Survey of Community Views on Energy Affordability - Victoria

energy efficiency council

choice CHOICE.COM.AU

Brotherhood of St Laurence
Working for an Australia free of poverty
Background

CHOICE, the Brotherhood of St Laurence and the Energy Efficiency Council all have the goal of improving the affordability of energy services. These three groups commissioned a joint survey on energy affordability, building on work carried out by CHOICE in 2012.

The group commissioned Essential Research to include a number questions in its regular online surveys in late September 2013. The supplementary first question (household concern about different areas of expenses) was included in the survey from 17th to the 24th September and is representative at the National level, with 975 national respondents. The second and third questions were included in surveys over two weeks from the 17th to the 30th September 2013, and are representative at both the State and National levels, with 2061 national respondents that included 585 Victorian households.

This report is a summary of Victoria. Other reports are available with National data and data specific to New South Wales, Queensland, South Australia and Western Australia.
Households are still very concerned about electricity costs

Please indicate how concerned or unconcerned you are about the current costs of each specific expense for your household: (National)

<table>
<thead>
<tr>
<th>Expense</th>
<th>Very concerned</th>
<th>Quite concerned</th>
<th>Not very concerned</th>
<th>Not at all concerned</th>
<th>Don't Know</th>
<th>Household does not have this expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>44%</td>
<td>40%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Transport (petrol, car, public transport)</td>
<td>38%</td>
<td>42%</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>Health or medical (includes health insurance)</td>
<td>37%</td>
<td>40%</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>Food and groceries</td>
<td>29%</td>
<td>37%</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>Water</td>
<td>29%</td>
<td>37%</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>Home insurance</td>
<td>26%</td>
<td>31%</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>Mortgage or rent</td>
<td>26%</td>
<td>31%</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>Gas</td>
<td>23%</td>
<td>29%</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>Telephone</td>
<td>20%</td>
<td>29%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Internet</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>

The survey indicated that ‘electricity’ is still the most concerning cost-of-living pressure for households. Over 85 per cent of households were concerned about electricity costs, and 44 per cent were very concerned.

A recent Australian Bureau of Statistics report indicated that in 2012 the average Australian household spent 53 per cent more on fuel for vehicles ($60 a week) than energy used within a dwelling, such as gas and electricity ($39 a week)\(^1\). However, our survey found that household concern is much higher for electricity costs than transport costs. There are a number of possible reasons for this, such as:

- Electricity costs have risen much faster than transport costs in the past two years
- Most households don’t know how much electricity they are using at a particular point in time, and bills are generally paid after use. This means that bills can be larger than expected and households cannot retrospectively take strategies to reduce these bills. In comparison, it is easier for consumers to see how their transport usage relates to their expenses.
- Electricity bills are generally in large quarterly 'lumps', while transport costs are often paid in small daily or weekly instalments.

\(^1\) Australian Bureau of Statistics (ABS) 2013, Household Energy Consumption Survey: Summary of Results, Australia, 2012 (cat. no. 4670.0), ABS, Canberra.
Households want governments to act on electricity bills

*How important is it that the State Government helps reduce energy bills for households and businesses? (Victoria)*

The vast majority (82 per cent) of Victorians believe it is important, or very important, that the State Government helps reduce energy bills for households and businesses.
Some strategies to reduce household energy bills are more popular

We suggested a number of options for reducing their energy bills. The most popular options were:

- Helping homes and businesses save energy - net support 70 per cent. This was by far the most popular option, with very little opposition.
- Introducing time-of-use pricing - net support 28 per cent. Net support for time-of-use pricing is 4 per cent higher in Victoria than the national average.
- Subsidising energy bills for just low-income households - net support 24 per cent

As the focus of the survey was state government policy, carbon policy was not included in the survey.

Would you support or oppose the following ways in which the State Government could help reduce energy bills? (Victoria)
Would you support or oppose the following ways in which the State Government could help reduce energy bills? (Victoria - net support)

- Help homes and businesses save energy: 70%
- Introduce time-of-use pricing: 28%
- Subsidise energy bills for just low-income households: 24%
- Subsidise energy bills for all homes and businesses: 17%
- Reduce the electricity grid's reliability standard: -13%
- Reduce incentives for renewable energy: -15%