ENERGY CONSUMERS AUSTRALIA

Consumer perspectives on Australia's energy transition

Consumer Energy Report Card

December 2024

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Summary

Households are broadly supportive of the transition to renewable energy. However, many remain unclear about what a net-zero economy entails and how it will personally impact them. This highlights the need for a clear, aligned narrative on what the energy transition means for households, especially since the transition's success will depend on their participation.

Our December 2024 *Consumer Energy Report Card* survey asked over 4,000 households across Australia what they thought about the transition to renewable energy. We found that while most households understand why Australia is transitioning to clean energy, and are supportive of it overall, only 20% think the government has clearly explained how the transition will affect them personally.

40% of households consider that increasing the use of electric vehicles (EVs) is extremely or quite important to reduce emissions. In contrast, 26% of households think the use of EVs is not important at all to reduce emissions, and a further 8% are undecided. Nationally, less than half of households (39%) say they are extremely or quite interested in electric vehicles, and 29% say they are not interested in them at all. This suggests that we are still a long way from having mass consumer adoption of these technologies. However, modelling that Energy Consumers Australia commissioned from CSIRO showed that widespread uptake of EVs would be vital to realising the cost benefits of the energy transitions for all consumers, not only EV owners[1].

Nearly half (46%) of households consider that reducing household gas consumption is extremely or quite important for reducing emissions. However, 28% think this is not important at all, or they are undecided. Homeowner households have greater agency over the type of appliances used in their home and are likely to be the homes that decide to electrify first. While many homeowners currently using gas say they are expecting to remove their gas supply in the next 10 years, 66% still report having no plans to do so.

Households who think it is more important to increase the use of EVs to lower emissions are more likely to be interested in them. Similarly, homeowners who think it is more important to reduce residential gas consumption to lower emissions are more likely to say they will cancel their gas supply in the future. This shows that environmental concerns do drive consumer energy intentions when consumers are aware of the impact their actions have on the environment.

These findings tell us that Australians need a cohesive narrative that explains the energy transition, its benefits, and the role households can, and need, to play to reach net-zero. Australia needs One-Stop-Shops to provide trusted advice to households, to help guide them through the process, and ensure they can make optimal decisions that suit their circumstances at the right times. Targeted communications will need to be provided for people with awareness gaps, and financial assistance for those who are experiencing financial stress.

About this report

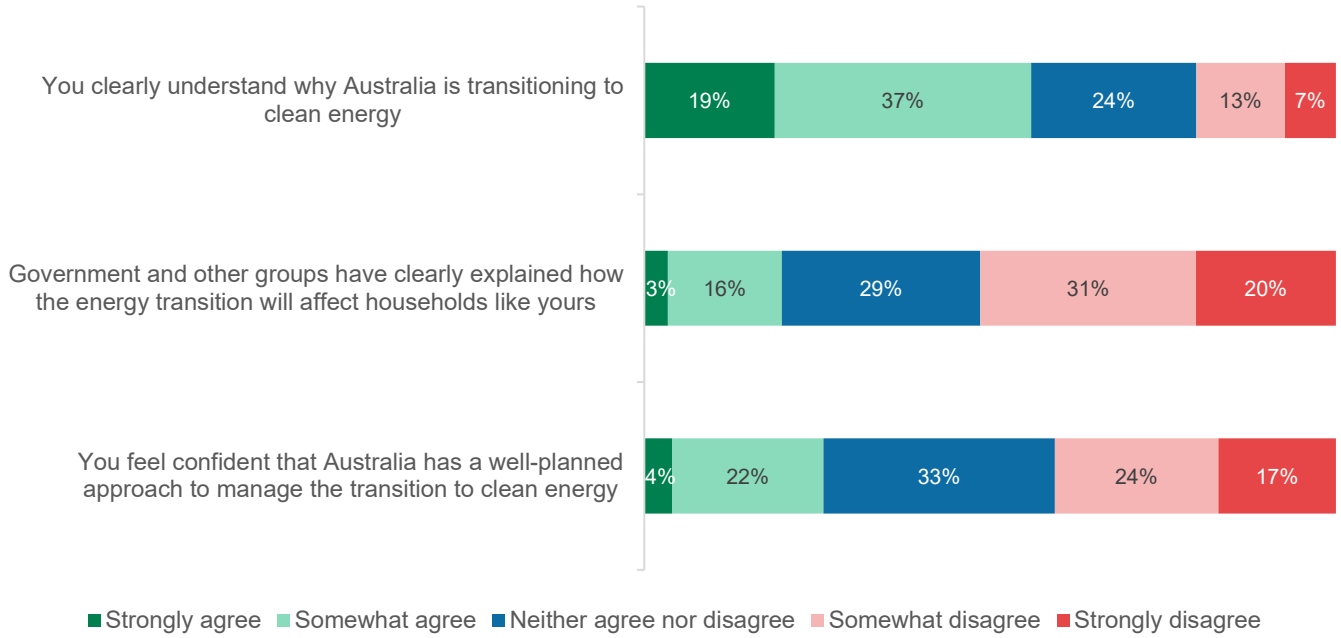
This report offers an overview of consumer perspectives on Australia's energy transition, marking the first release from our recent *Consumer Energy Report Card* survey. Future reports in the *Consumer Energy Report Card* series will provide in-depth analyses of key topics, including pricing and tariffs, energy efficiency, and solar ownership. Information about sample size and demographic characteristics of sample can be found in the Appendix. For further information please contact Ashley Bradshaw at ashley.bradshaw@energyconsumersaustralia.com.au.

Many households are unclear about how the transition will affect them

Slightly more than half of Australian households say they clearly understand why the country is transitioning to clean energy. However, only around 20% agree that the government and other organisations have effectively communicated how the transition will impact their household. Confidence in Australia's approach to managing the energy transition is also low, with only around 25% of households feeling assured that the process is well-planned.

Demographic trends indicate that younger households (18–34 years old), and those in better financial conditions, are more likely to think the transition is well-planned and its impacts have been clearly explained.

Household views on their understanding of the transition to renewable energy



Question: Do you agree or disagree with the following statements?

Households have positive views on the transition to renewables, despite mixed views on its impact on electricity prices

Three out of five households think the transition to renewable energy will be a good thing for Australia overall, and nearly half think the transition to renewable energy will be a good thing for the economy.

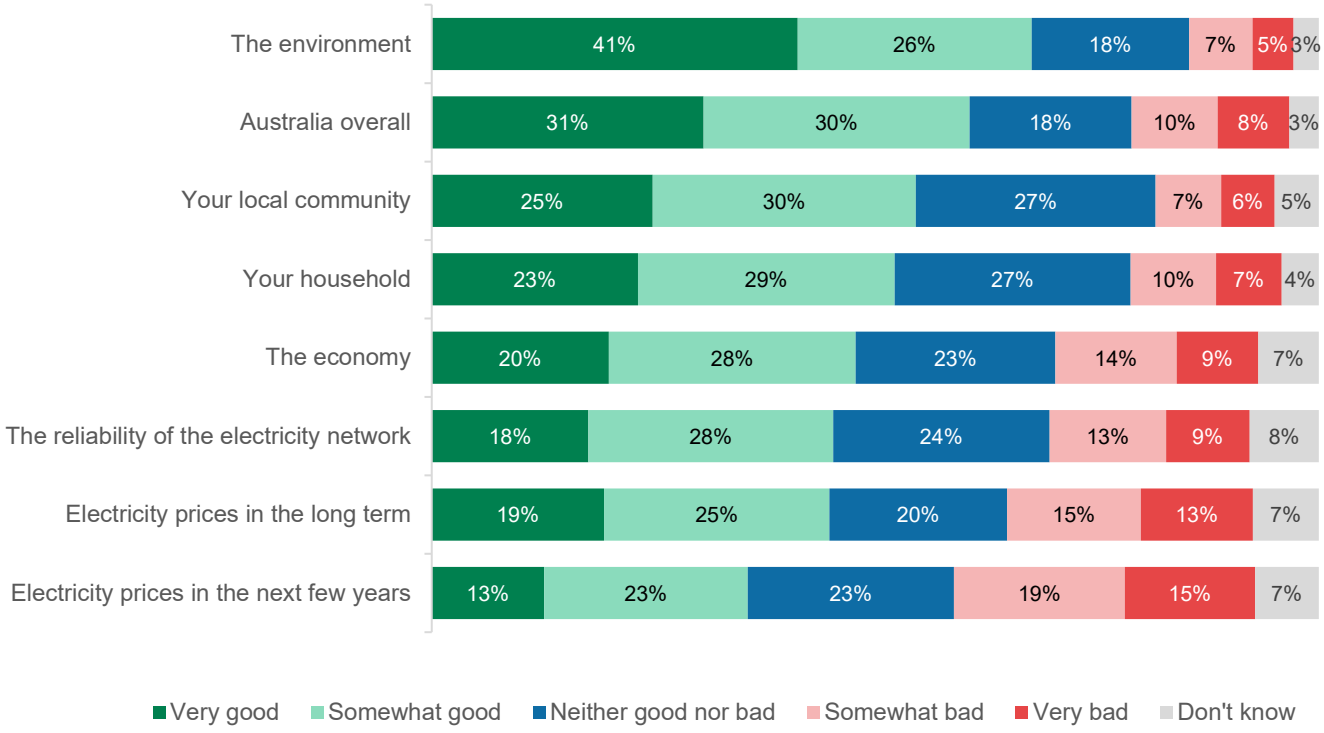
Positive sentiment towards the transition well exceeds negative sentiment, with less than 1 in 4 households viewing the transition to renewable energy as a bad thing for Australia, the environment, and the economy.

Younger households and those with better financial conditions are more supportive of the transition, and levels of support vary across states, with households in the ACT, WA, and TAS standing out for their optimism about the transition's positive impact across all aspects.

Over a third (36%) of households think the transition to renewable energy will be a good thing for electricity prices in the next few years. A similar proportion (34%) think it will be a bad thing. The remainder are neutral or undecided.

However, nearly half (44%) consider the transition to renewable energy will be a good thing for energy prices in the long-term, compared to 28% with a negative opinion.

Household opinion on how the transition to renewable energy will impact other issues



Question: Overall, do you feel that the transition to renewable energy is a good thing or a bad thing for each of the following?

Not all households are aligned on the importance of actions to reduce emissions

There is a clear need for a stronger narrative and explanation to households about the pathway to net-zero, and what this means for them.

Positively, most households think that improving household energy efficiency, encouraging more rooftop solar, and building more large-scale renewable projects will be very important for reducing emissions. More than 65% of households think these actions are extremely or quite important to reduce emissions.

Surprisingly, households are less aligned on other actions. For example, the electricity sector is currently the largest contributor to greenhouse gas emissions in Australia[2]. In 2023, fossil fuels accounted for 65% of total electricity generation, with coal contributing 46%[3]. Therefore, coal-fired power plants dominate electricity generation in Australia and are the largest emitters within this sector due to their high carbon intensity[4]. However, fewer than half of all households think it is extremely or quite important to close coal-fired power stations to reduce emissions. Nearly 1 in 5 (19%) think that closing coal-fired power stations is not important at all for reducing emissions, and a further 12% of households say they don't know.

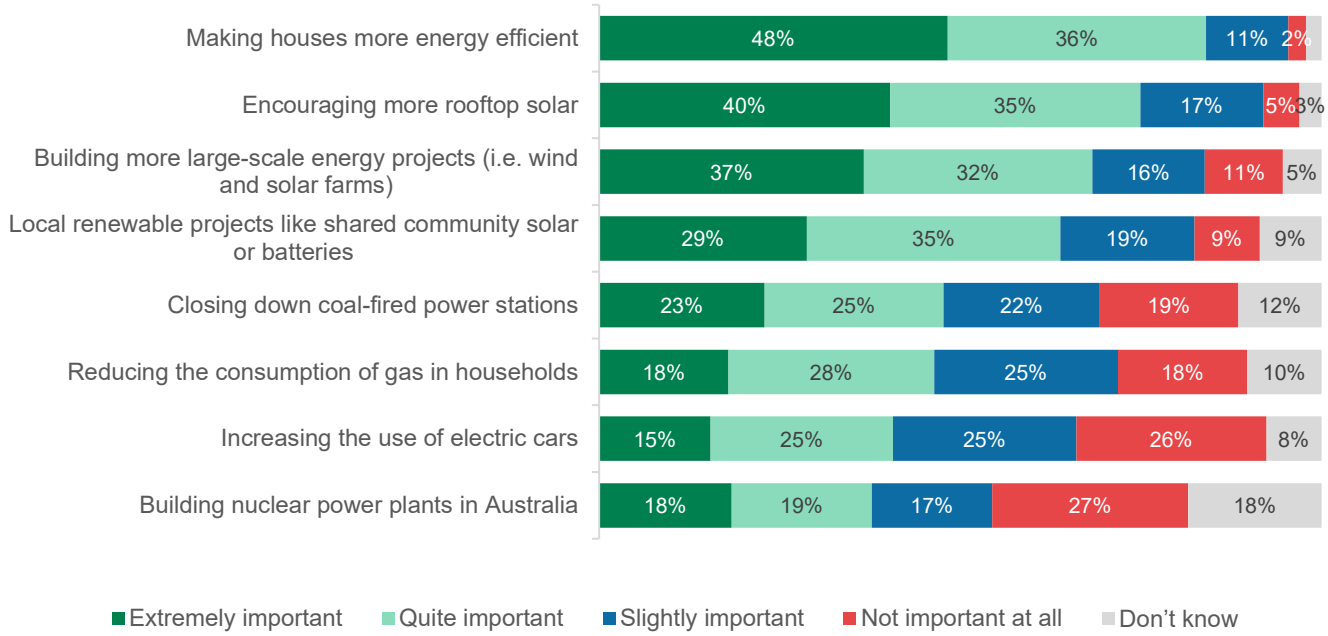
Recently, local, state, and federal governments have introduced policies to incentivise the use of EVs[5]. EVs have the potential to significantly reduce emissions in the transport sector, which is one of Australia's largest sources of greenhouse gas emissions, second only to the energy sector[2]. Passenger cars and light commercial vehicles alone account for 60% of transport sector emissions. Without targeted interventions, the transport sector is projected to become the largest source of emissions in Australia by 2030[6].

26% of households think that increasing the use of electric vehicles is not important at all to reduce carbon emissions. A further 8% say they don't know the importance of using more electric vehicles.

The Climate Change Authority's recent Sector Pathways review asserts that "the long-term complete electrification of buildings is the optimal decarbonisation approach, and governments should develop strategies to efficiently and equitably realise this."[4] Some jurisdictional governments have already introduced policies to incentivise the substitution of gas appliances for electric ones.

However, 28% of households are either unsure or do not think it is important to reduce household gas consumption to reduce emissions.

The extent to which households think certain actions are important for reducing emissions



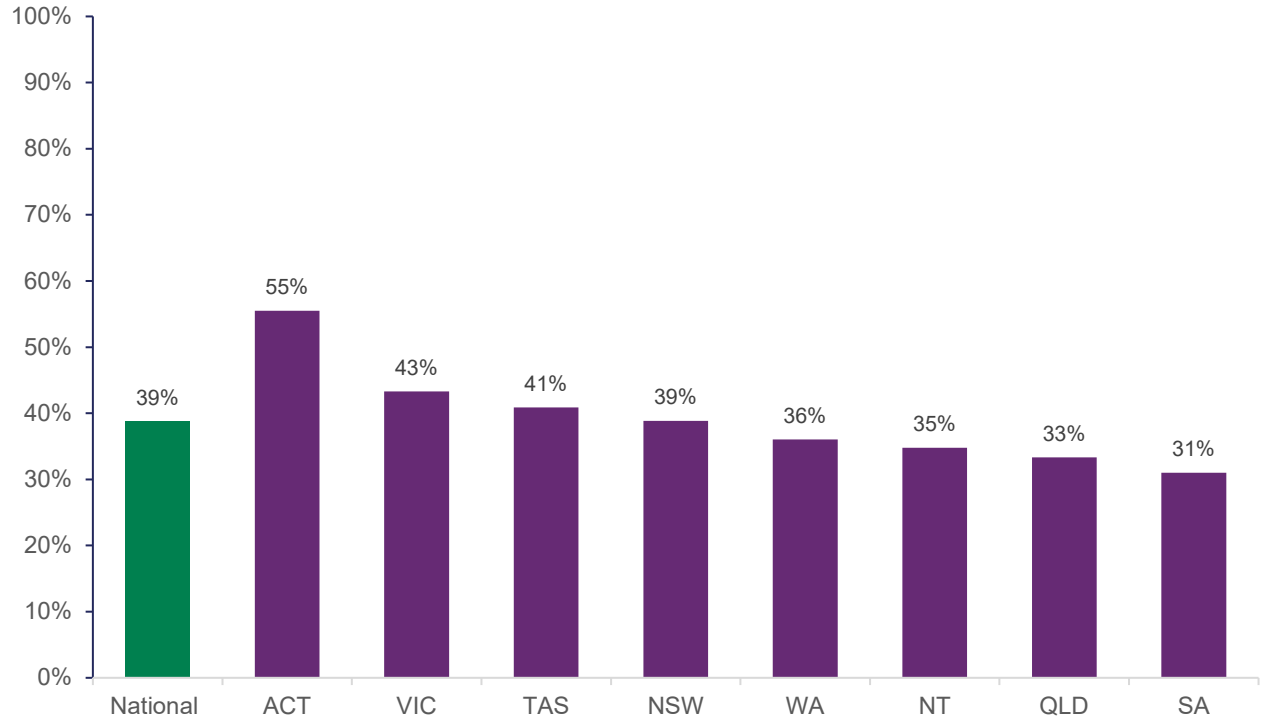
Question: How important are each of the following things in reducing carbon emissions and helping Australia meet its emissions targets?

Many households aren't interested in electric vehicles

Based on the Integrated System Plan (ISP) Step Change Scenario, by 2040, 60% of all cars on the road are expected to be electric[7]. Several state and territory EV strategies have set ambitious targets: NSW, Victoria, and Queensland aim for 50% of new passenger vehicle sales to be electric by 2030. While the ACT targets 80–90% by 2030 and plans to achieve 100% by 2035 by ceasing to register non-zero-emission vehicles that year. South Australia has also set a target for all new passenger vehicle sales to be electric by 2035[8].

Nationally, approximately 40% of households express interest in electric vehicles, but interest levels vary significantly across jurisdictions. Households in the ACT and Victoria show the highest interest, with 55% and 43% interested in EVs respectively. By contrast, only 33% of households in Queensland and 31% in South Australia show interest in the technology.

Proportion of households extremely or quite interested in electric vehicles



Question: How interested are you in the following things (electric vehicles)?

Younger and higher-income households are more likely to be interested in electric vehicles. Interest in EVs also correlates with higher engagement with the energy system more generally.

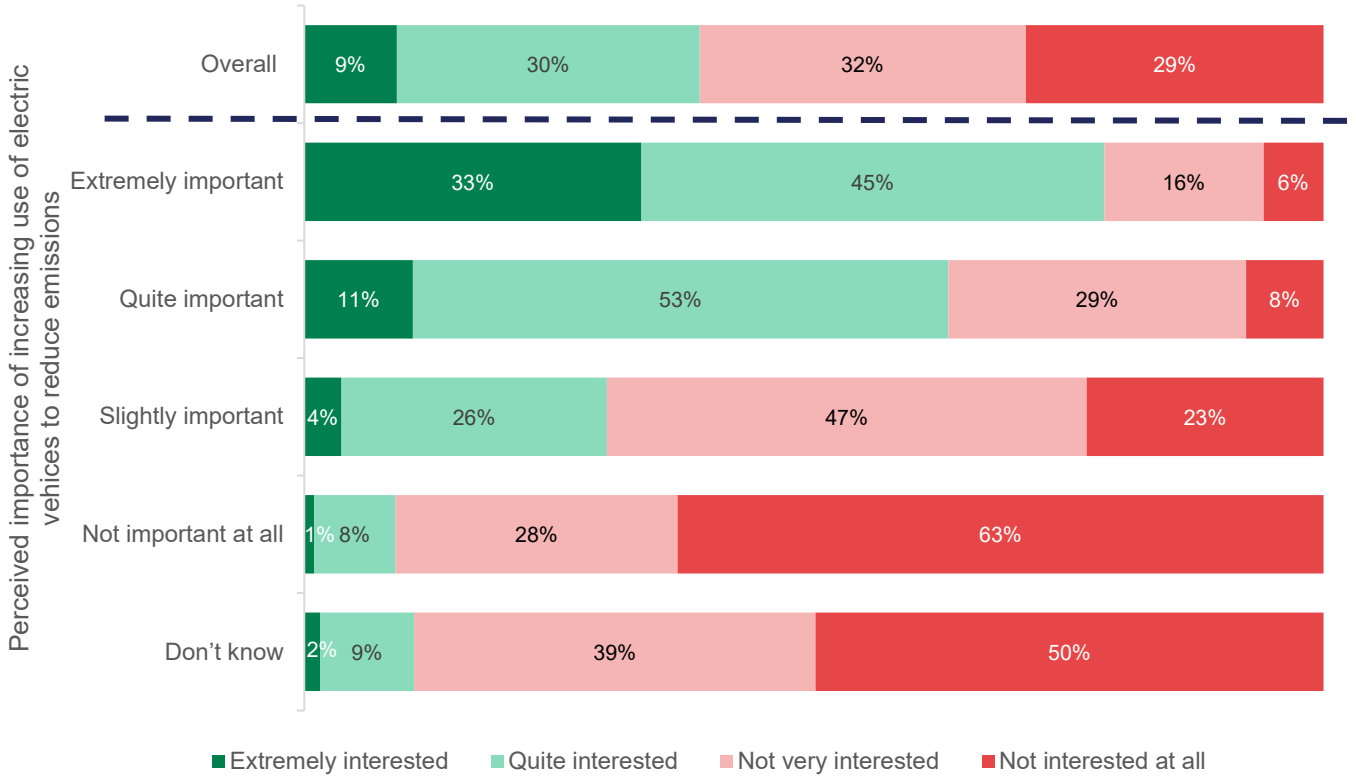
The increased interest among higher-income households can also be attributed to the still-limited availability of second-hand EVs and a narrower variety of models on the market, which may not yet cater to a broad range of consumer preferences and budgets.

Households that value the role of electric vehicles in reducing emissions are more likely to report being extremely or quite interested in electric vehicles

A clear relationship exists between environmental concerns and interest in EVs. The more importance a householder places on the use of EVs for lowering emissions, the more likely they are to show interest in them. Nearly 80% of households who view EVs as extremely important for reducing emissions are interested in the technology.

However, this relationship is not absolute. Some households who think reducing emissions through EV adoption is extremely important are not interested in EVs, while others who view EVs as unimportant for reducing emissions still express interest. This indicates that additional factors, such as financial considerations, play a significant role in shaping household interest in EVs.

Households interest in electric vehicles by perceived importance of increasing use of electric vehicles to reduce emissions



Questions: How important are each of the following things in reducing carbon emissions and helping Australia meet its emissions targets? How interested are you in following things?

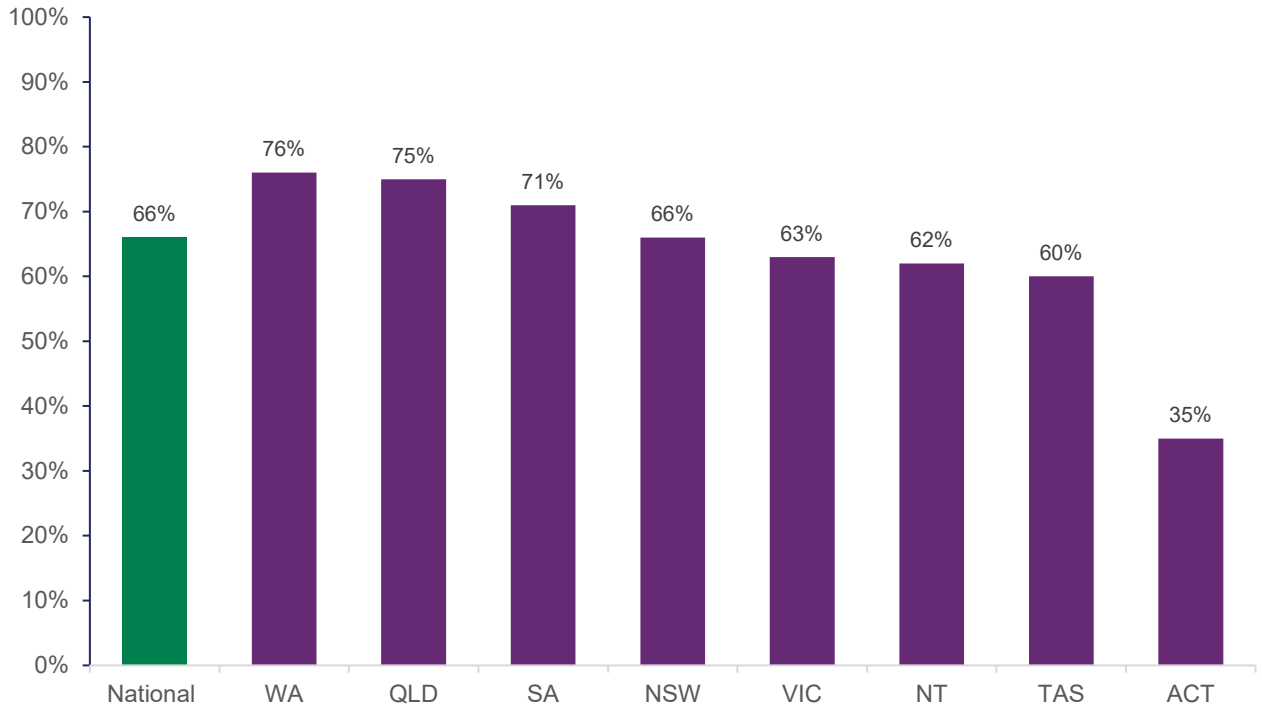
Many households aren't thinking about electrification

Most (64%) households use gas[1] (either from mains gas or bottled gas (LPG)). The majority of households with gas say they have no plan to cancel their gas supply and run on electricity only.

In all states, around 60% of homeowners with gas do not have plans to cancel their gas supply in the next 10 years. The ACT stands out as an exception, where only 35% of homeowners with gas have no plans to cancel their supply in the next 10 years. The ACT also has the clearest policy on the future of gas and has taken significant steps to curb the use of gas, demonstrating the flow on effect this has on consumer behaviour. The ACT government has prohibited all new gas network connections within its borders and signalled plans for the eventual shutdown of the gas network[9].

Lower-income and older households are less likely to plan for transitioning to an all-electric home. This can partly be associated with the high upfront costs of upgrading some appliances.

Proportion of homeowners with gas that say they are not planning to cancel their gas supply



Questions: Some Australian households have been cancelling their gas supply and converting their home to running on electricity only. Which of the following best describes you?

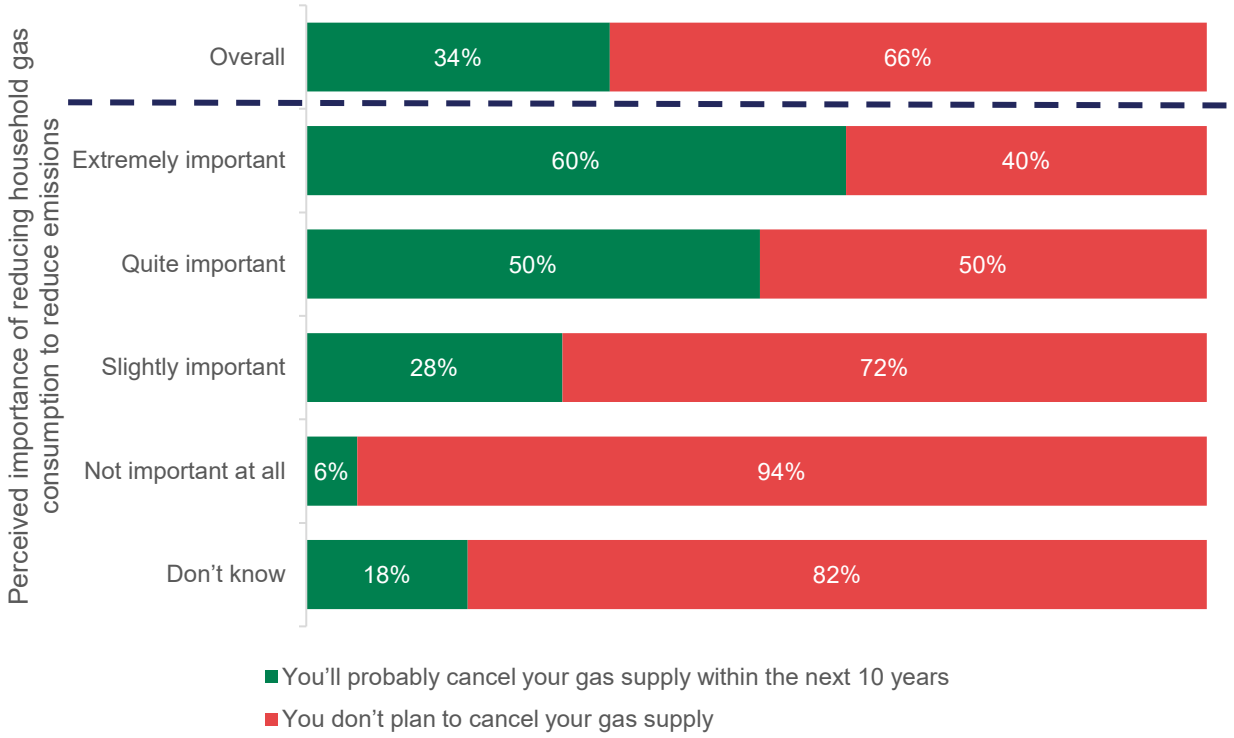
[1] Throughout this document, 'households/homeowners with gas' refers to those that use gas, either from mains gas or bottled gas (LPG).

Homeowners with gas, who value reducing household gas consumption to lower emissions, are more likely to say they will remove their gas supply

As shown below, the more important a homeowner perceives it is for household gas consumption to fall to reduce emissions, the more likely they are to say they will remove their gas supply to their property. This suggests that environmental concerns will be a key factor for a household's consideration of removing their gas supply.

However, not all homeowners who think it is important to reduce household gas consumption are planning to remove their gas supply. Similarly, some homeowners who don't think reducing household gas consumption is important say they probably will remove their gas supply in the future. This suggests that financial considerations are also a key factor for many households. Modelling that Energy Consumers Australia commissioned from CSIRO showed that the average household can benefit from cost savings by transitioning to an all-electric home[1].

Intention of homeowners with gas to remove gas supply, by perceived importance of reducing household gas consumption to reduce emissions



Questions: How important are each of the following things in reducing carbon emissions and helping Australia meet its emissions targets? Some Australian households have been cancelling their gas supply and converting their home to running on electricity only. Which of the following best describes you?

Appendix 1 – Overview of sample

This analysis is based on data from Energy Consumers Australia's December 2024 *Consumer Energy Report Card*. The target of the survey was Australian adults who are responsible for paying energy bills and/or choosing energy products and services for their household. The raw data, and information on the methodology can be found here.

Overview of sample for December 2024 Consumer Energy Report Card

Sample size (n)	**4,152**
Jurisdiction	
New South Wales	834
Australian Capital Territory	207
Victoria	824
Queensland	730
South Australia	620
Western Australia	625
Tasmania	207
Northern Territory	105
Age of respondent	
18-24	456
25-34	854
35-49	1,159
50-64	957
65+	726
Homeownership status	
Own home / Mortgage	2,697
Rent	1,388
Other	67

Reference

[1] *Stepping Up* report: Energy Consumers Australia. Retrieved from https://energyconsumersaustralia.com.au/publications/stepping-up.

[2] Australian Government Department of Climate Change, Energy, the Environment and Water (DCCEEW). (2023). Australia's emissions projections 2023. Retrieved from https://www.dcceew.gov.au/sites/default/files/documents/australias-emissions-projections-2023.pdf

[3] Australian Government Department of Climate Change, Energy, the Environment and Water (DCCEEW). *Australian electricity generation fuel mix*. Retrieved from https://www.energy.gov.au/energy-data/australian-energy-statistics/data-charts/australian-electricity-generation-fuel-mix

[4] Climate Change Authority (2024), Sector Pathways Review – Built Environment (2024), p. 13

[5] New Vehicle Efficiency Standard | Department of Infrastructure, Transport, Regional Development, Communications and the Arts (2024)

[6] Department of Climate Change, Energy, the Environment and Water (DCCEEW). Reducing transport emissions. Retrieved from https://www.dcceew.gov.au/energy/transport

[7] AEMO. 2023 Inputs, Assumptions and Scenarios Report. Retrieved from https://aemo.com.au/-/media/files/major-publications/isp/2023/2023-inputs-assumptions-and-scenarios-report.pdf

[8] CSIRO. (2022). *Electric Vehicles Projections Report*, p. 16

[9] The Integrated Energy Plan: Our pathway to electrification, p. 55