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Media Release

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Energy consumers feeling the pinch of bill stress

Australia's largest survey of energy consumers was released today, with many consumers reporting energy bill stress in the context of the COVID-19 pandemic.

Around 1 in 5 household consumers report having asked their energy company for help with their bills, or expect to do so, since the pandemic began in Australia. Small businesses report an even higher level of bill stress with more than 50% saying they contacted their retailer for help or expected to do so in the near future.

Energy Consumers Australia CEO Lynne Gallagher said both households and small businesses were struggling under the weight of cost of living pressures during the pandemic.

"While there have been some positive economic numbers released lately, many families and small businesses are still struggling to balance the budget," said Ms Gallagher.

"About one in three small businesses have already sought help from their energy retailer but a further 18% say they are expecting to do so in the near future.

"Perhaps the biggest concern from this survey is that too many of these consumers say they're not getting the help they need – of those households who have reached out for help 41% say they didn't receive useful help from their energy retailer.

"We're looking to energy retailers to step up their game, both in terms of how they're responding to consumer requests for bill relief, but also in actively promoting the help that's available."

"If you're not in a position to pay your bill, your energy company is obliged to offer options like payment plans and deferral of energy costs which has been made clear by the Regulator.

"The AER's Statement of Expectations is explicit that if you're under financial stress, a payment plan or hardship arrangement must be made available, including the option of a period in which no payment will be made."

Ms Gallagher said the survey also has positive findings, with satisfaction with the value for money of electricity services continuing to increase, a trend seen over the past three years.

"People in the survey still say that electricity is behind all comparable services like gas and water in terms of value for money, but the numbers are up to 57% of households satisfied with the value they receive, and 60% for small businesses – the strongest result since the survey began in 2016."

"We want to see those numbers continuing to improve and if we continue to see wholesale and network prices coming down, combined with more competition, this can only lead to further bill reductions for consumers in the coming 6-12 months.

"Ultimately, we want to see further progress toward the ACCC's target of 20-25 per cent price cuts, after a decade of price increases saw electricity become unaffordable for too many people."

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Key findings:

- 57% of household consumers now say they are satisfied with the value for money of their electricity supply, up 4% in the past year and up 22% since December 2017.
- 60% of small business consumers are satisfied with the value for money of electricity, up 4% in the past year and up 16% since December 2017.
- 38% of household consumers are confident the energy market was working in their interests, up from 21% in December 2017
- Confidence that the market is working in consumers' interests is up to 45% among small business consumers, up from 38% since December 2017.
- 78% of household are satisfied with the reliability of their electricity supply, up 8% since December 2017.
- 68% of small businesses are satisfied with their electricity supply, up 5% since December 2017.
- The proportion of household consumer saying they have sought help since the pandemic is 15% with 6% saying they have not received useful help. A further 10% of household consumers say they expect to seek help from the energy company in the future.
- 36% of household consumers said they had received useful communications from their energy company since the pandemic began.
- The proportion of small business consumer saying they have sought help since the pandemic is 35% with 18% (more than half of these) saying they have not received useful help. A further 18% say they expect to seek help from the energy company in the future.
- 49% of business consumers said they had received useful communications from their energy company since the pandemic began.