

25 July 2016

## Bracing for bill shock: 84% of Aussie households are concerned about their upcoming winter energy bill

### *5 million households say their energy bills have increased in the past 12 months*

Energy experts [iSelect](#) today released the results of a national Galaxy Research study which found that **84 per cent of Australian households** are concerned about their upcoming winter energy bill.

The study, commissioned to assess the attitudes and behaviours of Australians towards energy affordability this winter<sup>1</sup>, also found that over **5 million households** (or **62 per cent of Australian homes**) believe their energy bills have increased over the past year.

In the wake of rising energy costs, **a quarter of Australians** have cut back on other areas to afford their energy bills over the past 12 months with **467,000** homes reporting that they went into debt to pay their energy bills. While households are most commonly cutting back on dining out and entertainment costs, it's concerning that **1.4 million homes** (17 per cent) have cut back on groceries in order to pay their energy bills.

Energy bills are traditionally their highest in winter, with energy-hungry appliances like heaters and electric blankets working longer and harder to keep households warm during the colder months.

Laura Crowden, iSelect spokesperson, said it was worrying that energy costs may be forcing families to brave the cold and cut back on essentials like food and heating costs during winter.

**"Two thirds** (67 per cent) of households told us that energy costs affect how long or often they operate their home's heating," Laura said.

**"During winter around forty per cent of your energy can be used up simply by heating the home** and running heaters around the clock may result in higher than expected energy bills that stretch household budgets to their limits," said Laura.

**Over half a million Australians households** have been on a hardship plan in the last year and a **33 per cent** of mortgage holders have had to cut back on their winter energy use to meet their home loan repayments.

Laura said the survey showed that while winter energy costs are a concern for most people, **only 29 per cent** of households have taken the time to compare or switch providers.

**"Less than a third** of homes have taken the time to shop around or change providers in the last year, which means many households could be paying more than they need to for energy, particularly if they are still on a standard retail plan."

Increased competition in most states means retailers are offering generous introductory offers or rebates to entice new customers such as credit towards their account.

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<sup>1</sup> In July 2016 iSelect commissioned a nationally representative consumer research study with Galaxy Research to assess the attitudes of over 1,100 Australian household decision makers towards energy affordability.

Laura said anyone concerned about energy costs this winter should take the time to speak to an energy expert.

“They can help you understand your current plan, talk you through the variety of options available and help you decide if an alternative plan or provider could offer you better value.”

But Laura cautioned home owners against simply focusing on price only and encouraged them to find a plan that suits their lifestyle and individual energy needs, as well as their budget.

“Many energy retailers also offer flexible payment options, with discounts for paying on time or online, or the ability to pay in instalments to avoid the bill shock that comes from an unexpectedly large quarterly bill.”

| <b>iSelect's top 5 tips for finding best energy deal</b>   |
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| <b>1. Save money with the right plan</b> – reducing your consumption won't necessarily reduce your bill significantly. The best way to save money is to make sure you are on the best value plan to begin with |
| <b>2. Flexible payment options</b> – pay your bills weekly, fortnightly or monthly, or sign up for bill smoothing which will divide your annual usage into even monthly instalments, avoiding bill shock       |
| <b>3. Be wary of pay on time discounts</b> – paying on time could save you up 30 per cent but if you often pay your bills late, you could end up paying a lot more than you expected                           |
| <b>4. Look out for special offers</b> – increased competition means some retailers are offering generous introductory offers or rebates to entice new customers such as credit towards your account            |
| <b>5. Shop around</b> – use increased energy competition to your advantage by comparing current offers. Call an energy comparison service like iSelect and make sure you have a copy of your latest bill handy |

#### **For further information, please contact:**

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#### **About iSelect**

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iSelect is Australia’s leading online comparison service, providing Australian consumers with trusted product comparison and advice on more than 12,500 insurance, energy, personal finance and broadband products from over 85 partner providers. With a household brand that attracts over 7 million unique visitors to its website every year, iSelect now distributes 1 in 5 of all private health insurance policies in Australia. Owing to its digitally enabled and customer-centric advice model, iSelect continues to grow its market-leading position in health insurance, energy, life insurance and personal finance comparison. [www.iselect.com.au](http://www.iselect.com.au)