



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Defining Energy Hardship for Aotearoa New Zealand

Webinar on definition and measurement proposals

1 December 2021

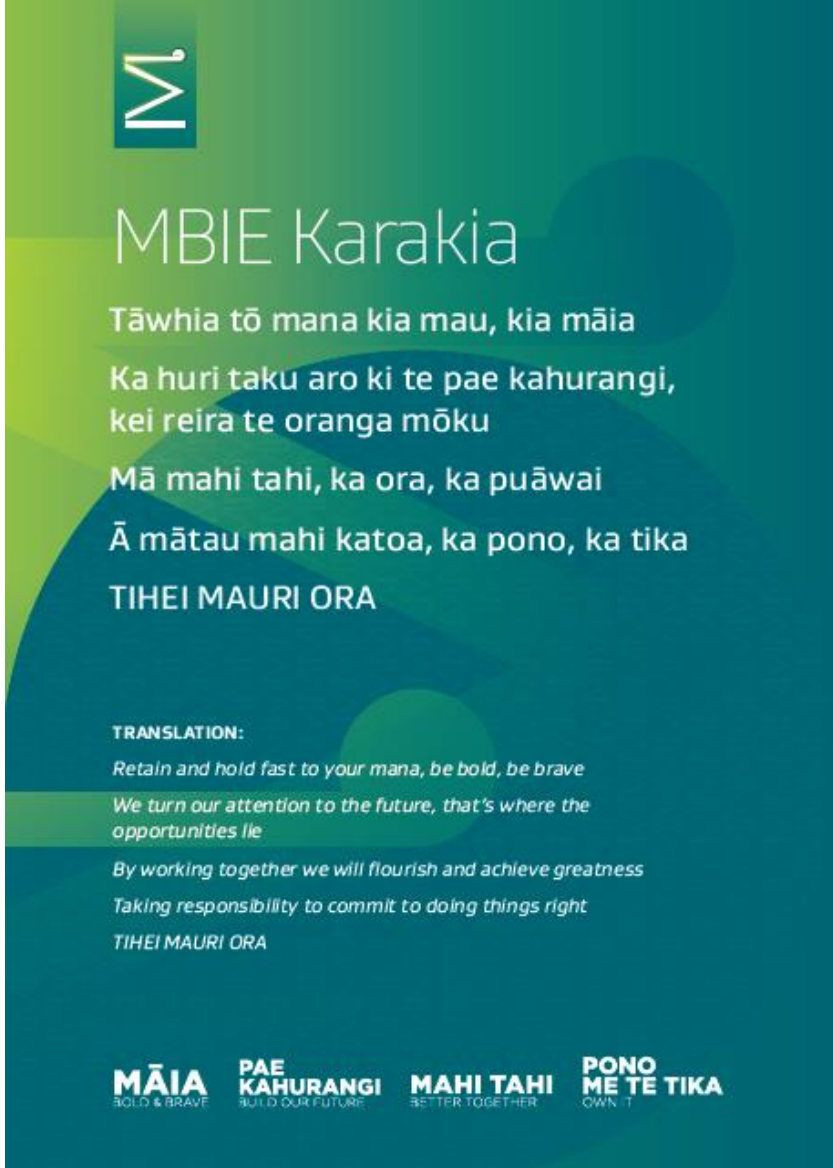



Haere mai and welcome

Purpose of this session: to help you make a submission to the Defining Energy Hardship Discussion Document

Questions from this session will be considered when the final recommendations are made. They may be included (anonymously) in the Summary of Submissions, to be published on MBIE website.

This session is being recorded for others to view later.





MBIE Karakia

Tāwhia tō mana kia mau, kia māia
Ka huri taku aro ki te pae kahurangi,
kei reira te oranga mōku
Mā mahi tahi, ka ora, ka puāwai
Ā mātau mahi katoa, ka pono, ka tika

TIHEI MAURI ORA

TRANSLATION:
*Retain and hold fast to your mana, be bold, be brave
We turn our attention to the future, that's where the opportunities lie
By working together we will flourish and achieve greatness
Taking responsibility to commit to doing things right*

TIHEI MAURI ORA

MĀIA **PAE** **MAHI TAHI** **PONO**
BOLD & BRAVE KAHURANGI BUILD OUR FUTURE BETTER TOGETHER ME TE TIKA OWN IT

What will we cover?

- Background
- Definition
- Framework
- Indicators
- Measures
- Future work
- Technical Appendix
- How to submit
- Your questions

How can you contribute?

Use the Q&A function to ask any questions

Fill in the survey on the MBIE website, or send your submission to definingenergyhardship@mbie.govt.nz

Energy hardship affects the lives of New Zealanders

Why define and measure energy hardship?

We know that people in Aotearoa struggle to pay their power bills, or put up with feeling cold to save money for other essentials. However, we don't have an agreed definition for energy hardship, or way to measure if its increasing or decreasing over time.

EPR recommendation

“The Ministry of Business, Innovation and Employment should develop a clear and generally accepted **definition of energy hardship**, and determine what **statistics should be gathered** to monitor changes in energy hardship levels.”

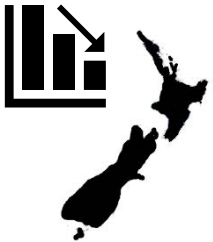


What will a definition and measures do?

How will it be used? **Nationally**



Agreed understanding of what energy wellbeing and hardship are and the factors that affect it



Measuring and tracking levels of energy hardship in Aotearoa over time at a national level



Helping to inform policies and projects across Government, industry and communities

- What are the key drivers?
 - What are the different things we should consider when designing?
 - How might this affect improve energy wellbeing for whānau?
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What will a definition and measures do? How will it be used? Individual projects

Definition and
measures

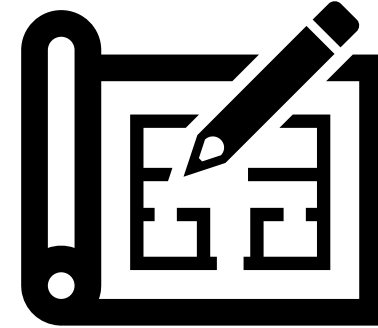
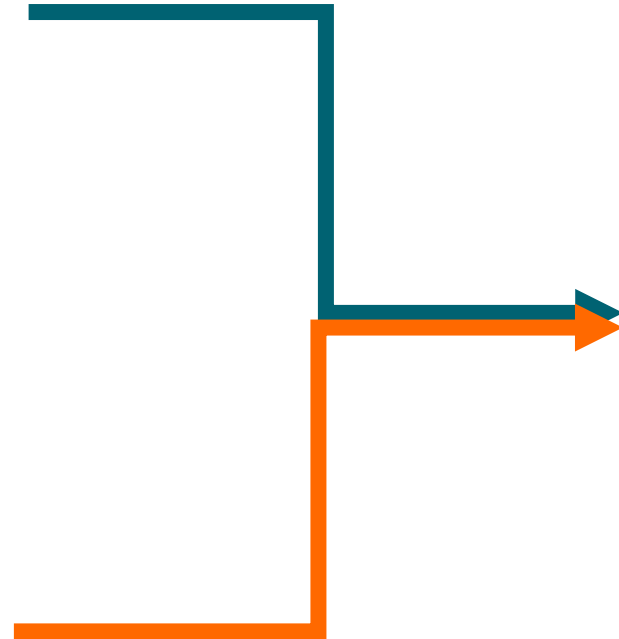
Project specific

Purpose

Context

Requirements

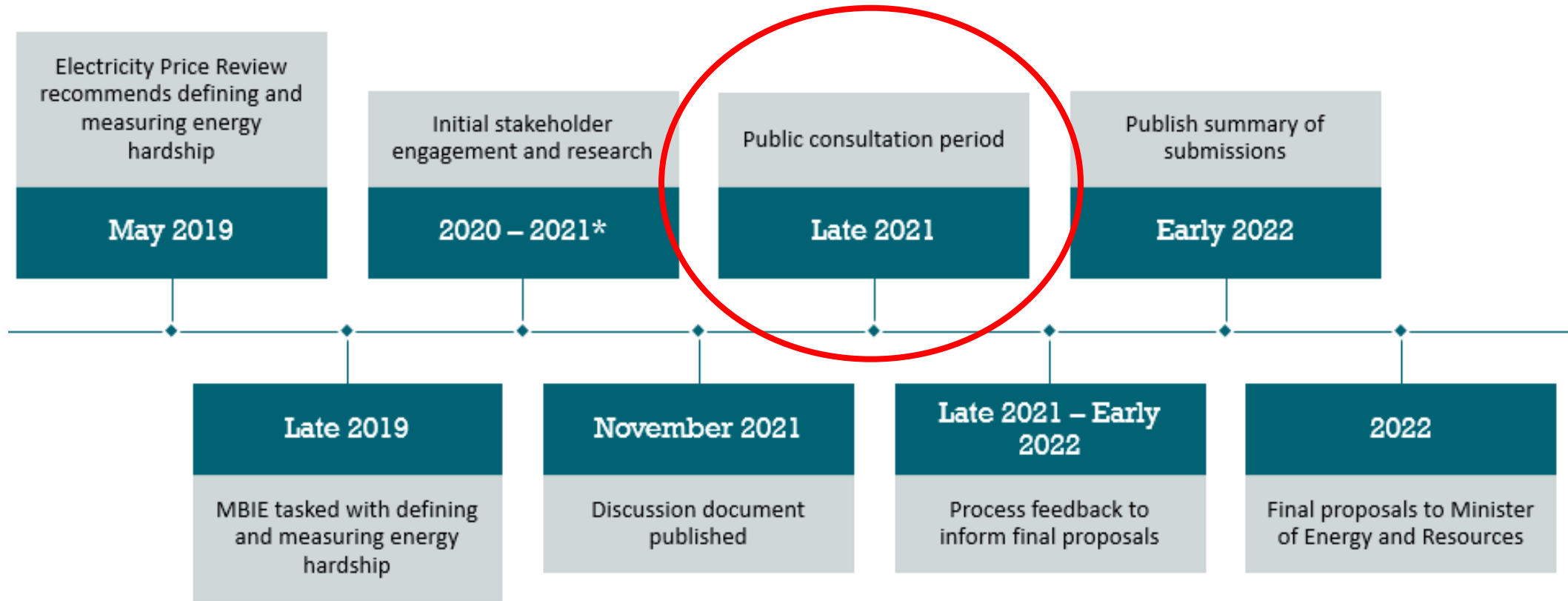
Monitoring



What about stories?

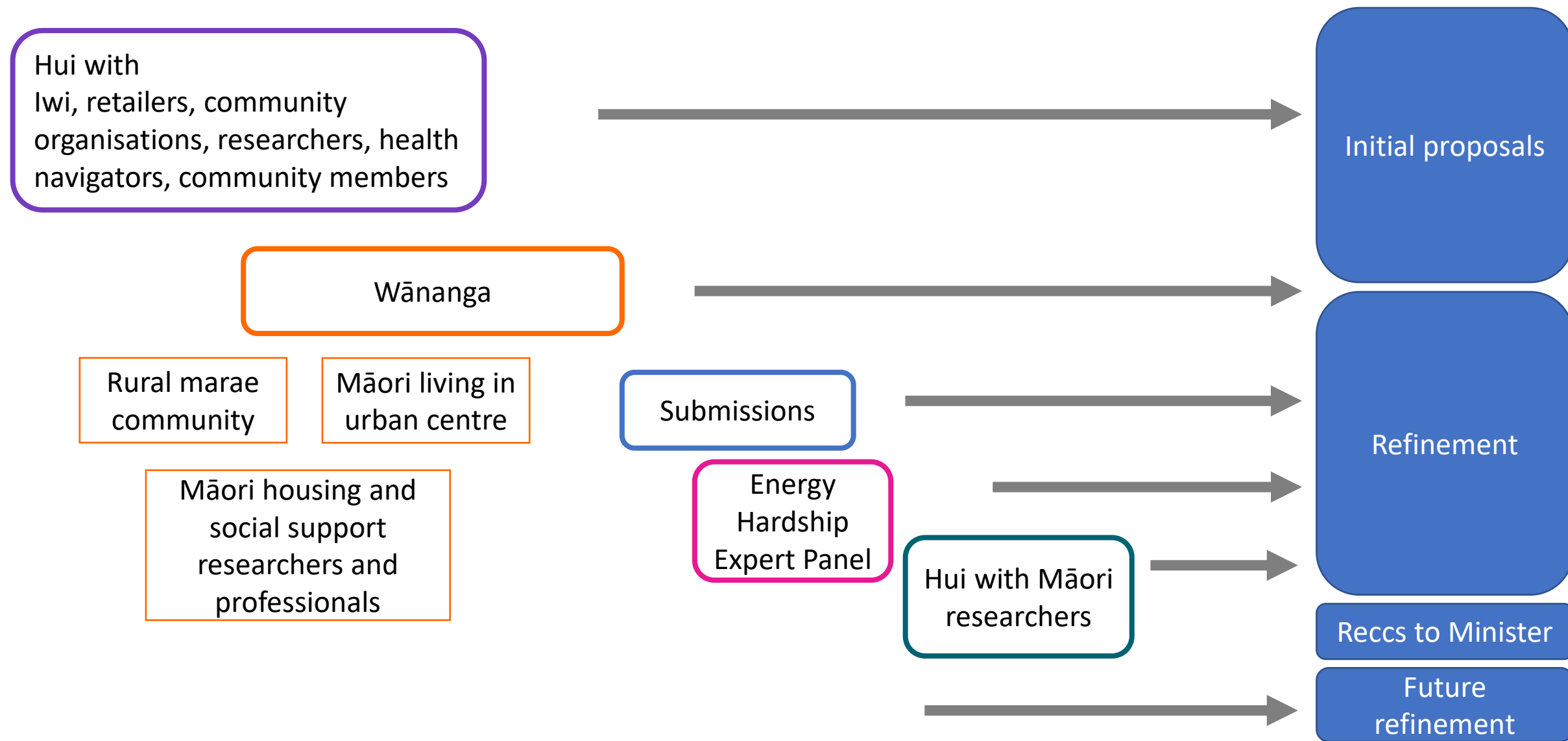
- People's stories are also important to hear
 - Numbers don't tell the whole story
 - We have been creating opportunities to hear people tell their stories
 - These have and will continue to inform our understanding of energy wellbeing alongside measures
 - E.g. Stories heard through projects receiving funding from the Māori and Public Housing Renewable Energy Fund
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How have we got here?



* Development of the definition and measures was delayed due to the government and sector response to the COVID-19 pandemic and Delta outbreak

How are Māori involved in this work?



Energy wellbeing continuum



ENERGY HARSHIP

ENERGY WELLBEING

Our proposals

Energy wellbeing
definition

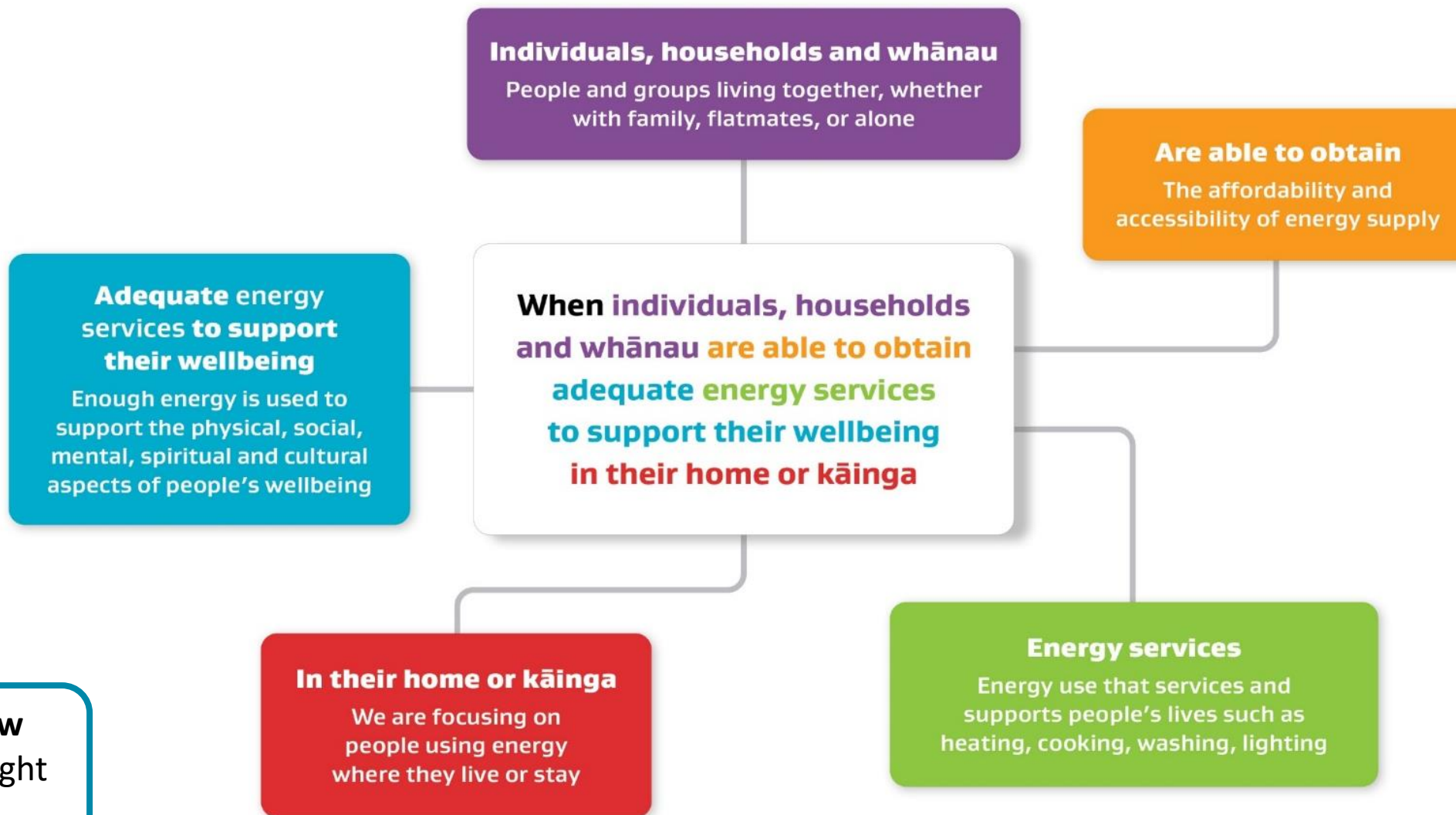


Energy hardship
measures

- P1
- P2...

- A plain language conceptual definition
- Supported by conceptual framework
- Suite of energy hardship measures, primary and secondary

Definition



We want to know
Is this definition right
for Aotearoa?

Energy Wellbeing Framework



We want to know
Does this represent
energy wellbeing?

Indicators

Theme	Energy wellbeing indicator
Able to obtain – access	Access to a reliable energy supply when needed
	Able to access and use technologies to manage energy, such as making online transactions.
Able to obtain – able to afford and manage bills	Able to afford energy bills without borrowing or economising on other expenses
	Able to heat, wash, cook and use other energy services as required to stay comfortable without having to forego other necessities
Able to obtain – enabling resources	A dwelling that can maintain a healthy temperature
	Access to necessary appliances that are safe, effective and efficient
Wellbeing is supported in the home or kāinga	A dry and well-ventilated home
	A healthy indoor temperature

We want to know
Are these indicators comprehensive?

How to measure energy hardship?

- Objective
 - Expenditure measures, eg. Spending 10% or more of income on energy
 - Required vs actual expenditure
 - False positives and negatives
 - Thresholds matter
 - Subjective
 - Reported experience, eg. “unable to adequately heat home”
 - Different experiences and expectations
 - Criticisms of binary measures in general
 - Energy hardship is a continuum
 - Does not capture depth of energy hardship
-

Primary Measures

Measure number	Energy hardship measure
P1 (interim)	Proportion of After Housing Costs (AHC) household income spent on domestic energy costs twice the median or more (moving line)
P2 (interim)	Proportion of AHC household income spent on domestic energy costs twice the median or more (fixed line)
P3	Put up with feeling cold to keep costs down a lot
P4	Dampness and/or mould problems - major

- Data source: Stats NZ Household Economic Survey

We want to know

- Which of the proposed measures are best to measure levels of energy hardship?

Secondary Measures

ID	Energy hardship measure name	Data source & frequency
P5	No access to electricity supply	Census, every 5 years
P6	No home access to computer or internet	HES - Core, annual
P7	No access to financial institution account	HES – Expenditure, every 3 years
P8	Could not pay electricity, gas, rates, or water bills on time (more than once)	HES - Core, annual
P9	Unable to afford unexpected expense without borrowing	HES - Core, annual
P10	Proportion of BHC household income spent on domestic energy costs twice the median or more (moving line)	HES - Expenditure, every 3 years
P11	Proportion of BHC household income spent on domestic energy costs twice the median or more (fixed line)	HES - Expenditure, every 3 years
P12	Absolute domestic energy expenditure half the national median or less (moving line)	HES – Expenditure, every 3 years
P13	Cannot afford to keep the dwelling adequately warm	HES - Core, annual
P14	Using prepayment metering	Electricity Authority
P15	No heating type used	Census, every 5 years

ID	Energy hardship measure name	Data source & frequency
P16	Not heating own bedroom in winter	GSS, every 6 years
P17	Not heating children's bedroom in winter	GSS, every 6 years
P18	Not heating main living room in winter	GSS, every 6 years
P19	Trouble heating accommodation and/or keeping it warm in winter	HES, annual
P20	Use of unsafe substitute heating methods (portable gas heater).	Census, every 5 years
P21	Lacking one or more basic amenity.	Census, every 5 years
P22	Housing repairs needed - major	GSS, every 2 years
P23	Mould larger than an A4 - Always	GSS, every 2 years
P24	Damp always	Census, every 5 years
P25	Can see breath indoors in winter	GSS, once every 2 years
P26	Indoors always colder than would like in winter	GSS, once every 2 years

Energy hardship-related indicators

- Energy hardship results in poor health and wellbeing outcomes
 - At a national level, changes in indicators of health cannot be directly attributed to changes in levels of energy hardship
 - We propose to select a number of health and wellbeing indicators as energy hardship-related indicators
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Technical Appendix

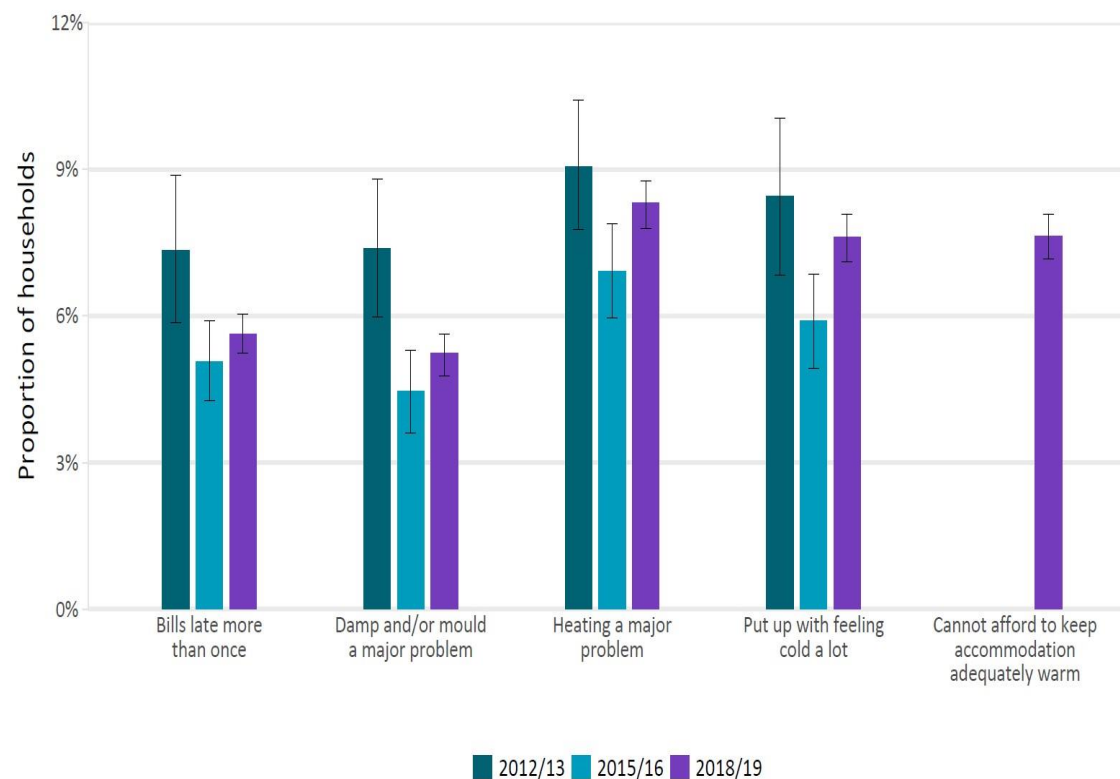
A technical appendix has also been published. This updates the statistics published by Stats NZ in their 2017 report *Investigating measures of energy hardship in New Zealand*.

These statistics were based on data from the 2015/16 Household Economic Survey. MBIE has updated these for 2018/19.

This data is stored in the Integrated Data Infrastructure (IDI), where information about expenditure can be connected to information about feeling cold, for example.

The Technical Appendix doesn't contain any proposals for consultation, but can be read to give context for some of the proposed measures.

Over 130,000 households could not afford to keep their home adequately warm in 2018/19



Error bars show the 95% confidence interval

Future work

The final proposal is about further work to better understand and measure energy hardship.

More needs to be done to understand:

- The proposed measures
- The depth/severity of energy hardship
- Gaps in the available data
 - Required energy for wellbeing
 - Housing quality
 - Energy literacy
 - Efficiency of appliances



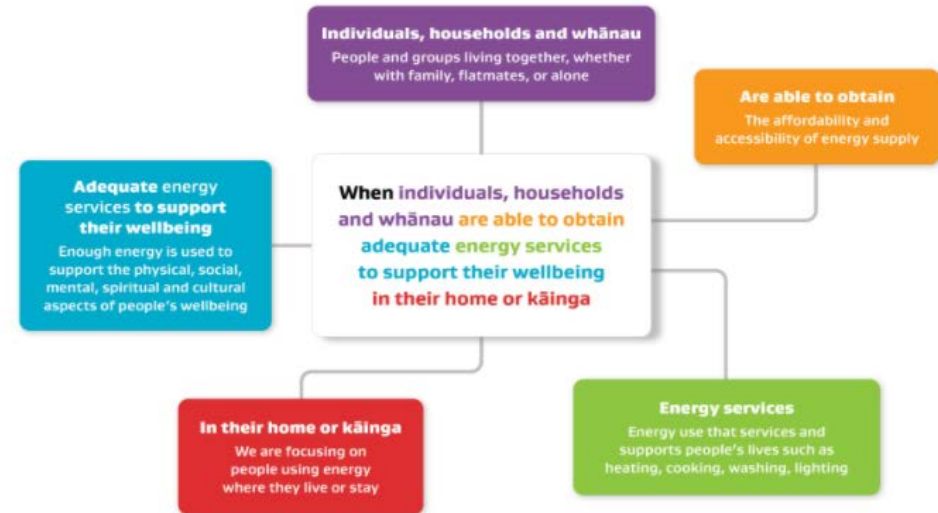
We want to know

What research should be prioritised?
Are there other gaps in the available data?

How to submit

Submissions are open until 5pm, 16 December

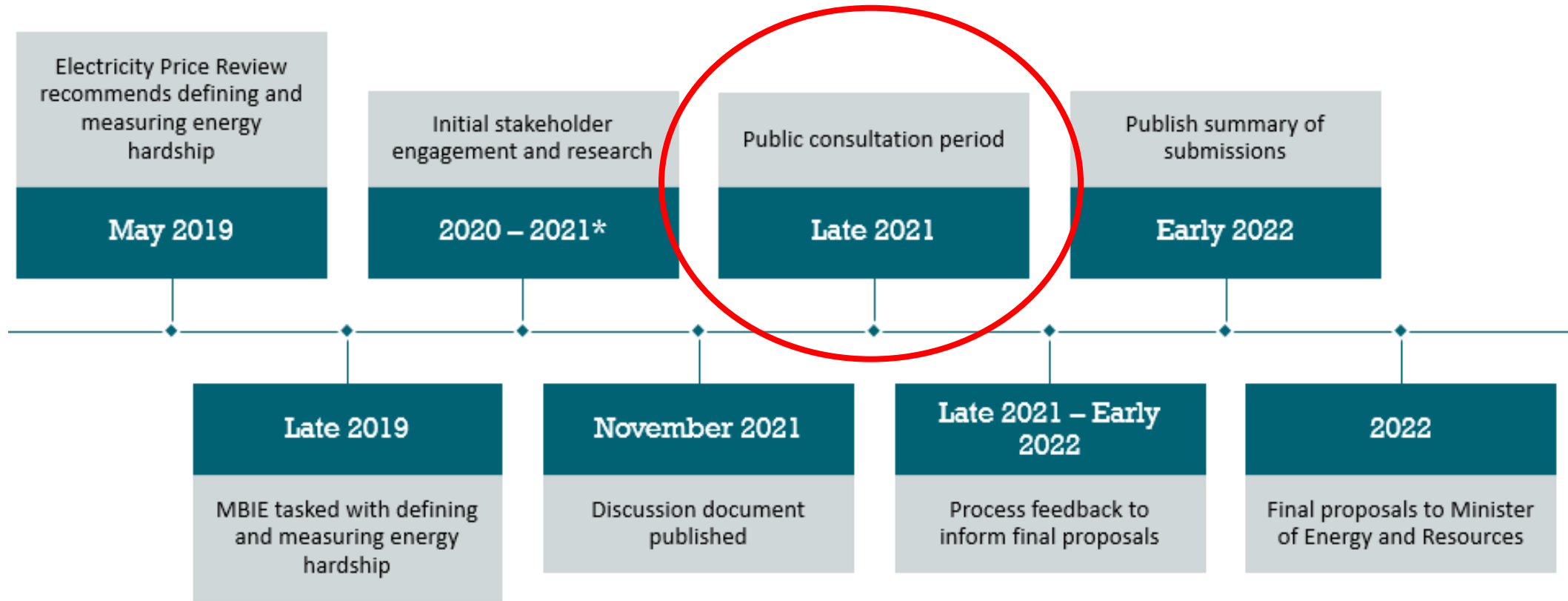
You can give your feedback via the online survey. Or, you can download the form and email or post it to us.



7. To what extent do you agree or disagree that the proposed definition for energy wellbeing is right for Aotearoa?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Unsure

What happens next?



* Development of the definition and measures was delayed due to the government and sector response to the COVID-19 pandemic and Delta outbreak



Questions/pātai?
