

IPART RELEASES 2010 HOUSEHOLD SURVEY

Embargoed until 12pm, Thursday 16 December 2010

Average electricity consumption per household has fallen by 6% in the last four years, according to a household survey that was recently undertaken by the Independent Pricing and Regulatory Tribunal (IPART). One reason for this is that households are increasingly using gas and solar hot water systems rather than electric hot water systems.

Households are more likely to experience financial difficulty paying their electricity bills than their water or gas bills. Only 3% of low-income households indicated they had been unable to pay their water bills for financial reasons in the past year.

More low-income households (16%) said that they had experienced difficulty paying their electricity bills in the past year than middle- or high-income households.

The survey also found that issues such as 'green energy' and 'good environmental management of water resources' have become more important to Sydney households since IPART's previous household survey in 2006.

Taverner Research conducted the household survey on IPART's behalf between January and March 2010. The survey included 2,192 households in the Sydney metropolitan area, Blue Mountains and Illawarra regions.

"The household survey will help the Tribunal to understand the impact of rising energy and water prices on customers' budgets across socio-economic groups and regions," said IPART CEO Mr. James Cox.

"The insights the survey has provided into the energy markets will also be helpful in assessing the competitiveness of the market," he said.

Some of the other key findings from the survey are:

- ▼ Average water consumption was about the same in 2009/10 as it had been in 2005/06, despite the easing of water restrictions from June 2008. This may indicate that permanent changes in behavior have occurred, such as more widespread use of dual flush toilets, greater use of grey water, and greater use of water from rain water tanks.
- ▼ The 2010 survey results confirm many of the relationships between electricity, gas and water use and household characteristics observed in the previous surveys, for example:
 - Households that have more occupants, live in free-standing houses, and have more electricity and/or water-using appliances/amenities are likely to use more electricity, gas and water.
 - On average, higher-income households use more electricity, gas and water than lower income households. But there are significant numbers of both large and small users within each income category.

- ▼ Households were more likely to approach their electricity supplier because they could not pay their bill if they:
 - had lower incomes
 - had 3 or more occupants (and therefore consumed more and faced higher utility bills)
 - were renting or paying off their homes (and therefore faced higher accommodation costs), and
 - used a large amount of electricity (more than 8 MWh per year).
- ▼ The gas market was less active than the electricity market in the 3 years prior to the 2010 survey. Households were less likely to have been approached by a gas supplier than an electricity supplier, and were less likely to have changed their tariff arrangements for gas than for electricity.
- ▼ Since January 2002, 42% of households had switched their electricity retailer, and 24% of households with mains gas had switched their gas retailer for any reason other than moving house.
- ▼ Residential customers appear to be fairly confident in their ability to choose a retailer, a little less confident that they have the information they need, and least confident about the process of transferring. For both electricity and gas, about 65% of households that had entered into a contract in the past 3 years indicated that they were satisfied with the new arrangements.
- ▼ Including free school travel, about 60% of households had used a bus, train and/or ferry in the previous 7 days.

The report, *Residential energy and water use in Sydney, the Blue Mountains and Illawarra*, is available on IPART's website <<http://www.ipart.nsw.gov.au>>.

A fact sheet is also available on this report.

For further information, contact: James Cox, Chief Executive Officer and Full Time Member
T (02) 9290 8411