

## Media Release

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### Consumer confidence collapses in the wake of energy crisis

Consumer confidence and trust in Australia's energy system have sharply dropped following a tumultuous period of rising prices and blackout warnings that culminated in the suspension of the National Energy Market.

The June 2022 Report of the Energy Consumer Sentiment Survey (ECSS), released today by Energy Consumers Australia, is the nation's leading indicator of what Australian households and small businesses think and feel about energy prices and the energy system.

The survey has been run every six months since 2016.

"Because fieldwork for our usual report was carried out in April, before the current crisis, we decided to conduct an additional 'Pulse' survey update to capture what has happened to consumer confidence in recent weeks," Energy Consumers Australia Chief Executive Officer Lynne Gallagher said.

"While consumers were already growing concerned about affordability in April, we've seen a stunning collapse of confidence and trust since then. Australians are clearly unimpressed by the way our system is functioning and are deeply sceptical about whether things are going to get better any time soon."

The Pulse survey shows:

- Just 40% of Australians have confidence that the overall energy market is acting in their long-term interests, down from 46% in June 2021 and 44% in the June 2022 ECSS.
- 88% of Australians are highly concerned or somewhat concerned that energy will become unaffordable for them over the next three years, up 7% since the June ECSS.
- 94% of consumers are concerned that energy will become unaffordable for others during the next three years, up 3% since the June report.
- The percentage of Australians who say electricity represents positive value for money has fallen from 70% to 61% since June 2021.
- The percentage of Australians who say gas represents positive value for money has fallen from 72% to 63% since June 2021.

"Consumers have reacted angrily to the recent breakdown of the market and who can blame them?" Ms Gallagher said.

"These numbers should send strong warning signals to anyone who is working to advance our progress towards a net zero future energy system in which Australian homes and businesses are powered by clean, abundant, and affordable electricity.

"To get to that better future, we need consumers to be embracing new opportunities and responsibilities, investing in new technology, making changes to how and when they use some energy and making their energy resources available to help themselves, their neighbours and the system itself."

Ms Gallagher said it was clear that the scale of investment needed – whether that be consumer investment in rooftop solar, storage and batteries or larger scale generation, storage, or transmission assets – required social licence from the community.

“If we can’t show consumers that the system has their interests front of mind and is able to deliver on them then Australians will be increasingly tempted to disengage from the energy system and try to go their own way,” she said.

“We can’t afford for that to happen.”

The survey also shows that rising concerns are not limited to issues of affordability after a month where the Australian Energy Market Operator (AEMO) was repeatedly forced to issue warnings of possible blackouts as generators temporarily withdrew their availability because a price cap made it unprofitable to generate.

The Pulse survey finds 90% of consumers are highly concerned or moderately concerned that Australia’s energy system will not be sufficiently resilient in the next three years and that there will be more outages as a result.

“Australians are entitled at a minimum to feel confident that energy will be there for them when they need it,” Ms Gallagher said.

“We are seeing natural disasters, such as the floods in Queensland and New South Wales, as well as the more recent threats to supply that saw the NEM suspended, are eroding that confidence, and that’s bad for the whole community.

“We know that climate change means we are looking at a future where weather is more unstable and extreme weather events are more common. We need to make sure Australians have faith that we are building resilience in our communities and a system that can withstand such conditions.”

### **ECSS June 2022 Report Findings**

The ECSS June 2022 Report, also released today, shows consumer concern around affordability was already on the rise in April, as wholesale prices had been increasing for some time and putting pressure on retail prices.

- When asked which household expenses they were most concerned about, 57% of respondents ranked electricity bills as one of their top three. This was equal highest alongside car/vehicle costs (including petrol). These concerns ranked higher than groceries or mortgage/rent payments.
- Asked to choose from a list of the most important issues for the future energy system, 63% selected affordable energy for all Australians, up 7% from a year ago.

### **Electric Vehicle Uptake**

Australia trails other industrialised nations in the adoption of Electric Vehicles and the ECSS June Report reveals the extent to which consumers are yet to fully grapple with a near-future in which EVs dominate our transport and mobility.

- Only 36% of household consumers thought they would buy an EV at some point in the future, 31% said they would not buy an EV in the future and 32% were not sure. Small business consumers were more bullish, with 50% expecting to buy an EV in future.
- Just 1% of household respondents said they already owned an electric vehicle.
- The high cost of existing models was the leading reason consumers gave for not having purchased an EV (59%), 41% nominated concern about the number of charging stations and 26% nominated an inability to charge at home.
- 45% of household consumers said governments should spend taxpayer dollars on EV infrastructure while 55% said private industry should fund infrastructure and offer charging as a product.

“Electric Vehicles aren’t the entire solution to reducing the emissions footprint of households and small businesses, but they clearly have a huge part to play,” said Ms Gallagher.

“It’s not fair to ask consumers to do all the heavy lifting. We’ve been encouraged to see more action from governments recently when it comes to subsidising the cost of EVs and investing in charging infrastructure for convenience, but we think there is scope to go much further.

“If we can not only adopt EVs across our community but also encourage people to charge them during the day when solar electricity will be plentiful and cheap, we will have a clean source of transportation and also a better-balanced, and therefore more reliable, energy grid.”

You can access our [ECSS Microsite](#) for the full data set and get results segmented by state, life stage, home ownership status and financial status.

**About Energy Consumers Australia**

Energy Consumers Australia is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard by the sector by working with other consumer groups to gather evidence-based research with a national perspective, distil it to key viewpoints, and feed it back to the market to influence outcomes.

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