

## **Media release: Consumer and stakeholder surveys**

**Tuesday, 21 May, 2013**

### **Perceptions of electricity outcomes improving**

Consumers' and stakeholders' perceptions of competition within the electricity sector have improved over the last two years, recent surveys show.

"It is early days but it is pleasing to see that perceptions of the industry appear to be improving, both with stakeholders and residential consumers," said Electricity Authority Chief Executive Carl Hansen.

Two separate surveys were undertaken by UMR, one of residential consumers and one of stakeholders, which includes large industrial consumers and investment analysts. The results are a vital component of the Authority's planning for its Statement of Intent and work programme.

In the residential consumer survey, 64 percent rated competition in the electricity market as just adequate or better than just adequate. This compares to 56 percent in the 2011 survey (Chart 1). But when asked about whether competition has been keeping prices in line with the costs facing electricity retailers, only 22 percent agreed, up slightly from 21 percent in 2011.

In the separate survey of stakeholders, all sectors of the electricity market (except retail) were rated as more competitive in 2013 than 2011. The retail market results were the same as for 2011.

"The biggest improvement in market arrangements was the reduction in barriers to entry in the retail market, which should further enhance competition in that market," Carl Hansen said.

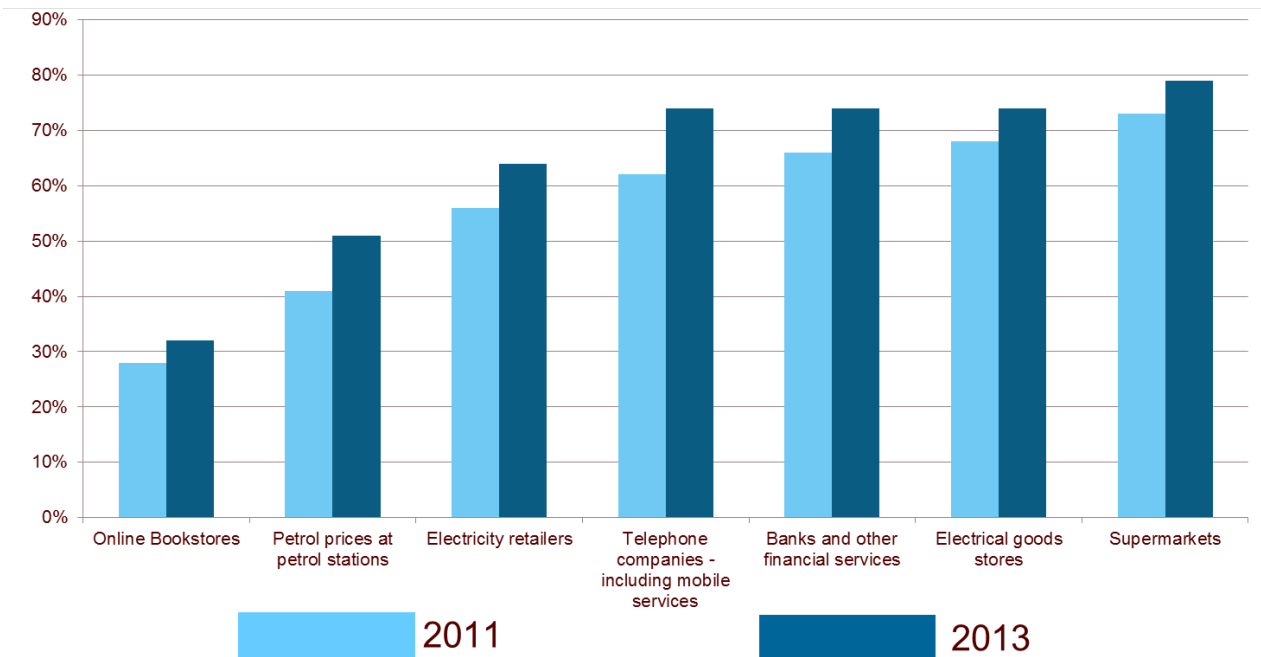
In particular, there were big jumps in perceptions about the competitiveness of the hedge market and modest improvement in spot market competition (see Chart 2).

"These survey results are consistent with other evidence of improved competition across the electricity market. They provide useful intelligence for planning our work programme, as they indicate the retail market is a key area needing our attention over the next couple of years."

"Although pleased with these results, we are cautious about interpreting them. This is only the second set of surveys and we need a longer term trend to say whether the results are definitive," he said.

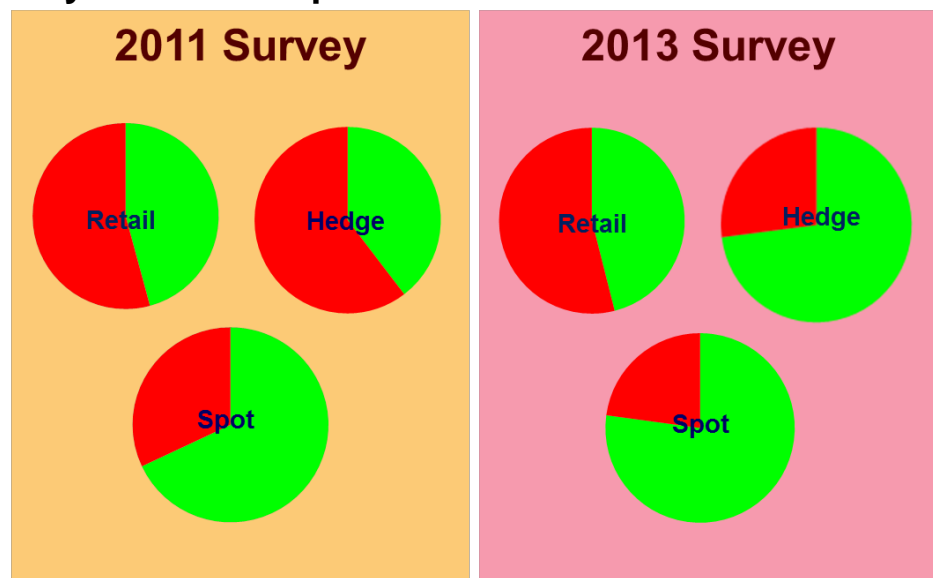
The Electricity Authority is an independent Crown entity that is charged with promoting competition, efficiency and reliability of supply for the long-term benefit of consumers, through market design, overseeing market operations and monitoring and enforcing compliance with market rules.

**Chart 1: 64% of consumers in 2013 survey indicated competition among electricity retailers was just adequate to extremely competitive**



**Chart 2: Big jump in stakeholder perceptions of competition across the electricity market except for the retail market**

- *Survey statement:* prices in [this] market reflect the outcomes expected in a workably competitive market
- Red = Disagree (rating of 0 – 4)
- Green = Agree (rating of 6 – 10)
- Don't Know and Neutral (rating of 5) not shown here



Note: the retail market primarily serves residential consumers and small and medium enterprises

Full details of the surveys are available on [the Authority's website](#).

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