

Media Release: Sentiment Survey Results

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Consumers not confident power industry can provide affordable and resilient supply

First in-depth survey of concerns of residential and small business consumers

Consumers rank affordable electricity and a resilient network as their most important concerns according to a comprehensive survey released by the Consumer Advocacy Council today.

“While the majority of consumers are satisfied with the service they receive from their electricity retailer, most consumers do not have confidence in the electricity industry to provide affordable power and a reliable supply in the future,” said Consumer Advocacy Council Chair Deborah Hart.

The Consumer Advocacy Council was established by the Government in 2021 to be a strong voice for small electricity consumers.

“This is a wake-up call for the industry to take the prime concerns of small consumers more seriously. Well over half of consumers doubted the system would be prepared to cope with storm events over the next 10 years.”

The survey was taken before recent storm events. Kantar Public surveyed 1026 residential consumers and 500 small businesses (fewer than 20 employees) between 25 November and 20 December 2022.

“Cyclone Gabrielle has shown there’s an urgent need for the industry to invest in strengthening the resilience of the network as climate change means the frequency of these events will only increase,” said Hart.

“But building resilience can’t come at the cost of ensuring electricity remains affordable particularly now with pressure on household budgets. Even before these storms some two thirds of residential consumers and more than half of small businesses were worried that electricity will become unaffordable for some within 10 years.

“Right now, 7 out of 10 consumers are satisfied with the service they receive from their retailer but about one third of residential and small businesses consumers do not believe the market is delivering fair prices and are not confident that the market will give them better value for money in the next 5 years.

“Electricity retailers should be worried that so many consumers are unhappy with prices and the state of the sector today, and that they’re fearful about the future,” said Hart.

Key findings

Affordability:

- 80% of residents and 86% of small businesses believe electricity needs to be affordable for all New Zealanders.
- 69% of residents and 57% of small businesses are concerned electricity will become unaffordable for some over the next 10 years.
- 52% of residents and 39% of small businesses worry electricity will be unaffordable for them over the next 10 years.

Resilience:

- 74% of residents and 84% of small businesses say ensuring the electricity system is resilient to extreme weather events is important.
- 57% of residents and 59% of small businesses are concerned the system will not be resilient to power outages caused by storm events over the next 10 years.

“We’re in a time of great change as we deal with threats to the network from climate change storm events, and the need to reduce emissions to achieve 100% renewable generation.

“What this all tells us is that it’s high time consumers are front and centre when policy makers, regulators, and the industry are making decisions on the future shape of our electricity system.

“After all, consumers are the ones who use electricity and they ultimately fund the industry.”

Other key findings

- The majority of New Zealanders (72%) are satisfied with the service they receive from their current provider and the reliability of service (80%).
- Trust in electricity retailers is on par with that of phone / internet and Kiwisaver providers, and above banks and supermarkets.
- The cost of electricity is a key concern for a majority of New Zealanders (58%), on par with concerns they have about mortgage or rental costs and second only to concerns about grocery and petrol costs.
- 42% of residents and 28% of small businesses found it harder to pay electricity bills than a year ago.
- 10% of residents experienced payment pressures in the past 12 months, and were forced to go on pre-pay, or borrow to pay a bill or made special arrangements with their retailer because of financial hardship.



- About 1 in 3 consumers are not confident the market is delivering fair prices to consumers and a similar number doubted the market would provide better value for money over the next 5 years.

“The Council’s mandate is to be a strong voice for consumers and our regular sentiment surveys will strengthen our ability to better advocate for the change consumers need so that the electricity network is affordable, resilient and sustainable.” said Hart.