



## Media Release

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### Time of use tariffs yet to work for many consumers, new report shows

A new report by Energy Consumers Australia shows many Australian households are receiving limited benefits from dynamic pricing structures like time of use and demand tariffs.

The *Consumer knowledge of electricity pricing and responsiveness to price signals* report, released today, found that relatively few consumers on these tariffs were adjusting their usage of heating, cooling or water heating (which make up around 35% to 75% of household energy use, depending on appliances used and climate zone), which would enable them to realise the greatest cost savings.

Instead, many were changing when they used comparatively lower energy-intensive appliances such as dishwashers and washing machines, indicating that the financial benefits of time of use tariffs are likely modest for many households.

"This report shows dynamic pricing structures are yet to incentivise the kinds of consumer behaviour that the market hopes to see," said Energy Consumers Australia CEO Brendan French.

The report analyses data from Energy Consumers Australia's recent Consumer Energy Report Card survey, which asked more than 4,000 Australian households their views on a variety of energy topics.

The report found there is an emerging large group of more engaged consumers (making up 46% of consumers) who are interested in having greater choice, control, or flexibility over how they use and manage their energy consumption. These households were more likely to be higher income homeowner households with existing solar systems.

However, the report also found that consumers with the greatest means to shift the time of day they use large energy loads are less likely to be doing so. Meanwhile, dynamic pricing signals may be creating worrying behaviours for people on low incomes, potentially making them cut back on heating and cooling their homes to save money.

"People on low incomes are more likely to be living in energy inefficient housing that costs them more to heat and cool so it is worrying that they may be doing without because they're now on time of use and demand tariffs. These consumers should be provided with basic electricity plans with simple pricing," said Energy Consumers Australia CEO Dr Brendan French.

"We need minimum energy efficiency standards for rental properties and help for low-income homeowners to improve the energy efficiency of their homes so they don't face high energy bills. Victoria and the ACT already have minimum standards and this should be taken up by the rest of the country.

"We also found there is a sizeable group of more engaged consumers who want greater choice, control, or flexibility over how they use and manage their energy consumption. We need to encourage these people by providing more innovative products and services so that consumers with the means to shift large energy loads can provide benefits to the system and help everyone."

The report, and the Consumer Energy Report Card survey data, is available via [www.energyconsumersaustralia.com.au](http://www.energyconsumersaustralia.com.au) For interview requests or more information, contact Stuart Turner on 0415 403 208 or email [media@energyconsumersaustralia.com.au](mailto:media@energyconsumersaustralia.com.au)

#### About Energy Consumers Australia

[Energy Consumers Australia](http://www.energyconsumersaustralia.com.au) is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard.