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

Queensland

December 2016

Energy
Consumers
Australia

Energy Consumer Sentiment Survey, December 2016

Queensland

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 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. Retail electricity prices in South East Queensland (SEQ) were deregulated on 1 July 2016. Electricity prices in SEQ are now determined by electricity retail providers, with customers able to choose between standard retail contracts and competitive market retail contracts.

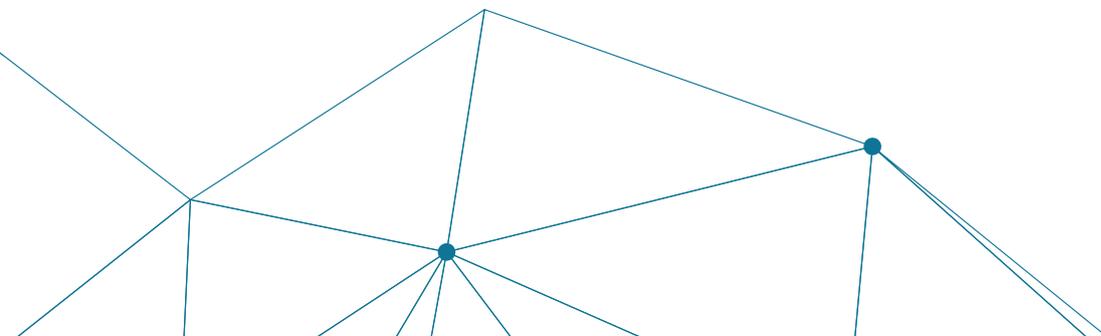
Unless otherwise indicated, comparisons of results are to the previous survey.

Consumer satisfaction in Queensland

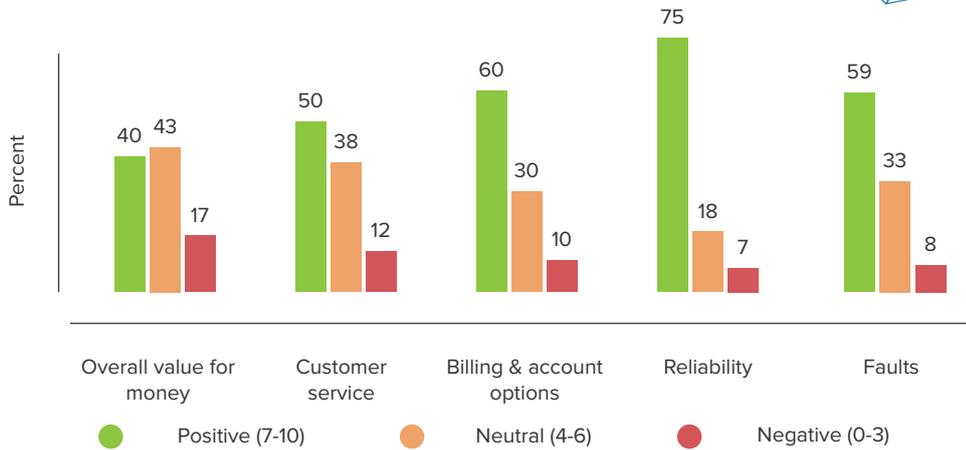
Consumers are telling us that overall they are satisfied with energy services. Households report levels of satisfaction with energy services in Queensland below the national average, with 61 per cent rating services 7 out of 10 or higher (a positive rating).

In Queensland 40 per cent of households (down 3 per cent from the previous survey) positively rate the value for money of their electricity service.

The satisfaction of households in Queensland with the reliability of electricity services is 75 per cent (down 3 per cent from the previous survey). Satisfaction with customer service, billing and faults are also down compared with the previous survey (by 4 per cent, 2 per cent and 11 per cent respectively).



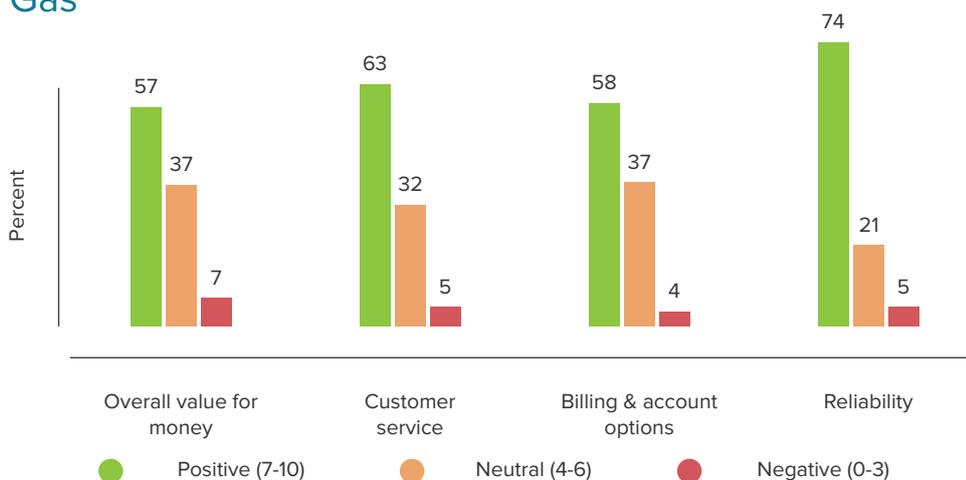
Electricity



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

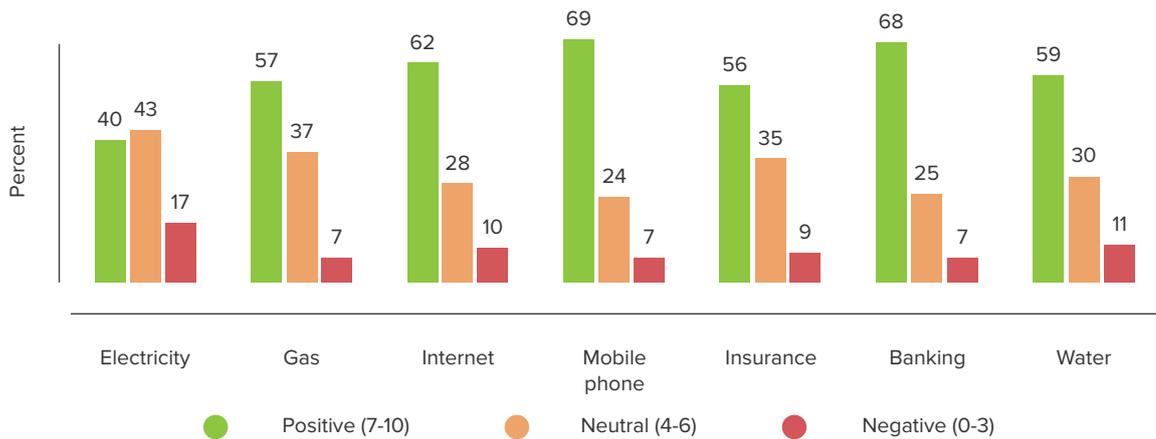
Queensland households are substantially more satisfied with the value for money and customer service from their gas retailer than their electricity retailer, while billing and account options and reliability for electricity and gas services are on par. Satisfaction with the value for money of gas services is up 2 per cent, while satisfaction with customer service is largely unchanged. Satisfaction with billing and reliability are both down by 5 per cent on the previous survey.

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 Queensland are telling us that the value for money of electricity services is significantly less than for other services including mobile phone, banking, internet, water and insurance services. The value for money gas ranks ahead of insurance services and is on par with water services but behind all other 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

Half of Queensland households (50 per cent) are likely to recommend their current electricity retailer to a friend or colleague (a positive ranking of 7 or more, down 2 per cent compare with the previous survey). A higher proportion of households (59 per cent) are likely to rank their current gas retailer positively, which is down 9 per cent on the previous survey.

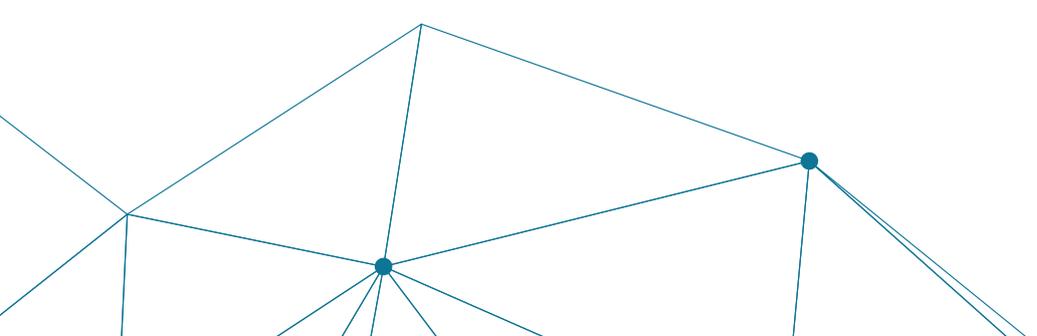
Competition

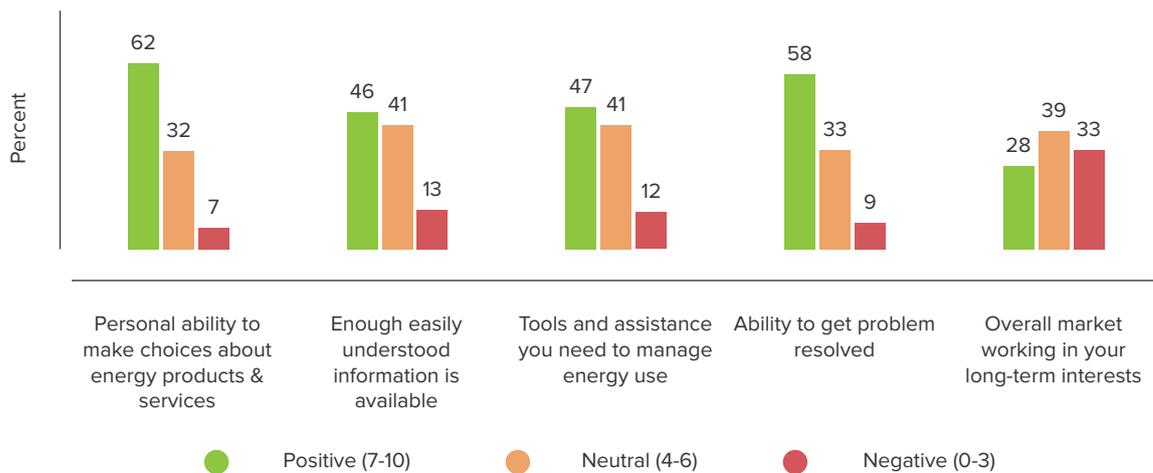
The Australian Energy Market Commission has found that competition is effective in the electricity market in South East Queensland, but not in regional Queensland. In the context of reporting the survey results for Queensland, it should be noted that a significant number of household respondents to the survey are from South East Queensland. Queensland households are clearly less satisfied with the levels of competition in their state (34 per cent) ranking behind Victoria (56 per cent), New South Wales (49 per cent) and South Australia (48 per cent) but ahead of other states and the Australian Capital Territory.



Consumer confidence in Queensland

Consumers tell us that they are confident in their own abilities to choose the energy products and services that are right for them. Most Queensland households are confident in their ability to make choices about energy products and services (62 per cent, largely unchanged from the previous survey). Consumers are less confident that the information is available to assist them make good decisions or that the necessary tools and assistance are available to help them manage their use. Both these rankings are down on the previous survey by 6 per cent and 2 per cent respectively.





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

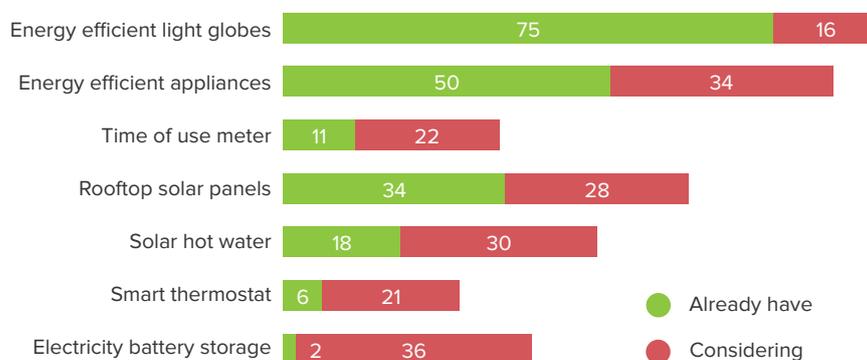
Households in Queensland are not confident that the market is working in their interests (28 per cent of households, unchanged from the previous survey). Only 16 per cent (down 2 per cent) are confident the energy market will provide better value for money in the future. Almost half of all households in Queensland are confident that reliability will improve in the next five years (49 per cent, down 2 per cent). This compares with low levels of confidence in expected improvements in reliability in South Australia (43 per cent) and in Tasmania (41 per cent). Some 44 per cent of households in Queensland are confident that technological advances will enable them to manage costs in future.



Consumer activity in Queensland

Uptake of energy management technologies

Consumers are looking to energy management technologies to manage their electricity costs. A significant majority of households in Queensland have invested in energy efficient lighting, while half have invested in efficient appliances. Nearly two-thirds of households say they have purchased solar panels or say they intend to do so in the future. More than a third of households in Queensland 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?

12% YES and I switched

34% YES and I didn't switched

55% NO and I didn't look into it

Switching energy providers or plans

Around half (46 per cent, down 2 per cent on the previous survey) of Queensland households have considered switching energy providers in the past three years, with only 12 per cent of households deciding to switch – substantially lower than other states (Victoria, New South Wales and South Australia) where competition has been found to be effective.

The main reason households identified for considering switching is dissatisfaction with value for money of the current deal (44 per cent, up 3 per cent), or that they simply found a better deal (25 per cent, down 4 per cent).

Of those who looked at their options, 13 per cent (largely unchanged) are less satisfied and 28 per cent (down 4 per cent) more satisfied with their final decision. Deregulation in South East Queensland may impact on the results for satisfaction of consumers with the outcomes of switching in future surveys.

For those who did not consider switching a high proportion (30 per cent) say there are no real alternatives or that it makes no difference (down 1 per cent). Only 13 per cent of Queensland households say that the barriers are too high, down 3 per cent.

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

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