

Regional Listening Tour

Your Voice Heard

April – June 2016



Energy
Consumers
Australia

Table of Contents

INTRODUCTION	4
WHAT ENERGY CONSUMERS SAID	5
VICTORIA	14
Bendigo	15
Warrnambool	16
Traralgon	18
NEW SOUTH WALES	20
Wagga Wagga	21
Tamworth	22
Mullumbimby	24
QUEENSLAND	25
Cairns	26
Ipswich	27
TASMANIA	29
Launceston	30
Hobart	31
SOUTH AUSTRALIA	33
Berri	34
Mt Gambier	35

Introduction

Energy Consumers Australia's mission is to promote the long-term interests of energy consumers. We make sure that the voices of residential and small business energy consumers are heard by the people who govern the energy market.

To do that, we generate and rely on evidence and dialogue with consumers. Our extensive research program includes regular surveys of household and small business consumers, and we undertake a major national grants program for advocacy and innovative research in the energy sector.

The many and varied voices of regional Australia are an important part of our emerging evidence base. With that in mind, we embarked on our first Regional Listening Tour in April, May and June 2016. Over a cup of tea, at 12 regional locations across Queensland, New South Wales, Victoria, South Australia and Tasmania, residential and small business energy consumers shared their views and issues.



Well over a hundred residential or small business energy consumers attended these forums. Many were typical energy consumers, in that energy was not of particular interest to them except as an item in their household or business budget. Other participants were very interested in energy and its many economic, social and environmental dimensions. Some had a deep understanding of the energy sector, garnered from long and detailed study prompted by personal interest or, in many cases, concern about the impact of changes in the energy sector on their local community.

The events were advertised through local councils, community groups and radio interviews. Most attendees reported they had heard about the events on local radio channels.

Participants were asked to describe their experiences using energy and dealing with energy providers as well as for their ideas about the future of energy in Australia. They made a tremendously useful and interesting contribution to the national conversation about where Australia's energy market is headed, and whether the energy market is giving consumers the right services, at the right price, right now.

The astute and down-to-earth nature of the forum participants' collective contribution reinforced the value and importance of the voice of the consumer.

We look forward to sitting down to chat with many more people across regional Australia at future Listening Tours, the next of which will be in the year ahead.

Rosemary Sinclair
CEO
Energy Consumers Australia

What energy consumers said

10

While there were differences between states and regions, ten clear themes emerged that were consistent across communities from Mount Gambier to Cairns.

1

In every location, there was a strong sense that residential and small business consumers are anxious about energy costs.

For a great many people, the power bill is a source of anxiety. It might not be the biggest bill but it's often the hardest to understand or predict, let alone fit within the household or business budget.

“

Just to cut down the size of the bally electricity bill. That's what I'd like to do.

When you see the bill coming in every quarter and it's getting higher and higher ... that's something of a concern.

It's becoming increasingly apparent that the electricity prices or their bills are becoming so burdensome ... they'll pay their electricity bills in lieu of rent.

2

The view that “power prices are too high” is very widely held.

For some, that's a statement of stark budget reality.

“

It's just another expense that's put on people who just can't afford it ... I've got a woman with seven kids living on the banks of the [name deleted] river now. Because her bills have just so dramatically increased she can't afford her rent. She's got an [energy retailer] bill of about \$1900, but she can't afford to pay anything

For others, especially in agriculture, it reflects an inability to pass on price increases in times of slow growth, or in internationally competitive markets.

“

There's a guy at the end of the line who's competing internationally, who can't pass that price increase on.

I've worked out since the year 2000 I've had 7% compound increase over my power per unit of electricity, that's not the service availability charge, I've had 7% rise every year and my lucerne hay was selling for \$11 then when GST came on, which is \$10 to me. Now, to put 7% on my lucerne hay, the little bales, I'd have to charge them \$27.50 plus GST to have the same 7% rise every year for the last 15 years ... People sell them for \$10 - still the same price. I've been trying to get \$13 plus GST out of them, but I haven't sold any hay for three months.

There's also frustration that retailers aren't helping customers make better choices on the price they pay.

“

As soon as I left [energy retailer], they rang me and said they could give me power cheaper. I said “Well, why didn't you give me power cheaper long term” ... I said “Why suddenly you can give me power cheaper now. Why didn't you already do it?”.

They're [consumers] looking for loyalty ... With modern business and the internet it's completely the reverse. If you're a loyal customer and you don't question anything, you end up paying the highest prices.

3

Consumers are overwhelmed by the volume and complexity of information and choices – but they feel like trustable, relevant and useful information isn't available.

A clear theme was that consumers want independent, easy-to-understand tools so they can make informed choices.

“

The average consumer can't read an electricity bill.

Information really varies in some towns, more marketing on their product than on what's actually going to save energy. False advertising almost ... I don't think information gets given easily.

[People need] things that are simple, colour-coded.

Pricing structures and new retail offers are seen as impenetrable, and potentially even designed to confuse.

“

[People] hone in on the rate of 22c/ kilowatt hour, but they don't realise they are paying a daily charge, a distributor charge and whatever. What the retailers are doing is starting to mix that up and lower the rate of the 22c but increase your day rate.

When we changed providers, they sent an email, it's 22 pages of contract. So who's going to understand 22 pages of an agreement ... 22 pages of fine print. I think [it should be] only one page. Why do you need 22 pages of an agreement?

Indeed, many participants feel overwhelmed by the amount of information available, especially from increasingly active retail competitors.

“

It's really overwhelming and really concerning if you're not learning this stuff all the time.

It's a confusing marketplace and when the SEC, years ago when it got sold off, everybody went across to Origin. And now how many providers it is now? ... Twenty-odd? Well, that's why it makes it so confusing ... And every one's got to be making money. It would have been better having just one provider.

While the rapid growth in retail competition – both in traditional energy and in renewables – means more options, it's added to confusion; retailers aren't seen as the source of reliable, unbiased information.

“

Consumers are kept in the dark.

Of course the retailers are in there to make money. They're going to make sure that people aren't aware of, overtly aware of, what's the best option, the best deal.

Ultimately, most think it's a government responsibility to help people understand their bills and energy use.

“

I think there's a need for a good education plan with simple graphics and simple explanations that ordinary Joes can read it and not be overwhelmed with information.

If an app was available from an independent group, that would be fantastic. The reason the guys, the retailers haven't done it: “God, we don't want consumers understanding the power they're using”.

4

As complexity and confusion grows, trust diminishes.

A large proportion of the participants are frustrated by complexity and choices, which feel like difficulties with no benefits to make them worth the trouble.

“

The problem is it's not our core business. I don't want to be spending all this time on energy.

In this environment, as consumers experience greater complexity and confusion, they become even more suspicious of the industry.

“

The biggest thing we've got to do is understand that people don't understand the energy market. ... When I've got a school teacher she's in her 60s, she's taught all her life, she's an intelligent person "Have a look at my bill, they're charging me for metering now". Now, if an intelligent woman can't read her bill and doesn't understand that meter reading has always been in the bill, you have got a serious problem.

5

Consumers' responses to reforms and other changes in the market – tariff structure changes in particular – are coloured by anxiety, confusion and mistrust.

There's widespread concern that those who reduce their energy usage are facing higher bills regardless.

“

That service availability charge has made it harder on old people because they've cut back using power and they've still got to pay, it's \$1.38 domestic service availability charge so if you use no power and an old person freezes themselves to death, you've still got a bill of 90 days approx, 89 days of \$1.38 a day and you can never get rid of that.

For some consumers who are conscious of the power and role of smart meter data, how that data is used is a concern.

“

The information on my power use and my energy use is my property as far as I'm concerned, and yes it is gathered by other people, but I should be able to make it available to the people I want.

6

A lot of issues are seen through the frame of established players having the table tilted in their favour and trying hard to keep it that way.

Many solar customers don't think they get fair value for their exports.

“

I was getting charged 28c/kW and, because of some loophole, they've dropped me down to 8c.

Some with a high priority on decarbonisation, who could be advocates for tariff reform, see it as an instrument that is supporting entrenched interests.

“

It [a declining black tariff] just disincentivises households that are trying to cut their power down. In my household we've worked hard to cut our power down from 30kWhrs/day to 11 kWh/day ... Why have I bothered? Everyone else will benefit from having those huge plasma televisions and here we're trying to, you know, be a little bit more conscious about what we do.

Whether the benefits of consumers changing their use of energy is adequately explained is questioned by some consumers.

“

I hate when the ads come out and like "do energy efficiency and reduce your bill". No, it's reduce your bill compared to what it could be, not reduce your bill from where it is now. Because for every time that they reduce that bill, the energy businesses go "There goes that demand, we're not making enough money".

Many consumers believe that incumbent energy suppliers are resisting change to maintain market dominance.

“

If you look around the world where buildings operate independently of everything from electricity, to sewerage, to water. They gather their own water, they produce their own electricity, they even manage their own sewerage. That's happening around the world now. We ought to be exploring ways that we can be doing that, and I think it's going to be something of a consumer led process because industry and politics won't allow it to happen as fast as it should.

7

Some participants felt that the networks are being rewarded for extra spending.

“

In a declining market to have increased asset base, you know, we're all cutting and scraping and scrimping, but there's an increased in the asset base which is just driving [the network business'] opex as well. It does not make sense that a normal business would do that. (Agribusiness SA)

There's widespread – though not universal – support for an ongoing transition to renewable energy and batteries.

In some locations, some consumers – especially in agriculture – were more focused on “lowest cost” and “reliability” as the key criteria for both them individually and society as a whole. But in most cases, the participants were clear that Australia should continue and even accelerate its transition towards renewable energy sources.

“

We need to address climate change, because climate change is the biggest threat not only to our species, but thousands of other species on the planet.

There is strong support for both onsite and large scale renewables.

“

But on solar, the cost of the panels has come down so quick and so fast that it's more economical to set up a [solar] farm.

As well as environmental concerns, there was real excitement from many participants about the opportunities that might flow from renewables – whether new products & services (most notably electric vehicles), or the ability to gain greater control over energy production.

“

In a regional area like this, we're blessed with sunshine that we could go and make our community sustainable but in doing that not only that we make our community more economically functional because we keep so many dollars in our community.

Those who talked about onsite batteries saw them as an important part of the future but not economic at present.

“

In a couple of years ... batteries are going to be available at a cheaper rate so we're going to make the solar and it's going to go into not to the grid, but come to us.

8

There are deep concerns about where the financial burden of this transition falls.

Some see the poor as likely to be left paying an increasingly unfair share for grid energy as more wealthy people optimise their own homes' energy set up.

“

It would be wrong if the changes drive benefits for some but leave others not only unable to capture the benefits but also saddled with extra costs.¹

There were real insights about the need for energy, housing and incomes policy to be integrated to help the vulnerable through energy transition.

“

Building efficiency shouldn't be optional.

People who have the least are paying the most for electricity because of the heating inefficiency of their houses and their appliances. Cold is pain.

9

Local issues are at the forefront of many people's minds.

Most forums discussed local issues and/or the local dimensions of broader issues.

“

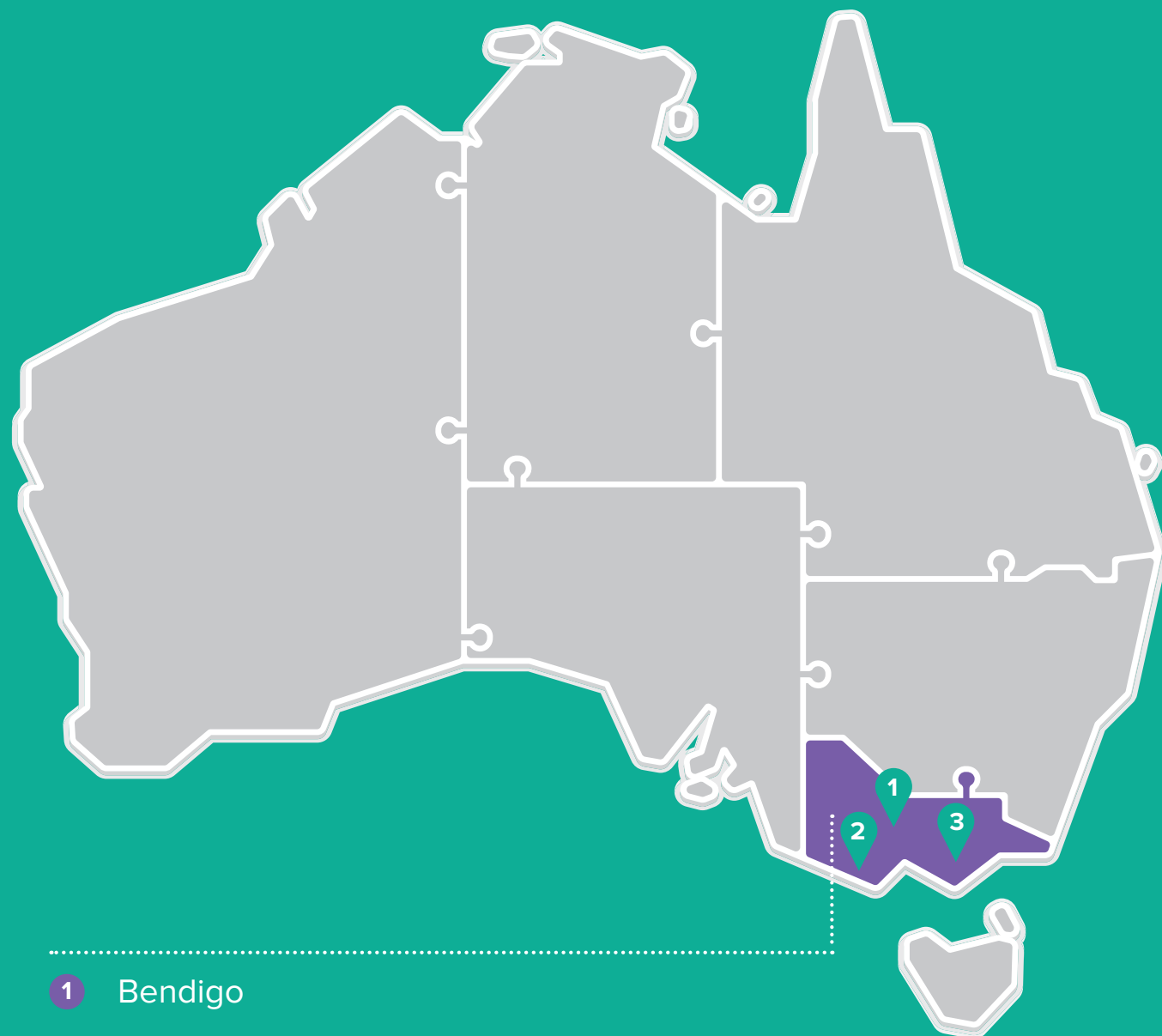
Marginal loss factors have been an issue in this region, because we're a fair way away from the generation points and we happen to be on the interconnector that goes over the border, so we believe there is a lot of energy passing through the Riverland for which we are getting hit for those marginal loss factors.

The coal mines have, you know, they're set to close down, they do have close down dates. We want to make sure the community doesn't get left behind on this issue.

There's no reason we couldn't build all these solar farms up here, and we could actually be the solar capital of Australia.

¹ This is a paraphrase of what was said, based on detailed written notes taken at the event. Due to technical issues, there is no audio recording of the event in Launceston.

Victoria



- 1 Bendigo
- 2 Warrnambool
- 3 Traralgon

Bendigo

The Central Victorian city of Bendigo has a population of over 110,000 people, and is known for its rich early settler and gold-rush history, which continues to support the town's tourism industry. The Bendigo forum was attended by representatives of the Council, the local Sustainability Group and local media.

“There's no reason we couldn't build all these solar farms up here, and we could actually be the solar capital of Australia.”



Support for renewables (large and onsite) is very strong

- Rooftop solar was described as a “no brainer” now for a lot of small businesses. Participants indicated that regional businesses are becoming aware of other businesses installing solar so are becoming more interested in whether rooftop solar is a good investment for them.
- Attendees noted that the main reason for investing in renewables is to negate power costs, but it also provides great economic opportunities for regional areas, although there was concern that the construction and operation of windfarms should be environmentally friendly.
- Attendees were of the view that large scale solar with large batteries makes a lot of sense and that there's plenty of marginal land where the best return for the landowner would be a wind or solar farm.
- Participants indicated that generation in the local area should mean the local community doesn't have to pay so much for line losses.
- People in attendance expressed the view that people should be able to sell the energy they generate to whoever they want and that, if the local network company has to build or upgrade infrastructure to accommodate an individual solar connection, the cost of that should be borne by everyone who benefits.
- Participants felt that low income earners should be able to pay off solar through their rates.



Attendees expressed a range of views on how the cost of transition will be minimised and met

- Some participants felt that, given that a lot of people can't pay their bills and coal is a cheap form of energy, then it might be better to rely on coal power for longer.
- Others felt that we have to move away from coal and that, if the alternative is more expensive, then that extra cost has to be offset by giving people the information and resources they need to use less energy, especially people on low incomes.
- Some attendees indicated that there should be equity in power, meaning that people who can't afford solar shouldn't be left paying more.



Participants indicated that consumers are confused and see retailers as the problem, not the solution

- Participants felt that most people can't read their electricity bill, which means they don't understand where the costs come from and felt that consistent information would help overcome this issue.
- Participants felt that there is a gap in the market for a real time energy monitoring app or some other kind of user-friendly device, ideally from an independent source.
- Attendees expressed the view that energy retailers aren't a reliable source of information because they want consumers to use as much energy as possible.



The group felt that confusion causes suspicion, which makes people even more certain they're paying too much

- Many attendees expressed frustration at having to choose between companies without clear points of comparison and felt that all retailers are just the same.
- Attendees expressed concern that, on changing retailers, the consumer is provided with a lengthy contract when one page is all that should be necessary.
- One attendee indicated that, as a new renter, she had found it very hard to find up-to-date independent information for renters on how to reduce energy use.
- The group generally felt that marketing calls from solar companies are annoying in the same way as retailer marketing calls.
- Participants expressed the view that retailers don't have an incentive to provide good information.

Warrnambool

The Warrnambool area in South Western Victoria has a population of over 33,000 people. Warrnambool is close to the iconic scenery of the Great Ocean Road and fertile agricultural land. The Warrnambool forum was attended by household consumers of energy, and a representative from the Alternative Technology Association.



A minority of attendees felt the market works for them, but most were convinced that they pay too much

- People indicated that they find power prices are too high.
- Some attendees with solar felt cheated because their feed-in tariff is a lot less than that they pay for power.
- Attendees expressed the view that the retail business a consumer is with isn't really relevant because the discounts are all the same, so reducing the bill is really all about behaviour.
- One attendee indicated that he had a positive experience with a door knocker from a retailer because it was very helpful to be able to speak to a knowledgeable person face-to-face rather than having to try to work out a complex issue on the internet or over the phone.

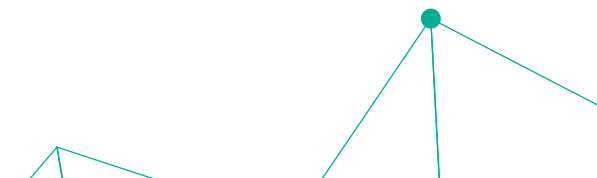
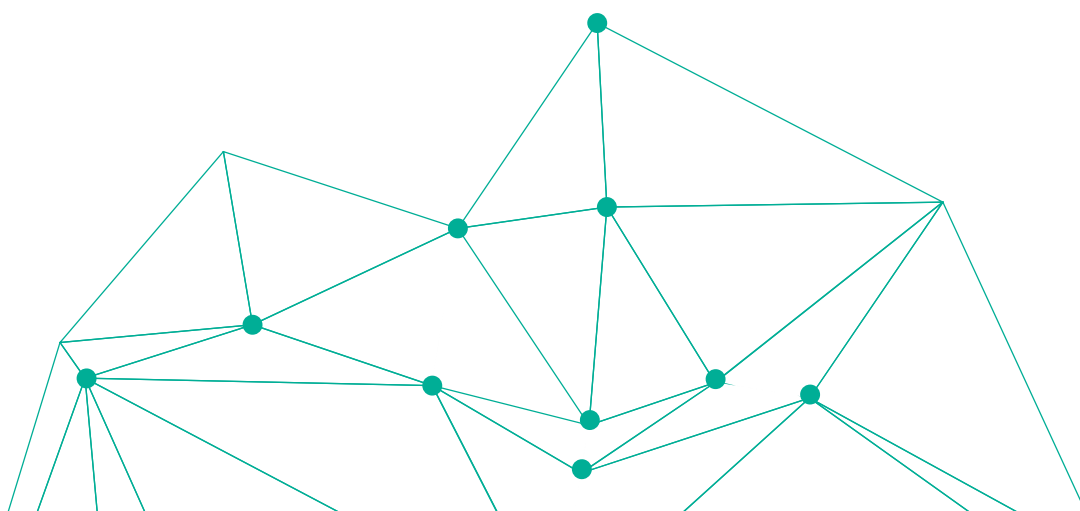


Participants indicated they have real concerns about the cost and social impacts of the transition to renewables

- While participants were in favour of change in the sector, they noted that the poor are worse off because they miss out on pay on time discounts, and can't afford solar and energy efficiency.
- Some participants indicated that batteries will be useful when their costs come down and anticipate that the costs will drop dramatically over the next two to three years.
- The group generally felt that the community should be consulted over big energy infrastructure – the energy company shouldn't get a return on their investment if it hasn't been accepted by the community.



It takes an enormous amount of effort and time ... no-one in their right mind other than geeks like me are going to spend that much time working the system out to optimise it.



Traralgon

Traralgon is a city of over 27,000 in the Latrobe Valley, the region containing the brown coal generators that still supply most of Victoria's electricity. The Traralgon forum was attended by a mixture ordinary residents, community representatives of groups like Consumer Utilities Advocacy Centre, Voices of the Valley and Friends of the Earth, community power representatives, small business consumers and the local electricity network company.

“*The coal mines have, you know, they're set to close down, they do have close down dates. We want to make sure the community doesn't get left behind on this issue.*”



Many participants don't trust the retail market

- Some participants expressed the view that all the retailers are the same so many people do not participate in the market.
- Attendees generally indicated that they want better information and tools so they can understand the choices they are making.
- Attendees felt that people don't trust energy companies and now the rooftop PV sellers are annoying people by using the same selling tactics and confusing information that the energy retailers have used.
- Some participants could not see the benefits of privatisation, wondering what the many retailers do other than be “paper shufflers”.



Participants indicated a growing desire to take control of energy production and usage

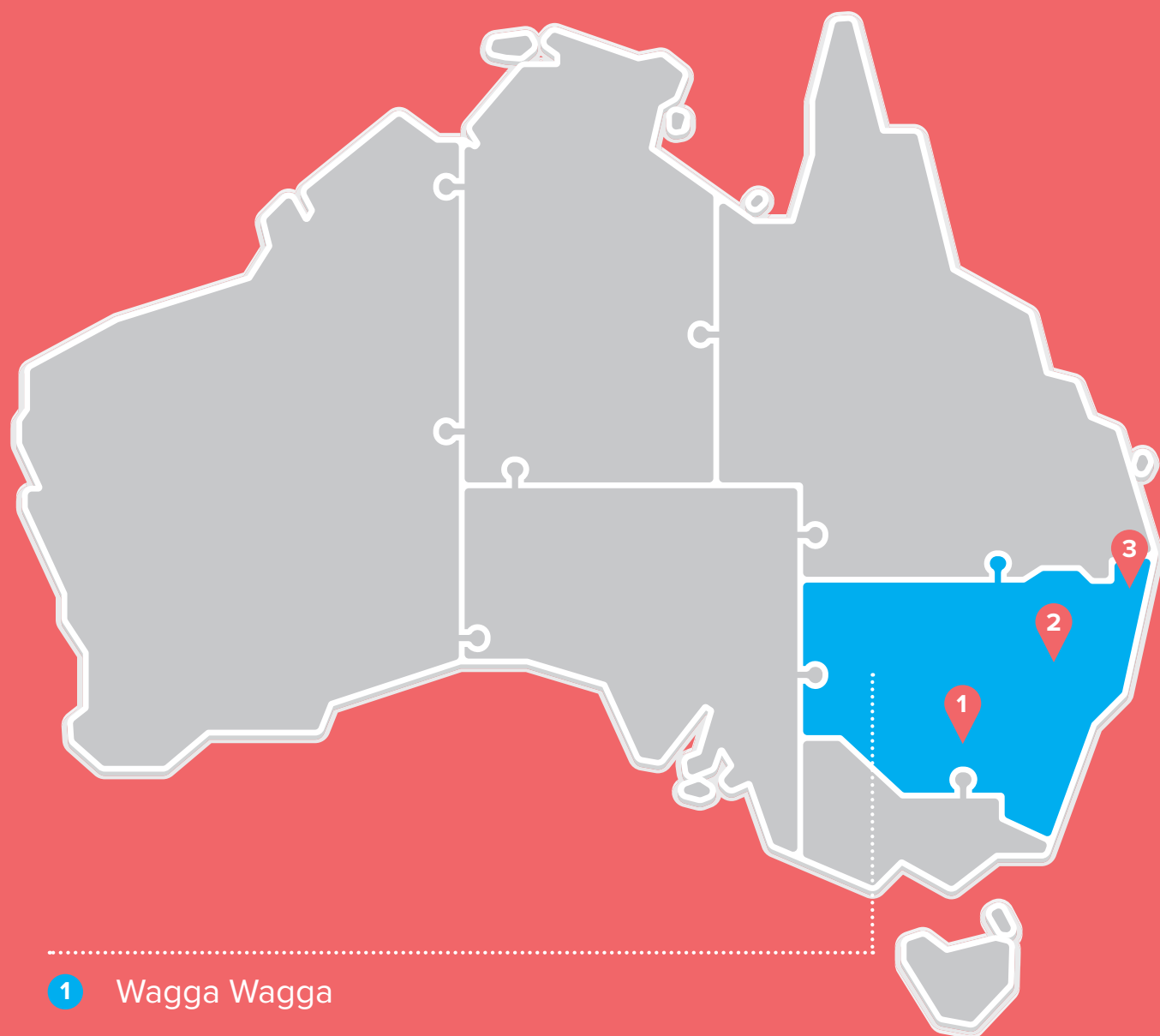
- Attendees felt that energy companies should support community energy, including allowing people to give away solar power to people in the community who can't afford to pay their power bills.
- The group generally indicated that smart meters haven't delivered as much benefit as they cost and that people still find it too hard to get their information in a way that helps them. They indicated that many houses still cannot access the data from their smart meters.
- One participant had received an offer from a rival retailer that was based on his actual usage data. The participant was strongly of the view that his energy data is personal information and shouldn't be shared with anyone the energy user hasn't authorised.
- Several participants indicated that they want to be entirely independent of the energy grid.



While attendees support transition to renewables, they noted that the costs and pace of change are real issues

- Attendees indicated that Australia needs to stop burning fossil fuels, but has to look after the poor at the same time.
- Participants advised that a lot of people have had a bad experience installing solar, including difficulties getting connected to the network and changing feed in tariffs.
- Participants expressed the view that the price of coal should factor in what they see as its environmental damage in order that clean energy will be cheaper in the long term.
- Some attendees had thought about getting solar but haven't installed it because they're concerned about its reliability.
- Generally the people in attendance indicated that, while batteries aren't economical yet, they will be and will change the dynamics of the energy sector dramatically.

New South Wales



- 1 Wagga Wagga
- 2 Tamworth
- 3 Mullumbimby

Wagga Wagga

Wagga Wagga has a population of nearly 100,000 people and straddles the Murrumbidgee River, which helps to irrigate this rich agricultural area, one of Australia's major food bowls. The Wagga Wagga forum was attended by a mix of residential and business (farming) consumers including some early adopters of renewable energy.

“I like the comparison, you know, when you see on the back of food labels that talk about 100g of fat ... That's a good way that you can use to say “Yeah, that packet of pies is ok, this one's dodgy, look at the sodium in it”. Things that are simple, colour-coded.”



Participants felt that energy sales and marketing isn't helping consumers to exercise choice

- Attendees indicated that there's been an increase in door-to-door and telephone selling from energy retailers.
- The group noted that, thanks to the internet, information on energy companies is more available, but it's still hard and a lot of people aren't internet savvy so can't access information.
- Attendees expressed concern that there isn't a good non-biased organisation to consult on energy options and indicated that people would like balanced, easy-to-access information without politics or an agenda.



The meeting expressed frustration about paying higher fixed charges and cost reflective pricing

- Some participants were of the view that people who invest in solar are getting a lower return because of high fixed charges.
- Others felt that declining block tariffs are unfair to those who use less energy and that they're just an incentive for increased consumption of fossil fuels.
- Attendees noted that installation and connection fees make renewable energy less economic.



Attendees indicated strong support for a transition to renewables and local innovation

- Participants felt that there's an economic gain to be had from renewables such as storing power with batteries and selling back to grid.
- Attendees were enthusiastic that in a regional area like the Riverina where there are high rates of sunshine, renewables can help make the local community more environmentally and economically sustainable, which, in turn, promotes local social sustainability.
- Some participants said they found that installing solar panels had made them more conscious of their energy - they found themselves turning the lights out and started saving energy.
- Attendees were concerned about how much tax payers will have to pay for coal generation site remediation.
- The group generally expressed a desire for an option to donate power to community organisations, and keep money within the local community.



Attendees noted that billing options are improving, but bills could still be clearer

- Some attendees felt that fixed price billing has a place, as it's just about creating predictability in the billing cycle.
- Generally, attendees want something that's easy to understand, not just numbers, but colour coding and graphs to help ease of understanding.

Tamworth

Tamworth is the largest city in New England with over 40,000 people. In addition to its well-known status as Australia's country music capital, Tamworth is also a centre for significant agriculture, mining and tourism interests. The Tamworth forum heard from farming businesses and residential consumers.

“ I always look for employment in my local town and to stay in business if you're making money you're spending money in your local town and then it multiplies itself out. So [if a local windfarm were built] I'd have to look at the benefit, what they were putting back into the town and so on and the cost difference.



Attendees noted that farmers can't always pass on higher prices or change their consumption

- Participants advised that most irrigators try to shift load, but they can't always. It depends on the crop, irrigation rules they're subject to and the type of irrigation infrastructure they have.
- Farmers compete internationally. Even within Australia, they compete with other areas that are subject to different electricity tariffs and/or irrigation rules.



Participants noted that reliability has improved, and indicated that consumers appreciate being kept informed by energy companies when blackouts do occur

- Attendees indicated that some people used to experience blackouts once a month, now it's only once every six months.
- They advised that wild weather and storms cause blackouts, at least twice a year sometimes more. Tree trimming helps but not always. Generally, blackouts last about 3-6 hours, but there has been one of 12-14 hours when power poles were washed away in a flood.



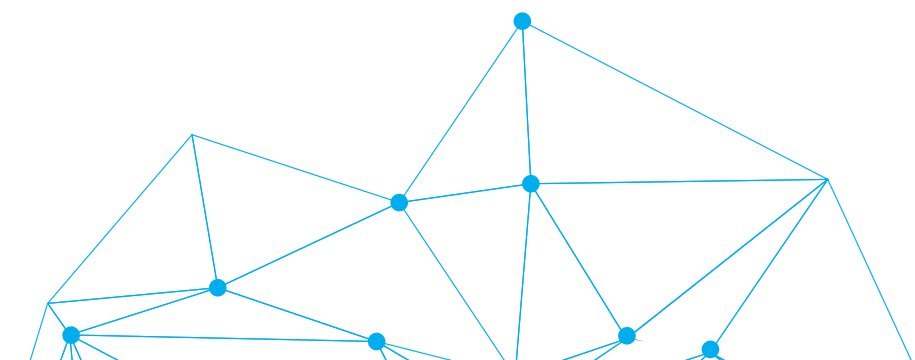
Retailer mistrust is reflected in confusion and concern about pricing and tariff structures

- Participants felt that they shouldn't have to be the ones to initiate action to get the best deal with their current retailer.
- They indicated that the service availability charge has affected power bills and hit low-income people hard. Even if they cut back on their power usage, they are still having to pay the service availability charge.
- The group felt strongly that declining block tariffs discourage careful energy consumption because people feel that, if they've bought a 10kW block they may as well use as much power as they have paid for.
- Attendees felt households don't understand the structure of the tariff they are on so, for example, run their dishwashers after 10pm assuming they are taking advantage of a lower rate, even when their tariff doesn't include a rates that vary during the day.
- Participants felt consumers are kept in the dark.



There's a strong sense that expectations of energy services are different in regional areas from metropolitan ones

- Participants indicated that rural people will often stick with a provider out of loyalty, but, rather than reciprocate loyalty, energy retailers charge loyal customers more.
- Attendees expressed the view that people accept that a regional area is likely to have a lower level of service than a metropolitan one because of the distances and sparse population.



Mullumbimby

Mullumbimby is a 3,000 person town in the Northern Rivers region. The Mullumbimby forum was attended by a mix of ordinary residents and employees of local energy-related companies.

“ *We’re a community-owned energy company and all profits go back to the local community.* ”



The community is very supportive of the local community-owned energy retailer giving them a feeling of control of their local energy future:

- The company is community owned and sources the expertise and services it needs from the local community as much as possible.
- It buys local energy as much as possible and actively helps people to use less energy.
- It aims to address local disadvantage by not disconnecting people if they can’t pay their bill.
- It aims to provide customers choice, for example, about half of customers are forgoing their pay-on-time discount so that it can be fed back in to support at-need customers.



Attendees had strong support for renewable energy but noted that questions need to be answered

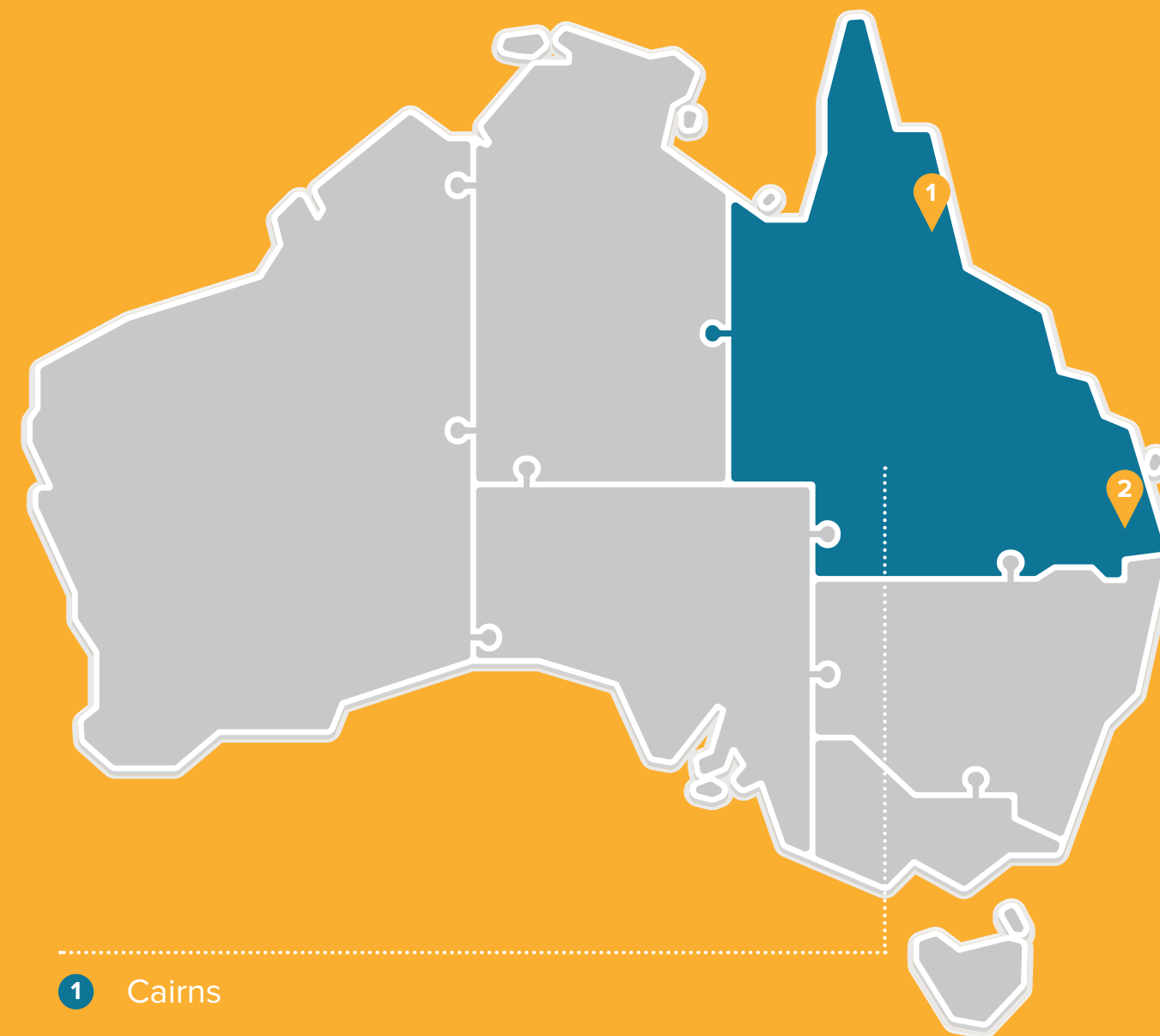
- Attendees felt that the buyers of old electricity infrastructure should have known about climate change so should not receive any compensation for its potential impacts on their businesses.
- Participants strongly felt that Government policy has to stay in step with community expectations around renewable energy.
- Participants noted that there have been too many installations of bad solar panels and of bad set ups that underperform, as well as that the customers of those panels do not realise their system is not optimal.
- The people at the meeting expressed the view that New South Wales should have a minimum fair price for exported solar energy, and that there should be policy to ensure that replaced solar panels are recycled.



The attendees felt that tariff structures are negatively impacting the poor

- They felt that electricity charges should be more based on usage than fixed charges but noted tariffs are actually going the other way.
- Participants noted that some people genuinely can’t afford to pay their bill and more should be done to stop them being disconnected.
- Many felt that too many poor people are stuck with high energy usage driven by inefficient appliances.

Queensland



1 Cairns

2 Ipswich



Cairns

Cairns is the major city of Tropical North Queensland, with over 150,000 residents, and proximity to the Great Barrier Reef and the Daintree Rainforest. The Cairns forum was attended by several local consumer advocates, plus residential customers with a strong interest in energy issues.

“What they’re doing is you’ve got people walking around with wireless lights on, you’ve got 80 year-olds cooking on the floor with gas stoves because they can’t turn on the electric stove. That is how they get their bill down, they actually go to dangerous practices. ... The government’s not getting real data because they can see consumption dropping off. People are still consuming energy, they’re consuming it in an unsafe way now.”



Attendees indicated that the electricity bill is a central problem in some people’s lives

- Attendees felt that more needs to be done to support those who can least afford their energy costs, noting that, if people lack disposable income and receive a high power bill, they’re easily tipped into serious problems with their rent and other bills.
- The group noted that the electricity bill doesn’t have to be the biggest in dollars to be the biggest problem, especially if managing money isn’t something the consumer is good at.



Participants indicated strong support for action on energy efficiency, especially in low-income homes

- Attendees felt that most people don’t understand how the set-up of their home and their usage habits flow through into their energy bills, and expert advice isn’t available.
- Attendees expressed concern that energy efficiency efforts can be wasted because, in their view, the energy companies then just increase their prices to cover their lost revenue.
- Attendees advised that businesses commonly require paybacks of less than two years and are doing energy efficiency upgrades as repairs and maintenance instead of capital expense.
- Participants advised that it’s too hard for businesses to understand and embrace multiple programs and opportunities.
- In addition to saving money, attendees noted that energy efficiency gives greater comfort and health, wellbeing and safety.



As complexity grows, trust diminishes

- Attendees felt that understanding energy was beyond most people, and the combination of price rises and growing complexity makes people feel like they’re being ripped off.
- The amount of complexity is already too much for most people, according to those who attended, and is seen as inevitably going to get worse as new products and players enter the market.
- Attendees felt that, while the energy sector might change a lot, most people still just want affordable and reliable power.

Ipswich

Ipswich is a large centre on the Brisbane urban fringe, with nearly 200,000 residents and a population forecast to double over the next 15 years. One of the Ipswich region’s major industries is coal mining. The Ipswich forum included QCOSS and other consumer advocates with a strong focus on the needs of poor and aged Queenslanders.

“We’ve come from a very simple system ten or so years ago with no choice to this rather complex market that is a real puzzle for a lot of people.”



The meeting felt that the system is too complex for many consumers

- People who attended felt it’s easy to tell people to shop around but it’s too hard to compare apples with apples.
- Nobody can really understand energy bills and adopting the national framework hasn’t helped with that.
- Attendees felt that bills should be in plain English and presented in a way that everybody can understand and were concerned that many just walk away because it’s too complicated.



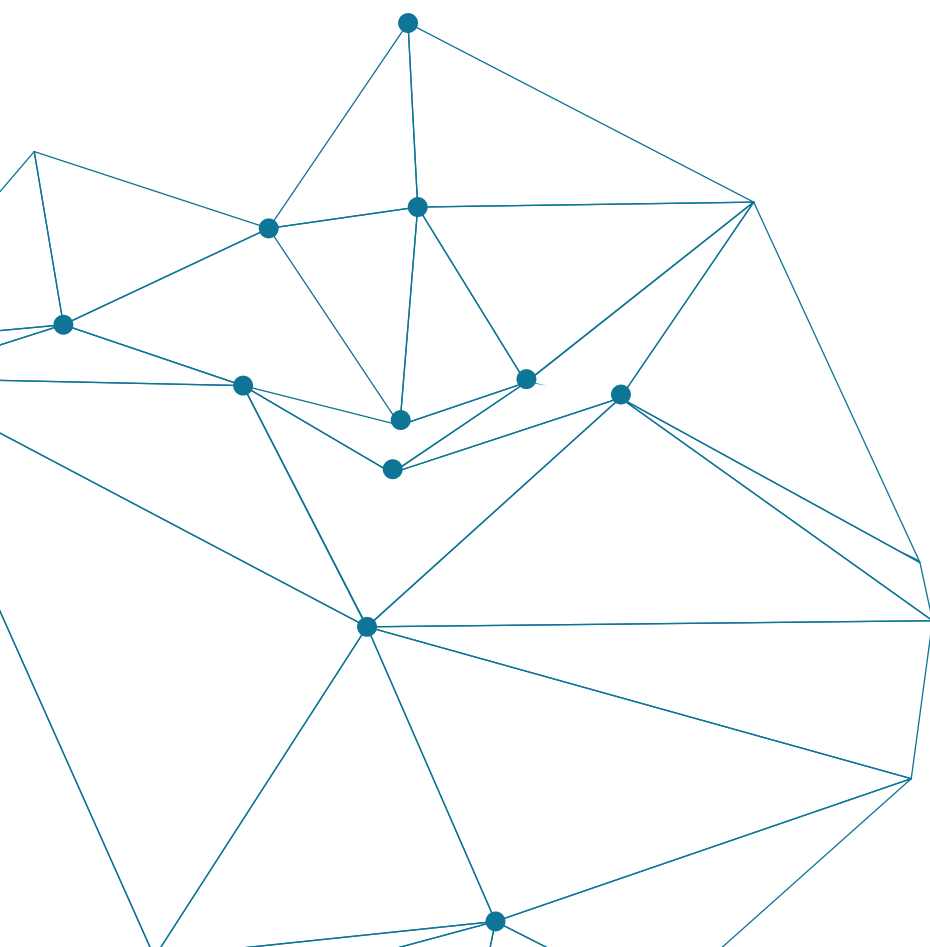
Participants were concerned that a lack of consumer education stops people accessing better retail offers and energy efficiency

- Attendees advised that a lot of the energy monitoring that is available isn’t an option for many because they’re not computer literate – they don’t have the skills, resources or opportunities to learn.
- One person who attended has a role that involves taking people through their energy bills one-on-one, showing them their meter and so on. The attendee finds that, for some people, it’s the first time they’ve ever realised how they’re charged for electricity. The attendee felt that there’s no education opportunity to understand these basics.

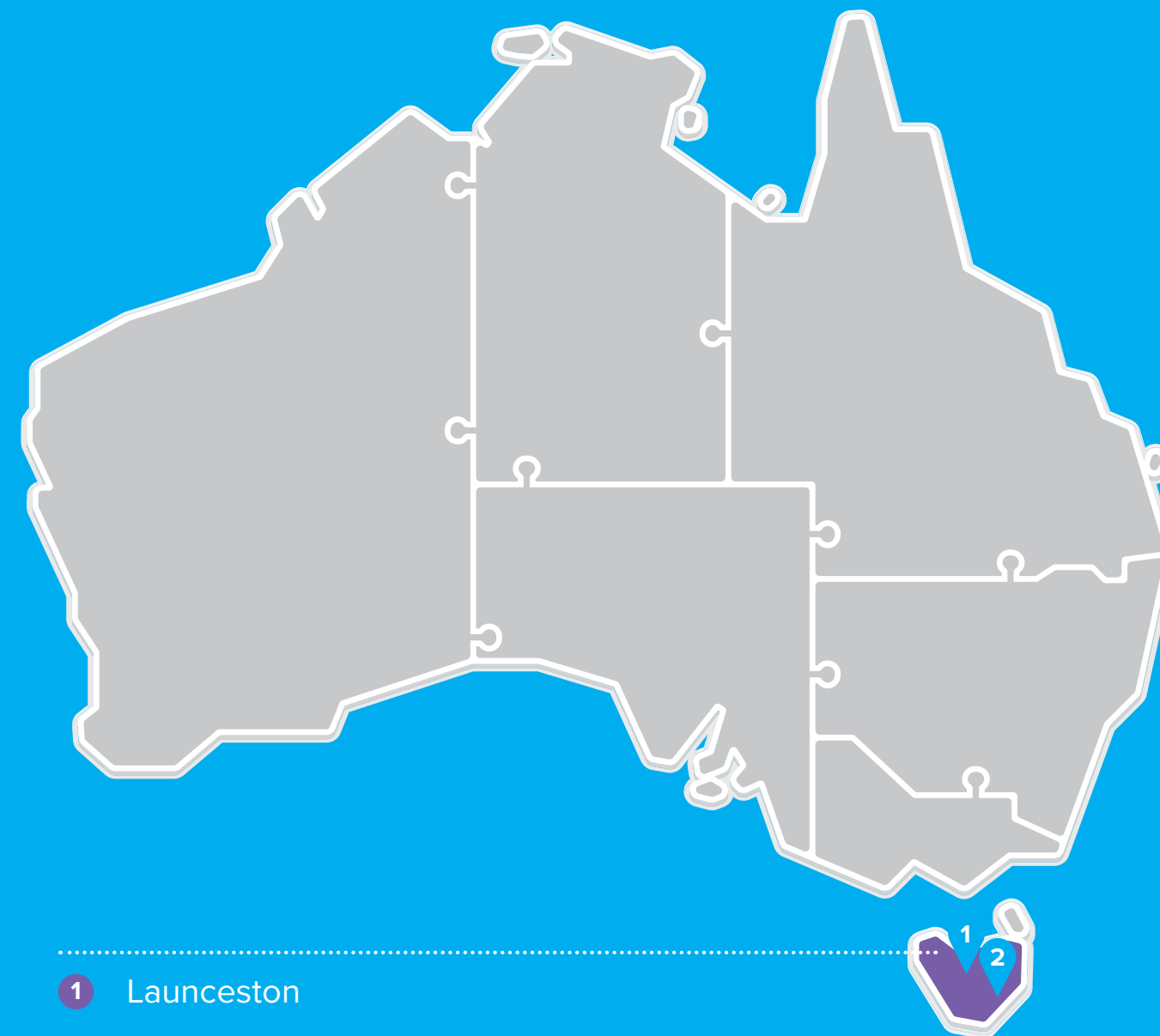


Participants were of the view that a lack of understanding feeds mistrust – and the growth in fixed charges feels unfair to many

- Those present were concerned that a discount on usage might look like a large percentage but it's actually only a small amount off the bill itself and were uncomfortable that those they felt can afford to pay on time get a cheaper deal than those who can't.
- Attendees reported that many consumers think the unbundling of charges on bills means they're being hit with new charges, especially as there is no warning that these changes are going to be made.
- Attendees were concerned that pensioners don't use a lot of electricity as they've learned to be very conservative on what they use, so their biggest cost isn't what they use, it's the fixed charges.
- Attendees indicated that, when the access charge becomes a large proportion of the bill, people start thinking hard about the value of being connected to the energy grid.



Tasmania



1 Launceston

2 Hobart

At the time of the Launceston and Hobart forums, energy supply in Tasmania was constrained by low inflows to the hydroelectric system (including record low rainfall in the previous Spring) and a prolonged outage of the Basslink interconnector with the mainland.



Launceston

Launceston is the regional centre of North Tasmania and has a population of 27,000. In addition to attendance by TasCOSS, there was an approximately even mix of residential and small business consumers in the Launceston forum.

“The value is there for commercial solar – you can’t change rent, wages or interest, but you can get rid of your energy costs.”⁴



The Launceston attendees were very focussed on the energy situation in their own state

- They wanted to understand the extent to which the situation in Tasmania had been caused by trading energy to the mainland instead of prioritising Tasmanian water security.
- Others said they had found it very difficult to follow what the situation was as the roles of the different parts of the energy sector in Tasmania were very unclear to them.
- Some were of the view that an asset like Hydro Tasmania should never be privately owned.



The people in attendance generally felt that the transition to lower carbon energy is something that has to happen and is inevitable

- They were of the view that a mix of generation sources avoids all Tasmania’s energy eggs being in one basket.
- Many of those present were looking forward to electric vehicles becoming affordable.
- Attendees indicated that the community needs someone with vision to make good decisions for the planet and that it’s important to think of the environmental impact of all that we do because the decisions that are made now leave a legacy.



But attendees were concerned with fairness

- Some expressed concern at whether a system more reliant on wind and solar would be reliable enough.
- One attendee felt that solar power rebates have been the greatest transfer of wealth from the poor to the rich in 50 years.
- Attendees indicated that, if governments want the people to get on board, the costs of those changes should be no more expensive than they have to be, and they should be fairly distributed.
- Attendees strongly felt that it would be wrong if the changes drive benefits for some but leave others not only unable to capture the benefits but also saddled with extra costs.

Hobart

Hobart is Australia’s second oldest city and home to 217,000 people. In addition to residential customers, the Hobart forum was attended by a number of community organisations including TasCOSS and two people who work in energy consulting.



The group expressed strong support for decarbonisation of energy

- Attendees felt that it’s in the long-term interests of consumers to reduce the impact of energy generation on the environment, indicating that there won’t be a long-term without doing something about “energy pollution”.
- They indicated they believe climate change is the biggest threat to not only our species, but thousands of other species on the planet, and that people get too caught up in their own lives to think of the bigger picture.
- Many felt that decarbonisation should be nationwide effort covering also health and social issues, not led by individual states, given Australia is supposed to have a national market.
- Some attendees expressed frustration that clean energy legislation takes a long time to pass – legislation about terrorism “seems to pass instantly but if it’s about clean energy it seems to take forever”.
- The group was conscious that it’s economies of scale that cause things to become cheap, as indicated by computers and phones, so renewable energy solutions will also become cheap if people and governments keep investing in them.



People in this old housing stock are the people with the least ability to pay, and they are paying the most because they’ve got the worst houses.

⁴ This is a paraphrase of what was said, based on detailed written notes taken at the event.



There was real concern amongst attendees about the cost of energy as the sector transitions

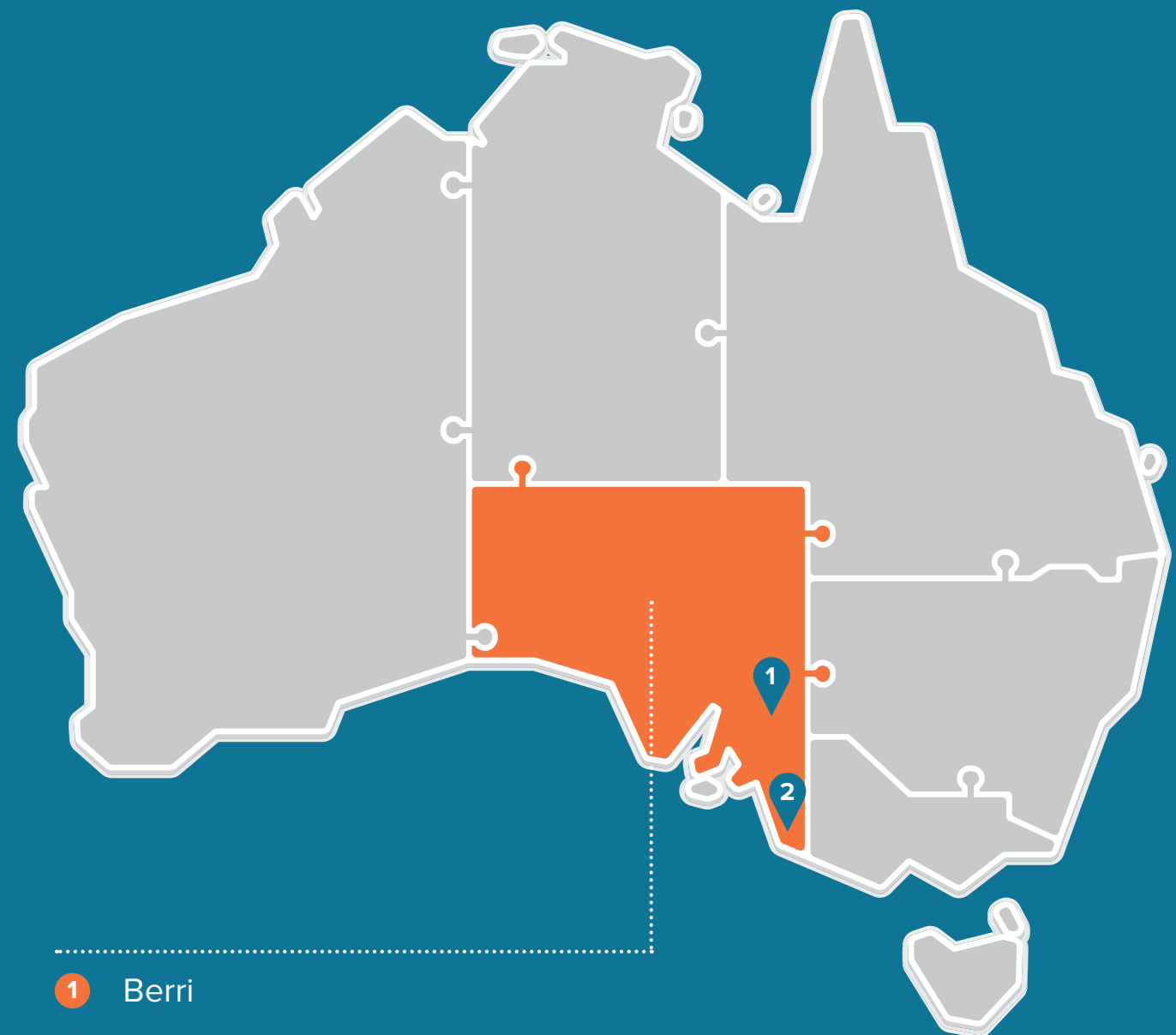
- Attendees indicated that there are already a lot of people who can't afford their energy bills and there will be more if prices keep going up so action on renewables and climate change can't be allowed to cause bill increases for these more vulnerable people.
- Attendees expressed the view that community energy and energy self-generation is the future, but industry and politics won't allow it to happen as fast as it should.
- The group was concerned that there is a lot of information about things with long payoff periods like solar panels, but not enough about simple, cheap things with immediate payoff periods such as fixing leaky door, window and refrigerator seals.
- People in attendance felt there is too much disparity between retail energy price and feed-in tariffs – having to pay 30c/kwh and receiving 6c/kwh – and were concerned that this will result in people going off-grid in the future.
- Others were concerned that the general community subsidises the solar panels of the minority.



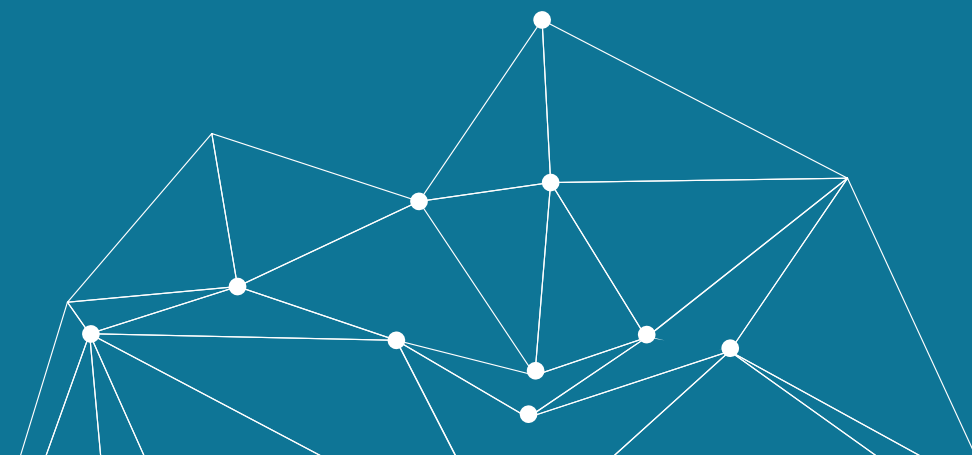
The Tasmanian energy market was a hot topic

- Participants expressed concern that there was a lot of profit from Tasmanian power last year, hoping that most of it was through Momentum (mainland retailer) and Tasmania's big energy using industries rather than from Tasmanian households.
- Some indicated frustration at the lack of choice in the Tasmanian retail market and felt that opening up the retail market would provide consumer choice and drive down prices.
- Others noted that opening up the retail market would create competitors for a company which is owned by all Tasmanians.
- Many were concerned that a greater Tasmania needs a greater diversity of energy sources than it currently has.
- Generally, people felt that consumers don't have enough say at the moment.
- Some noted that there are still pockets of Hobart that have reliability problems too often.

South Australia



- 1 Berri
- 2 Mt Gambier



Berri

Berri is a town of about 4,000 in the Riverland of South Australia, an agricultural region with a focus on fruit, vegetables, almonds and wine-growing. Participants in the Berri forum were heavily engaged in agriculture, especially irrigation, and food processing.

“There has been a drive - and it's been facilitated by the Murray Darling Basin Plan - to be as efficient as you can with your water use. So we spent a decade getting there ... people have done that.



Participants stated that energy costs are hurting

- Participants were of the view that the fact that there's no effective market competition in South Australia is why prices are so much higher than in Victoria.
- Attendees indicated that there are plenty of retail options but they can't compete effectively because there's no competition on the generation side.
- Attendees stated that, if they are competing internationally, they can't pass on their increased power costs, rather they cut straight into the bottom line.
- Participants pointed out that not all industries can shift their electricity load to avoid peak prices easily – crops must be watered when they need water not to match time of use pricing and manufacturers often have to run two or more shifts in a day.
- There was a general concern from attendees that Berri consumers pay a lot for network energy losses because they are physically a long way from generators.
- There was also concern by those whose businesses cannot switch to off-grid energy solutions that they would have to bear the costs of the network if others get off it.
- Attendees expressed the view that Australia does not have a national energy market yet, rather that the states are still islands with just a bit of interconnection.
- Some participants expressed scepticism that the energy sector should have an expanding asset base in a declining market, indicating that the whole energy sector does not seem to reflect normal business rules.



It's too complex for businesses and consumers

- Attendees indicated that energy is a means to an end for them, not their core business and not something they should have to spend increasing amounts of time on because it detracts from their core business.
- Participants pointed out that there might well be innovative ways to reduce power costs, but if they don't understand them, they can't take advantage of them.



Some energy consumers want to innovate, but face frustrating barriers

- Some participants indicated that they have tried to work together bulk buy power as a group but they have come across barriers.
- Businesses indicated that they have had to change the way they approach energy to present a consolidated front (whether in lobbying, buying, or just sharing knowledge and ideas) in order to protect their individual interests and the interests of their region as a whole.

Mt Gambier

The Mount Gambier area in South Australia has over 28,000 people. It is the centre of the regional service and transport economy and has historic primary industry roots including mining, agriculture and forestry. The Mt Gambier forum was attended by local residents and a representative from the South Australian electricity distribution network business, South Australian Power Networks.

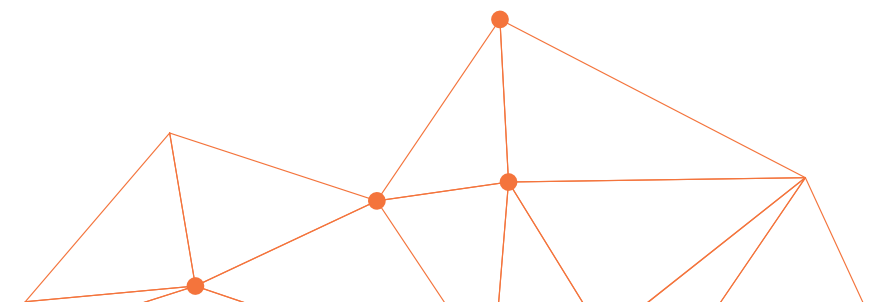


Participants felt that, in the energy market, confusion and scepticism are a vicious circle

- People who attended felt that it is too hard to understand which offer is the best and that electricity used to be a service but now it's a profit making business.
- Some participants indicated they would be unlikely to trust that information from an energy retailer would be in the consumers' interest.
- Participants indicated concern that there seems to be no follow-up of energy ratings for new houses so it's not possible to know if a house was built to appropriate specifications, let alone whether the energy rating is maintained into the future.



It [the energy sector] needs to go towards total renewable energy and not using resources from the ground.





Attendees expressed strong support for the transition to renewables

- They stated that Australia has to move away from coal, but concern about whether gas is actually a clean energy source because of fugitive emissions.
- Participants felt that it would be better for consumers to share their excess onsite-generated energy using the existing energy grid than developing some new system.
- Attendees felt that there should be low interest loans for people to install renewables.
- Those attendees who have solar panels indicated that they do save money by running their appliances to take best advantage of their feed-in-tariff.



Participants were concerned about information - both its availability and quality

- They felt they need real time information not a single quarterly bill the size of which they don't have the capacity to estimate.
- Attendees said they need more information about their energy choices, including the environmental impacts of different sources and what can be done to make homes more energy efficient.

ECA's Regional Listening Tour Program

Energy Consumers Australia thanks all participants in our first Regional Listening Tour for their time and their constructive input. Their many valuable insights and perspectives are summarised in this report, and have also informed ECA's strategic planning and advocacy. Australia's Energy Ministers were briefed on key themes in the forums in their states and this report has been provided to them. Audio summaries of the forums are available on the Energy Consumers Australia website.

Our approach to future ECA Listening Tours, beginning with our second tour in November 2016, will reflect lessons we learned from the first tour. In particular, we will take steps to ensure we hear the voices of an even broader cross-section of consumers. While we want to continue to hear the insights from those who are deeply engaged with energy use and policy, it's important that we continue to hear more from less-engaged energy users.

Energy Consumers Australia

Energy Consumers Australia (ECA) was formed by the Council of Australian Governments in 2015 to promote the interests of households and small businesses in the energy market.

ECA's objective: To promote the long term interests of Consumers of energy with respect to the price, quality, safety, reliability and security of supply of energy services by providing and enabling strong, coordinated, collegiate evidence based consumer advocacy on National Energy Market matters of strategic importance or material consequence for Energy Consumers, in particular Residential Customer and Small Business Customers.

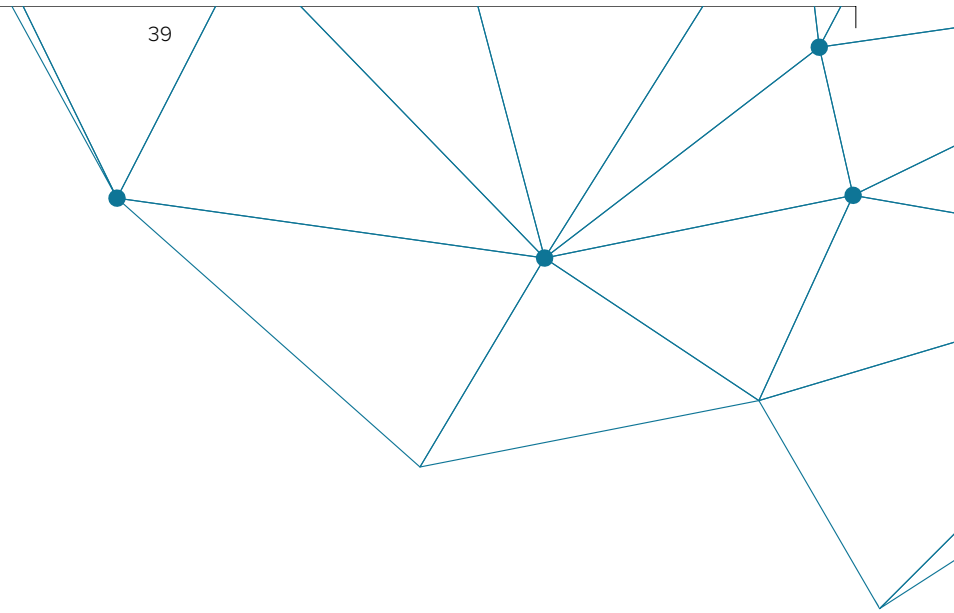
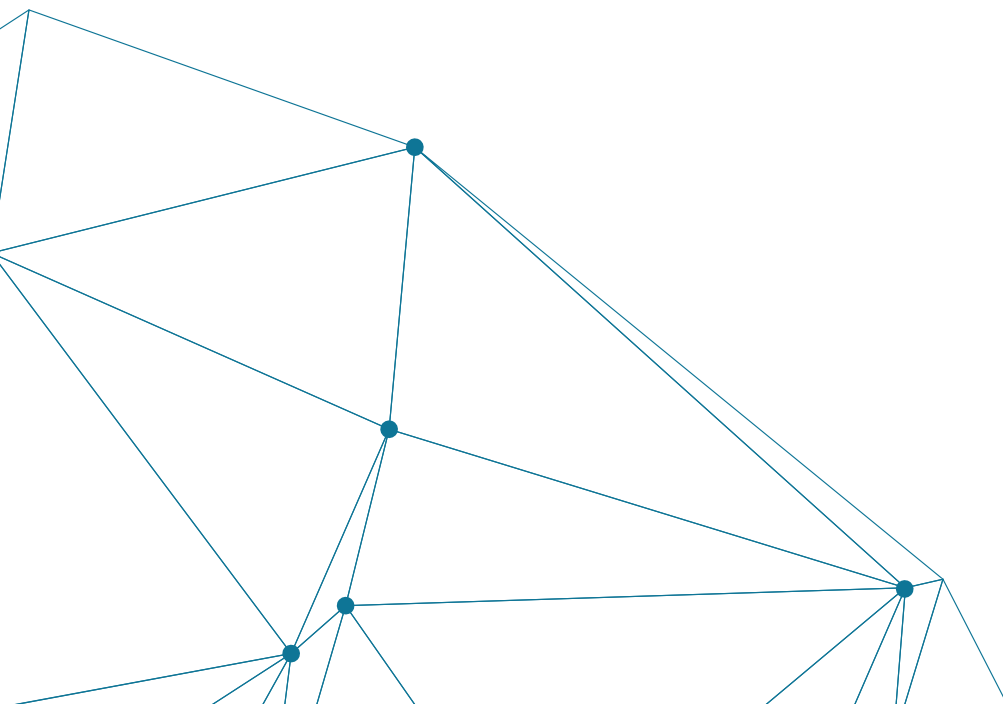
Disclaimer – The views expressed in this document do not necessarily reflect the views of Energy Consumers Australia.

Energy Consumers Australia's Energy Consumer Sentiment Survey

Energy Consumers Australia's first Energy Consumer Sentiment Survey (ECSS) was published in July 2016. The ECSS is a long term survey of household and small business energy users, which is designed to provide information on household and small business consumer sentiment, with a focus on three key areas of satisfaction, confidence and activity. ECA will undertake the ECSS 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.

There is similarity between some of the key themes from our first Regional Listening Tour and the key findings of our first ECSS, in which consumers told us:

- **Satisfaction:** they are less satisfied with the value for money of their electricity services than with the value for money of a range of other services, such as banking, water, mobile phone, insurance and internet services.
- **Confidence:** they are confident in their ability to choose the energy products and services that are right for them but less confident that information is available to help them make good decisions. Most consumers don't feel the market is working in their long term interests. There is a strong correlation between how competitive a state retail market is and levels of satisfaction and trust in the market.
- **Activity:** Consumers are looking to energy management technologies to manage their electricity costs. Most households and small businesses have invested in energy efficient lighting and appliances, and households have made significant investment in rooftop solar panels and solar hot water systems to manage their electricity costs.



The background of the entire page is a solid teal-blue color. Overlaid on this background is a complex, abstract geometric pattern. This pattern consists of numerous thin, white lines that intersect to form a variety of polygons, primarily triangles and quadrilaterals of different sizes. At several of these intersection points, there are small, solid white circles or dots. The overall effect is a modern, minimalist, and technical aesthetic, reminiscent of a network diagram or a stylized map.

Energy
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