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Media Release

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Energy costs improving but still the top cost of living concern in COVID-19 crisis

Energy Consumers Australia today released new research showing green shoots of improvement in consumer sentiment following a period of flat or lower energy prices.

But the study also shows anxiety about energy bills with the combined impact of working from home, social isolation and winter energy spikes, as well as concern about a lack of effective communications by energy companies on hardship support in the current crisis.

The Energy Consumer Sentiment Survey is the flagship biannual study of energy consumer attitudes and a key part of Energy Consumers Australia's research program. It shows more than 50% of people are satisfied with the value of the electricity service for the first time since the survey started in 2016.

But in a Supplementary COVID-19 study, half of all consumers who had reached out for support from their energy company report not getting useful help.

CEO Lynne Gallagher was cautiously optimistic about the improvement of overall sentiment but said more effort was needed to meet consumer needs and expectations in the current crisis.

"With prices fairly flat in the past 12 months, we're seeing some improvement but it's just a start and the reality is that electricity is still ranked behind every other comparable service on the question of value for money, including mobile phones, internet, gas and banking," Ms Gallagher said.

"People's other concern in this survey is how energy companies are responding to the COVID-19 crisis, particularly how hardship support is being communicated to customers.

"Most households cannot remember the last time their retailer sent information to them at all. Around half of those that did recall, did not rate the information as 'useful' and over a third found the information 'hard to understand'.

"If people can't even understand the information being sent to them, that is a problem at the moment given how desperately many Australians need support in managing their bills."

The supplementary research on COVID-19 showed anxiety about winter energy bills and a lack of responsiveness by retailers to consumer hardship.

"Almost half (49%) are feeling less able to pay their energy bill than before the crisis and 67% are expecting a higher electricity bill with the impact of social isolation and working from home.

"This meant electricity bills were the top cost of living issue for consumers, ahead of housing costs and groceries with 73% rating electricity one of their top-3 concerns."

"With 20% of consumers already having requested financial assistance to pay their electricity bill, half of these say they did not receive useful help in response.

"People should not be turned away from support at the moment – if they register financial difficulty in the current crisis, their retailer should be stepping up to help them," Ms Gallagher said.

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