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 teal circle in the center containing the main title.

Energy Consumer Sentiment Survey Findings

Tasmania

July 2016

Energy
Consumers
Australia

Energy Consumer Sentiment Survey, July 2016

Tasmania

Energy Consumer 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. This is the first ever national survey and will be undertaken every six months. The survey will track changes in sentiment over time and detect patterns which can inform energy market and policy development in the long term interests of consumers.

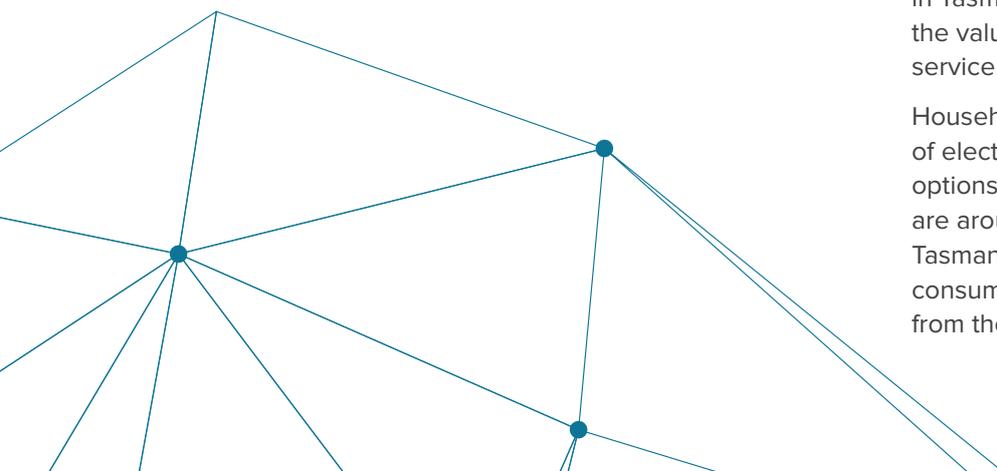
Consumer satisfaction in Tasmania

Consumers are telling us that overall they are satisfied with energy services. Households report the lowest levels of satisfaction with energy services in Tasmania compared with all other states and territories, with 64 per cent rating services 7 out of 10 or higher (a positive rating).

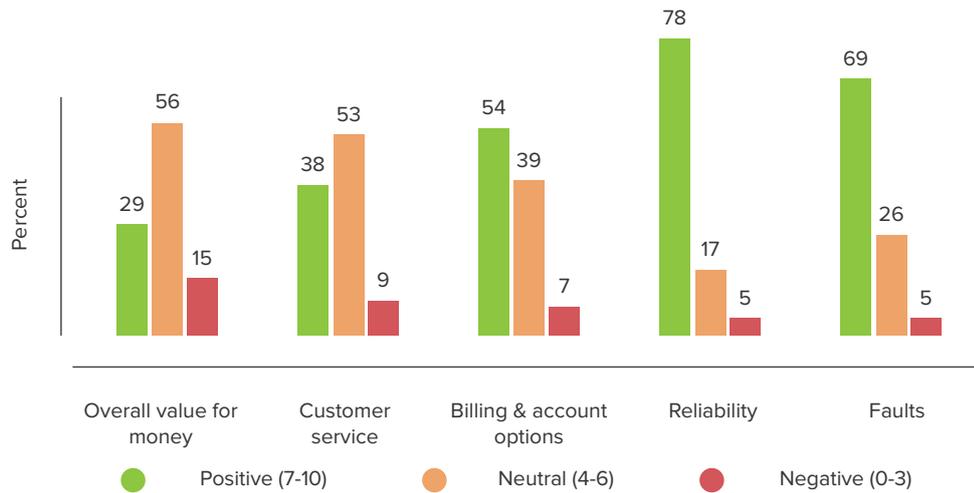
Value for money

Tasmanian households are least satisfied of any state or territory with the value for money they receive for electricity services. Only 29 per cent of households positively rated the value for money of their electricity service, compared with Victoria which had the highest proportion of households with a positive rating (52 per cent). This means that an overwhelming majority of all households in Tasmania are neutral or dissatisfied with the value for money of their electricity service.

Household satisfaction with the reliability of electricity services, billing and account options and the way faults are dealt with are around the national average. However, Tasmanian households are the least satisfied consumers in Australia for customer service from their electricity provider.



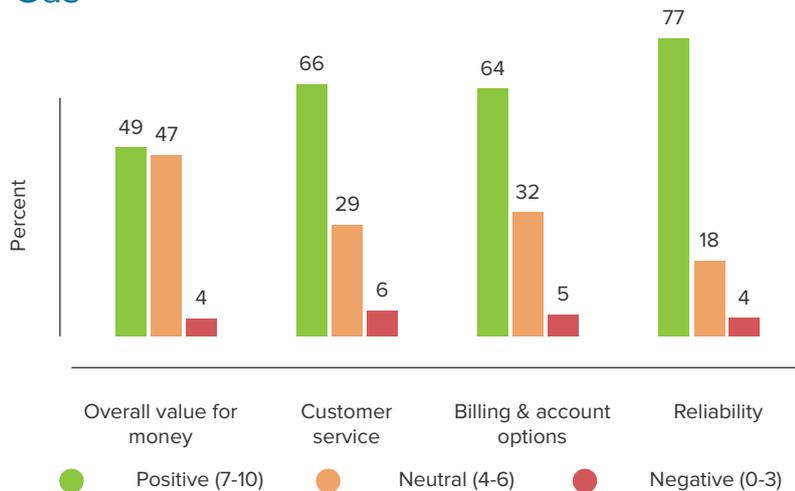
Electricity



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

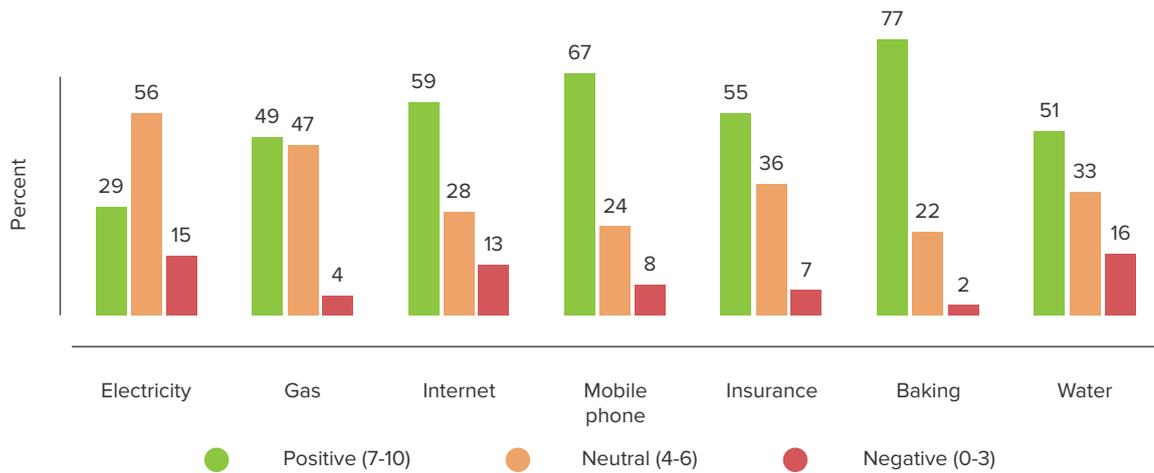
As with all other states, Tasmanian households are substantially more satisfied with their gas services than electricity services giving reasonably positive ratings for all attributes.

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 Tasmania are telling us that the value for money of electricity services is significantly less than for their banking, water, mobile phone, insurance and internet 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'*

Net Promoter Scores

Consumers are unlikely to recommend their current electricity retailer to a friend or colleague, as measured by the Net Promoter Scores (NPS) (the difference between advocates and detractors). Only 14 per cent of households said they would recommend their electricity retailer to a friend or colleague, whereas 52 per cent were 'detractors' and unlikely to recommend their retailer. This means Tasmania's electricity services NPS is -38, which is the worst rating of all states and territories.

The NPS for households for their gas services is higher than for electricity services.

Competition

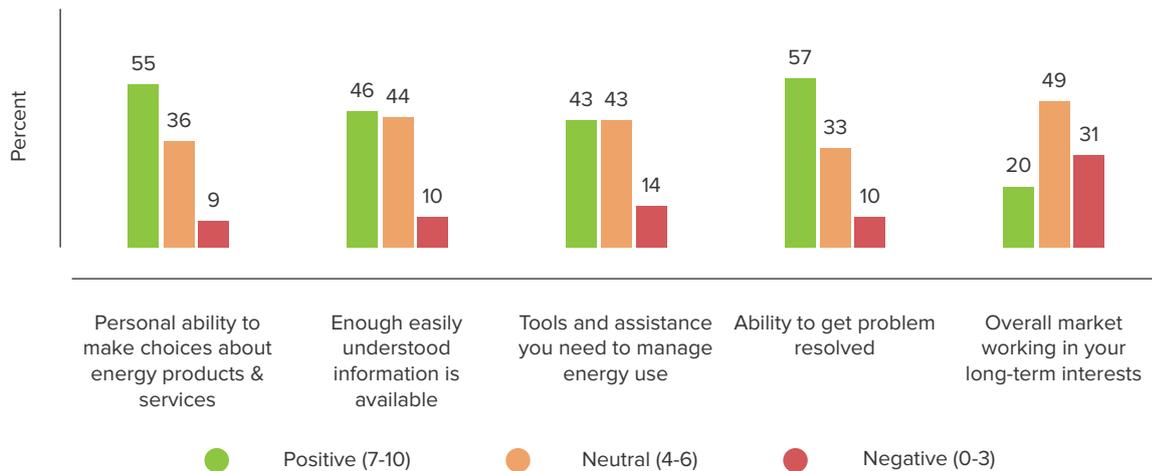
There is a single electricity retailer and two gas retailers in the Tasmanian market. The Australian Energy Market Commission has found that competition is not effective in this market. It is no surprise that Tasmanian households are the least satisfied with the levels of competition in their state by a wide margin with only 16 per cent providing a positive rating.



Consumer confidence in Tasmania

Consumers in Tasmania are less confident than their counterparts in other states and territories in making choices about energy products and services. Most households believe there is not enough easily understood information available about energy services, and that the tools and assistance they need to manage their energy use are not available.

Tasmanian households are also the least confident nationally that the overall market is working in their interests, and very few (14 per cent) are confident that they will see better value for money outcomes in the future.



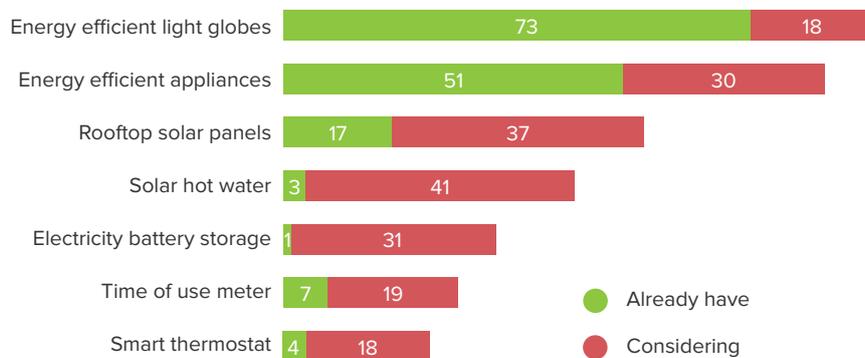
How would you rate the [attribute]? 0-10 scale, 0 = 'very poor', 10 = 'excellent'



Consumer activity in Tasmania

Uptake of energy management technologies

Consumers are looking to energy management technologies to manage their electricity costs. Most households in Tasmania have invested in energy efficient lighting or energy efficient appliances. Half of households in Tasmania either have purchased solar panels or intend to do so in the next 5 years. Slightly less than one third of households say they are considering purchasing electricity battery storage.



Have you looked into switching energy companies or energy plans in the last 3 years?

1% YES and I switched

10% YES and I didn't switch

90% NO and I didn't look into it

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

Without a choice of retailer, Tasmanian households are limited to choosing from among the retail offers provided by Aurora Energy. Unsurprisingly a very low proportion of households have considered switching energy plans in the past three years (10 per cent), with only 1 per cent saying they decided to switch. Consumers understand that they have no real alternatives (70 per cent) given the current state of the market, while only 4 per cent said they were happy with the deal they are currently on. Most do not expect change in the future with only 5 per cent planning to switch to get a better deal in the future.

Energy Consumers Australia

What's next?

Energy Consumers Australia will next report on energy consumer sentiment in late 2016.

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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