

## **Media Release 2024 Consumer Sentiment survey**

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### **Electricity costs weigh heavily on households and small businesses – 2024 Sentiment Survey**

#### **Planned price rises risk worsening hardship**

- Two out of three residential consumers are worried about their electricity bill
- Almost half of households and more than a third of small businesses are finding it harder to pay electricity bills than a year ago
- Affordability and resilience of the network to storms remain top issues of concern.

Households and small businesses are feeling the chill from rising electricity bills according to the third annual Sentiment Survey undertaken by the Consumer Advocacy Council.

“Our survey results underline the challenges facing many small electricity consumers as the pressures stemming from the cost of living crisis and increasing electricity prices continue to take their toll,” said Deborah Hart Chair of the Consumer Advocacy Council.

The survey shows 67% of households are worried about electricity costs, up from 58% in 2022.

Among small businesses, more than a third (38%) are finding it harder to pay electricity bills than they were a year ago and 32% say power bills are putting pressure on their finances, up from 21% in 2022.

Affordability of electricity remains a top concern, cited by four out of five residential and small businesses consumers with about two thirds believing electricity will become unaffordable for some consumers in the next 10 years.

Survey results also suggest the electricity market is getting harder for consumers to navigate as retailers bundle power with other services, such as broadband.

"One in four consumers who have bundled plans said they didn't know if they were getting a good deal. One in 10 actually discovered that their costs had increased. Bundled plans can be deceptive."

Hart said it is also concerning that very few consumers are confident they are going to get a better deal from electricity retailers over the next five years.

"This low level of confidence has persisted over each of our three annual surveys."

Just one in five residential consumers and small businesses were confident the market will deliver better value for money in the next five years, similar to results of the previous surveys in 2022 and 2023.

In addition, a third of consumers who thought of switching to another retailer did not find the savings worth the effort to switch.

"New Zealand's approach has relied heavily on promoting switching to drive competition and better prices for consumers, but evidence shows switching rates remain relatively low," said Deborah Hart.

"There are other measures that could help, such as ensuring retailers are regularly telling their customers whether they are on the right plan for their budget. The Electricity Authority should make a 'best plan' notice mandatory."

There were also bigger issues with the way the electricity system worked and how it was regulated that needed to be addressed to ensure power prices were fair and affordable for all.

"With affordability remaining a top concern, the Council urges regulators and government to investigate whether current regulatory settings are fit for purpose.

"Demand for electricity is rising with a growing population and increasing electrification of appliances and cars. But consumers can't keep paying higher prices for an essential service," said Deborah Hart.