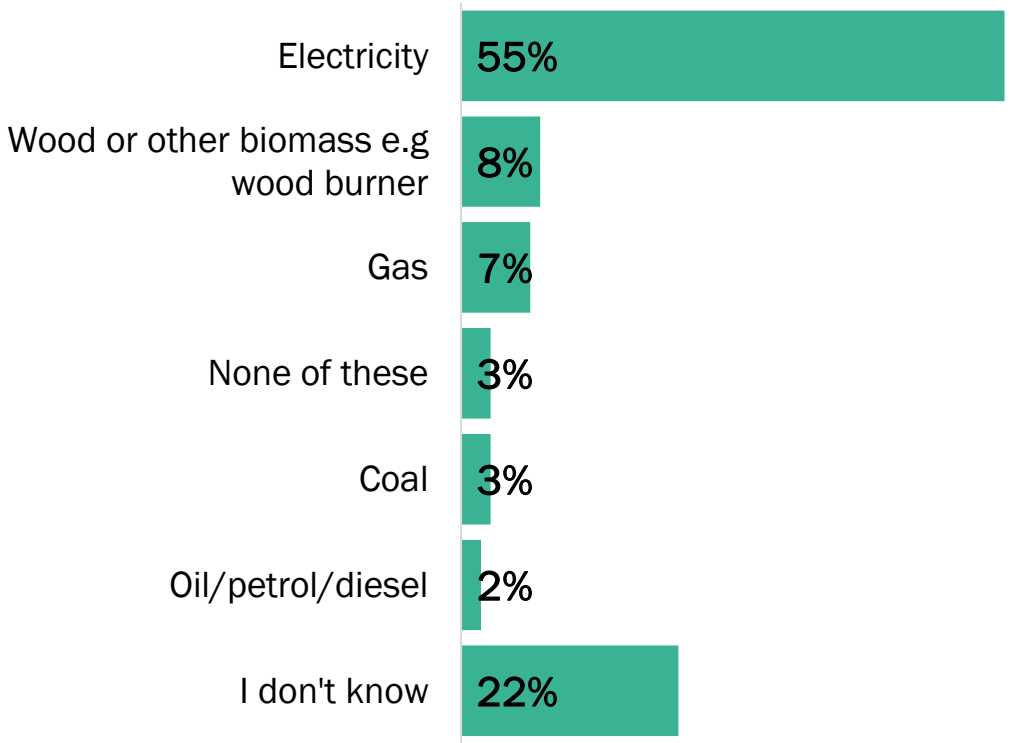
Accelerate renewable energy



New Zealanders lack accurate knowledge on renewables and the role that electricity plays in energy efficiency.

18–34-year-olds are significantly less likely to think electricity produces the lowest carbon emissions (43%), and they also predict a significantly lower average for the percentage of New Zealand's electricity that is produced with renewable sources than people who are 35+ (34%-42%).

Which energy sources produce the lowest levels of carbon emissions?



Percentage of New Zealand's electricity New Zealanders think is produced with renewable methods

None	1%
10%	2%
20%	8%
30%	13%
40%	10%
50%	9%
60%	9%
70%	12%
80%	10%
90%	2%
All – 100%	1%
I don't know	23%

86%

True percentage of New Zealand's electricity that is produced with renewable methods

Q. Which of the following types of energy do you think produces the lowest carbon emissions in New Zealand? Some electricity generation is classed as "renewable", which includes things like hydro, geothermal, wind and solar. How much of New Zealand's average annual electricity generation would you estimate is renewable?
Base: total sample n=760

New Zealanders have more positive views of electricity than gas or petrol. However, only a minority associate it with being environmentally friendly, safe and healthy.

Older New Zealanders (55+) are significantly more likely to see electricity as environmentally friendly (47%), than those under 55 (32%).

	Electricity	Gas	Petrol
Convenient	68%▲	43%▼	56%
Easy to use	68%▲	45%▼	51%
Reliable	53%▲	36%▼	48%
Efficient	52%▲	36%	26%▼
Environmentally friendly	38%▲	9%▼	4%▼
Safe	32%▲	10%▼	10%▼
Healthy	24%▲	7%▼	2%▼
Cheap	11%▲	20%▼	9%▼

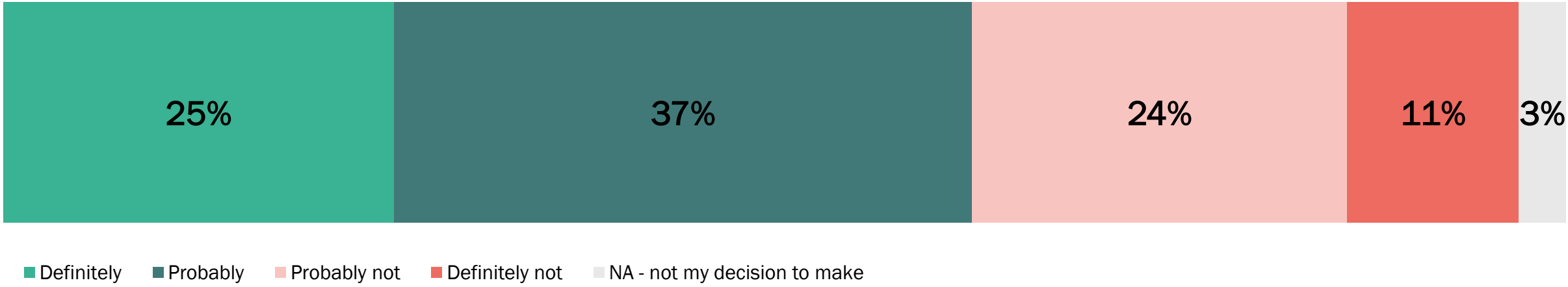
Q. We'd like you to think about different forms of energy you could use at home. For each one, please choose the words that you most associate with that form of energy.
Base: total sample n=760

▲▼Significantly greater/lesser than other two energy types

Solar is a potential pathway to making use of more renewable energy, with over 6 in 10 homeowners considering solar in future.

Those aged under 55 were significantly more likely to definitely or probably consider solar (72%) than those aged 55 or over (48%). Solar also has stronger consideration among those more mindful of their energy use as well as those identifying as not financially comfortable, suggesting an association of solar with cost-saving benefits.

Consideration of solar panels in future (among homeowners without solar installed, excluding renters)



Q. Solar panels can be built onto the roof of a house to generate electricity through sunlight. This electricity directly feeds into the electrical system of the house to power the home or charge a solar battery. Would you consider installing solar
Base: homeowners without solar already: n=457

Summary

People don’t always have an accurate understanding of renewable energy. They tend to underestimate the proportion of renewable energy generated in New Zealand.

Because of this, there isn't consensus over the relative benefits of electricity versus other energy sources. This is especially true for younger New Zealanders who have generally less favourable views of electricity and a lower perception of how much of New Zealand's electricity is produced with renewable sources.