EECA Business Energy Monitor: Dip 1 Q2 FY25

January 2025

Background

The purpose of the refreshed business monitor is to distinctly understand businesses' relationship with energy, in particular EECA's three focus areas:

- Energy Efficiency First
- Empower Energy Users
- Accelerate Renewables

The results will help us understand businesses' knowledge and beliefs on topics that would ultimately give them more empowerment/control of their energy use. It will help us understand if and what energy efficiency actions businesses are currently taking. The results will also give us information around what motivates businesses.

The information will help us to identify key messages and content that would help empower this audience to be more in control of their energy use, increase energy efficiency and use of renewable energy.

This is the first report of the refreshed business monitor which takes a broad view of the current state of energy efficiency among New Zealand businesses. Future reports may focus on specific areas of interest.

Methodology

This is the first edition of this tracking study, replacing a previous tracking programme from 2019 – 2023.

Twice annually, 650 New Zealand business decision makers agree to take part in a survey to capture insight in the following areas:

1. Understand the business energy landscape
2. Identify how well businesses currently understand, manage and conserve their energy use
3. Determine the extent to which businesses are accepting and adopting energy-efficient products and practices
4. Measure how much businesses currently plan for and adopt low emission energy and technologies

The data collection and final data weighting will be representative of the New Zealand business market based on size (FTE), and industry.

This quarter n=680 New Zealand business decision makers took part in the 13-minute survey, giving a margin of error of +/- 3.8% at a 95% confidence interval. Fieldwork took place from 11th – 26th November, 2024.

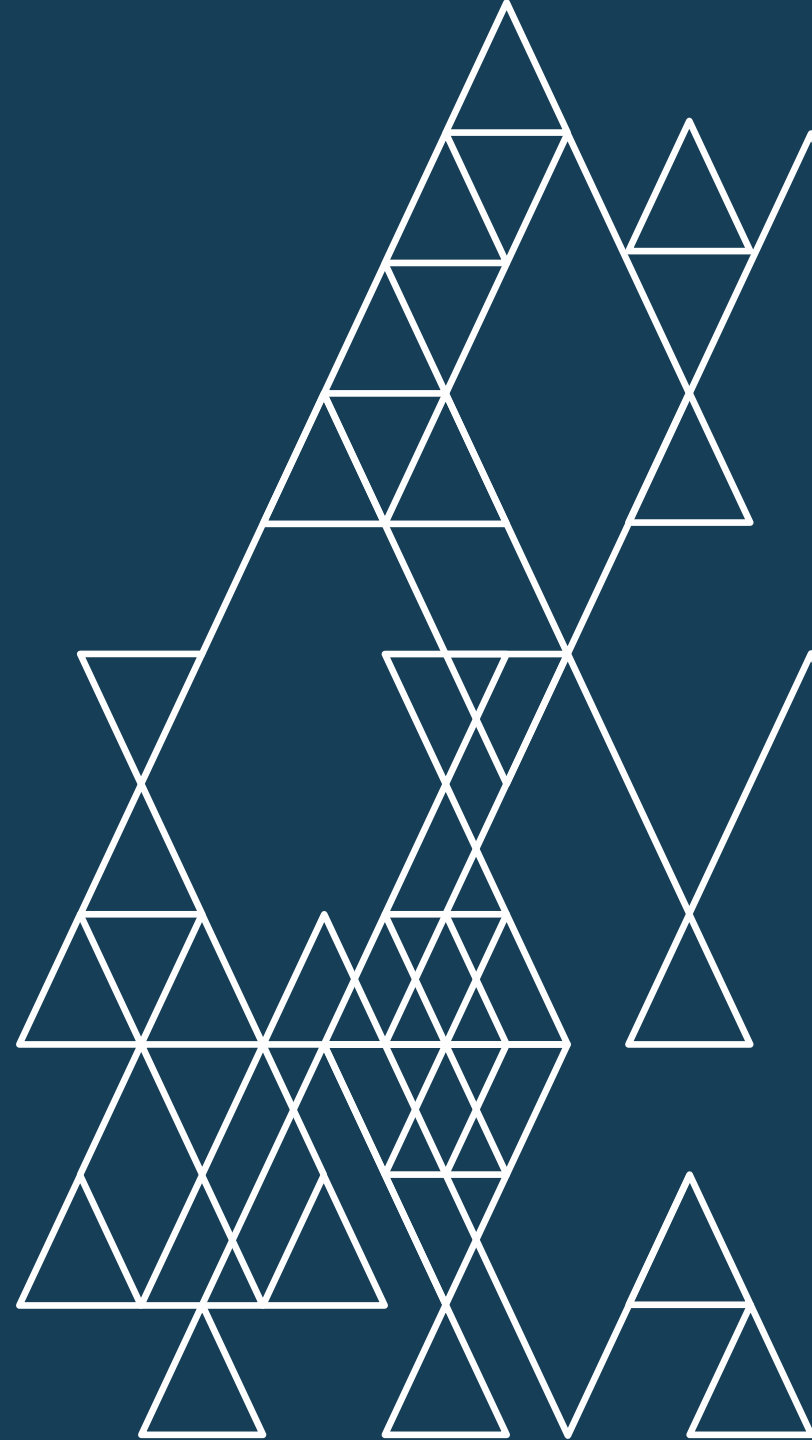
Summary

Energy is on the minds of New Zealand businesses. In the current climate where concerns for the economy are dominant, businesses are particularly focused on costs, including in their decisions around energy.

Some businesses are taking actions to improve their energy efficiency, such as tracking their energy usage and switching off equipment/lights when not in use. Larger businesses (100+ FTE) and those in industrial sectors are more likely to be doing actions that increase their energy efficiency.

However, across the board there is a relatively low awareness of the wide range of actions and investment options that could be taken. There are also perceptions that it will be difficult and costly to make meaningful changes to their business.

Positively, most businesses have an appetite to be more energy-efficient and desire information to help them on this journey. EECA is well placed to fulfil this role as a trusted voice, but engagement needs to meet people where they are and align with businesses' priorities, particularly their focus on cost benefits in the current economic environment. Framing energy efficiency in terms of financial savings will likely resonate with their needs.



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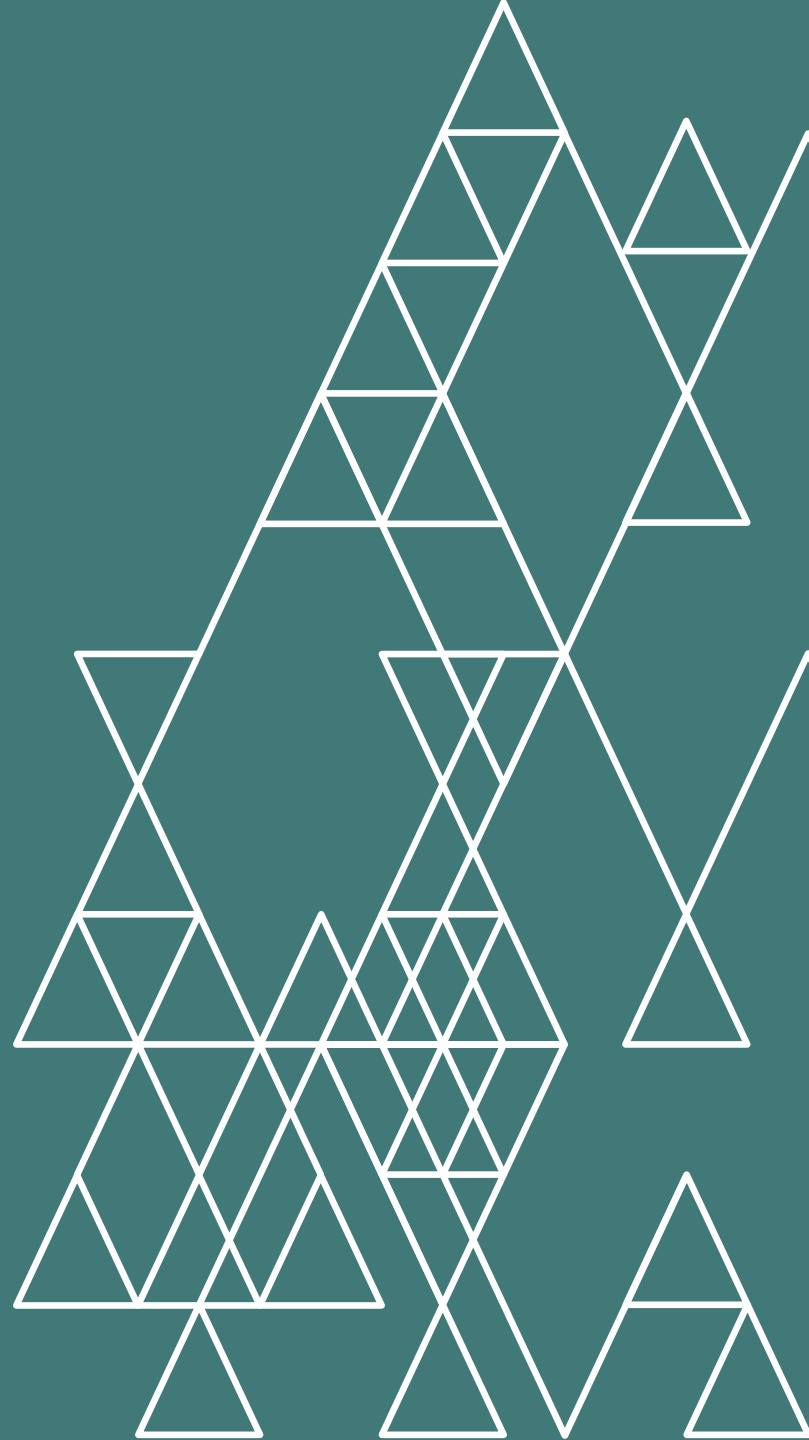
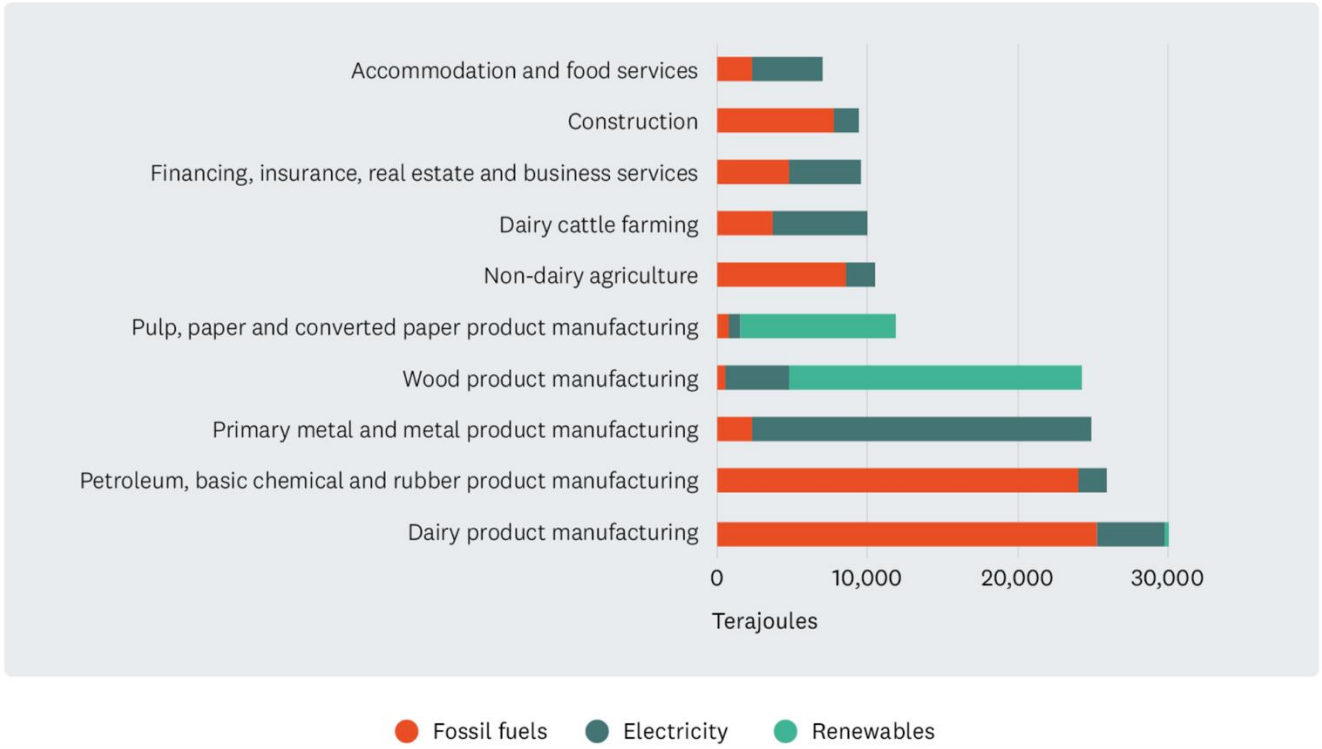
Business landscape

Knowing our audience and what's on their minds



We know energy usage is skewed to large businesses and those in industrial sectors

Business stationary energy consumption in New Zealand[1].



Dairy product manufacturing, petrochemical manufacturing, and the primary metals sectors are New Zealand's largest energy consuming industrial sectors, making up 32% of total business stationary energy consumption.

Source: EECA

[1] Source: https://www.eeca.govt.nz/insights/eeca-insights/energy-end-use-database/#:~:text=Dairy%20product%20manufacturing%2C%20petrochemical%20manufacturing,total%20business%20stationary%20energy%20consumption. Accessed in January 2025.

Despite this, we're mostly a nation of very small businesses

Large businesses, and those who have high energy as a proportion of operating costs make up a small proportion of all businesses.

Distribution and number of enterprises in New Zealand x FTE

Total	612,417	
0	448,233	73.2%
1 to 5	102,399	16.7%
6 to 9	23,961	3.9%
10 to 19	19,980	3.3%
20 to 49	11,484	1.9%
50 to 99	3,465	0.6%
100+	2,895	0.5%

FTE Spread

	Total	0	1 to 19	20 to 49	50+
Primary Industries	10.3%	7.4%	2.8%	0.1%	0.0%
Secondary Industries, Manufacturing & Construction	21.4%	13.8%	6.8%	0.5%	0.3%
Retail	11.7%	5.8%	5.2%	0.5%	0.2%
Professional Services	43.9%	38.5%	4.9%	0.3%	0.2%
Government – public admin, health, education	6.0%	3.7%	1.7%	0.4%	0.3%
Other Services	6.7%	4.0%	2.5%	0.1%	0.0%

Source: Statistics NZ. As of February 2024. Published 31 October 2024.

P8

Across all businesses, most have premises and vehicles from which they consume energy

Operating from home is the most common use of a premises. This illustrates again the number of small businesses in New Zealand. One in four businesses (26%) operate from home only.

Premises that businesses operate from

Based at home	40%
Office / co-working space	26%
Industrial facility (e.g. factory, warehouse)	15%
Retail store	13%
Outdoor / mobile (e.g. construction, delivery)	11%
Agricultural / Land-based (e.g. farm, vineyard, forestry)	10%
Hospitality venue (e.g. restaurant, hotel)	6%
Healthcare	4%
Educational facility	3%

Vehicles used in businesses

90% use a vehicle

Fuel types used – amongst those with any vehicle in their business

Petrol	73%
Diesel	46%
Electric, hybrid, PHEV	19%
LPG	3%

Q. What type of premises does the company operate from? If you have more than one site, please select all that apply.
Q. Does your company use any vehicles in its day-to-day operations? And what fuel(s) do these vehicles use?
Base Total Sample n=680, Uses a vehicle n=604

Transport is seen to be the main use of energy for businesses overall

Transport, lighting, and space heating, ventilation and air-conditioning are where business think most of their energy use is going. Larger businesses are more likely to identify IT and data centres/servers as a significant portion of their energy use.

Areas with highest energy usage

	All businesses	0 to 5	6 – 19	20 – 99	100 or more
Transport / vehicles	46%	49%▲	43%	32%▼	32%▼
Lighting	42%	44%	38%	39%	36%
Space heating, ventilation and air conditioning	41%	36%▼	45%	57%▲	57%▲
IT and data centres / servers	25%	20%▼	31%	31%	42%▲
Refrigeration systems	19%	14%▼	25%▲	26%▲	32%▲
Commercial water heating /cooling	16%	14%	17%	28%▲	10%
Process heat (heat used within the manufacturing process to produce goods)	11%	9%▼	13%	24%▲	19%
Stationary motors	8%	6%	9%	9%	17%▲

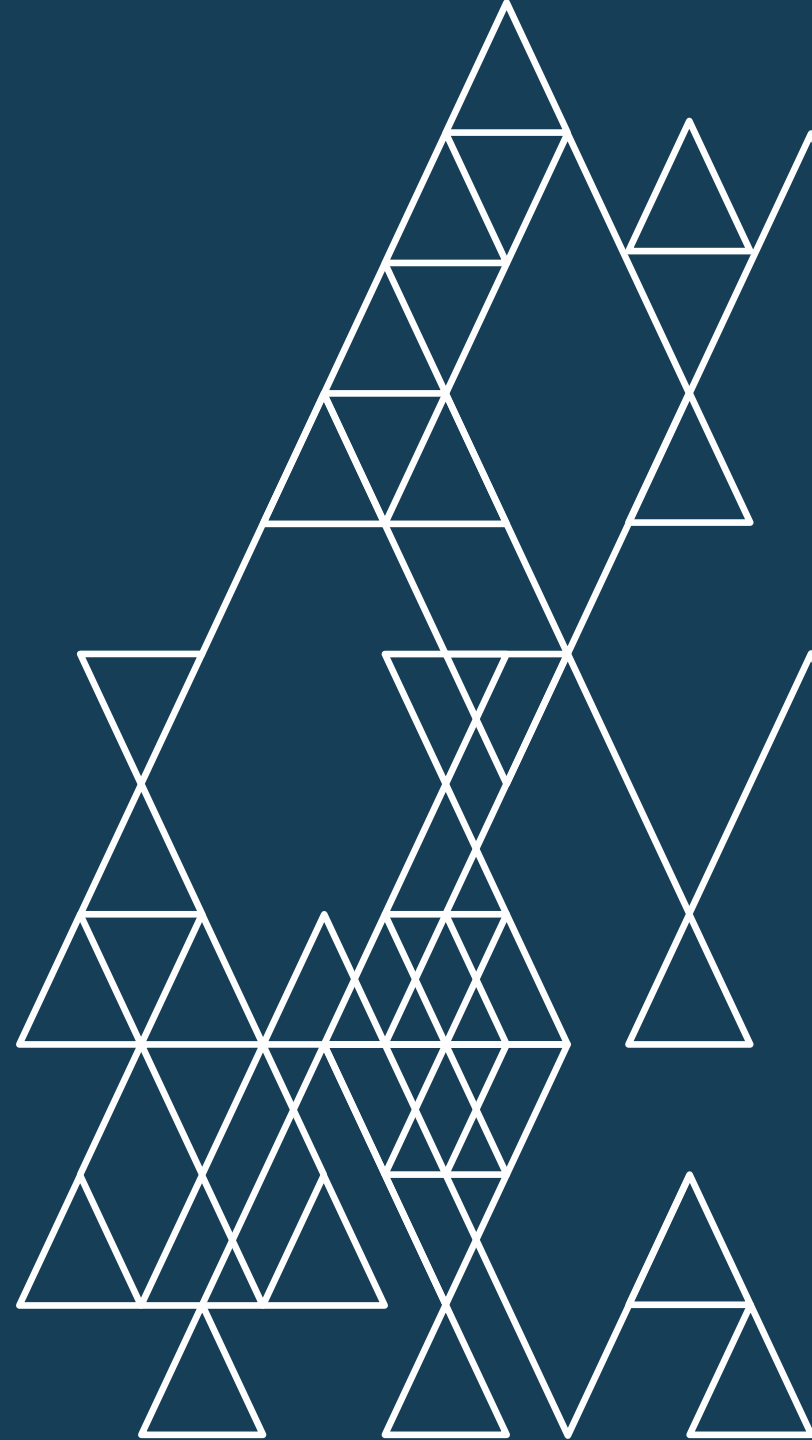
▲▼ Significantly higher/lower than others

Q. In general, which of the following do you think make up the majority of your business's energy use? Please select up to three
Base. Total sample n=680, FTE 0-5 n=297, FTE 6-19 n=128, FTE 20-99 n=71, FTE 100+ n=84

Implication:

There is an opportunity for all businesses to become more energy-efficient

The scale of this shift will be different for businesses depending on their size, type of operation and activities, location of premise and use of vehicles.



This is an environment where businesses' finances and the economy are front and centre

The topic of energy is still on businesses' minds, however. Energy security and supply are seen as an important risk by 6 in 10 businesses.

Title: Importance of risks to New Zealand Businesses – Important or Very important

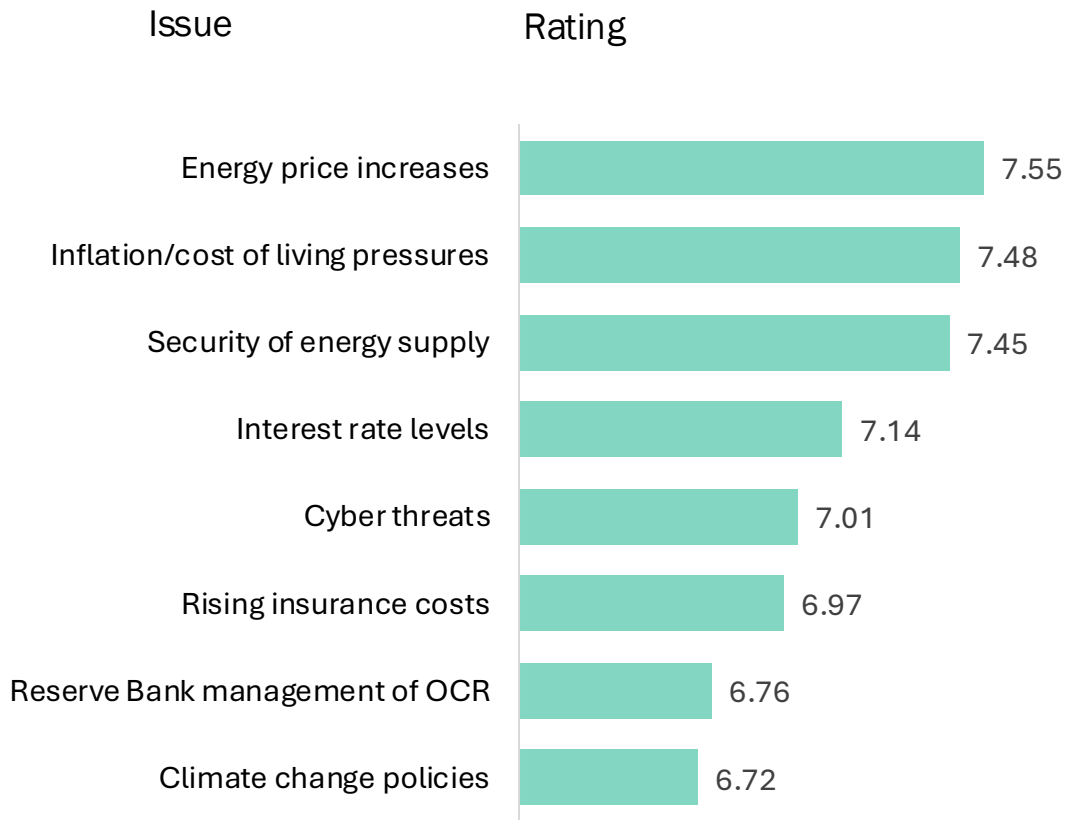
Q. How important do you consider each of the following risks to be for New Zealand businesses in general?
Base. Total sample n=680

And CEOs of some of our largest companies see energy as their top domestic concern

Top domestic concerns

What impact do you feel the following domestic concerns have on business confidence in NZ?

1 = No concern, to **10** = Extremely concerned



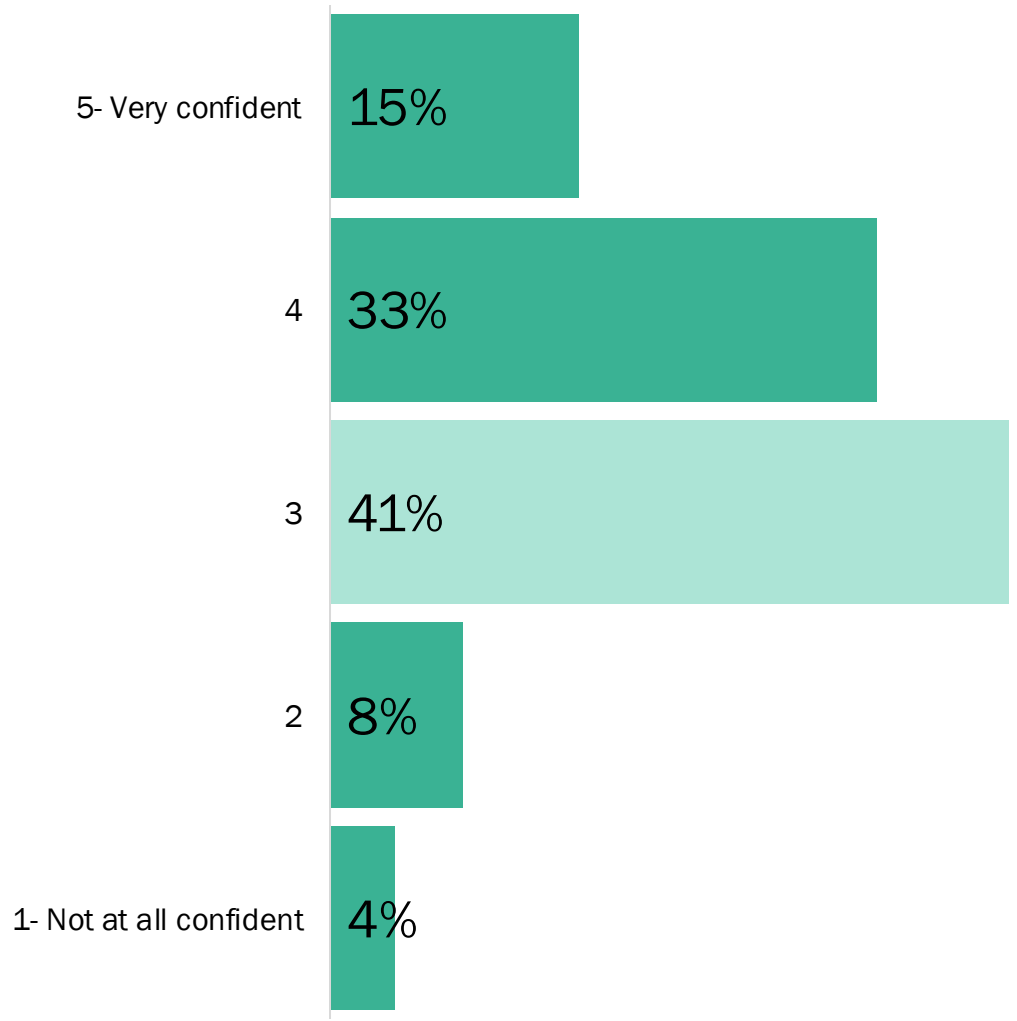
Source: Herald Mood of the Boardroom Election 2024 Survey.
Survey of 100+ CEOs and company chairs. Results published in October 2024.

Few would describe themselves as unconfident in their ability to understand and manage energy use… however, 4 in 10 are only somewhat confident

Similar levels of confidence are seen across businesses of all sizes and industry types.

Q. How confident are you in your ability to understand and manage your energy use?
Base. Total sample n=680

Confidence in understanding and managing energy use



Half of businesses support shifting away from non-renewable energy sources

And some are experiencing external pressure to operate more sustainably – from customers and suppliers.

Renewable energy beliefs and attitudes – agree or strongly agree

31%

Our customers and suppliers are requiring us to operate more sustainably and reduce our emissions

49%

We support shifting away from fossil fuels / non-renewables as a business

55%

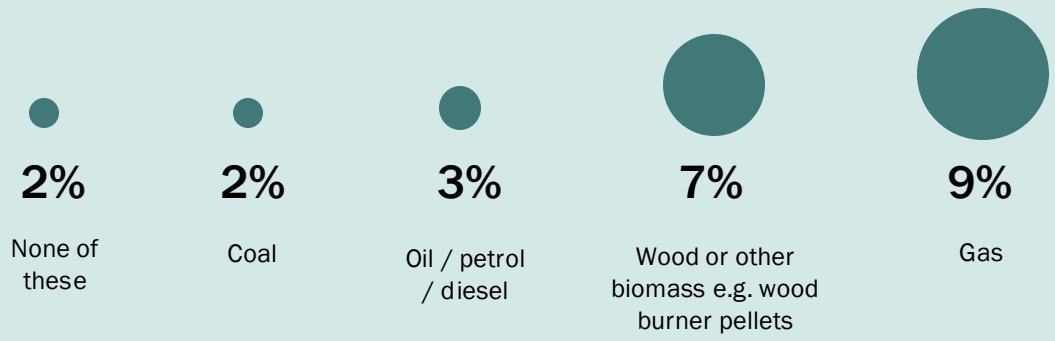
All businesses will have to increase their focus on renewable energy sources

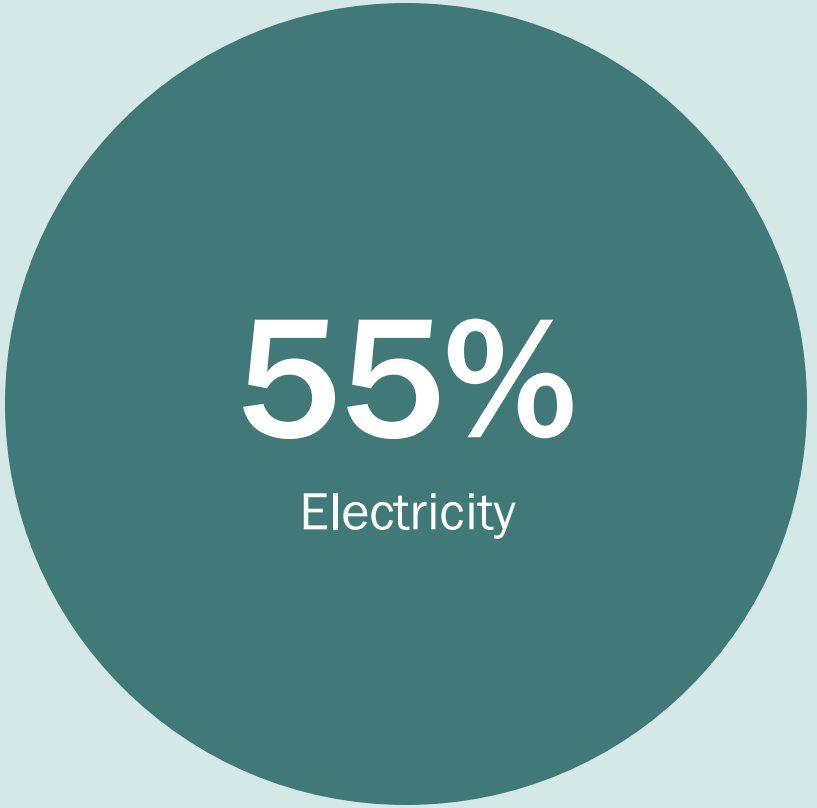
Q. How much do you agree or disagree that....? Agree or strongly agree
Base. Total sample n=680

But there is evidence that businesses don't actually know what the lowest carbon-emitting energy type is

Belief of lowest carbon-emitting energy source

Higher carbon-emitting energy sources were selected by 16% of businesses, and 1 in 5 don't know.





Q. Which of the following types of energy do you think produces the lowest carbon emissions in New Zealand?
Base. Total sample n=680

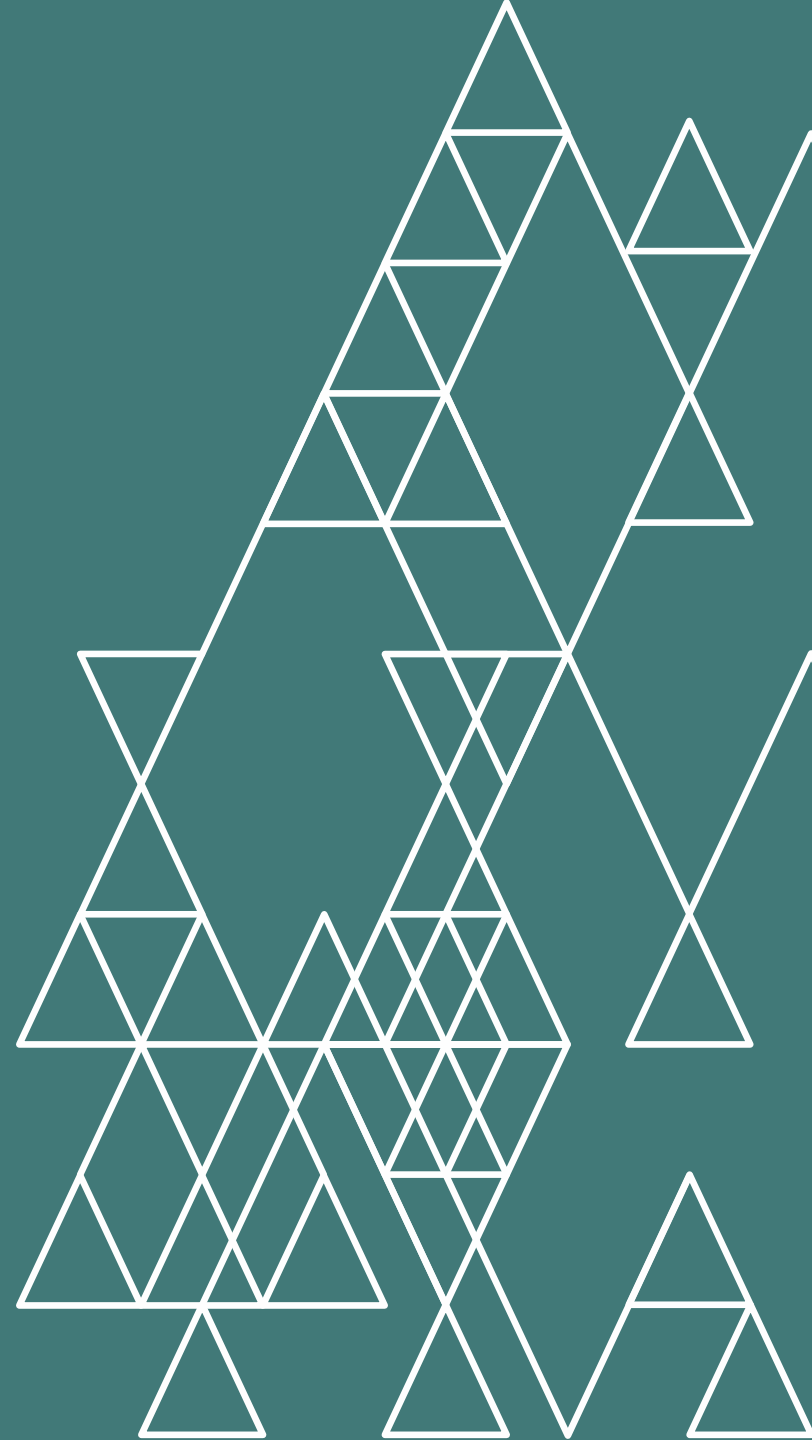
5 things we know about businesses

1. Businesses are concerned about cost and the economy
2. Energy is part of that
3. Business size and industry influence energy usage
4. But there is still an opportunity for all businesses to be more efficient
5. Confidence and knowledge is lacking

These set the context for anything we do to understand or support businesses to be efficient, empowered, and accelerate.

Energy efficiency first

To what extent are businesses accepting and adopting energy-efficient products and practices?



Most businesses say they have an appetite to be more efficient

Energy efficiency beliefs - agree or strongly agree

68%

We want to make our business as energy efficient as possible

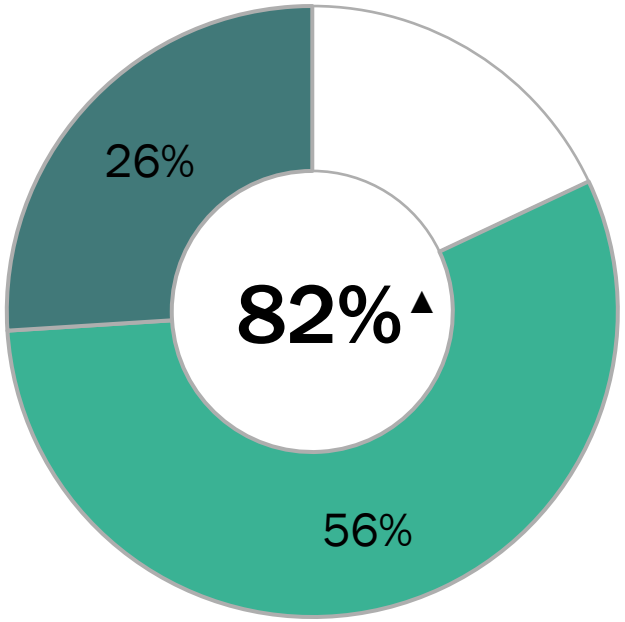
Q. How much do you agree or disagree that...? Strongly agree or agree
Base. Total sample n=680

And there's reason to try to be efficient – with apprehension that energy costs will keep going up

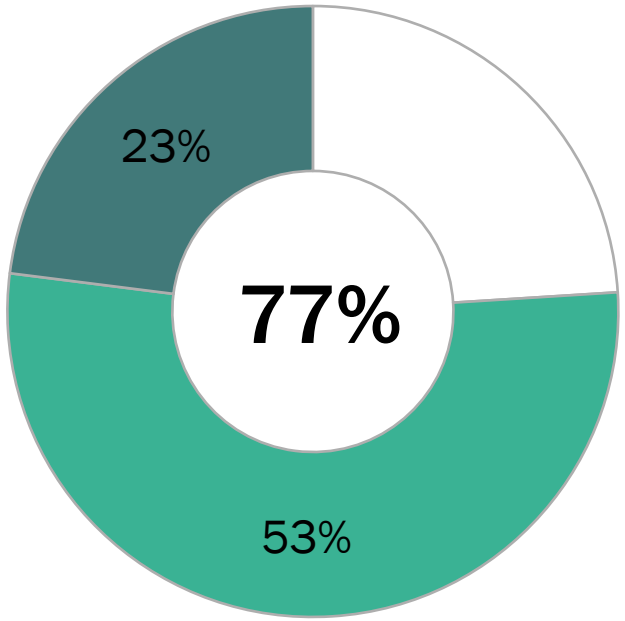
The anticipation of increasing costs is strongest for electricity.

Belief that energy costs will increase in the next year.

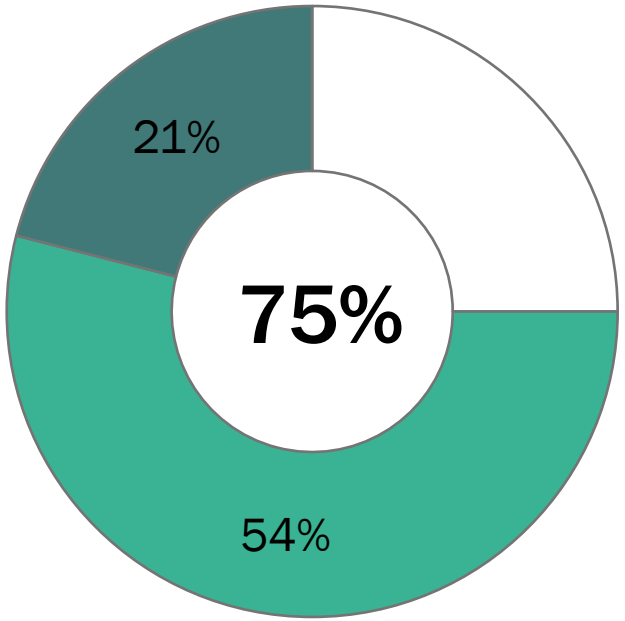
Electricity



Petrol / Diesel



Gas



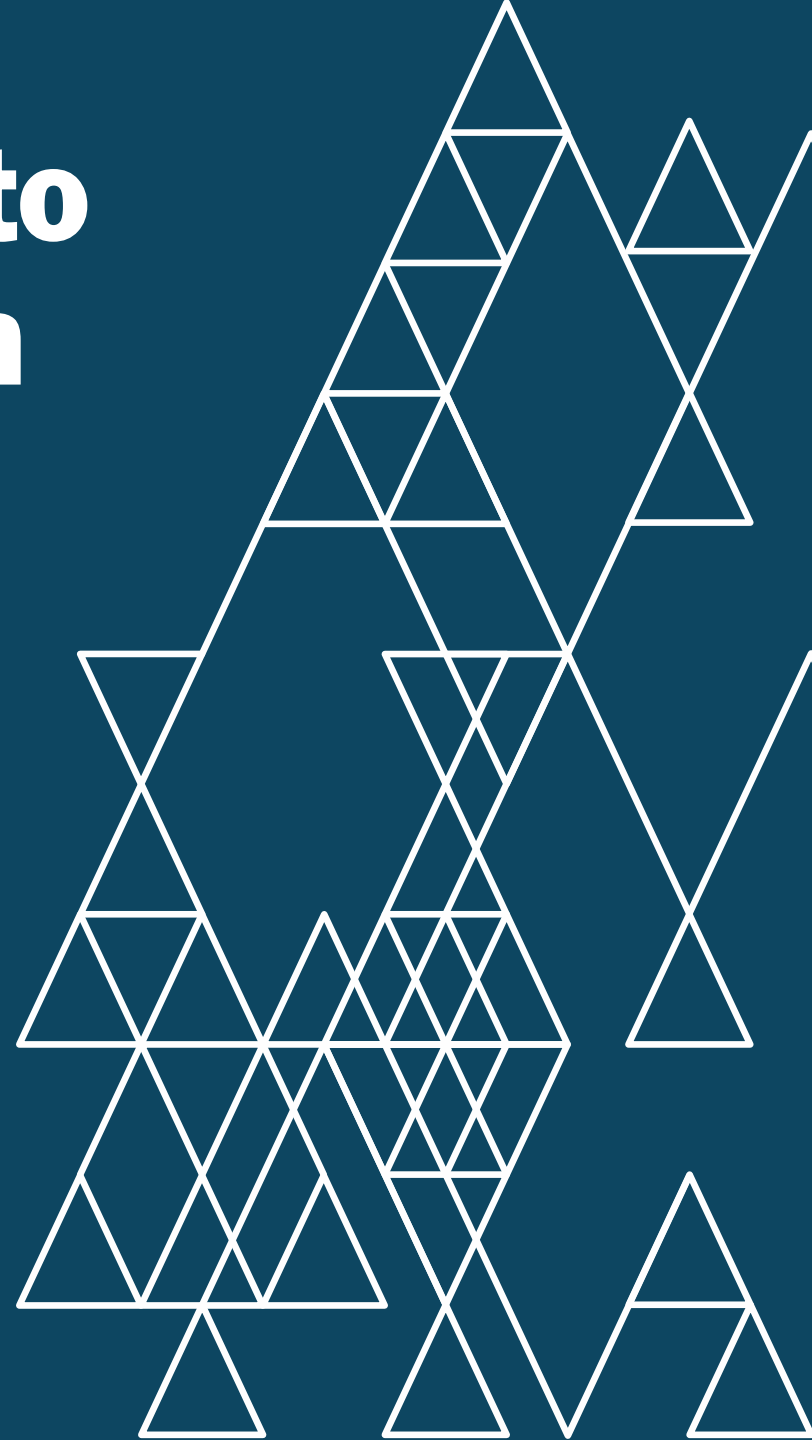
Increase a little Increase a lot

▲▼ Significantly higher/lower than others

Q. To what extent do you expect the following to change in the next year?
Base. Gas users n=161, Electricity users n=625, Diesel users n=557

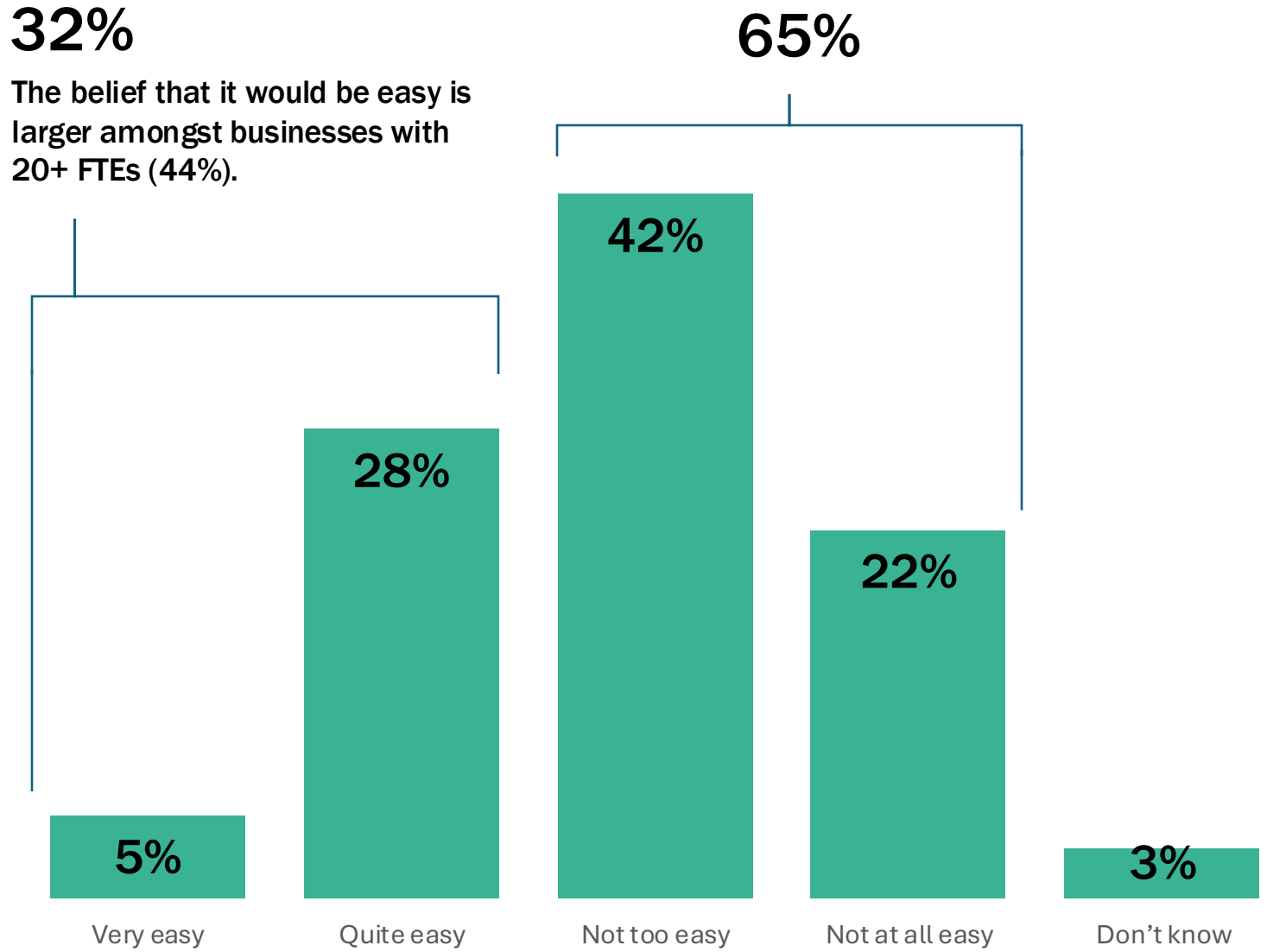
However, there are barriers to taking steps in this direction

- Many businesses don’t see how they can do this easily
- There is low awareness of the options and actions
- Not everyone knows where to get information
- There is a perception it’ll be expensive



Two thirds say it would not be easy for them to perform the same tasks using less energy

Perceived ease of performing same tasks with less energy



Q. How feasible/easy is it for your business to perform the same tasks while using less energy?
Base. Total sample n=680, 20+ FTE n=255

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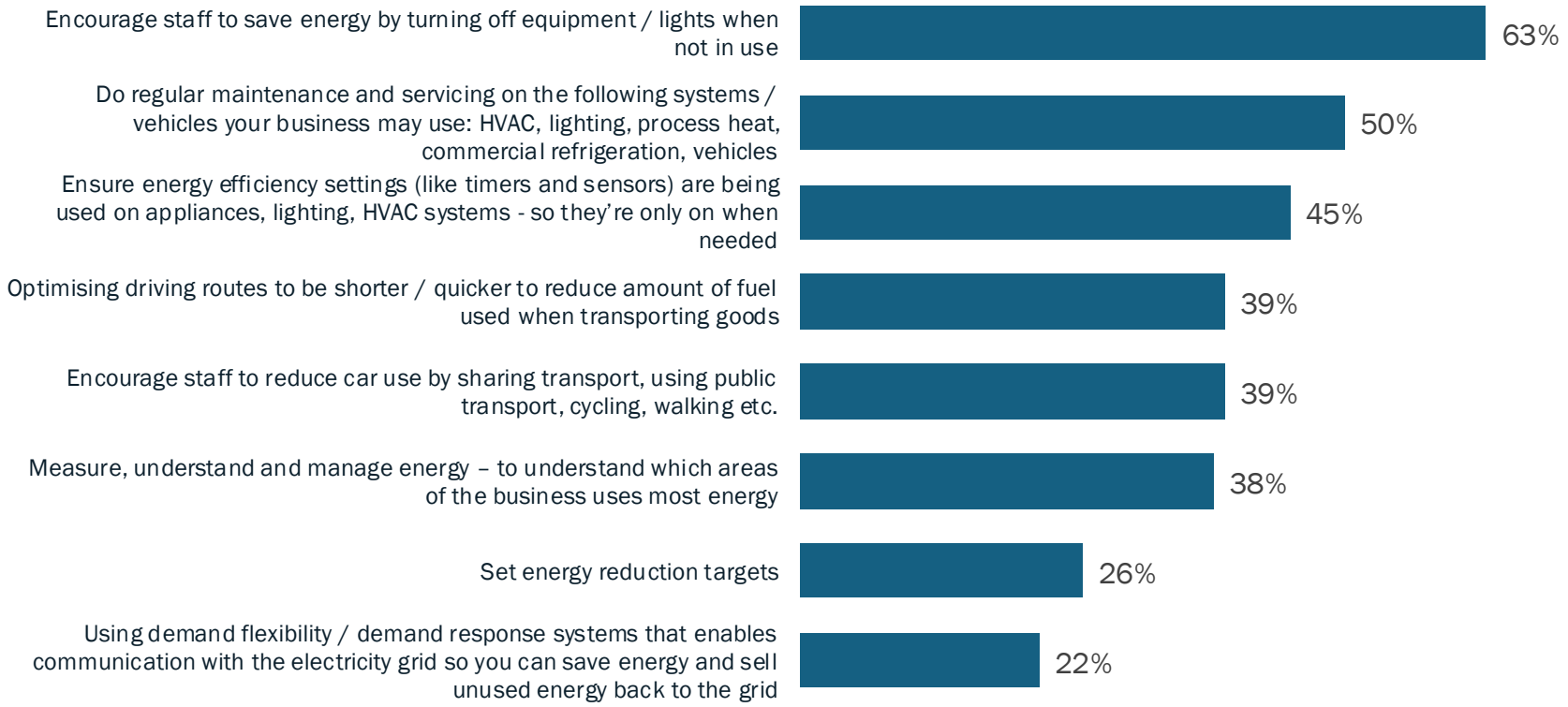
There's relatively low awareness of the low-cost actions that businesses could take to make themselves more energy-efficient

Low-cost energy efficiency actions - Awareness

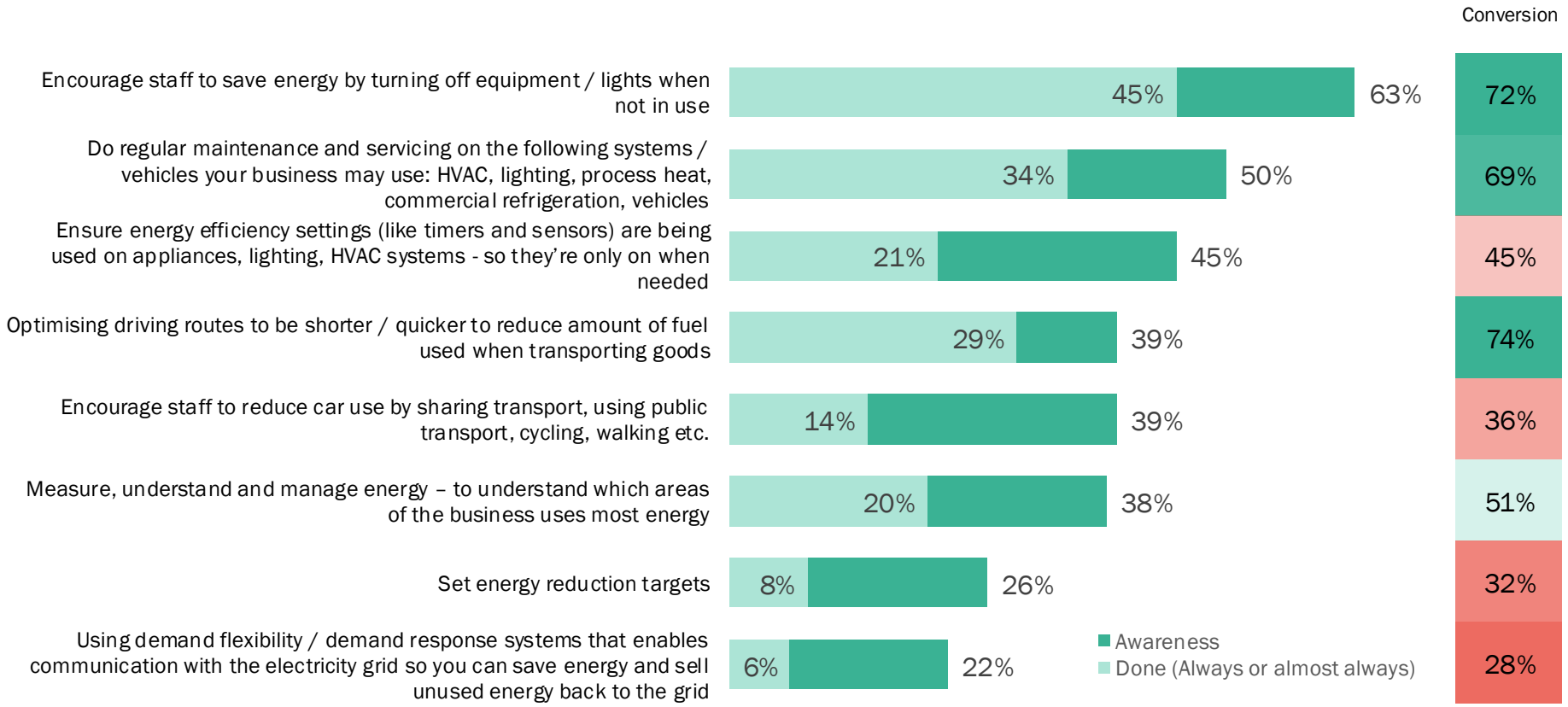


Q. Before today, were you aware of any of the following low-cost actions your business could take to make your business energy use more efficient? By aware we mean you have heard of it in the past
Base. Total sample n=680

Interestingly, there are similar levels of awareness across all business sizes.

And a limited number of businesses are doing these low/no cost actions regularly

Low-cost energy efficiency actions – Done (Always or almost always)

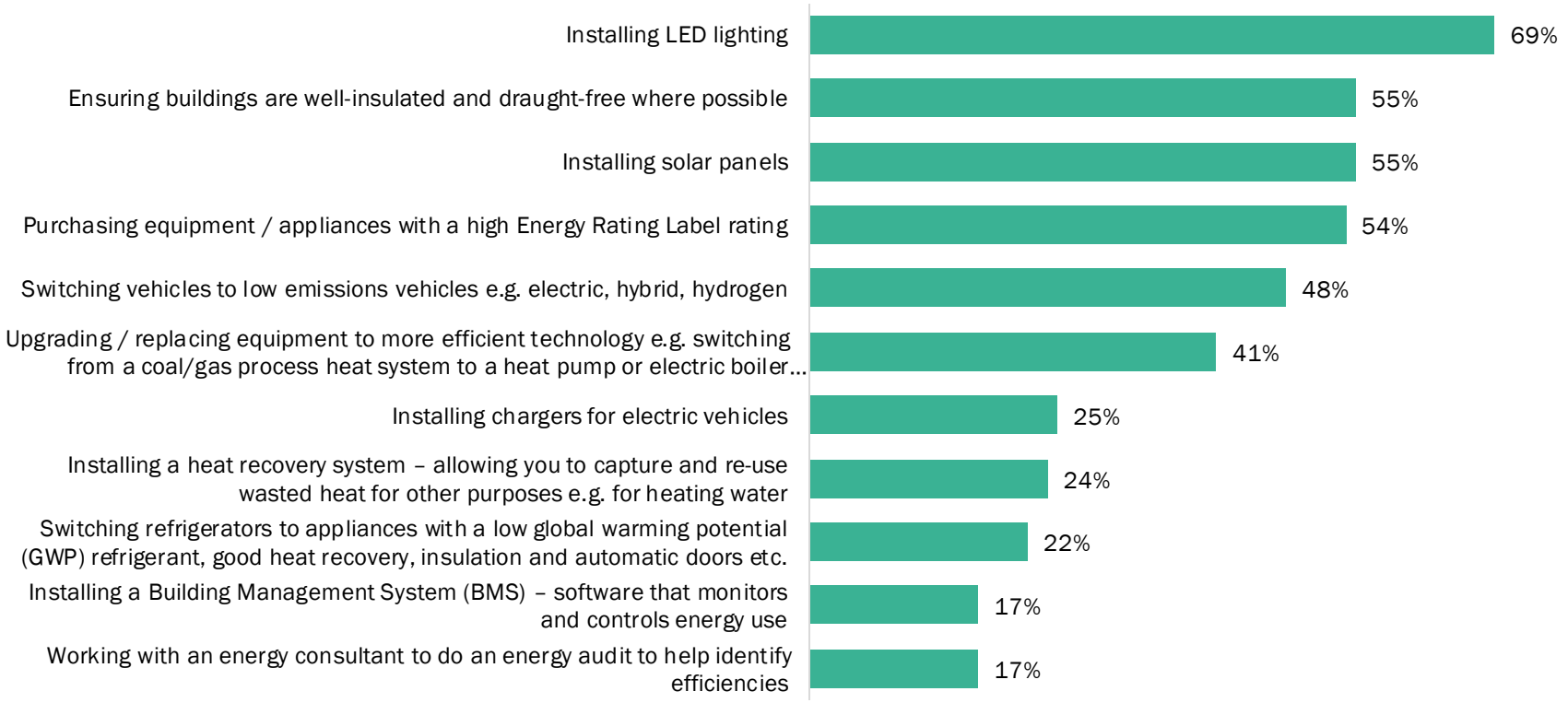


Q. Before today, were you aware of any of the following low-cost actions your business could take to make your business energy use more efficient? By aware we mean you have heard of it in the past, And how often, if ever, does your business do these to make your business energy use more efficient or increase use of renewable energy?
Base. Total sample n=680

Despite similar levels of awareness across business sizes, larger businesses are more likely to be taking actions.

Similarly, many businesses aren't aware of the investments they could make to improve efficiency

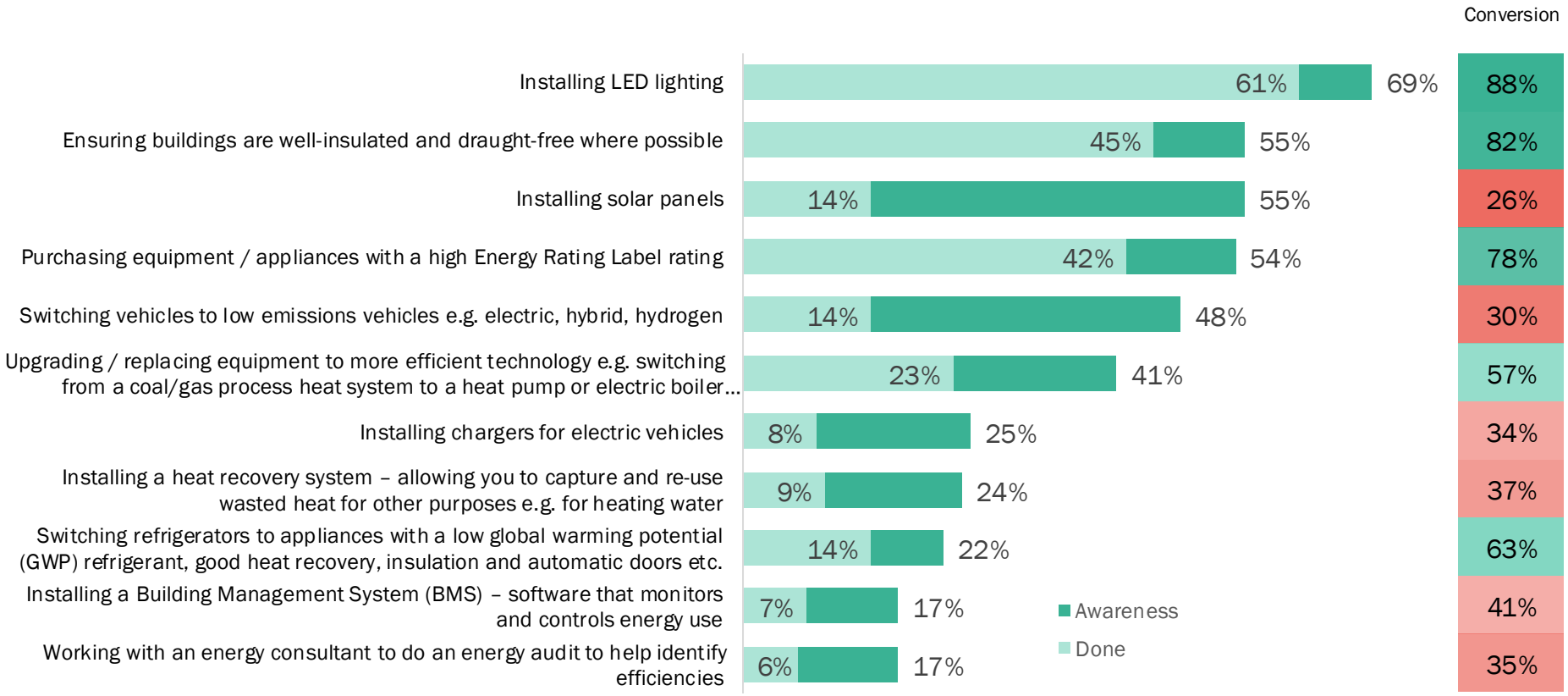
Energy efficiency investments – Aware



Q. And before today, were you aware of any of the following actions your business could invest in to make your business energy use more efficient or increase your use of renewable energy? By aware we mean you have heard of it in the past.
Base. Total sample n=680

Installing LED lighting is an investment 3 in 5 businesses have made, however a minority have made other investments to be more energy-efficient

Energy efficiency investments – Done



Q. And before today, were you aware of any of the following actions your business could invest in to make your business energy use more efficient or increase your use of renewable energy? By aware we mean you have heard of it in the past. And which, if any, has your business done in the past?
Base. Total sample n=680

Once again, larger businesses are more likely to be taking actions.

Although over half know where to find information to improve efficiency, most don't seek it actively

Most are open to engaging with information and advice passively when encountered with it.

Energy efficiency information – All businesses

56%

Know where to find it

37%

Actively seek it out

30%

Have sought out in last 3 months

Q. How much do you agree/disagree that you know where to access information about how to improve your business's energy efficiency? What best describes your level of interest in finding information or advice that can help you increase the energy efficiency of your business?
Q. In the past 3 months, have you looked for information or advice that can help increase the energy efficiency of your business?
Base. Total sample n=680

Smaller businesses are less likely to seek out energy efficiency information

Those in wholesale/retail industries are more likely to have sought out information in the last 3 months.

Energy efficiency information

	All businesses	0 to 5	6 – 19	20 – 99	100 or more
Know where to find it	56%	53%▼	59%	72%▲	69%▲
Actively seek it out	37%	34%	36%	50%▲	53%▲
Have sought out in last 3 months	30%	23%▼	40%▲	40%▲	51%▲

▲▼ Significantly higher/lower than others

Q. How much do you agree/disagree that you know where to access information about how to improve your business's energy efficiency?
Q. What best describes your level of interest in finding information or advice that can help you increase the energy efficiency of your business?
Q. In the past 3 months, have you looked for information or advice that can help increase the energy efficiency of your business?
Base. Total sample n=680, FTE 0-5 n=297, FTE 6-19 n=128, FTE 20-99 n=71, FTE 100+ n=84

There is a perception that making meaningful changes to be more efficient will be costly

Q. How much do you agree or disagree that...? Strongly agree or agree
Base. Total sample n=680

57%

believe it's too expensive to make changes that will make a real difference to how much energy our business uses

Summary

There is strong interest among businesses to improve energy efficiency, particularly in light of anticipated increases in energy costs.

However, perceptions about the difficulty and cost of making changes are holding some businesses back from taking action.

Awareness of the range of actions and investments available is relatively low, with businesses of all sizes sharing a narrow view of their options. That said, larger businesses are more likely to act once they become aware of what's possible.

This evidence suggests that the key barrier isn't attitudinal but informational. Helping businesses understand the most impactful actions they can take, along with the cost benefits, will be essential to driving meaningful progress in energy efficiency.

Empower energy users

What knowledge and resources do businesses currently have to help them optimise their energy use?

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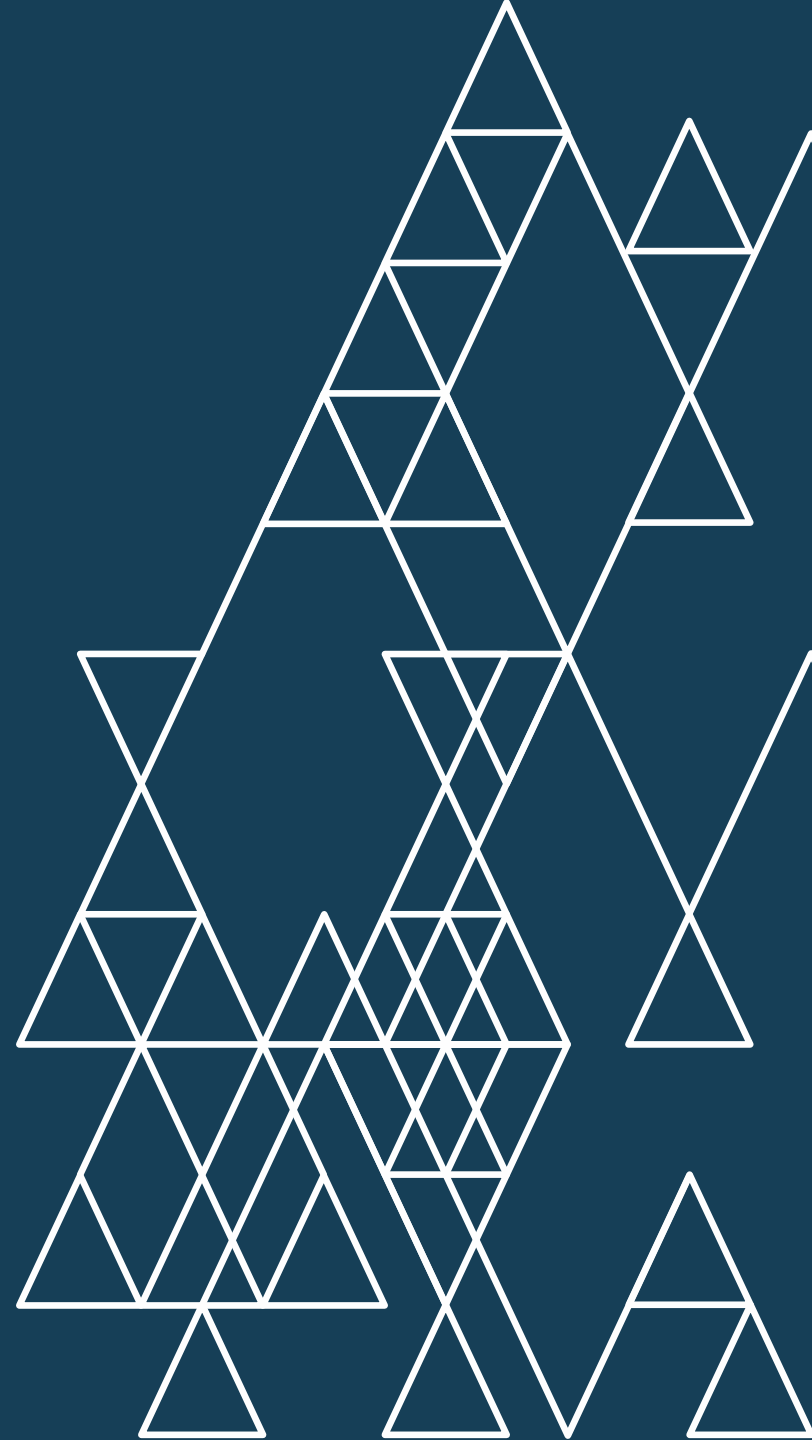
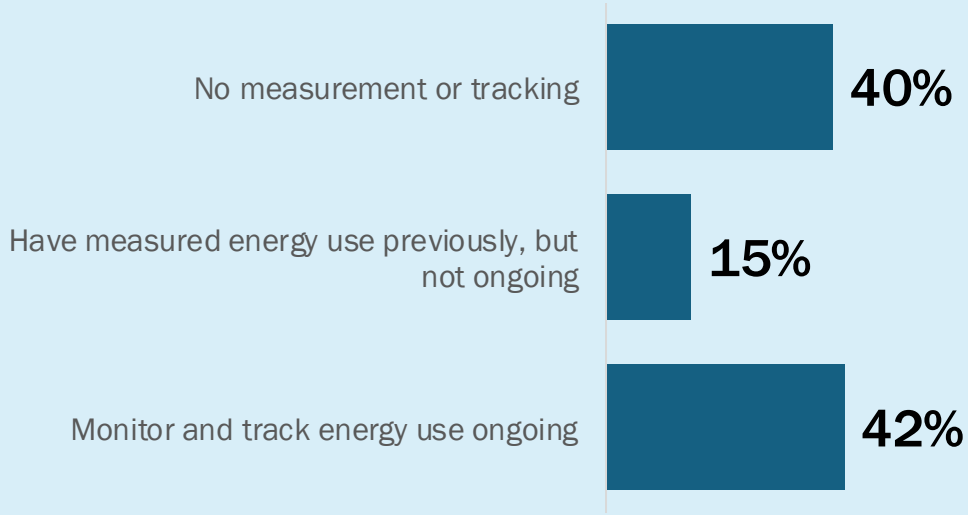


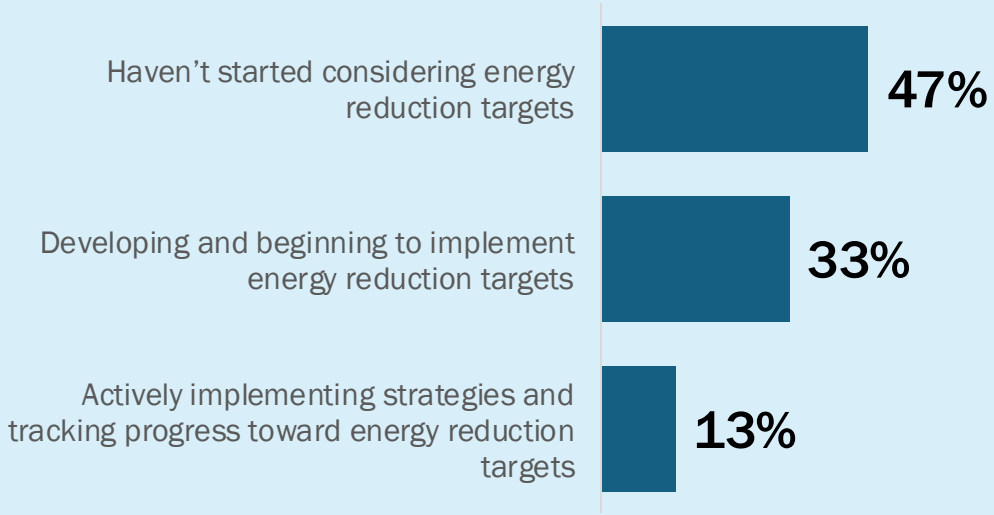
Few businesses have formal measures in place – monitoring is not yet commonplace

4 in 10 businesses monitor energy usage ongoing, and 1 in 10 have targets against which they set strategies.

Energy measurement



Energy targets



Q. Which of the following best describes your business's approach to measuring its energy use?
Now thinking about targets to reduce the energy used within your business, which would best describe the stage your business is at?
Total sample n=680

Larger businesses are more likely to be measuring usage and setting targets

Energy measurement

	All businesses	0 to 5	6 – 19	20 – 99	100 or more
Monitor and track energy use ongoing	42%	37%▼	49%	49%	78%▲
Have measured energy use previously, but not ongoing	15%	11%▼	22%▲	24%▲	6%▼
No measurement or tracking	40%	49%▲	27%▼	24%▼	8%▼

▲▼ Significantly higher/lower than others.

Q. Which of the following best describes your business's approach to measuring its energy use? Now thinking about targets to reduce the energy used within your business, which would best describe the stage your business is at?
Base. Total sample n=680, FTE 0-5 n=297, FTE 6-19 n=128, FTE 20-99 n=71, FTE 100+ n=84

Energy targets

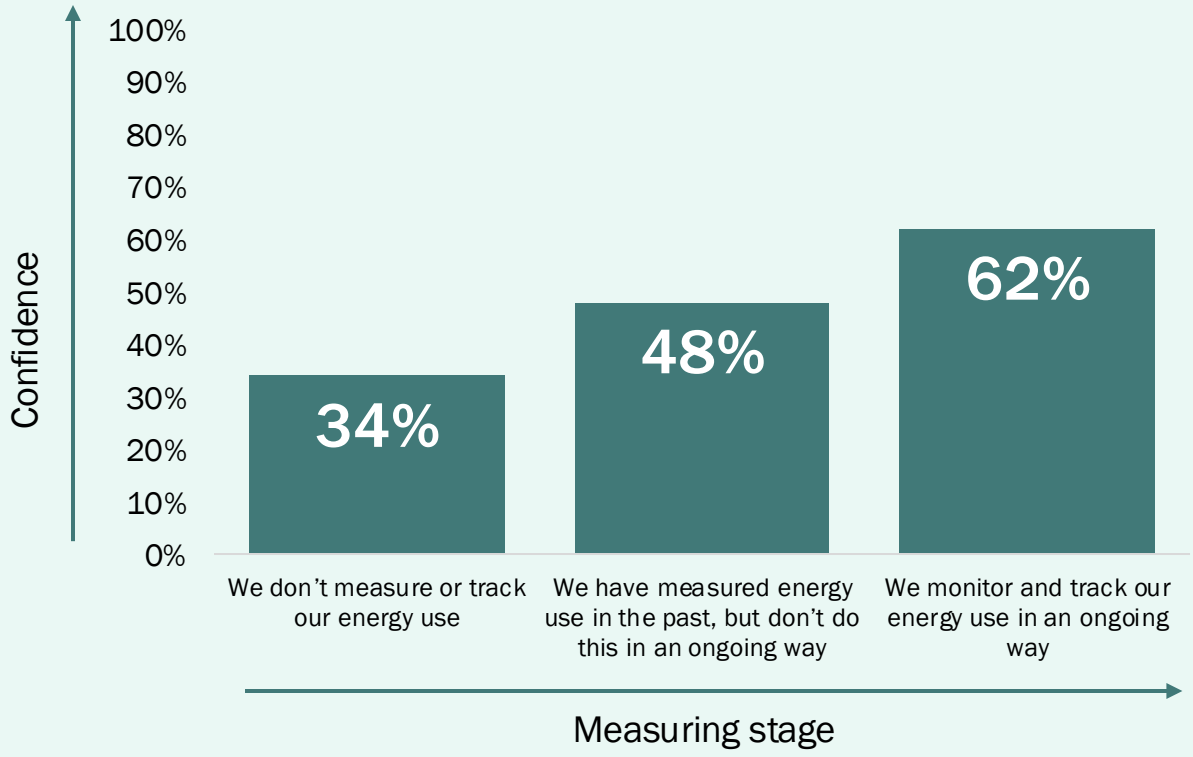
	All businesses	0 to 5	6 – 19	20 – 99	100 or more
Actively implementing strategies and tracking progress toward energy reduction targets	13%	13%	14%	8%▼	26%▲
Developing and beginning to implement energy reduction targets	33%	22%▼	51%▲	55%▲	52%▲
Haven't started considering energy reduction targets	47%	57%▲	34%▼	33%▼	17%▼

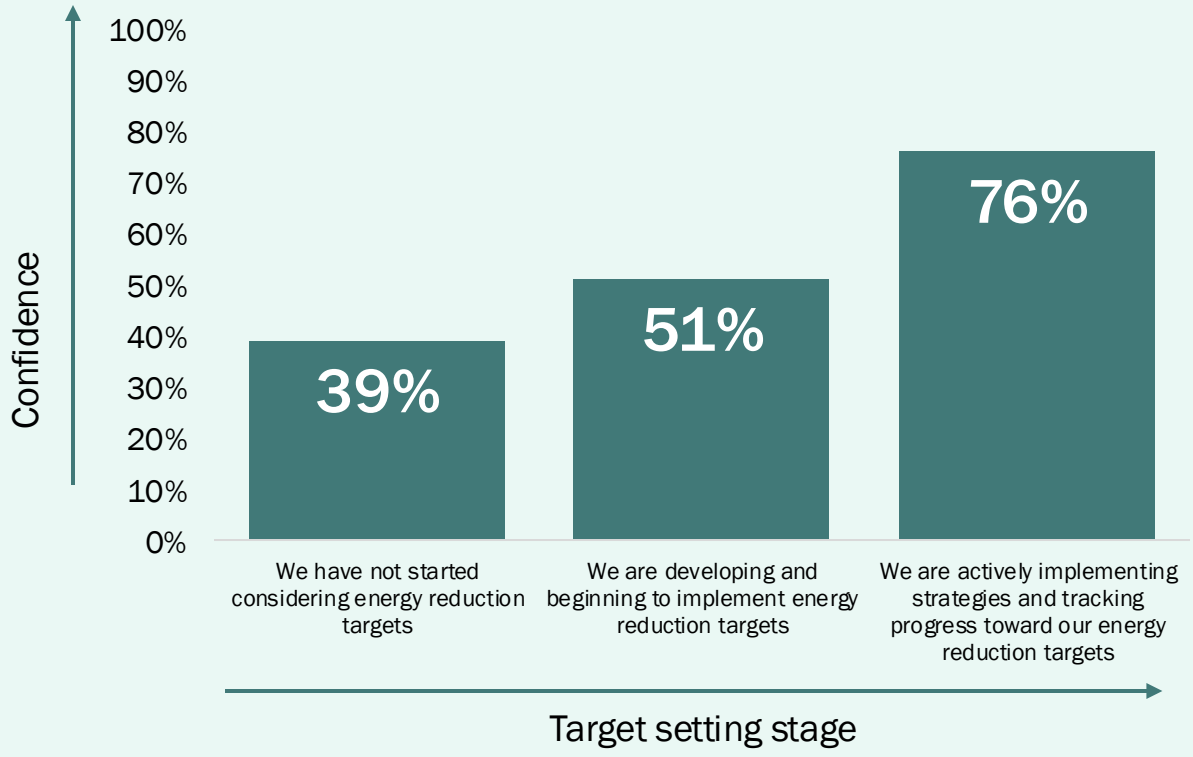
Those in wholesale/retail industries are also more likely to be measuring, and setting targets.

This may be reflected in the activities that use energy - these larger businesses are more likely to identify space heating, ventilation and air conditioning as a significant portion of energy use

Those who actively monitor their energy use and set reduction targets are more confident in managing their energy use

Confidence in understanding and managing energy use – by stage of energy measurement or target setting





Q. How confident are you in your ability to understand and manage your energy use?
Q. Which of the following best describes your business's approach to measuring its energy use? Now thinking about targets to reduce the energy used within your business, which would best describe the stage your business is at?
Base. Total sample n=680

Businesses are starting to adopt smart technology, but it is early days and there are knowledge gaps

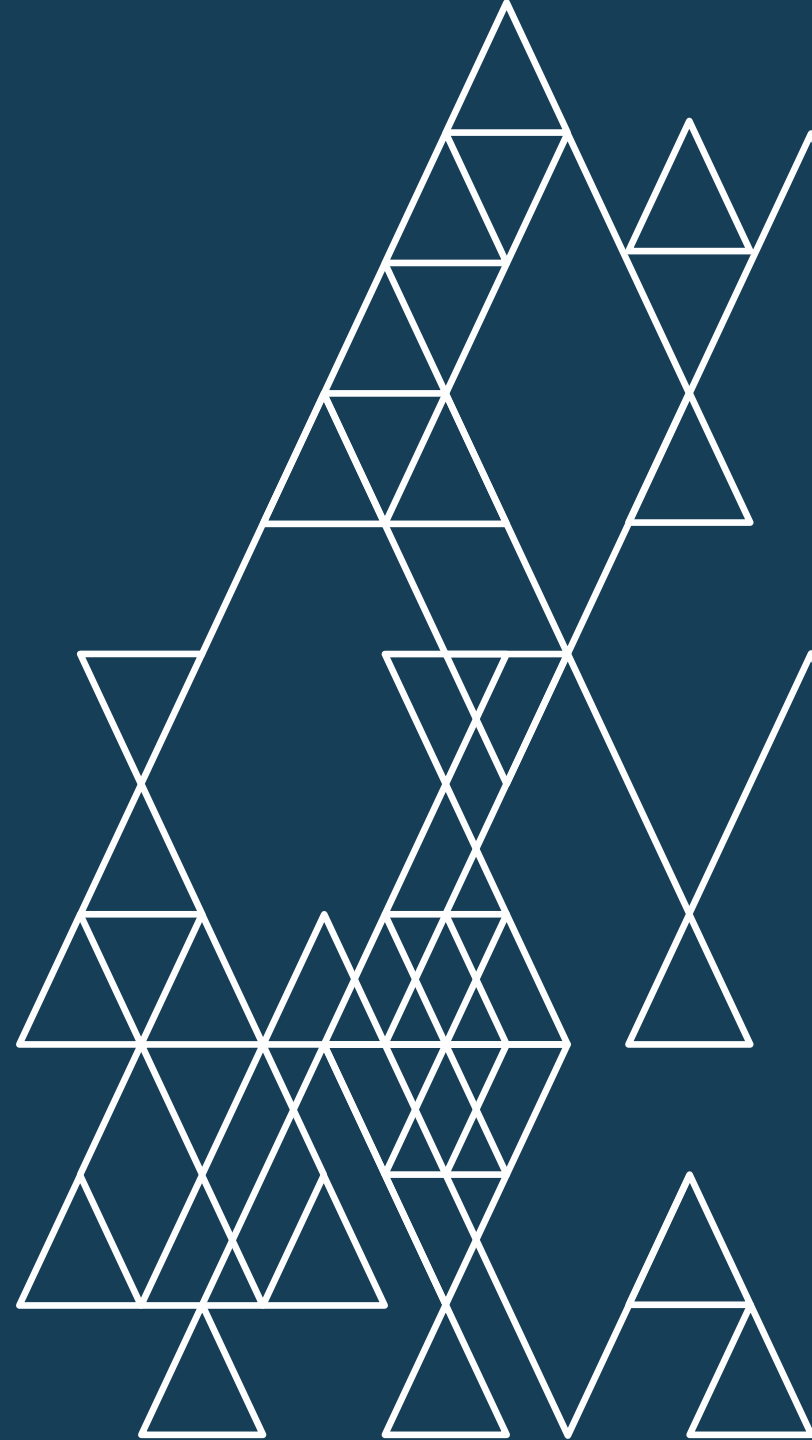
Summary

Many businesses do not measure or set targets against their energy usage. However, there is a reason to support more businesses to take these steps – those who do feel more confident and empowered.

Smart technology is starting to gain traction. However, there also are pockets of low understanding which suggest that more information is needed for businesses to make this decision.

Renewable Energy

What level of openness and capability exists for businesses transitioning to low emission energy and technologies?

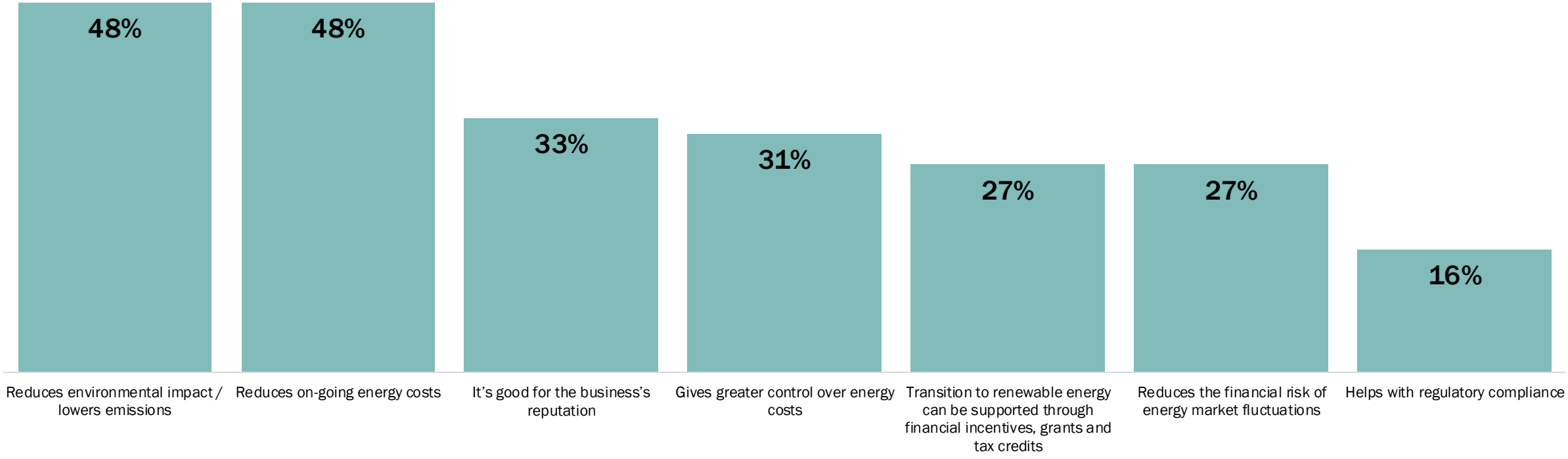


Knowledge about renewable energy is limited, and few businesses have transitioned from fossil fuels to renewable energy sources where they could

Half would see cost savings as a possible benefit to their business from moving to more renewable energy sources

This reflects the current focus of businesses on finances. However, there is very little recognition of the other benefits.

Perceived benefits of moving to renewable energy sources

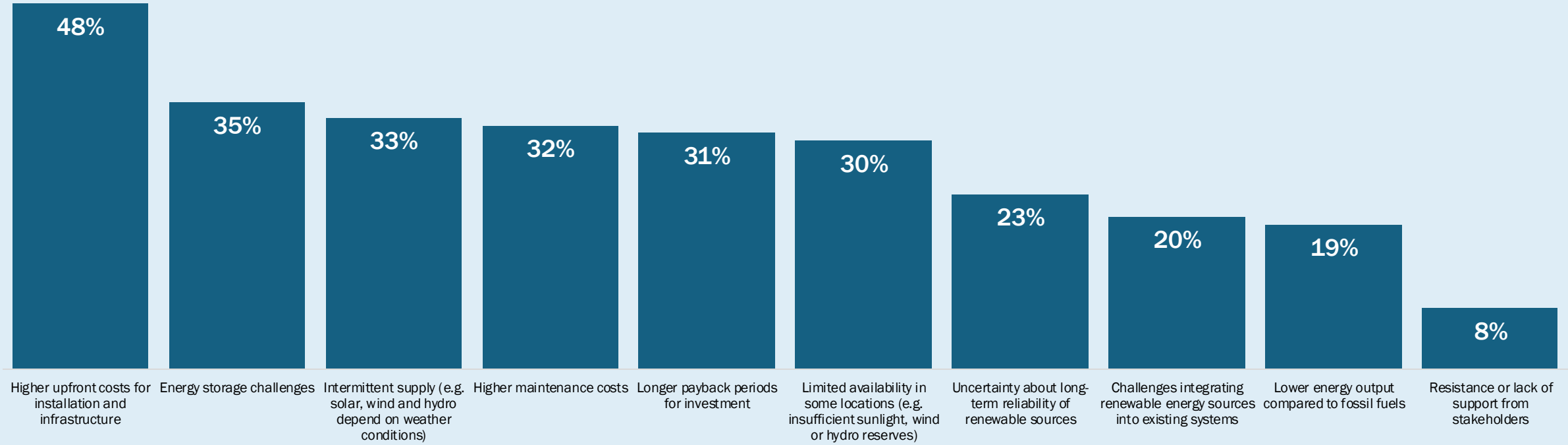


Q. Which of the following do you think are possible benefits for your business in using renewable energy?
Base. Total sample n=680

With business there is always a tension between the long-term and short-term – CapEx vs OpEx. Costs are also seen as the most significant barrier to renewable energy investment.

Both the price of upfront installation and maintenance costs are seen as disadvantages.

Perceived disadvantages of moving to renewable energy sources



Q. Which of the following do you think are possible drawbacks for your business in using renewable energy?
Base. Total sample n=680

Of those who see OpEx savings as an advantage of renewables

3 in 5

also see CapEx as a disadvantage

... so there's a job to be done in addressing this barrier even for those who see the cost-saving benefits

Q. Which of the following do you think are possible drawbacks for your business in using renewable energy?
Base. Those who see Op Ex as an advantage of renewables n=336

Amongst those using non-renewable energy, larger businesses are more likely to be in the process of transitioning to renewable

Those in wholesale/retail industries are more likely to be actively transitioning.

Transitioning to renewable energy sources

	All businesses	0 to 5	6 +
We've already done this	9%	10%	7%
Actively Transitioning: We are already in the process of transitioning to renewable energy sources	9%	6%▼	15%▲
Planning to Transition: We have developed a plan to transition more to renewable energy within the next few years	13%	9%▼	19%▲
Considering Transition: We are considering transitioning more to renewable energy, but have not yet made a firm decision	23%	25%	21%
No Immediate Plans: We currently have no plans to transition to renewable energy in the foreseeable future	29%	30%	28%▼
Not Considering: We are not considering a transition to renewable energy, and plan to continue using what we're currently using	13%	17%	8%
Don't know	3%	4%	2%

▲▼ Significantly higher/lower than others.

Q. Which of the following best describes your business's position in relation to increasing use of renewable energy sources / fuels in future?
Base. Total sample n=680, FTE 0-5 n=297, FTE 6+ n=383.

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Summary

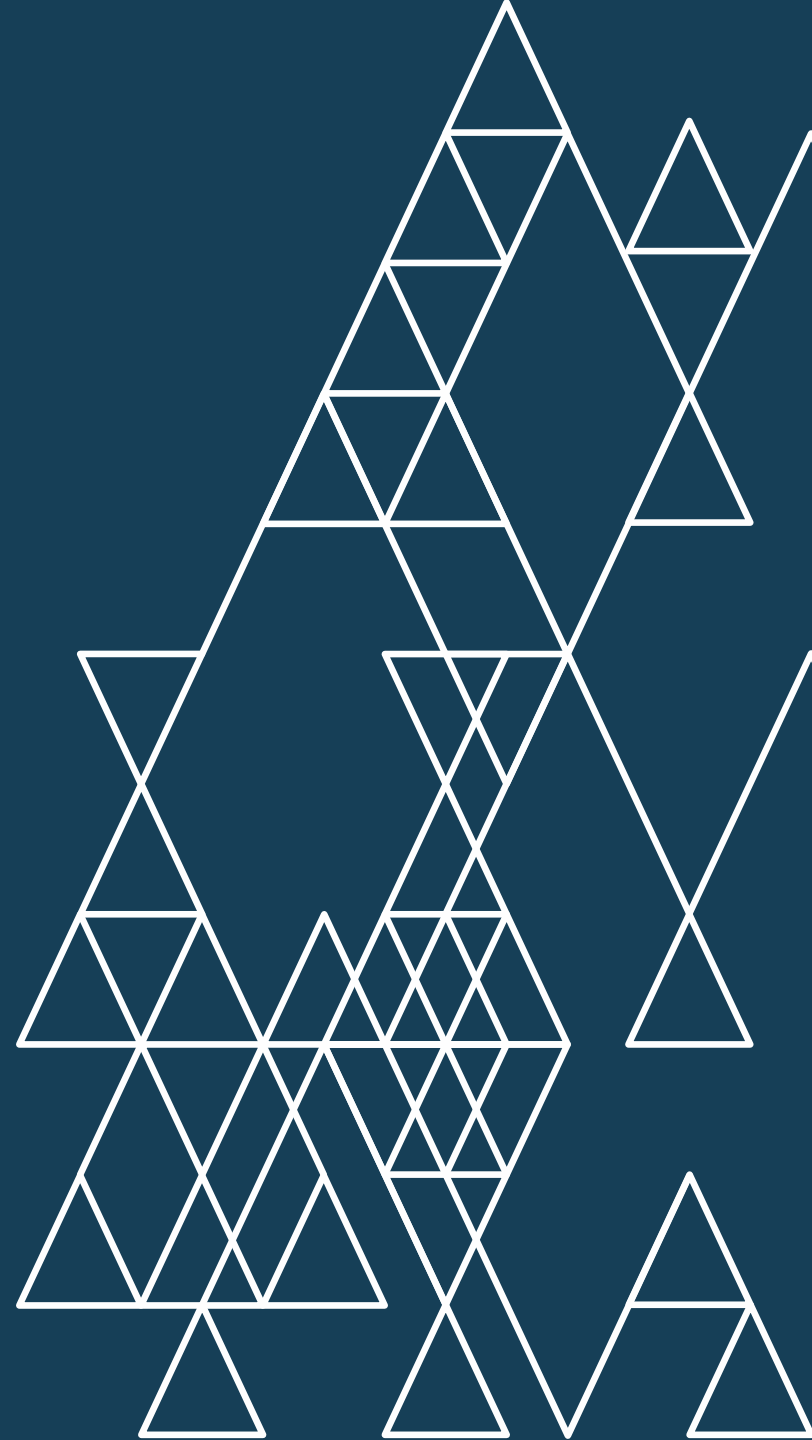
There is some openness to moving to renewable energy sources. And what can move businesses along is pressure from customers or suppliers.

Potential cost savings are the top perceived benefit of making such a move, but concerns around the financial investment involved are also the main hurdle.

Larger businesses are more likely to have made steps towards transitioning to renewable energy sources.

This implies that for a group of businesses there is a bigger job to do in selling the benefit of renewable energy sources. There is an easier route with another group: larger businesses who are more open to a shift.

Bringing it all together



Bringing it all together

Overall, these insights show that businesses need support in how to optimise and reduce their energy usage.

Businesses have an appetite for engaging with actions that make them more energy-efficient and for some, shift them more to renewable energy sources.

Currently, there's limited understanding in actions to take to achieve this.

In the current environment, cost motivations are top of mind for any actions taken. It's important to show the value of efficiency to businesses.

We also see that each business is different, so the opportunities for each one will be different. Insights suggest that it is specific portions of the business population that have the capability, opportunity and motivation to take impactful actions.

Continuing to monitor this population moving forward will enable us to zero in on the target group(s) where the greatest potential lies, and to obtain deeper insights into different business types.

Appendix

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Sample breakdown

Number of responses x FTE Grouping

Total	680
0 to 5	**297**
6 to 19	**128**
20 to 99	**171**
100 or more	**84**

Number of responses x industry Grouping

Total	680
Primary Industries	**51**
Secondary Industries, Manufacturing & Construction	**201**
Retail	**138**
Professional Services	**130**
Government – public admin, health, education	**87**
Other Services	**73**