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

Western Australia

December 2016

Energy
Consumers
Australia

Energy Consumer Sentiment Survey, December 2016

Western Australia

Energy Consumers 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. As the survey will be undertaken every six months, it will track changes in sentiment over time and detect trends which can inform energy market and policy development in the long term interests of consumers.

This is the second national survey. It took place between 25 August 2016 and 5 September 2016.

Households and small businesses in the Western Australian market are usually supplied by Synergy and pay electricity prices regulated by the Western Australian Government. As the Western Australian retail gas market became fully contestable in 2004, gas companies can compete in the marketplace for all gas customers, including residential customers.

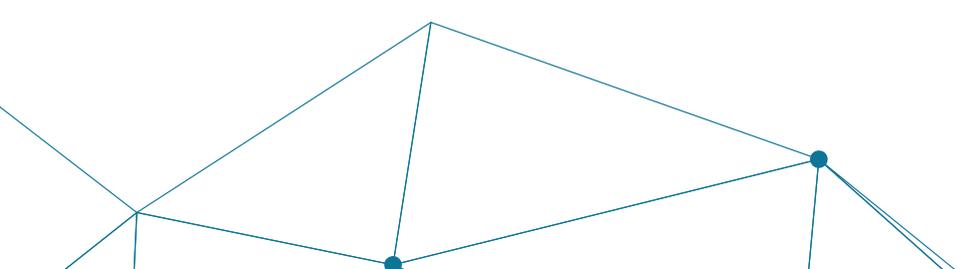
Unless otherwise indicated, comparisons of results are to the previous survey.

Consumer satisfaction in Western Australia

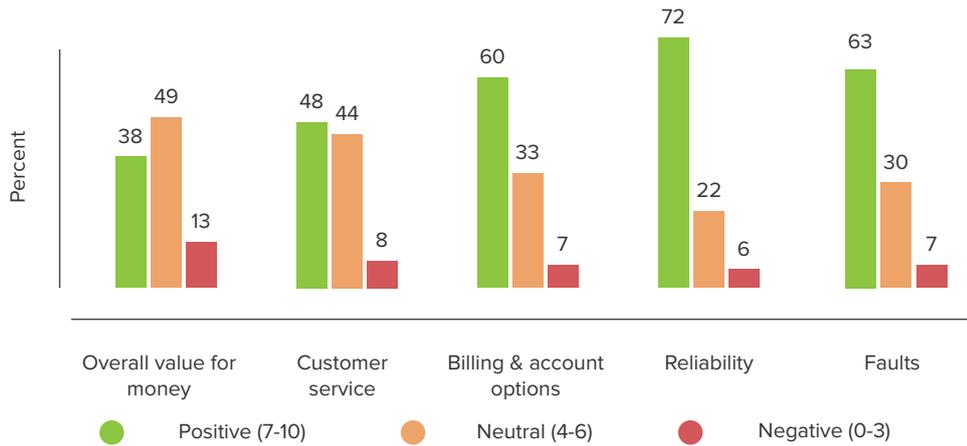
Consumers are telling us that overall they are satisfied with energy services. Households in Western Australia report high levels of satisfaction with energy services, with 67 per cent rating services 7 out of 10 or higher (a positive rating), although this is down 6 per cent on the previous survey.

Less than half of households in Western Australia rate their satisfaction with the value for money of electricity positively (38 per cent, down 6 per cent from the previous survey).

Household satisfaction with reliability of electricity services, billing and customer service are all down compared with the previous survey (by 6 per cent, 6 per cent and 4 per cent respectively).



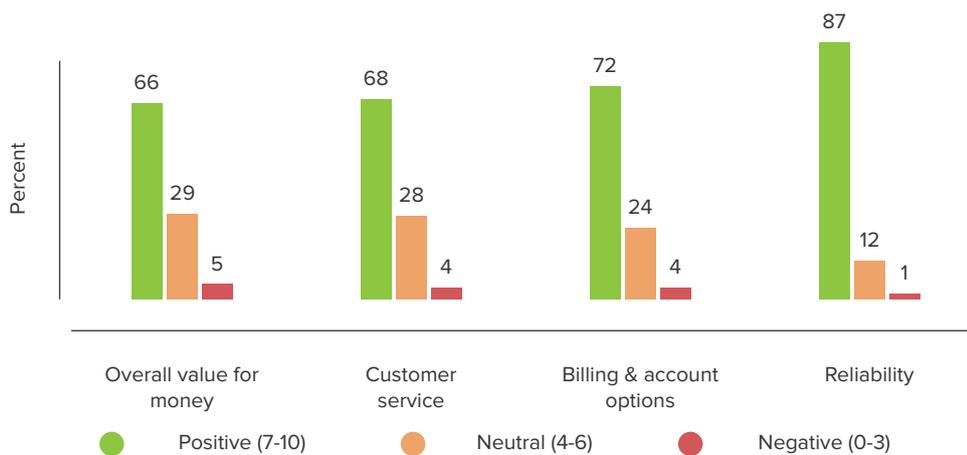
Electricity



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

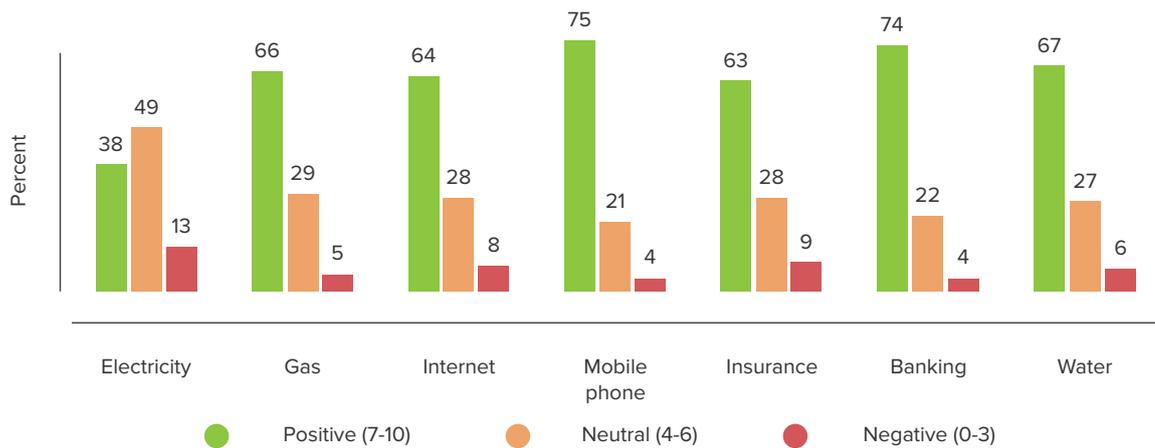
Western Australian households are generally more satisfied with their gas services than their electricity services. Compared to the previous survey, satisfaction with the value for money and billing of gas services is unchanged, while satisfaction with reliability and customer service fell by 4 per cent and 3 per cent respectively.

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 Western Australia are telling us that the value for money of electricity services is significantly less than for their mobile phone, banking, water, internet and insurance services. Households rank the value for money of their gas services ahead of their internet, insurance and electricity 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'

Recommending retailers to others

Slightly more than half of households in Western Australia (51 per cent) are likely to recommend their current electricity retailer to a friend or colleague. This is largely unchanged from the previous survey. A significantly higher proportion of households (76 per cent, up 7 per cent) rank their current gas retailer positively, which is the highest of any state or territory.

Competition

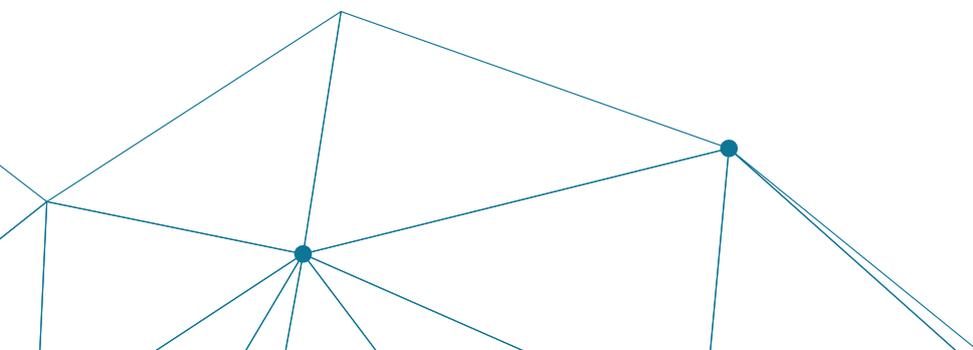
Consumer satisfaction with the level of competition varies significantly between jurisdictions, with the difference aligning with nature of their retail markets.

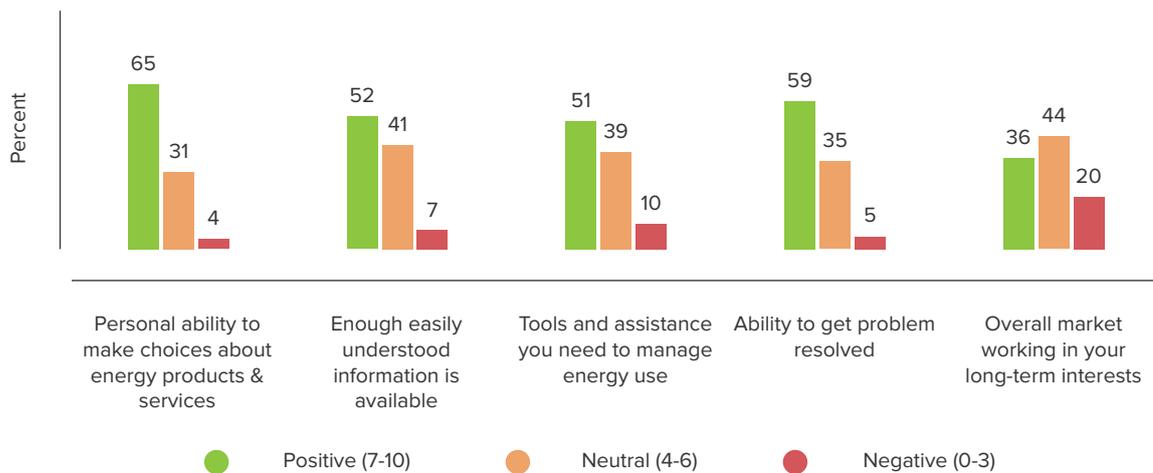
In Western Australia, the retail electricity market is yet to be made contestable although the retail gas market has been contestable since 2008. Overall 28 per cent of households are positive about the level of competition. This down 2 per cent from the previous survey. This compares with a satisfaction rating in Victoria of 56 per cent (up 4 per cent), the highest nationally.



Consumer confidence in Western Australia

Consumers tell us that they are confident in their own abilities to choose the energy products and services that are right for them (65 per cent, up 3 per cent from the previous survey). They are less confident that the information is available to assist them to make good decisions (52 per cent, unchanged from the previous survey), or that the necessary tools and assistance are available to help them manage their use (51 per cent, down 3 per cent from the previous survey).





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

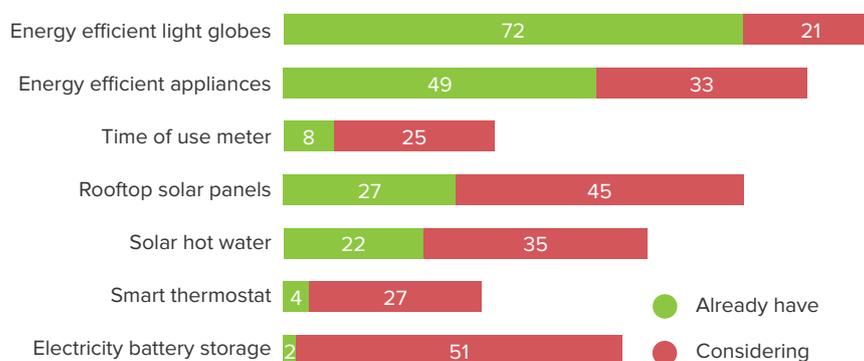
Overall 36 per cent of households in Western Australia say that the market is working in their interests (up 3 per cent from the previous survey), and 24 per cent (unchanged) are confident that the energy market will provide better value for money in the future. Overall 53 per cent (up 3 per cent from the previous survey) are confident that the reliability will improve in the next five years. Western Australian households also have a high degree of confidence (52 per cent, largely unchanged) in the prospect of future technological advances to manage energy and supply costs.



Consumer activity in Western Australia

Uptake of energy management technologies

Consumers are looking to energy management technologies to manage their electricity costs. A significant majority of households in Western Australia have invested in energy efficient lighting, while around half have invested in energy efficient appliances. Almost three-quarters of households in Western Australia say they have either purchased solar panels or intend to do so in the next 5 years (the highest level nationally). Western Australians households are the most likely nationally to be considering electricity battery storage as an energy management solution (51 per cent).



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?

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

10% YES and I switched

27% YES and I didn't switched

63% NO and I didn't look into it

Switching energy providers or plans

The lack of effective competition in the Western Australian electricity market is reflected in the proportion of households that have considered switching energy providers or plans in the past three years (37 per cent, largely unchanged from the previous survey), and the low proportion that have made a decision to switch (10 per cent). For those that did look at switching, the primary reasons are dissatisfaction with the value for money (39 per cent, up 2 per cent) and finding a better deal (28 per cent, down 3 per cent).

The proportion of households in Western Australia that did not consider switching in the last three years (63 per cent) compares with 56 per cent of households in the Australian Capital Territory and 86 per cent in Tasmania.

Consumers in Western Australia that did not consider switching energy providers or plans say that the reasons are that there are no alternatives or it made no difference (56 per cent, up 7 per cent on the previous survey). A further 8 per cent say that barriers are too high (down 4 per cent from the previous survey).

Energy Consumers Australia

What's next?

Energy Consumers Australia will next report on energy consumer sentiment in June 2017.

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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