



**ENERGY
CONSUMERS
AUSTRALIA**

BSL Talks – *PowerPain: Opportunities to reduce energy stress*

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13 December 2022

Energy Consumer Australia (5) priorities are supporting a better future for all households and small businesses

1

A robust evidence base informing system design
(what all households and small businesses are experiencing, thinking, saying and doing)

2

A least cost future energy system
(supply side actions through the National Energy Transformation Partnership & other key reform processes and programs)

3

System design for most participation & inclusion
(empowering all consumers to take control of their use, fuel switching & building efficiency a.k.a demand side policies & programs across Federal, State & local government)

4

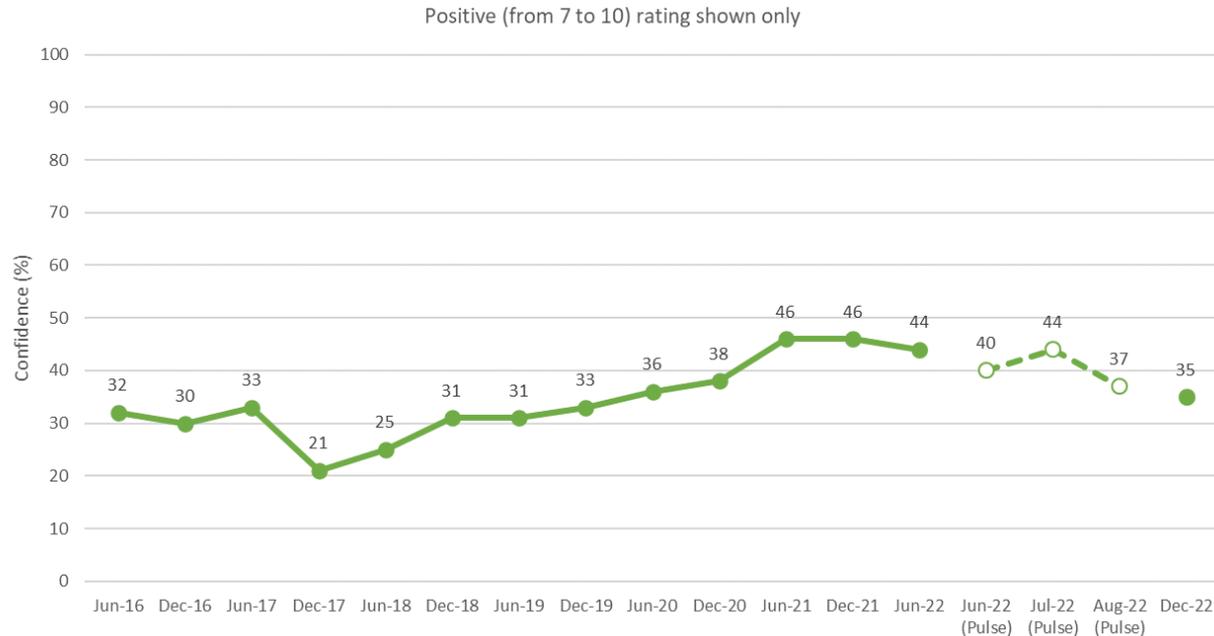
Commitment to an adequate safety net
(removing the barriers to access, & collaborating on AER vulnerability strategy)

5

Building consumer agency
(using behavioural insights, supporting decision making & actions, access to trusted and independent energy advice & dispute resolution)

Consumer confidence tracks with changes in retail energy prices & interventions

Our recent survey shows *“confidence that the market is working”* is again falling



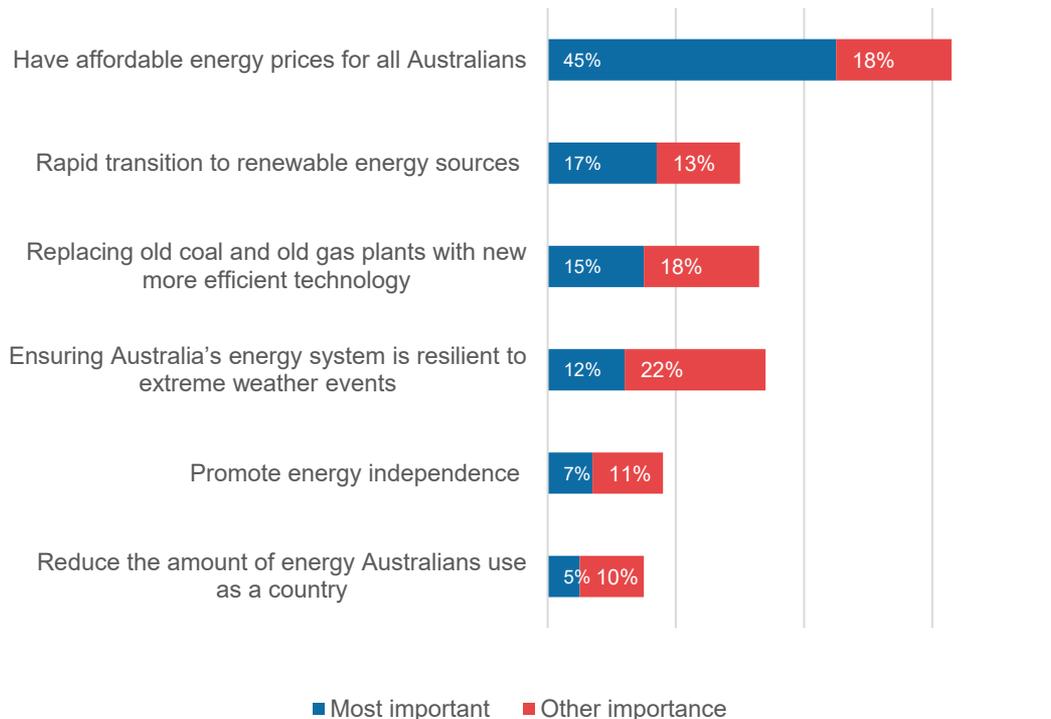
35%

of households are confident the market is acting in their long-term interests - down 11% since December 2021.

Q: How confident are you that the overall market is working in your long-term interests??

Source: ECA, Energy Consumer Sentiment Surveys, June 2016 to December 2022, ECA Pulse Survey June/July/August

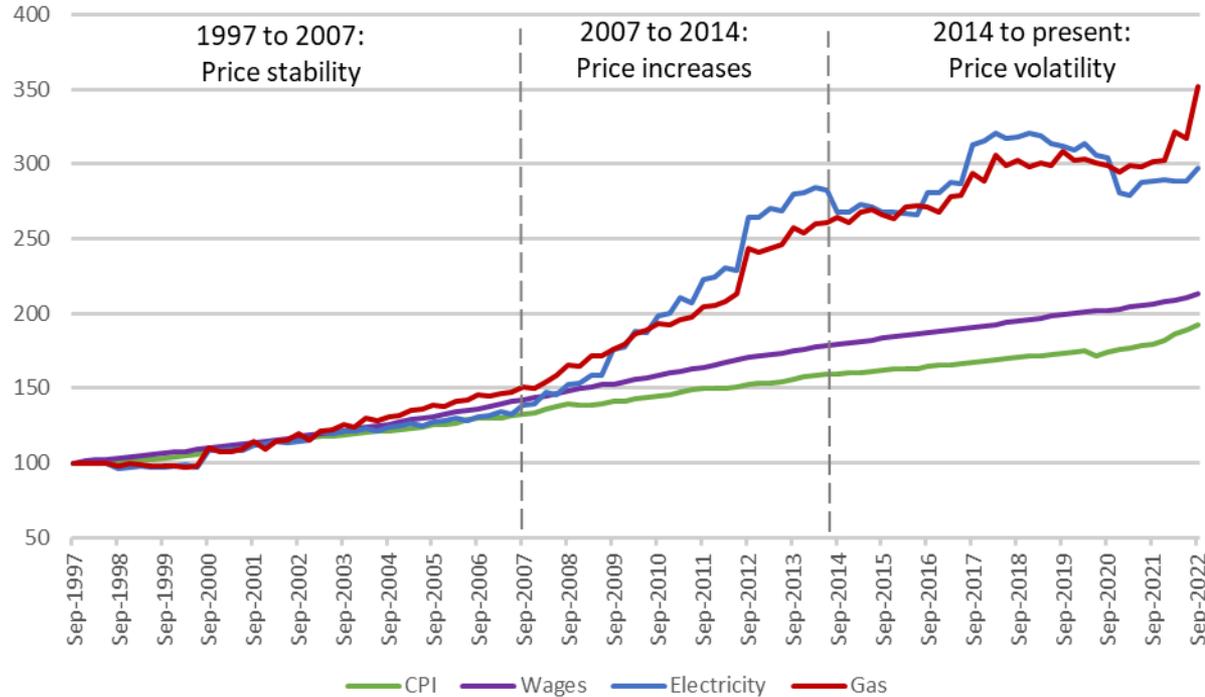
Affordability is consumers' top priority



63%

of households say having affordable energy prices for all Australians is an important consideration in the energy transition – almost twice as highly rated as any other issue.

Consumers are now experiencing high and volatile retail prices

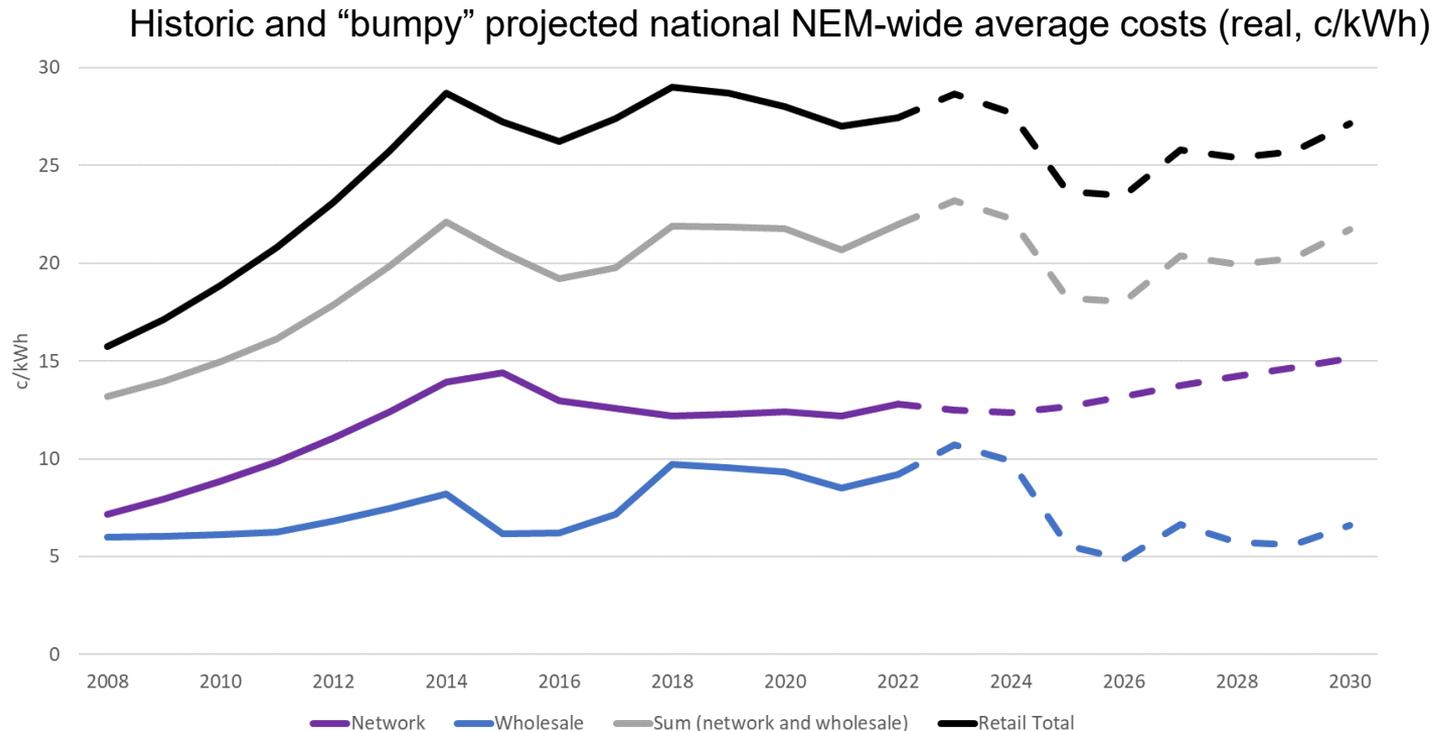


Note that there were 2 major reviews into retail markets

- *Bipartisan Review Into Electricity And Gas Retail Markets, November 2016 – August 2017 (Victorian Government)*
- *Retail Electricity Pricing Inquiry, March 2017 – July 2018 (ACCC)*

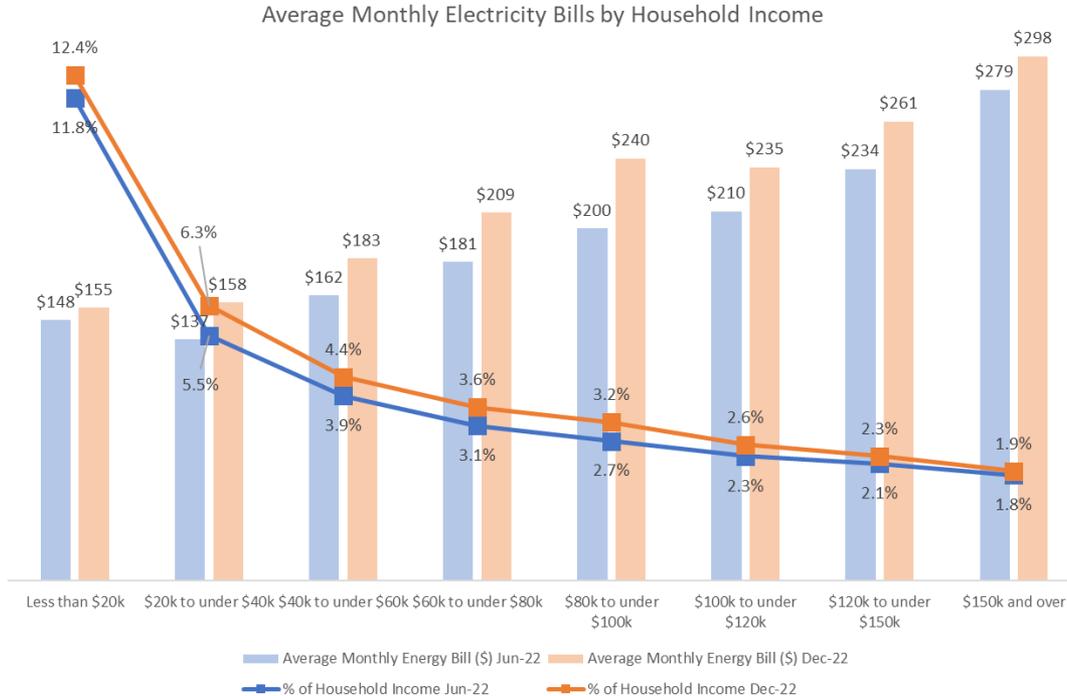
Source: Consumer Price Index (quarterly); Wages, ABS

Retail prices are historically high and likely to stay high



Source: 2008 to 2021 prices: ACCC, *Inquiry into the National Electricity Market - Nov 2021 report*, Dec 2021; 2022: AEMC, Residential Electricity Price trends 2021, Nov 2021; 2023 to 2030: Network costs: Dynamic Analysis 2022, Wholesale costs: Endgame Economics 2022; Environmental and Retail costs are held constant from 2022.

Rising prices don't impact all households equally

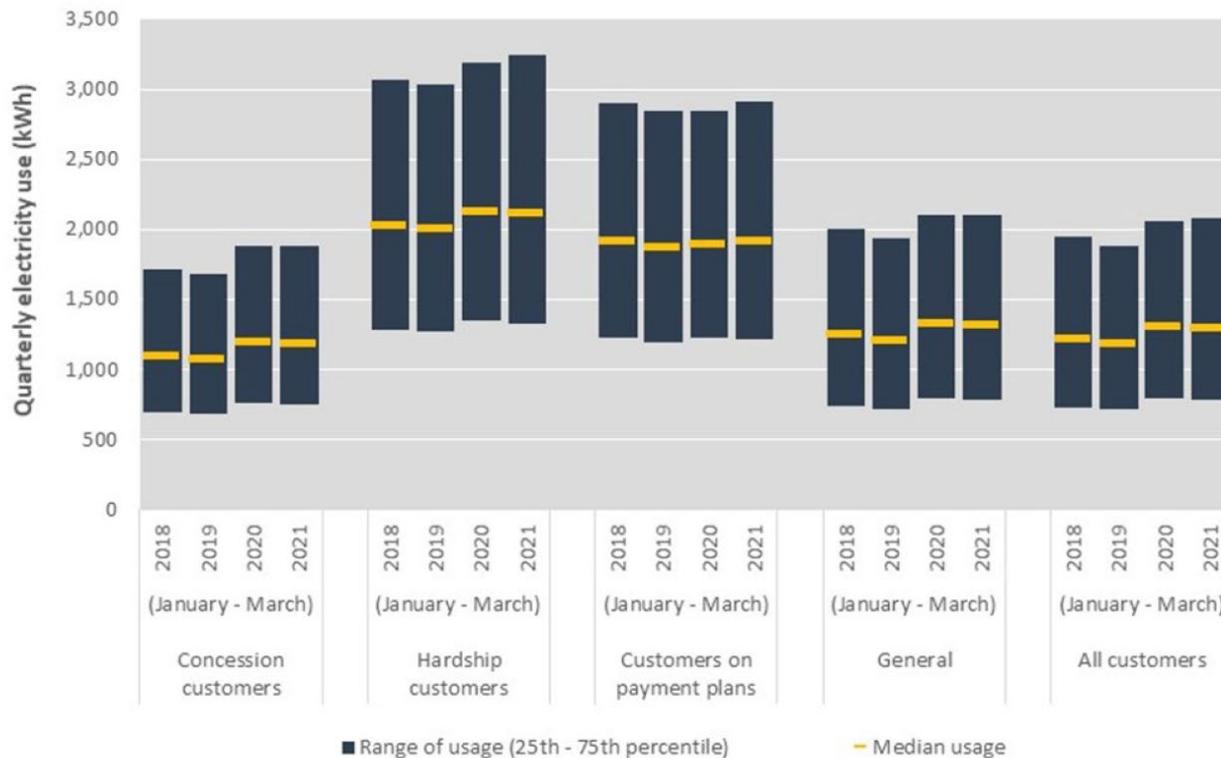


Source : Energy Consumer Sentiment Surveys, June and December findings

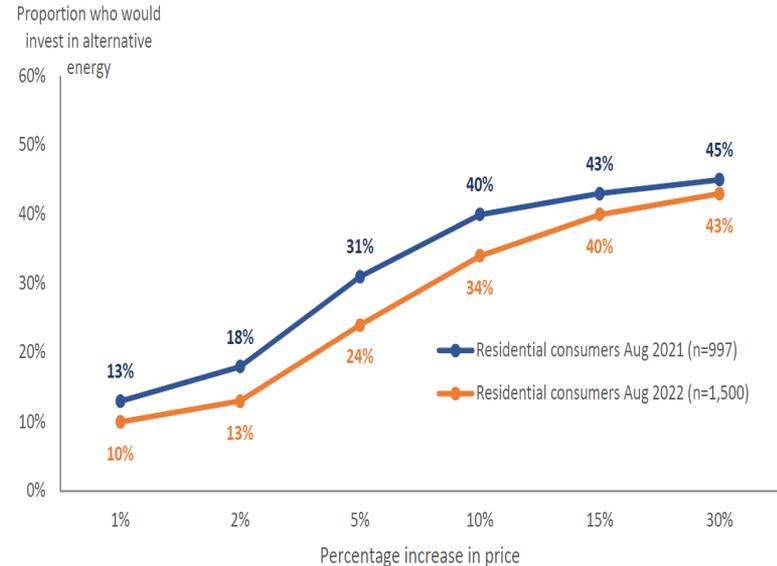
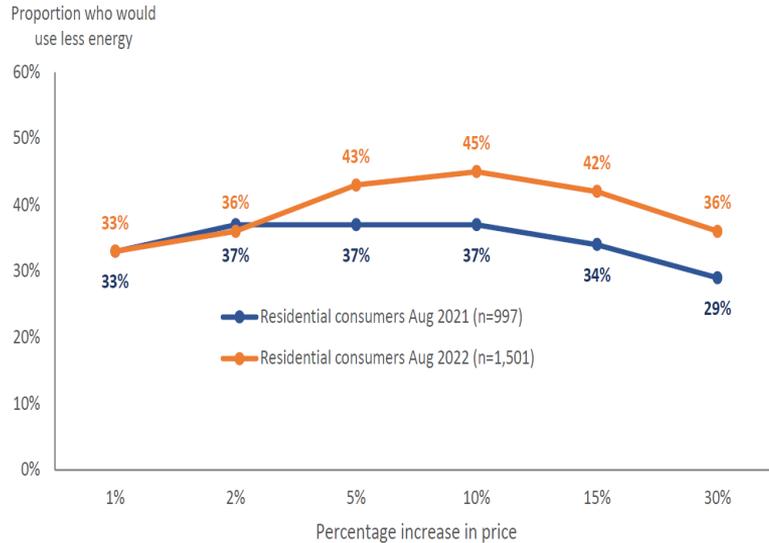
Those without the means, or the opportunity, to invest in electrification – solar systems, home batteries, smart appliances, electric vehicles, or switching from gas - or investing in energy efficient homes, will face a greater burden from rising retail electricity and gas prices.

- **30% of the housing stock are townhouses and apartments (2021 census)**
- **31% of Australians live in rental properties (26% of which are private rentals)**

Vulnerable households are at risk of proportionally higher bills, or rationing



Consumers say they are willing to take action, to lower bills, but can they?



Source: Consumer Reference Group on Inflation and Rate of Return, Consumer surveys 2021, 2022

Improving housing efficiency will lower bills and reduce emissions



Energy Efficient Housing Report, November 2022, launched by Assistant Minister for Climate Change and Energy, Senator Jenny McAllister

Research commissioned by Energy Consumers Australia and Renew and carried out by SEC Newgate finds strong support for a major boost to the quality and energy efficiency of Australian houses and apartments.

The research also makes clear that Australians are looking for help to understand what actions they can take to make their homes more comfortable and lower their energy bills.

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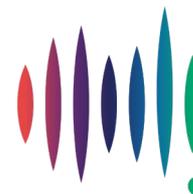


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