

Energy Consumer Sentiment Survey Findings

South Australia

December 2016

Energy
Consumers
Australia

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South Australia

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. The responses to this survey may have been influenced by a number of events in July in South Australia including significant rises in retail prices, and widespread attention to spikes in wholesale prices. The survey took place before the system black event on 28 September 2016.

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

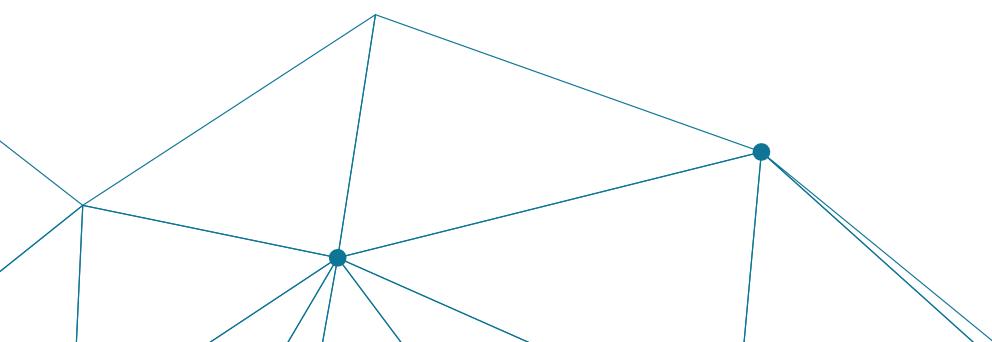


Consumer satisfaction in South Australia

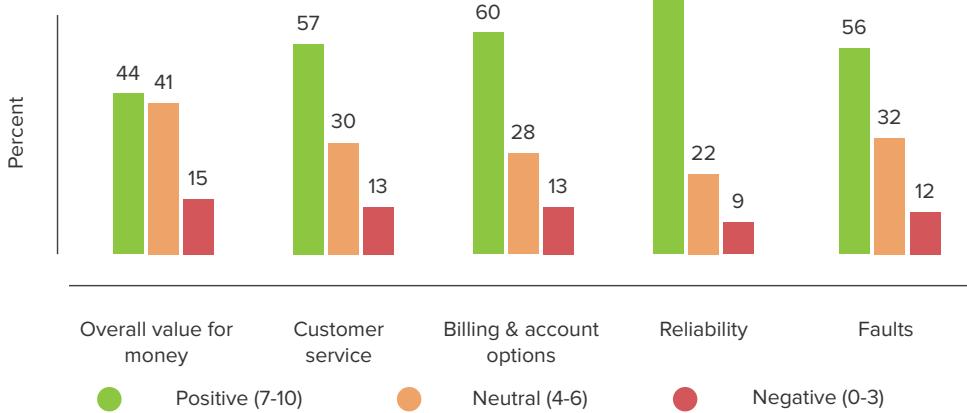
Consumers are telling us that overall they are satisfied with energy services. Households report levels of satisfaction with energy services in South Australia comparable with the national average, with 64 per cent rating services 7 out of 10 or higher (a positive rating).

In South Australia 44 per cent of households (largely unchanged from the previous survey) positively rate the value for money of their electricity service.

The satisfaction of households in South Australia with the reliability of electricity services is 69 per cent (down 8 per cent from the previous survey). Satisfaction with billing and faults are also down (4 per cent and 8 per cent respectively) while satisfaction with customer service is unchanged.



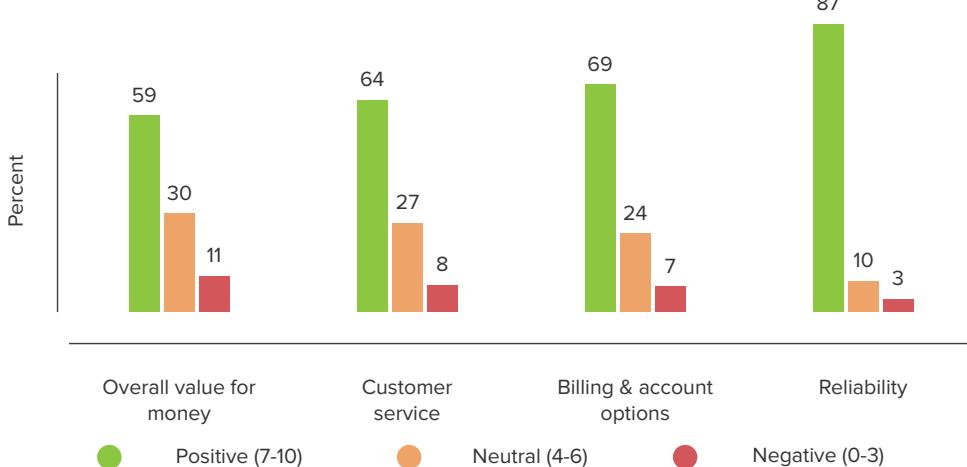
Electricity



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

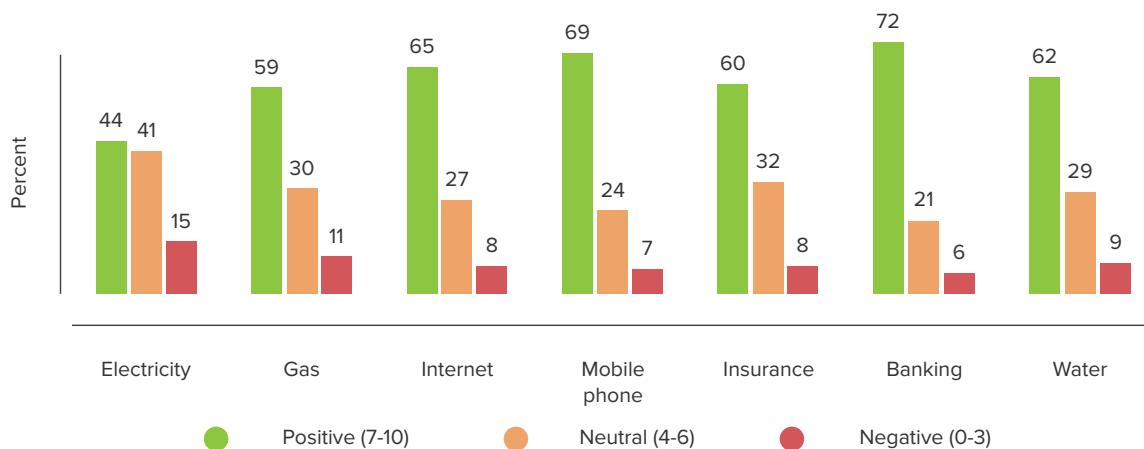
South Australian households are substantially more satisfied with their gas services than electricity services across all attributes. Satisfaction with the value for money of gas services, customer service and billing is largely unchanged from the previous survey while satisfaction with reliability increased (up by 4 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 South Australia are telling us that the value for money of electricity services is significantly less than for their banking, mobile phone, internet, water and insurance services. Households rank the value for money of their gas service as similar to their insurance and water services, and above their electricity service.



*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 (53 per cent) in South Australia are likely to recommend their current electricity retailer to a friend or colleague (a positive ranking of 7 or more), down 2 per cent on the previous survey. A higher proportion of households (68 per cent) are likely to rank their current gas retailer positively, which is up 5 per cent.

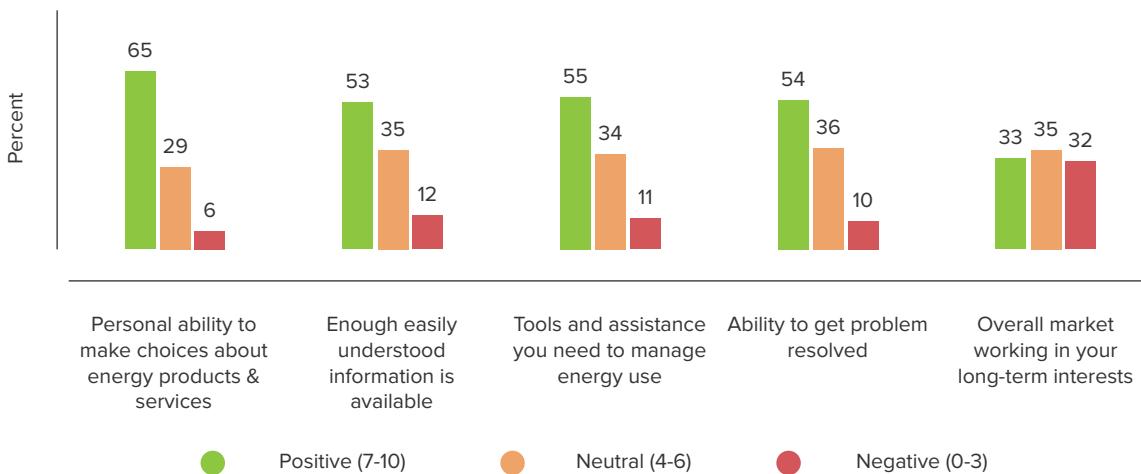
Competition

Consumer satisfaction with the level of competition varies significantly between jurisdictions, with the differences aligning with the nature of their retail markets. In South Australia retail electricity and gas prices were deregulated in February 2013. Close to half of households in South Australia reported in this survey that they are positive about the level of competition in energy markets (48 per cent, unchanged from the previous survey). This rating is second only to households in Victoria (56 per cent) and New South Wales (49 per cent).



Consumer confidence in South Australia

Consumers tell us that they are confident in their own abilities to choose the energy products and services (65 per cent), unchanged from the previous survey. Households in South Australia are less confident than the previous survey (down 2 per cent) that enough easily understood information is available and they are more confident (up 5 per cent) that tools are available.



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

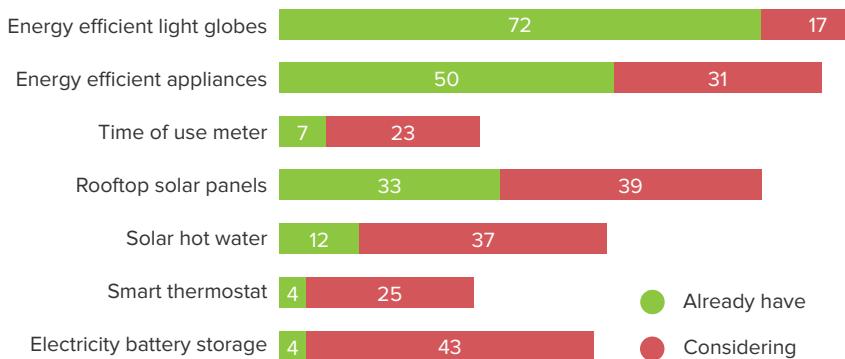
Households in South Australia are not confident that the market is working in their interests (33 per cent, down 2 per cent) and only 21 per cent are confident the energy market would provide better value for money in the future (largely unchanged from the previous survey). Households in South Australia are not confident that reliability will improve in the next five years (43 per cent) comparable to the lowest levels of confidence nationally in expected improvements in reliability which are Tasmanian households (41 per cent). Some 43 per cent of households in South Australia are confident that technological advances will enable them to manage their costs in the future.



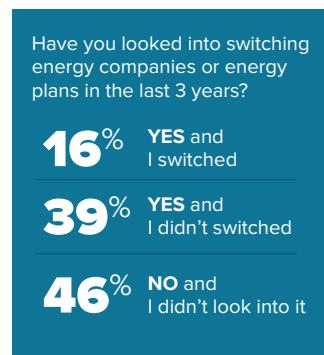
Consumer activity in South Australia

Uptake of energy management technologies

Consumers are looking to energy management technologies to manage their electricity costs. A significant majority of households in South Australia have invested in energy efficient lighting and half have invested in energy efficient appliances. Almost three-quarters of households in South Australia have either purchased solar panels or intend to do so in the next five years, the highest nationally. A significant proportion (43 per cent) 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?



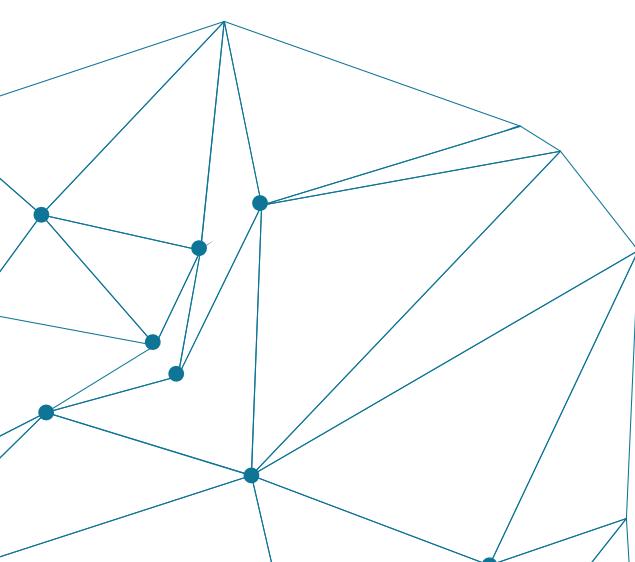
Switching energy providers or plans

A high proportion (55 per cent) of South Australian households have considered switching energy providers in the past three years, down 5 per cent on the previous survey. Only 16 per cent of households decided to switch (down 2 per cent).

The main reason consumers identified for considering switching is dissatisfaction with value for money of the current deal (44 per cent, up 9 per cent from the previous survey) or that the consumer found a better deal (27 per cent), largely unchanged from the previous survey.

Of those households who looked at their options, only 8 per cent are less satisfied and 40 per cent are more satisfied with their final decision. The high proportion (52 per cent, down 5 per cent) that are much the same after considering switching may suggest that consumers are not seeing real outcomes from switching providers in South Australia, even though there may be a number of competitors to choose from in the retail market.

For those who did not consider switching, many are satisfied with the deal they are currently on (36 per cent, up 5 per cent). Of those households who did not consider switching 10 per cent felt that it made no difference what deal they are on (down 1 per cent) or that the barriers to switching are too high (25 per cent, down 1 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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