Survey of Community Views
on Energy Affordability - Western Australia

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 the National level in the larger states, and indicative only in Western Australia, with 2061 national respondents that included 143 Western Australian households.

This report is a summary of Western Australian results. Other reports are available with National data and data specific to New South Wales, Victoria, Queensland and South 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 data)

<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>26%</td>
<td>2%</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>Transport (petrol, car, public transport)</td>
<td>38%</td>
<td>42%</td>
<td>37%</td>
<td>2%</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>Health or medical (includes health insurance)</td>
<td>37%</td>
<td>40%</td>
<td>37%</td>
<td>1%</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>Food and groceries</td>
<td>29%</td>
<td>45%</td>
<td>37%</td>
<td>1%</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>Water</td>
<td>29%</td>
<td>37%</td>
<td>37%</td>
<td>1%</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>Home insurance</td>
<td>26%</td>
<td>37%</td>
<td>37%</td>
<td>1%</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>Mortgage or rent</td>
<td>26%</td>
<td>31%</td>
<td>37%</td>
<td>1%</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>Gas</td>
<td>23%</td>
<td>29%</td>
<td>37%</td>
<td>1%</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>Telephone</td>
<td>20%</td>
<td>35%</td>
<td>37%</td>
<td>1%</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>Internet</td>
<td>18%</td>
<td>37%</td>
<td>37%</td>
<td>1%</td>
<td>0%</td>
<td>18%</td>
</tr>
</tbody>
</table>

The survey indicated that 'electricity' is still the most concerning cost-of-living pressure for households. Almost 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.

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Households want state governments to act on electricity bills

The vast majority (74 per cent) of Western Australian households believe it is important, or very important, that their State Government helps reduce energy bills for households and businesses. Households in Western Australian were more likely to state that it was 'important', rather than 'very important', for the State Government to act on energy bills compared to the national average. Nationally, 31 per cent of households stated it was 'important' for their State to act on energy bills and 53 per cent stated it was 'important', while in Western Australia 47 per cent stated it was 'important' and 37 per cent stated it was 'very important'.
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 82 per cent. This was by far the most popular option, with 5 per cent more support in WA than the national average.

- Introducing time-of-use pricing - net support 38 per cent. This was more popular in WA than anywhere else in Australia, with 14 per cent more net support than the national average.

- Subsidising energy bills for just low-income households - net support 19 per cent.

Reducing reliability standards was much less popular in Western Australia than other states. 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? (Western Australia)

- Help homes and businesses save energy
- Use tax revenue to subsidise energy bills for all homes and businesses
- Use tax revenue to subsidise energy bills for just low-income households
- Introduce time-of-use pricing (this means electricity is more expensive in peak periods and cheaper off-peak)
- Reduce the electricity grid's reliability standard (this means lower bills but a slightly greater chance of power outages)
- Reduce incentives for renewable energy

Strongly Support  Support  Neither Support or Oppose  Oppose  Strongly Oppose  Don't Know
Would you support or oppose the following ways in which the State Government could help reduce energy bills? (Western Australia - net support)

- Help homes and businesses save energy: 82%
- Introduce time-of-use pricing: 38%
- Subsidise energy bills for just low-income households: 19%
- Subsidise energy bills for all homes and businesses: 12%
- Reduce incentives for renewable energy: -10%
- Reduce the electricity grid’s reliability standard: -32%