

Media Release

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Energy costs bite as consumer confidence falls

Australian consumers are increasingly worried about being able to afford the rising cost of energy, with the proportion of households and small businesses concerned about being able to pay their electricity bills rising to above 50 per cent.

The June 2023 Energy Consumer Sentiment Survey (ECSS), released today by Energy Consumers Australia, reveals that 52 per cent of households are more concerned about paying their electricity bill. For small businesses, that figure has jumped from 48 per cent to 59 per cent.

Energy Consumers Australia Interim Chief Executive Officer Jacqueline Crawshaw said the results of the survey were reflective of a decrease in consumer confidence in the market over the past 12 months.

“High inflation has sent the cost-of-living soaring and many Australian households are clearly feeling the pinch,” Ms Crawshaw said.

“Consumers are also aware that there is more pain on the horizon with energy prices set to rise between 20 to 30 per cent across the country.

“Consumer confidence has been falling for some time and the results of the latest Energy Consumer Sentiment Survey tell us that much more needs to be done to empower consumers and restore confidence that the market is working in their interests.”

The leading survey, which canvassed the views of more than 2200 households and 500 small businesses nationwide, found that consumers have become increasingly concerned about future energy market outcomes, with lower confidence in external factors, such as the benefits of technology and future energy reliability.

Less than half of households surveyed (41 per cent) felt confident that technological advances over the next five years would help them to better manage energy supply and costs, down from 52 per cent a year ago.

Ms Crawshaw said restoring consumer confidence in the market should be a priority for governments, retailers, and market bodies.

“The energy bill relief measures announced in the recent Federal Budget will go some way to easing the pressure on eligible households, but a key to restoring consumer confidence is to ensure people have a sense of control over their energy use and ability to bring their bills down,” she said.

Ms Crawshaw said the survey also highlighted that there was room for improvement in the way that the impacts of the energy transition were communicated to consumers.

“Consumers were asked whether they believed governments, energy retailers and other energy bodies had communicated clearly how the transition will impact them and only a minority believed they had successfully done so,” she said.

“However, in instances where consumers did feel that they had received clear information about the impacts of the energy transition, they were far more likely to believe it would lead to cheaper electricity prices.

“There is a need for clear and concise communications that empower consumers with the right information to navigate the transition, including current challenges such as rising energy bills.”

The 2023 ECSS also found:

- Perceptions of “value for money” have fallen among residential consumers, with just 59 per cent of respondents feeling they received value for money in regard to electricity (down from 67 per cent a year ago) and 63 per cent feeling the same about their gas and (down from 70 per cent a year ago).
- Confidence in the market dropped 9 percentage points to 35 per cent among residential consumers.
- Despite declining market confidence and affordability concerns, satisfaction with provision of electricity services remained high at 83 per cent for residential consumers. Satisfaction with gas services was similarly high.
- Satisfaction with communication from retailers around assistance to manage gas bills fell seven percentage points to 60 per cent.
- Only one-in-five residential consumers felt that groups such as governments, retailers, and the media had communicated clearly how the transition will impact them.

The ECSS is the nation’s leading indicator of what Australian households and small businesses think and feel about energy prices and the energy system. It has been conducted every six months since 2016.

Ms Crawshaw said the survey results confirmed that rising energy costs and affordability were front of mind for many households, with many consumers concerned about the impact of the transition on their bills.

“We want consumers to be confident about the role they have to play in the energy market.” she said.

“They must also feel that the energy system has their interests front of mind if we want them to be actively engaged in the transition to net zero.”

The June 2023 Energy Consumer Sentiment Survey (ECSS) is available here:
<https://ecss.energyconsumersaustralia.com.au/sentiment-survey-june-2023/>

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.

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