Energy Consumer Sentiment Survey

June 2024

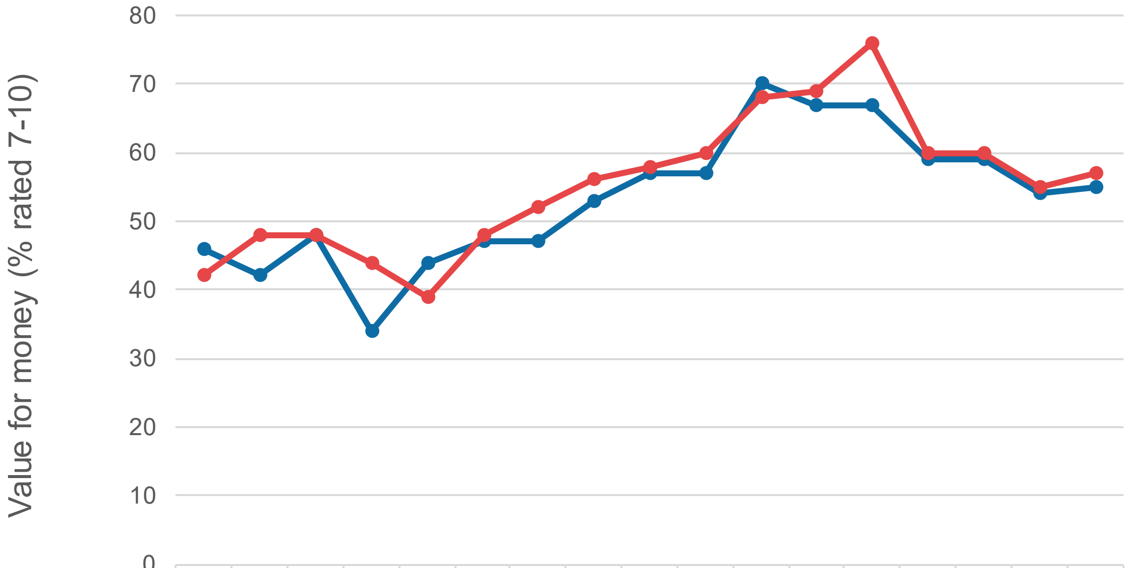
ENERGY CONSUMERS AUSTRALIA

Summary

Cost-of-living pressures continue to influence the results of our Energy Consumer Sentiment Survey. While we have seen results plateau somewhat, concerns around affordability and trust remain significantly elevated compared to before the 2022 shocks to the wholesale and retail energy markets.

Many consumers indicate they have trouble accessing the support they need to help manage energy costs, particularly those who identified as being under financial pressure. When asked what kind of support they would value, information on immediate relief (such as rebates or help finding a better plan) was more popular than information on purchasing energy efficient appliances or Consumer Energy Resources such as solar or batteries, which could have a dampening effect on the transition.

Value for money for electricity has increased slightly in the past six months but is still considerably lower than two years ago



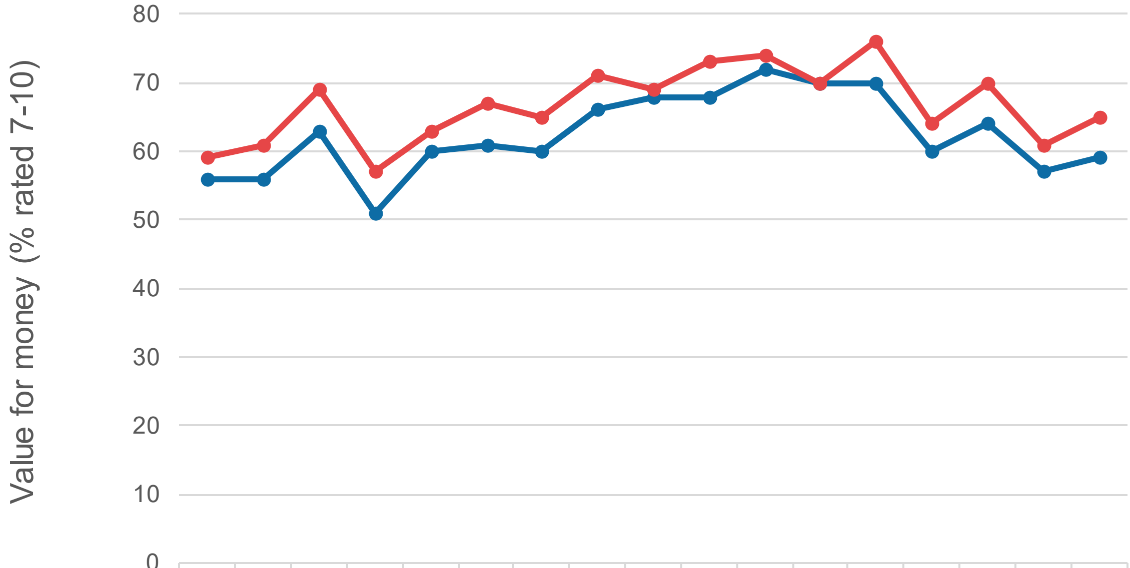
	Jun' 16	Dec' 16	Jun' 17	Dec' 17	Jun' 18	Dec' 18	Jun' 19	Dec' 19	Jun' 20	Dec' 20	Jun' 21	Dec' 21	Jun' 22	Dec' 22	Jun' 23	Dec' 23	Jun' 24
Household	46	42	48	34	44	47	47	53	57	57	70	67	67	59	59	54	55
Small Business	42	48	48	44	39	48	52	56	58	60	68	69	76	60	60	55	57

The % of households and small businesses who say their electricity service represents value for money remains low following price hikes beginning in 2022.

Value for money is lowest for households in NSW (52%) and highest for SA (61%), while in WA it has dropped 10 percentage points to 54% in the past year (marking a return to trend for WA after a sharp increase in FY 23/24).

Q: How would you rate the overall value for money of the products and services provided by your electricity company in the past 6 months?
Base size: All households (n=2,121); All businesses (min. n=506)

Value for money for gas also remains low compared to two years ago



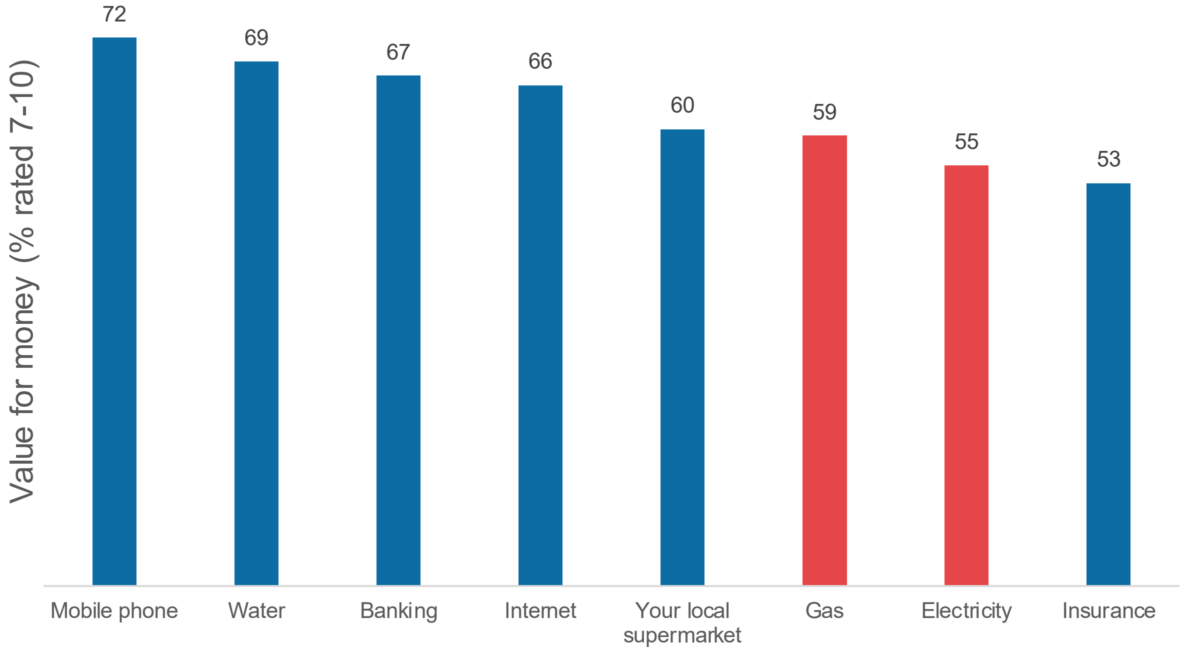
	Jun' 16	Dec' 16	Jun' 17	Dec' 17	Jun' 18	Dec' 18	Jun' 19	Dec' 19	Jun' 20	Dec' 20	Jun' 21	Dec' 21	Jun' 22	Dec' 22	Jun' 23	Dec' 23	Jun' 24
Household	56	56	63	51	60	61	60	66	68	68	72	70	70	60	64	57	59
Small Business	59	61	69	57	63	67	65	71	69	73	74	70	76	64	70	61	65

After similar increases to gas prices, value for money for gas services remains low compared to two years ago despite increasing in the past six months.

Despite dropping 9 percentage points, WA still has the highest value for money for gas (71%) while ACT has the lowest, dropping 4 percentage points to just 37%.

Q: How would you rate the overall value for money of the products and services provided by your gas retailer in the past 6 months?
Base size: All households (min. n=1,153); All businesses (min. n=287)

Value for money for gas and electricity sit lower than all other services except insurance

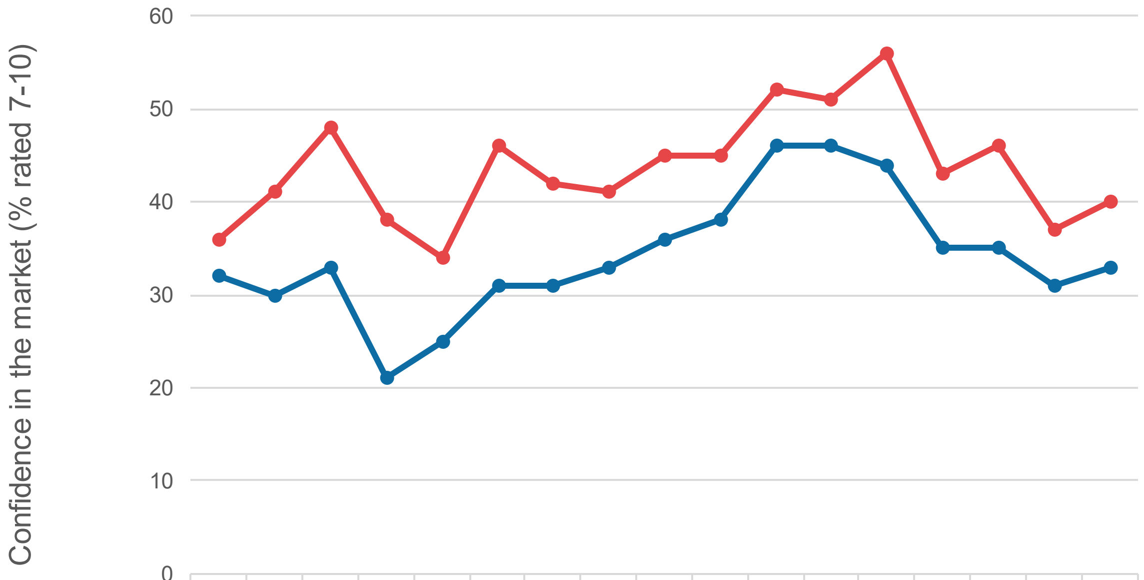


Q: How would you rate the overall value for money by your service provider in the following areas, in the past 6 months?
Base size: All households with each utility (min. n=1,153)

Consumers are facing cost-of-living pressures on all fronts. In light of current inquiries into supermarket pricing, and increased awareness and media coverage of consumer harm in Australia's supermarket duopoly, we added supermarkets as an option for respondents to gauge the relative perception of value for money between services.

Surprisingly, electricity and gas rank lower than supermarkets and nearly all other utilities in perceived value for money.

Confidence in the market has declined in previous years alongside value for money



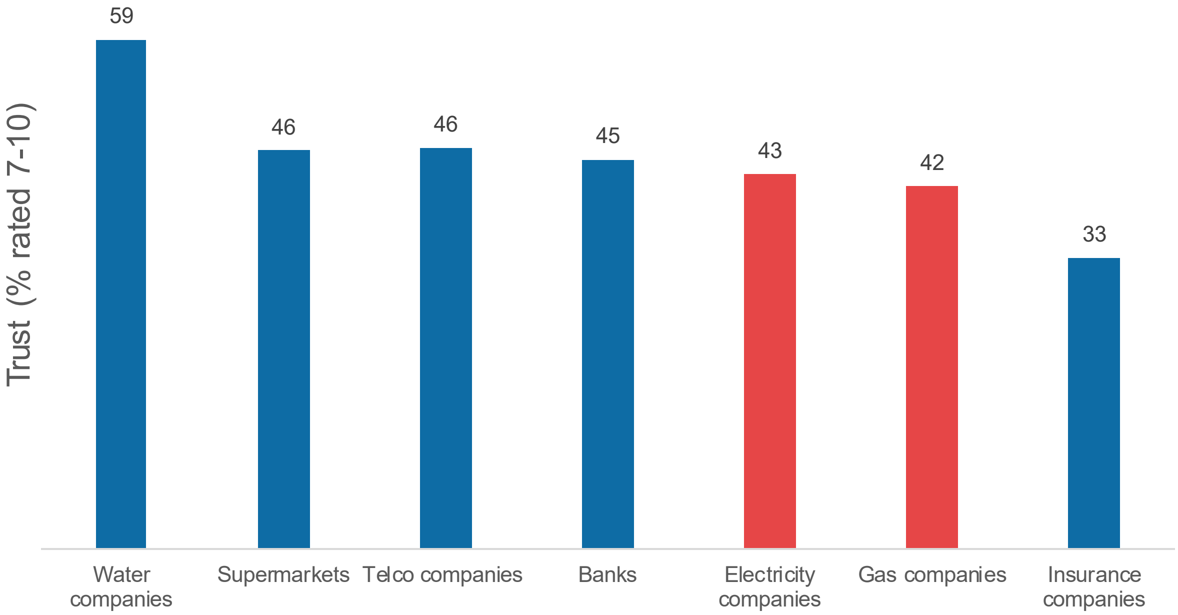
	Jun' 16	Dec' 16	Jun' 17	Dec' 17	Jun' 18	Dec' 18	Jun' 19	Dec' 19	Jun' 20	Dec' 20	Jun' 21	Dec' 21	Jun' 22	Dec' 22	Jun' 23	Dec' 23	Jun' 24
Household	32	30	33	21	25	31	31	33	36	38	46	46	44	35	35	31	33
Small Business	36	41	48	38	34	46	42	41	45	45	52	51	56	43	46	37	40

Household and small business confidence that the energy market is working in their long-term interests also declined following the events of 2022. While we have seen a slight uptick in the last six months it remains low for all households at 33%.

Consumers who identified as being under financial pressure are even less likely to feel confident (20%) compared to those who say they are financially comfortable (42%).

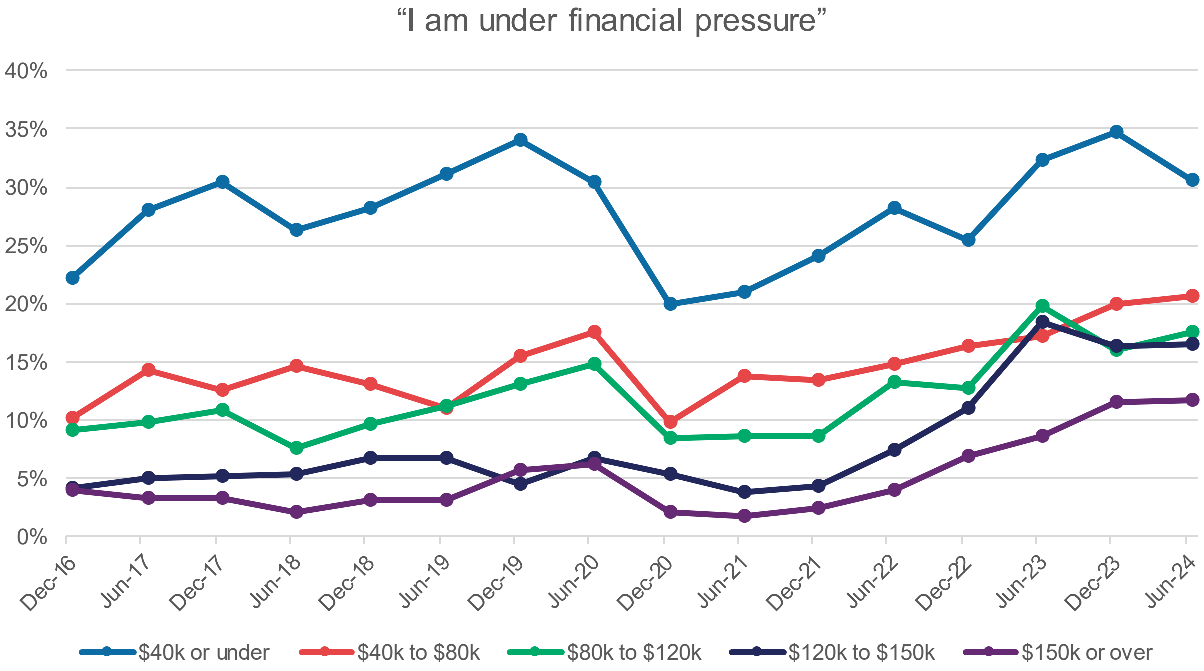
Q: How confident are you that the overall market is working in your long-term interests? By 'the market' we mean, the energy industry and energy regulators.
Base size: All households (n=2,121); All businesses (min. n=506)

Consumers trust electricity and gas companies less than supermarkets and banks



Q: To what extent do you trust each of following companies to do the right thing by their customers and by Australia as a whole? –
Base size: All households (n=2,121)

Consumers on higher incomes are increasingly identifying as under financial pressure

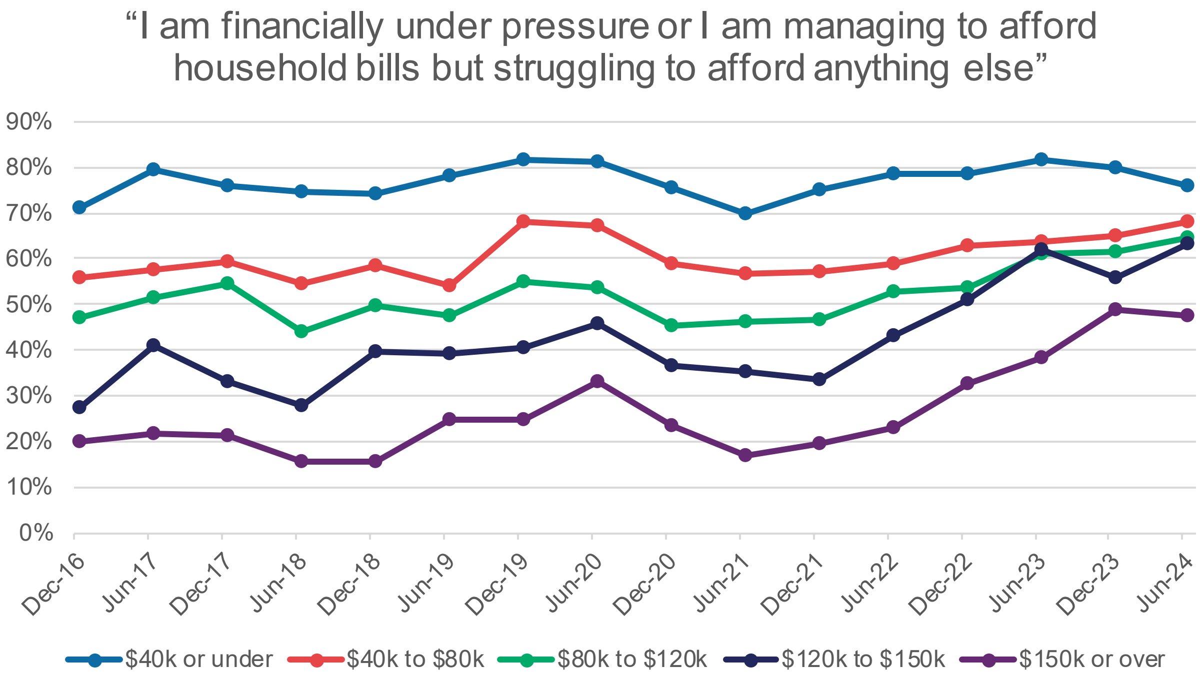


We ask households to self-identify whether they are under financial pressure, if they are managing to pay household bills but struggling to afford anything else, or if they are financially comfortable.

Those on the lowest incomes are most likely to identify as under financial pressure. However, since June 2022 the number of households across all income brackets identifying as under financial pressure has increased.

Q: Which of the following best describes how you feel about your current financial situation? I am under financial pressure; I can manage household bills but struggle to afford anything extra; I am financially comfortable.
Base size: All households, Under 40k (n=478), 40k-80k (n=645), 80k-120k (n=470), 120k-150k (n=188), Over 150k (n=291)

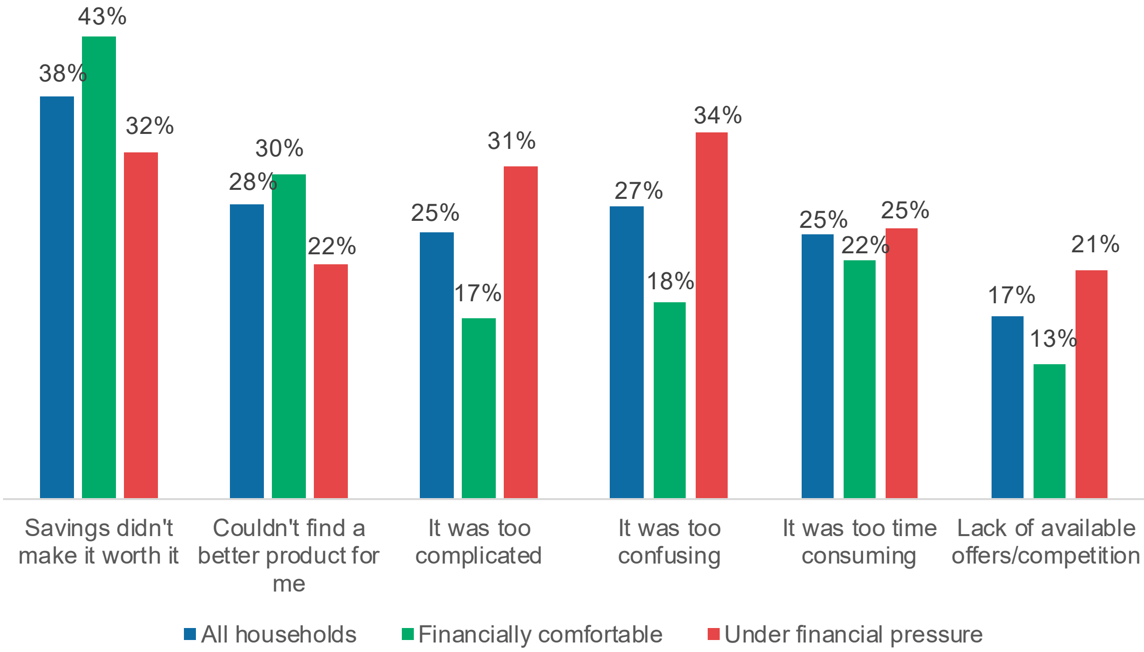
Most consumers struggle to afford anything on top of bills



Across all income brackets except the highest, more than half of households say they are either under financial pressure or managing to afford households bills but struggling to afford anything extra. It is therefore unlikely most are able to afford major energy upgrades such as energy efficiency improvements or Consumer Energy Resources.

Q: Which of the following best describes how you feel about your current financial situation? I am under financial pressure; I can manage household bills but struggle to afford anything extra; I am financially comfortable.
Base size: All households, Under 40k (n=478), 40k-80k (n=645), 80k-120k (n=470), 120k-150k (n=188), Over 150k (n=291)

Those under financial pressure are more likely to have trouble accessing information to help them with energy costs

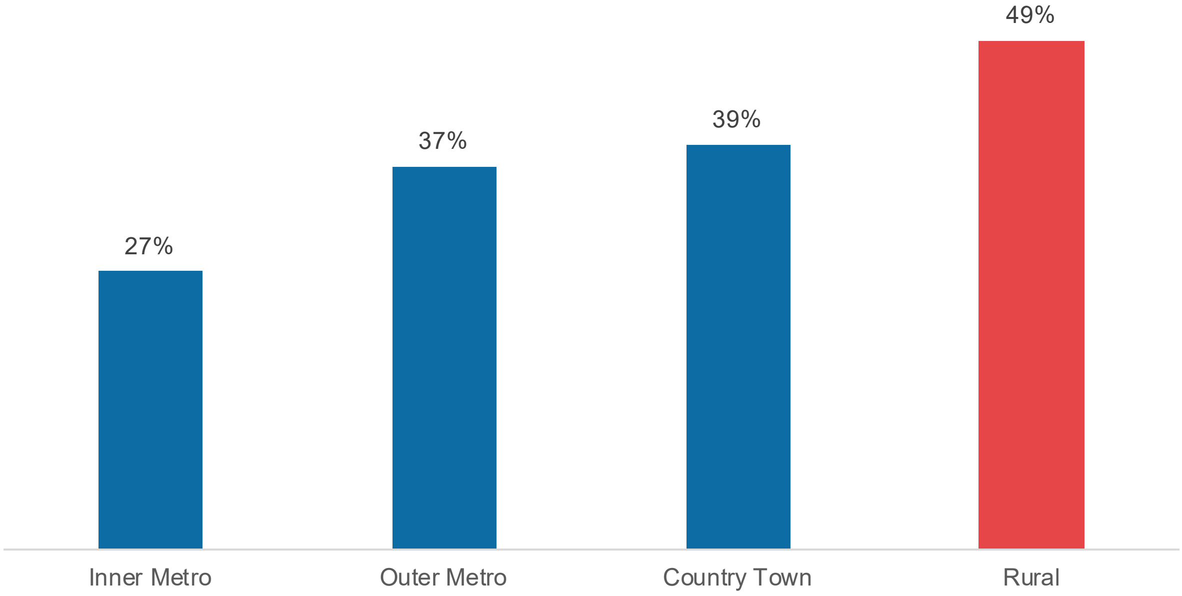


Q: Thinking about the last time you considered changing energy companies/switching to a better offer, but did not end up doing so, what were the reasons you didn't switch?
Base: All households who considered switching energy companies or plans but decided not to (n=541), Financially comfortable (n=157), Under financial pressure (n=116)

Consumers under financial pressure were more likely to say that in the past year they had considered switching energy retailer or plan but ultimately decided not to (30% compared to 22% for financially comfortable). When asked why they didn't, they were more likely to say it was too confusing, time-consuming or complicated.

Consumers under financial pressure are also less likely to say they feel confident in their ability to make choices about energy products and services (51% compared to 75% for financially comfortable) or feel they have the information they need (43% and 65%).

Almost half of households in rural areas have experienced an electricity outage in the past six months

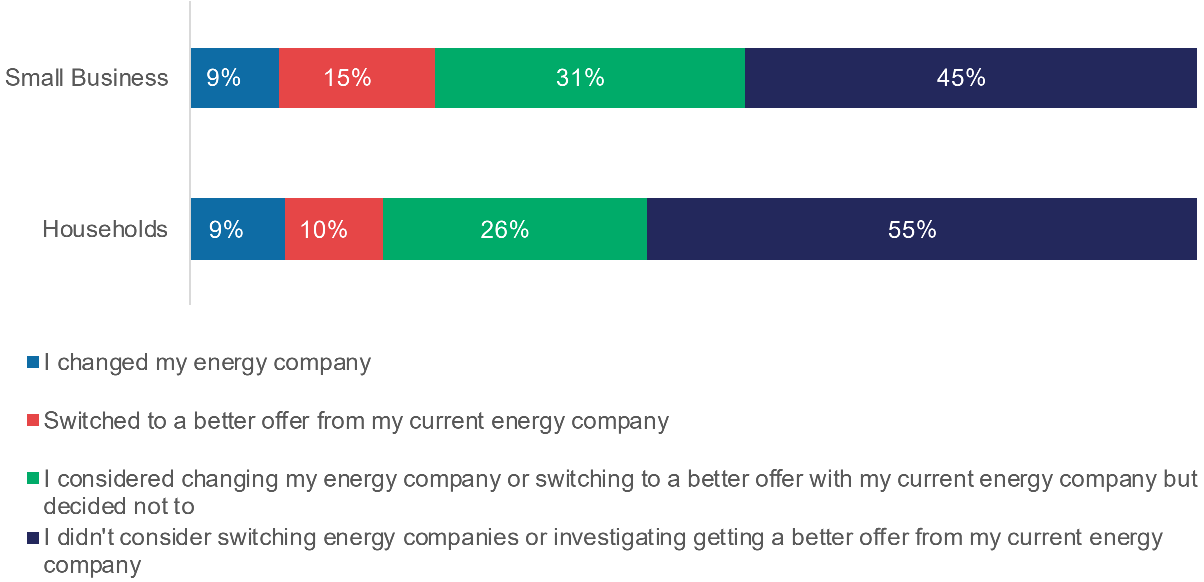


49% or rural households report having experienced an electricity outage in the past six months, significantly higher than those living in cities.

Of all households who experienced outages, 45% said they were satisfied with the communication they received from their electricity supplier to keep them informed. 55% were satisfied with the time it took to restore supply.

Q: Have you experienced any outages in the last 6 months?
Base size: All households, Inner Metro (n=680), Outer Metro (n=623), Country Town (n=266), Rural (n=549)

Consumers are unlikely to switch energy retailers as a cost saving measure

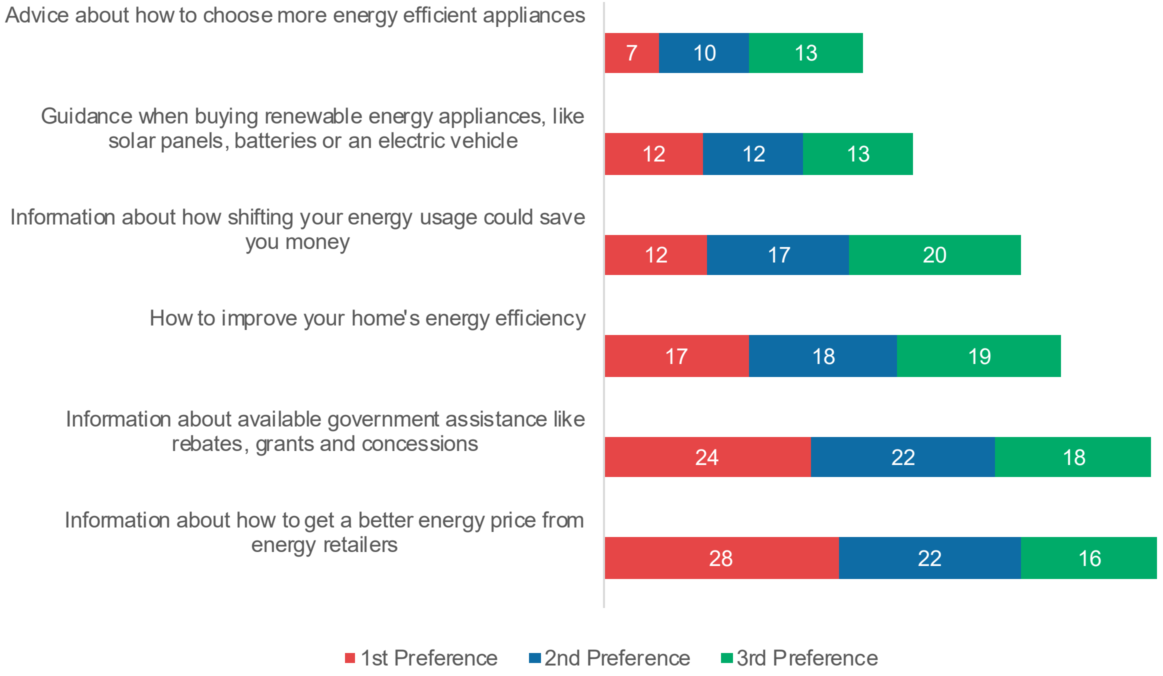


Around half of all households and small businesses say they did not consider switching energy companies or plans in the past year.

When looking for information on switching, those that did switch retailer or plan most commonly visited Government energy comparison websites (43% of households and 38% of small businesses), independent price comparison websites (39% and 36%) and energy retailers (37% and 35%).

Q: Which of the following best describes what you have you done in the last year?
Base size: All households (n=2,121); All businesses (min. n=506)

Consumers want help accessing information on energy plans and rebates



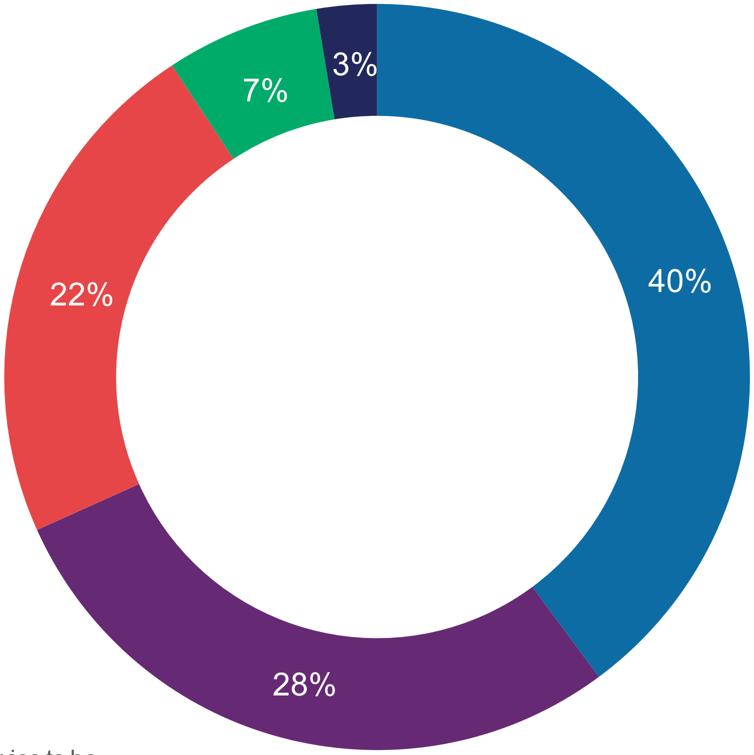
Respondents were asked what they would value from a service that provided information on energy usage and bills.

Consumers in WA were more likely than other states to say they wanted information on improving energy efficiency (63%) while retired households and households under financial pressure were more interested in information on rebates (both 73%).

Q: If there was a service that provided information on energy usage and bills, which of the following topics would be most useful to you?
Base size: All households (min. n=2,121)

Consumers say they would prefer a free, more general service to help them with their energy needs

- I want general information and advice about products, and ways to reduce costs
- I'd like a free service that finds the right products or upgrades for me and directly contacts local servicepeople to install products or alternative energy retailers
- I'd like recommendations for products to narrow my choices and suggest actions based on my household details
- I'd like contact details for local servicepeople who can install products or alternative energy retailers
- I'd be prepared to pay a fee for a third-party to manage the process of selecting and installing products or changing energy retailers



Q: To what extent would you want the information and guidance available through this service to be personalised to your specific needs?
Base size: All households (min. n=2,121)

A Suite 2, Level 20, 570 George Street
Sydney NSW 2000

PO Box A989
Sydney South NSW 1235

T 02 9220 5500

W energyconsumersaustralia.com.au

@energyvoiceau

/energyconsumersaustralia

/energyconsumersaustralia

ABN 96 603 931 326

ENERGY
CONSUMERS
AUSTRALIA