

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, solid teal circle in the center containing the main title.

Energy Consumer Sentiment Survey Findings

Victoria

July 2016

Energy
Consumers
Australia

Energy Consumer Sentiment Survey, July 2016

Victoria

Energy Consumer Australia tracks consumer and small business sentiment to inform energy market and policy development.

Background

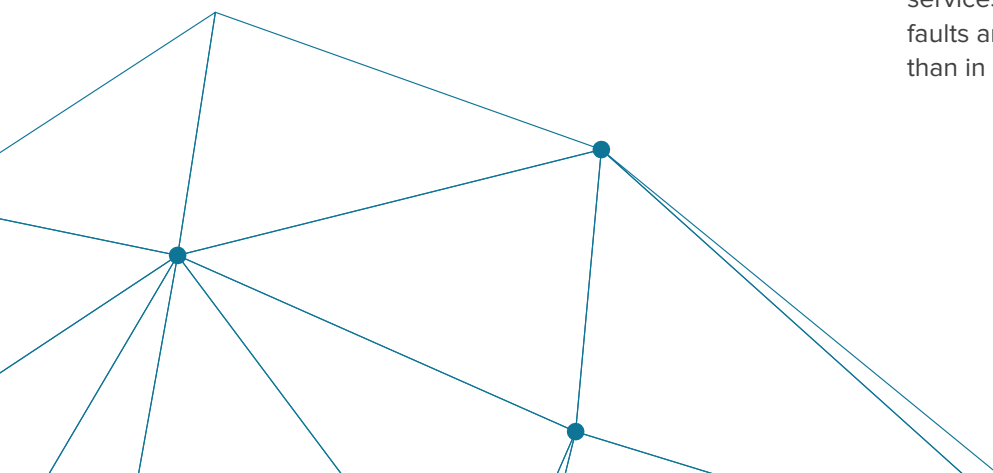
The Energy Consumer Sentiment Survey is a long term project for Energy Consumers Australia. It is designed to provide information on household and small business consumer sentiment with a focus on three key areas of satisfaction, confidence and activity. This is the first ever national survey and will 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 Victoria

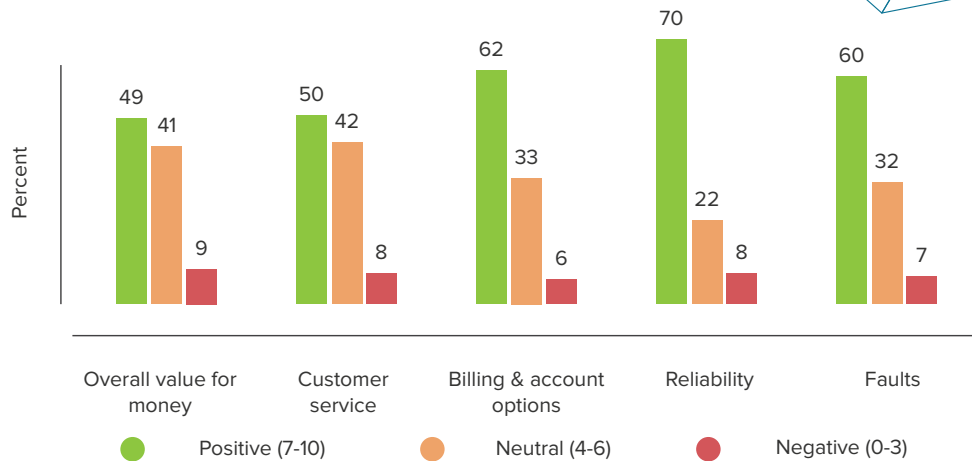
Consumers are telling us that overall they are satisfied with energy services. Households report relatively high levels of satisfaction with energy services in Victoria with 66 per cent rating services 7 out of 10 or higher (a positive rating).

Value for money

Households in Victoria rate their satisfaction with the value for money of their electricity service more highly than the national average, with only slightly less than half of all households rating value for money positively. This means that around half of all households in Victoria are neutral or dissatisfied with the value for money of their electricity service. Household consumer satisfaction with reliability of electricity services (70 per cent) and with the way faults are dealt with (60 per cent) is lower than in many other states.



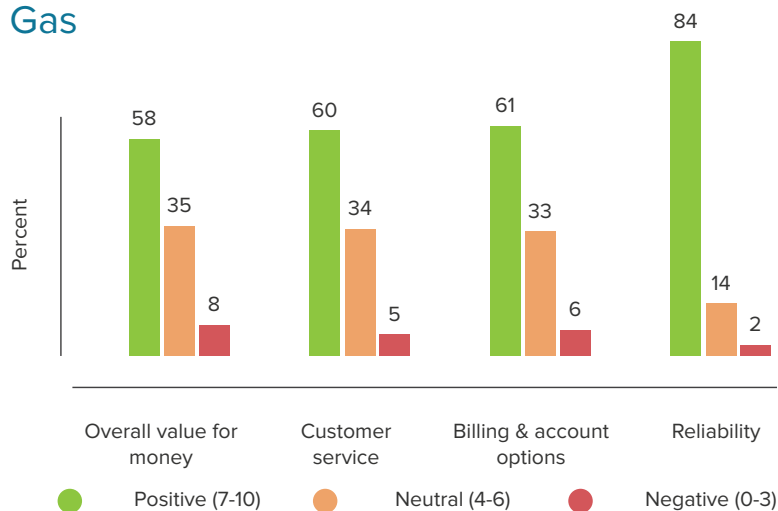
Electricity



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

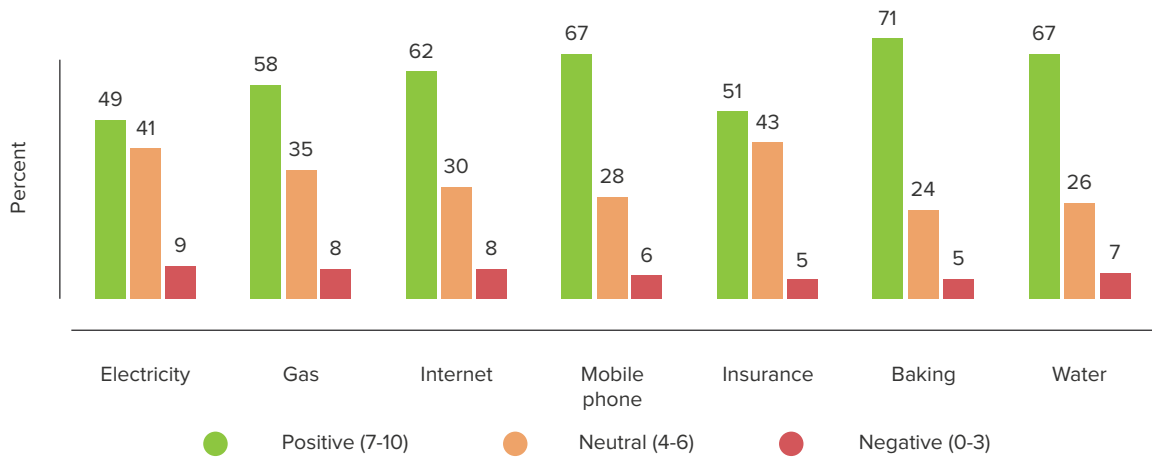
Victorian households are more satisfied with their gas services than electricity services across all measures. The exception is on billing and account options, where Victoria is behind most other states and territories.

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 Victoria 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 19 per cent of households in Victoria said they would recommend their electricity retailer to a friend or colleague, whereas 42 per cent of consumers were 'detractors' of their electricity retailer and unlikely to recommend their retailer. That means the Victorian electricity services NPS is -23, which is the lowest negative score of all states and territories.

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

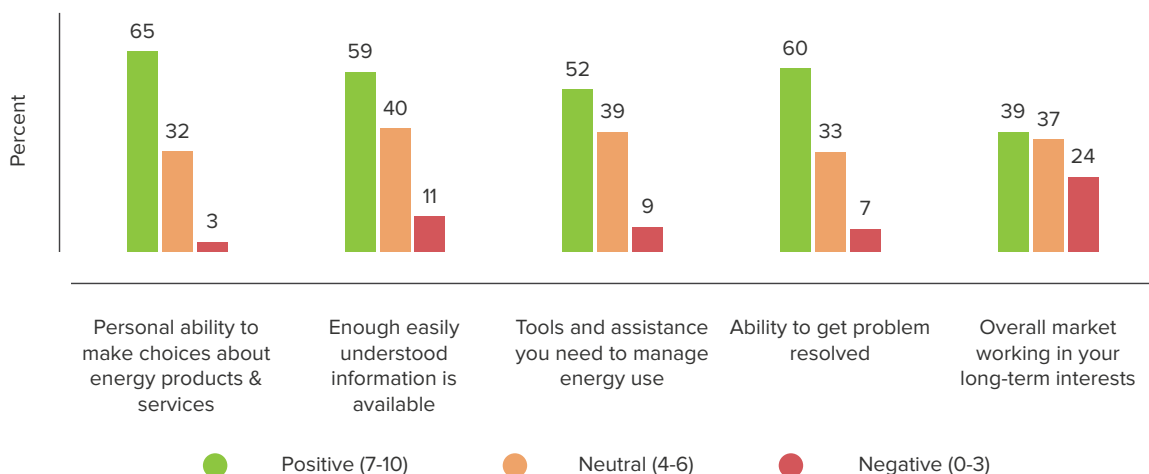
Competition

Victorian households are the most likely to be satisfied with the levels of competition in their state (52 per cent) while only 7 per cent are dissatisfied.



Consumer confidence in Victoria

Victorian households are confident in their ability to make choices about energy products and services and compared with other states and territories, are quite confident that the information is available to assist them make good decisions.



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

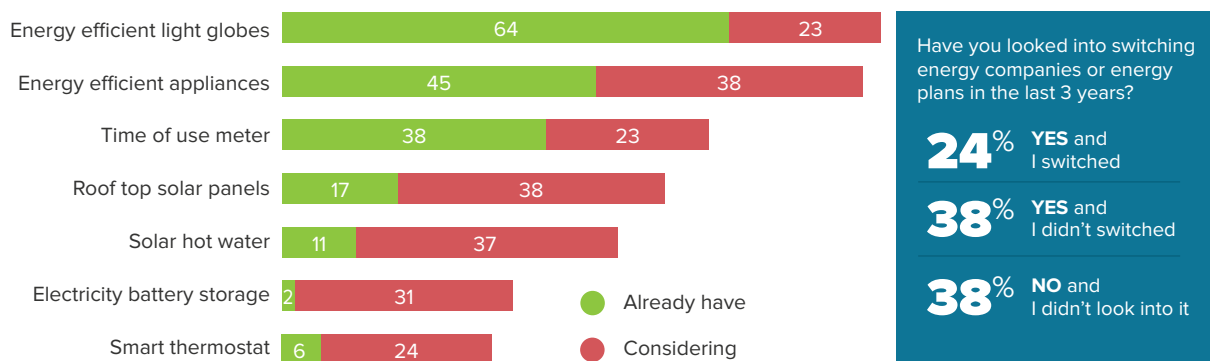
Despite this confidence in making energy choices, households in Victoria are not confident that the market is working in their interests. Only 39 per cent of household consumers in Victoria say the market is working in their interests and only 29 per cent were confident the energy market would provide better value for money in the future. There was however, a relatively high degree of confidence in the prospect of future technology advances to manage energy and supply costs (54 per cent).



Consumer activity in Victoria

Uptake of energy management technologies

Consumers are looking to energy management technologies to manage their electricity costs. Most households in Victoria have invested in energy efficient lighting or energy efficient appliances. More than half of households in Victoria have either purchased solar panels (17 per cent) or intend to do so in the next 5 years (38 per cent). One third of households 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?

Households in Victoria appear to have a low awareness that they have a time of use (or smart meter).

Switching energy providers or plans

Victorian households are the most likely of all states and territories to say they have considered switching energy providers in the past three years (62 per cent), with 24 per cent deciding to switch – the highest in the country. The main reason identified for considering switching was dissatisfaction with value for money of the current deal (42 per cent), or that the consumer found a better deal (28 per cent).

Of those households who looked at their options, only 5 per cent ended up less satisfied, while 41 per cent end up more satisfied – much higher than the percentage which actually switched. This suggests a fairly strong relationship between households that investigated their options and satisfaction levels. When this was tested in qualitative research, many consumers told us that while they may not have switched, this was because their existing retailer incentivised them to stay (e.g. by matching the competitor's offer).

For those who did not consider switching, many were happy with the deal they are currently on (27 per cent). There were also a significant number who either felt the barrier was too high (28 per cent) or that there were no real alternatives (23 per cent).

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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