

A background network diagram consisting of thin teal lines connecting various circular nodes of different sizes. The nodes are scattered across the page, with a larger, solid teal circle in the center containing the main title.

# Energy Consumer Sentiment Survey Findings

New South Wales

December 2016

Energy  
Consumers  
Australia

# Energy Consumer Sentiment Survey, December 2016

## New South Wales

Energy Consumers 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 the three key areas of satisfaction, confidence and activity. As the survey will be undertaken every six months, it will track changes in sentiment over time and detect trends which can inform energy market and policy development in the long term interests of consumers.

This is the second national survey. It took place between 25 August 2016 and 5 September 2016. Double digit retail price increases for electricity in New South Wales from 1 July 2016 may have impacted on the responses to this survey.

Unless otherwise indicated, comparisons of results are to the previous survey.

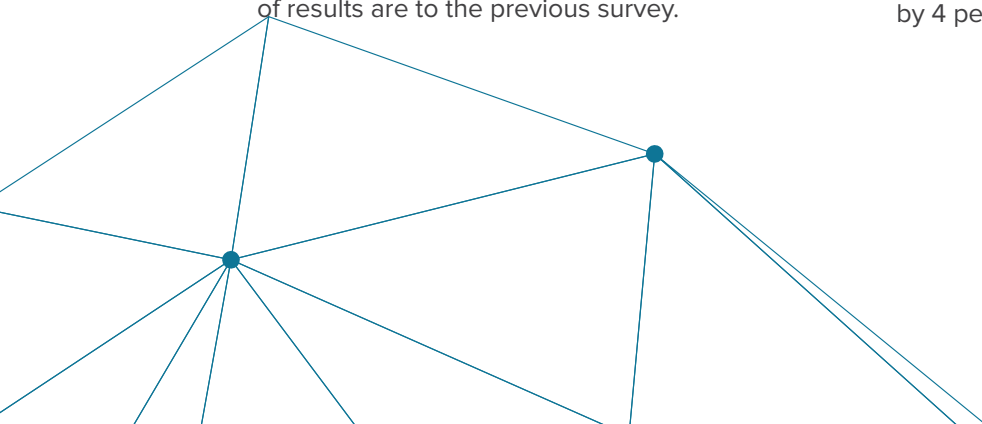
### Consumer satisfaction in New South Wales

Consumers are telling us that overall they are satisfied with energy services.

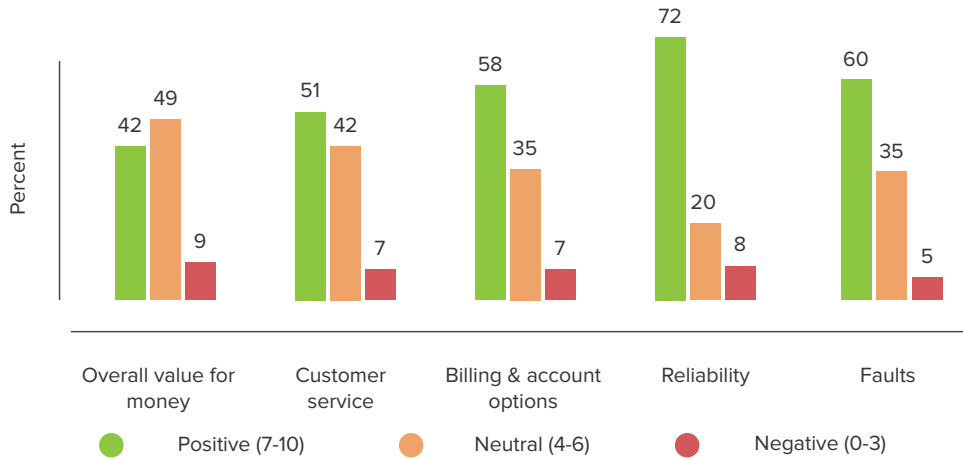
Households report levels of satisfaction with energy services in New South Wales slightly below the national average, with 62 per cent rating services 7 out of 10 or higher (a positive rating). This is down from 67 per cent.

In New South Wales, less than half of households (42 per cent) positively rated the value for money of their electricity services, which is on par with the national average. This is down by 10 per cent.

The satisfaction of households in New South Wales with the reliability of electricity services, and the way faults are dealt with, is unchanged, while satisfaction with customer service and billing and account options is lower than the previous survey by 4 per cent.



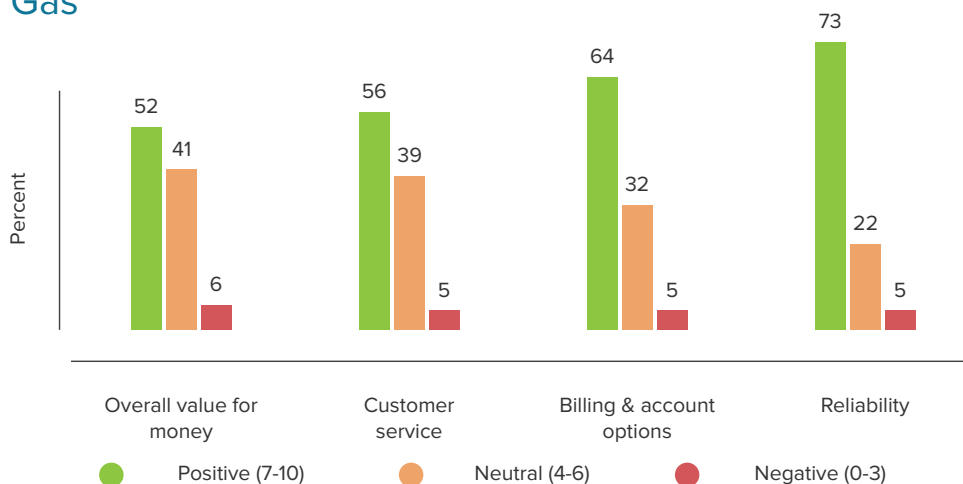
## Electricity



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

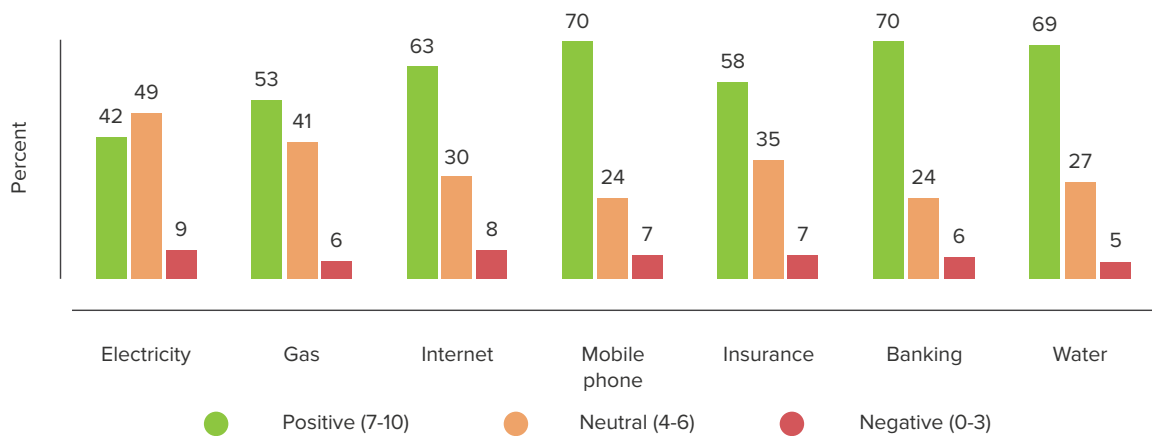
New South Wales households are more satisfied with their gas services than electricity services across all measures. Households reporting satisfaction with their gas services is lower, compared with the previous survey, with value for money down 6 per cent, customer service down 7 per cent, billing down 4 per cent and reliability down 8 per cent.

## 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 New South Wales are telling us that the value for money of electricity and gas services is significantly less than for their banking, mobile phone, water, internet and 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'*

### Recommending retailers to others

More than half of households (54 per cent) in New South Wales are likely to recommend their current electricity retailer to a friend or colleague (a positive ranking of 7 or more). This is largely unchanged from the previous survey. A higher proportion of households (61 per cent) are likely to rank their current gas retailer positively. This is down 1 per cent from the previous survey.

### Competition

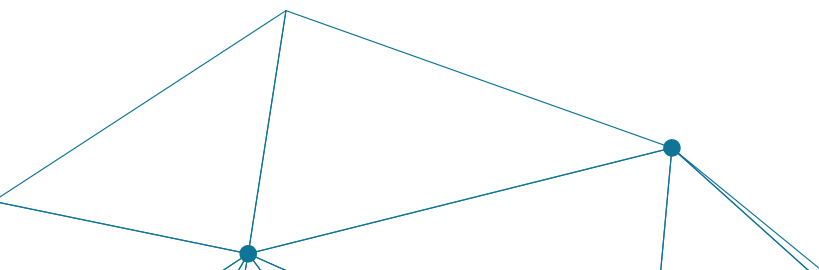
Consumer satisfaction with the level of competition varies significantly between states and territories with the differences aligning with the nature of their retail markets. In New South Wales, retail electricity prices have been deregulated since 1 July 2014, while retail gas prices will be deregulated from 1 July 2017. Close to half of households are positive about the level of competition in the New South Wales energy market (49 per cent), which is largely unchanged from the previous survey and is second only to Victoria (56 per cent, up 4 per cent from the previous survey).

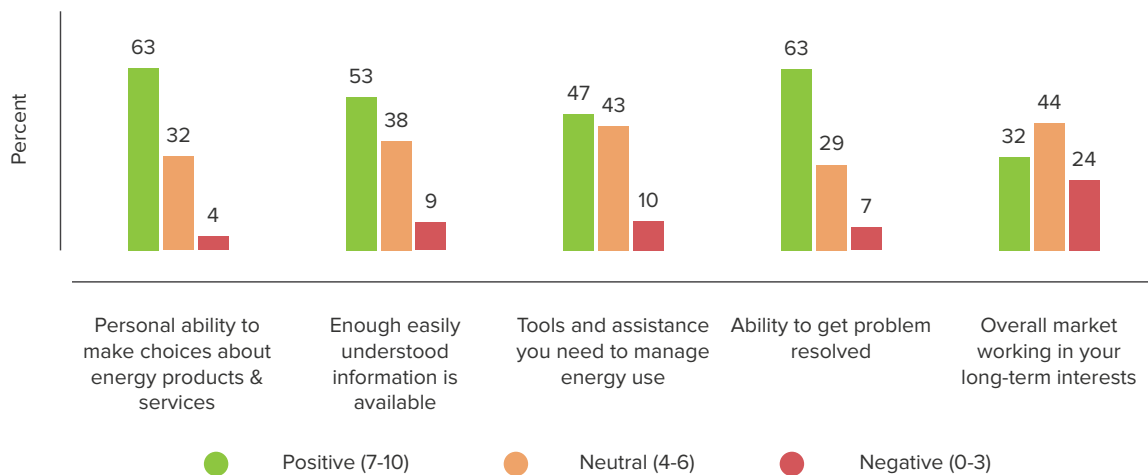


## Consumer confidence in New South Wales

Consumers tell us that they are confident in their own abilities to choose the energy products and services that are right for them. New South Wales households are confident in their ability to make choices about energy products and services, at 63 per cent. This is down 6 per cent from the previous survey.

NSW consumers are less confident that the information is available to assist them make good decisions (down 2 per cent to 53 per cent) or that the necessary tools and assistance are available to help them manage their use, down 1 per cent to 47 per cent.





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

Households in New South Wales are not confident that the market is working in their interests (32 per cent, down 2 per cent from the previous survey). Only 24 per cent of households are confident the energy market would provide better value for money in the future, unchanged from the previous survey. On the other hand, households in New South Wales are the most confident of all states and territories that reliability will improve in the next five years (55 per cent, up 6 per cent from the previous survey).

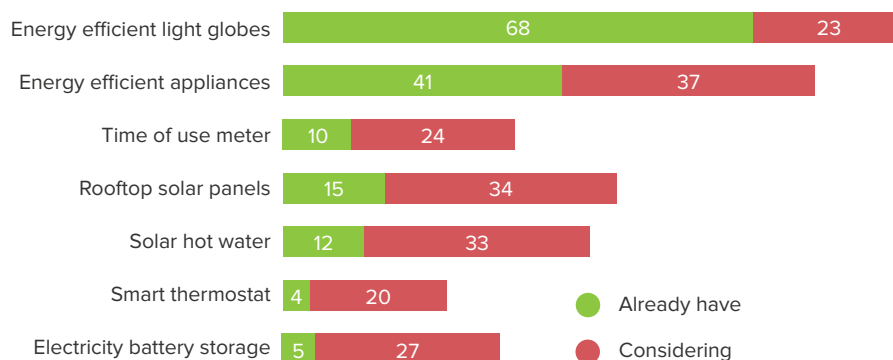
Households in New South Wales have a relatively high degree of confidence in the prospect of future technology advances to manage energy and supply costs (51 per cent, up 4 per cent from the previous survey), second only to Western Australian households.



## Consumer activity in New South Wales

### Uptake of energy management technologies

Consumers are looking to energy management technologies to manage their electricity costs. Most households in New South Wales have invested in energy efficient lighting, while less than half of households in New South Wales have invested in energy efficient appliances. Around half of households in New South Wales say they have purchased solar panels or intend to do so in the next 5 years. Slightly more than one quarter of households say they 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?*

Have you looked into switching energy companies or energy plans in the last 3 years?

**21%** YES and I switched

**36%** YES and I didn't switch

**43%** NO and I didn't look into it

### Switching energy providers or plans

A high proportion (57 per cent) of New South Wales households have considered switching energy providers in the past three years, with 21 per cent actually switching in that period. This is down 3 per cent from the previous survey.

The main reasons consumers identified for considering switching is dissatisfaction with value for money of the current deal (37 per cent, down 5 per cent from previous survey), or that they had found a better deal (30 per cent, down 1 per cent from the previous survey).

Of those households that considered switching, only 8 per cent are less satisfied, while 43 per cent are more satisfied with their final decision – much higher than the percentage which actually switched. This suggests a fairly strong relationship between households that investigated their options and satisfaction levels. When this was tested in qualitative research, many consumers told us that while they may not have switched, this is because their existing retailer encouraged them to stay (e.g. by matching the competitor's offer).

For those households that did not consider switching, 34 per cent are satisfied with the deal they are currently on, down 9 per cent from the previous survey. A number of households felt the barriers to switching are too high (20 per cent, largely unchanged from the previous survey) or that there are no real alternatives (13 per cent, up 2 per cent from previous survey).

# Energy Consumers Australia

## What's next?

Energy Consumers Australia will next report on energy consumer sentiment in June 2017.

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

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