A background network diagram consisting of thin teal lines connecting several dark teal circular nodes. The nodes are scattered across the page, with a higher concentration in the upper right and lower left areas. A large, solid teal circle is centered on the page, containing the main title and subtitle.

Energy Consumer Sentiment Survey Findings

Australian Capital Territory

July 2016

Energy
Consumers
Australia

Energy Consumer Sentiment Survey, July 2016

Australian Capital Territory

Energy Consumer Australia tracks consumer and small business sentiment to inform energy market and policy development.

Background

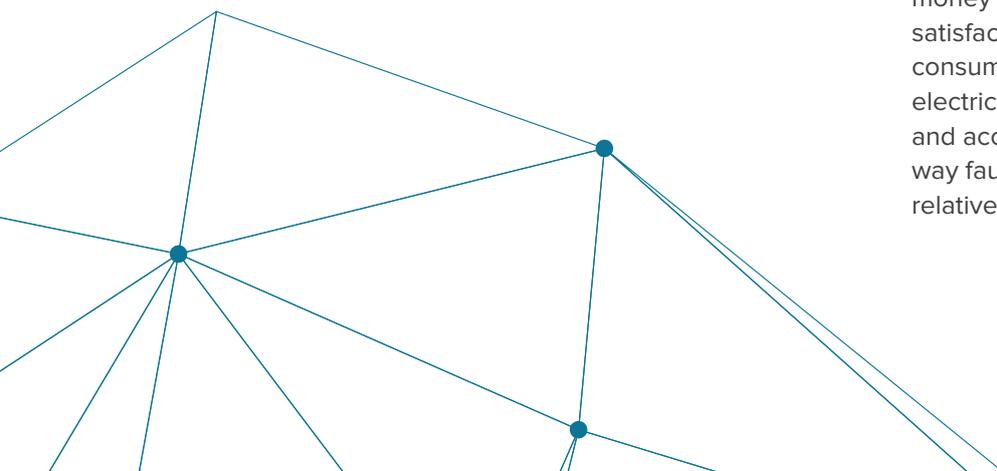
The Energy Consumer Sentiment Survey is a long term project for Energy Consumers Australia. It is designed to provide information on household and small business consumer sentiment with a focus on three key areas of satisfaction, confidence and activity. This is the first ever national survey and will be undertaken every six months. The survey will track changes in sentiment over time and detect patterns which can inform energy market and policy development in the long term interests of consumers.

Consumer satisfaction in the ACT

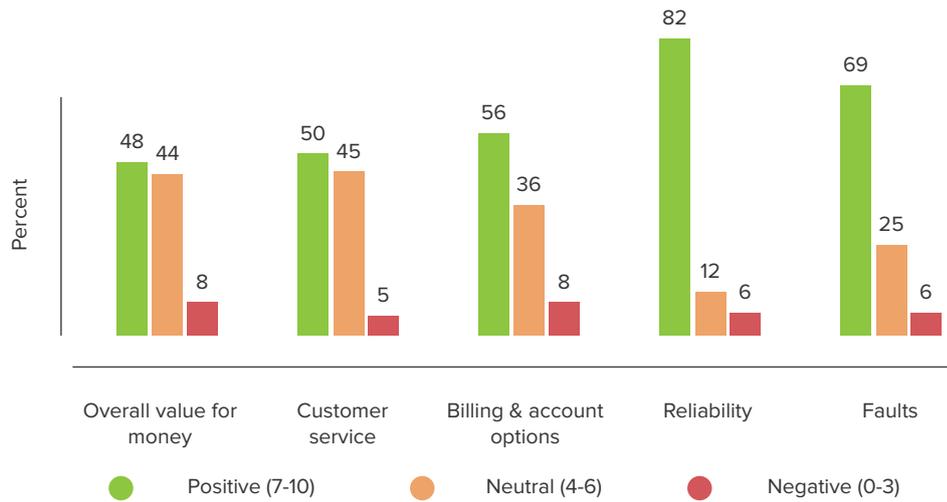
Consumers are telling us that overall they are satisfied with energy services. Households report relatively high levels of satisfaction with energy services in the ACT, with 72 per cent rating services 7 out of 10 or higher (a positive rating). This the second highest rating nationally behind Western Australia (73 per cent).

Value for money

Households in the ACT rate their satisfaction with the value for money comparable with their counterparts in New South Wales (52 per cent) and Victoria (49 per cent), with only 48 per cent providing a positive rating. This means that around half of all households in the ACT are neutral or dissatisfied with the value for money of their electricity service. The satisfaction of households in the ACT consumer satisfaction with reliability of electricity services (82 per cent), billing and account options (56 per cent) and the way faults are dealt with (69 per cent) are relatively high.



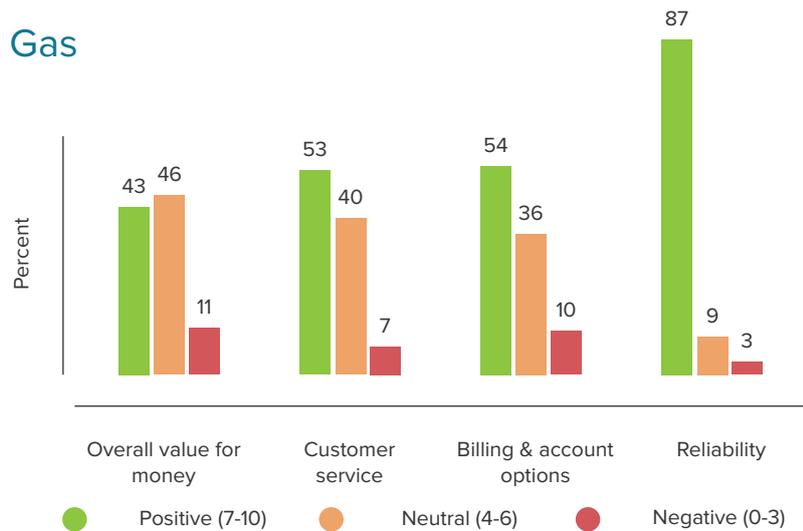
Electricity



How would you rate the [attribute]? 0-10 scale, 0 = 'very poor', 10 = 'excellent'

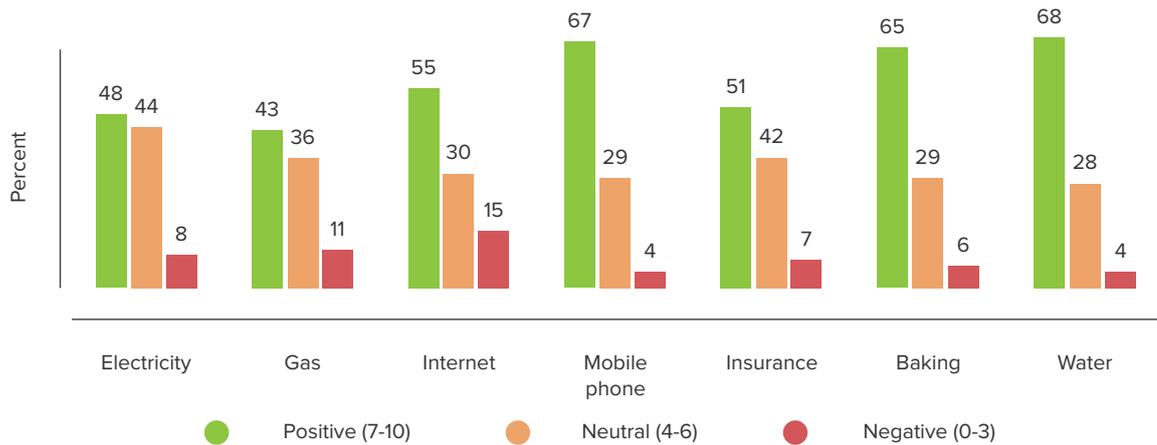
Residents in the ACT give the lowest satisfaction ratings nationally for their gas services across all measures except reliability.

Gas



How would you rate the [attribute]? 0-10 scale, 0 = 'very poor', 10 = 'excellent'

When compared with the value for money of a range of other services, households in the ACT are telling us that the value for money of electricity services is significantly less than for their banking, water, mobile phone, and internet services, and broadly on par with the value for money of insurance services.



How would you rate the overall value for money of the products and services provided by your service provider in the following areas, in the past 6 months? 0-10 scale, 0 = 'very poor', 10 = 'excellent'

Net Promoter Scores

Consumers are unlikely to recommend their current electricity retailer to a friend or colleague, as measured by the Net Promoter Scores (NPS) (the difference between advocates and detractors). Only 21 per cent of household consumers said they would recommend their electricity retailer to a friend or colleague, whereas 45 per cent were 'detractors' and unlikely to recommend their retailer. That means the ACT's electricity services NPS is -24.

The NPS for households for their gas services is higher than for electricity services.

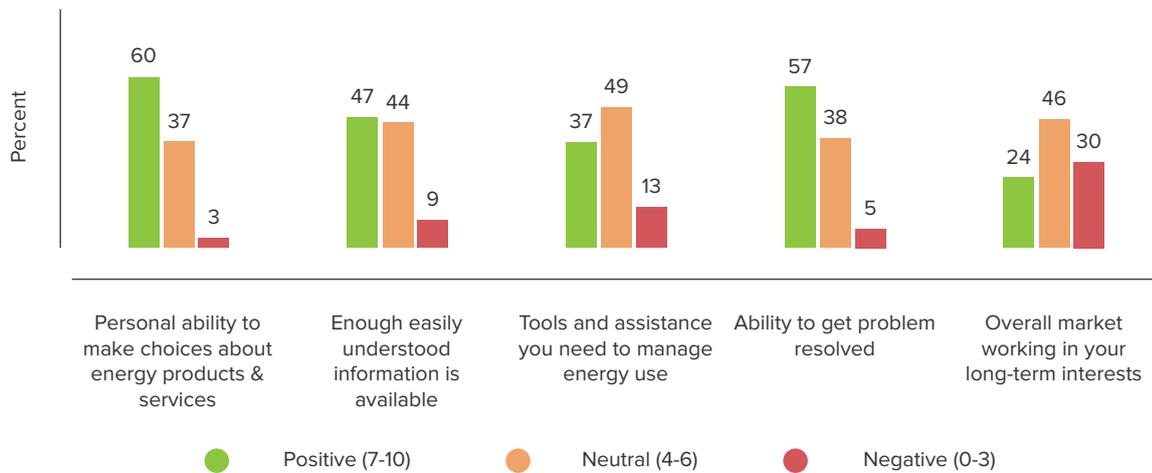
Competition

The Australian Energy Market Commission has identified that there are four electricity retailers, and three gas retail businesses in the ACT, but that there is not effective competition in this market. Households in the ACT are the second least satisfied with the levels of competition in their jurisdiction (23 per cent) only behind Tasmania, although there were a much larger number of consumers who are neutral on the question of competition (45 per cent) than for Tasmania.



Consumer confidence in the ACT

Consumers tell us that they are confident in their own abilities to choose the energy products and services that are right for them. While households in the ACT are confident in their own ability to make choices about energy products and services they are not confident that the information or tools are available to help them make those choices. Only 24 per cent believe the market is working in their long term interests and even less are confident that they will see better value for money outcomes in the future.



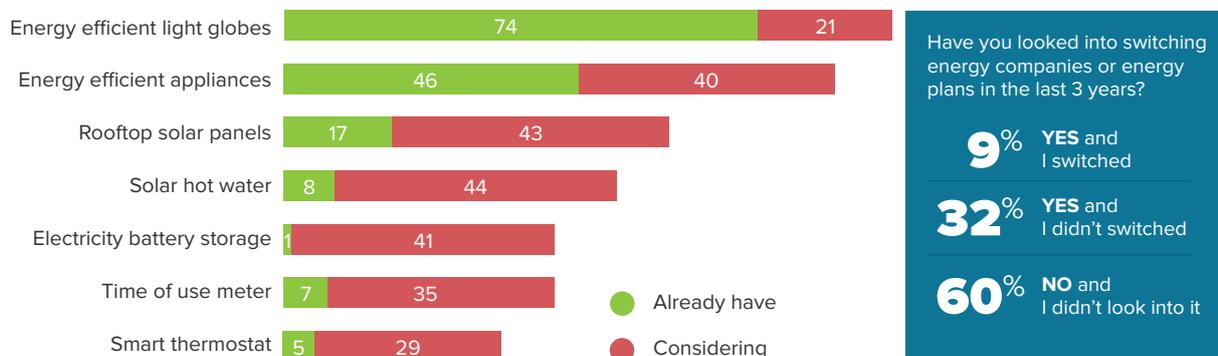
How would you rate the [attribute]? 0-10 scale, 0 = 'very poor', 10 = 'excellent'



Consumer activity in the ACT

Uptake of energy management technologies

Consumers are looking to energy management technologies to manage their electricity costs. Most households in the ACT have invested in energy efficient lighting and almost half have invested in energy efficient appliances. More than half of households in the ACT either have purchased solar panels or intend to do so in the next 5 years. A significant proportion of households (41 per cent) are considering purchasing electricity battery storage.



Do you already have, or are you considering purchasing or using any of the following technologies to manage the cost of electricity in your household?

Switching energy providers or plans

The low level of competition in the ACT market is reflected in the very low proportion of consumers who have considered switching energy providers or plans in the past three years (41 per cent), with only 9 per cent saying they decided to switch. For those who did look at switching the primary motivator was dissatisfaction with value for money (42 per cent) and finding a better deal (29 per cent).

For those who did not consider switching, 33 per cent said there were either no alternatives or they expected that a switch would either leave them worse off or make no difference. Another 15 per cent said the barrier to switching was too high – either in terms of time required, difficulty or effort to find information.

Energy Consumers Australia

What's next?

Energy Consumers Australia will next report on energy consumer sentiment in late 2016.

The survey data, together with a detailed final report (and questionnaire) are available from the ECA website www.energyconsumersaustralia.com.au

ECA contact

Lynne Gallagher,
Director, Research,
Energy Consumers Australia

lynne.gallagher@energyconsumersaustralia.com.au @

02 9220 5500 ☎

