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## New research suggests 1 in 4 Australian households struggling to pay their energy bills

Energy comparison service [iSelect](#) today released the results of a national Galaxy Research survey commissioned in June to assess the attitudes and behaviours of Australians towards energy affordability.<sup>1</sup> The survey found an estimated **one in four** Australian households are struggling to pay their energy bills with **10 per cent** of households under a lot or extreme energy-bill strain.

**Two-thirds** of respondents said their gas and electricity bills had increased significantly in recent years, with an overwhelming **85 per cent** feeling they currently pay too much for energy.

The Galaxy Research found that only a **quarter** of Australian households are able to pay their energy bills easily, with **71 per cent** experiencing some level of strain in paying their gas and electricity bills.

More than half (**54 per cent**) of respondents say they have cut back in other areas, with most forgoing holidays, dining out and shopping in order to afford paying their energy bill. Worryingly however are the **three-quarters** of those struggling to pay their energy bills who report they are having to cut back on groceries to leave enough money for energy.

The survey also found that **16 per cent** of respondents have gone into debt to pay their energy bills, including **45 per cent** of those under at least 'quite a bit of strain'. **Nine per cent** of survey respondents said they are currently on a hardship payment plan in order to meet their energy bills and **13 per cent** currently on a hardship plan believe they won't ever transition off it.

Laura Crowden, iSelect spokesperson, said the survey not only highlighted the difficulty Australians are facing to pay for energy, but that many Australians are confused by how energy costs are calculated.

"**Thirty-nine per cent** of those surveyed admitted that they don't understand their energy bills and how usage costs and network charges are calculated," Laura said.

"Worryingly, this lack of understanding was most prominent among those already struggling to pay for energy with over half (**51 per cent**) saying they are confused by their energy bills."

Laura said the research reveals that a lack of understanding can lead to financial hardship, demonstrating the importance of understanding your energy plan, your usage and what you're signing up for.

"Energy bills can be really confusing so it's important to take the time to seek expert advice which can help you cut through the complexity and clearly determine if you are on the right plan to suit your energy needs."

While a **quarter** of people who are struggling to pay their energy bills are asking their provider for a payment extension or instalment plan, Laura said it was concerning that **10 per cent** will simply add energy bills to their credit card debt.

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<sup>1</sup> In June 2015 iSelect commissioned a nationally representative consumer research study with Galaxy Research to assess the attitudes of over 1,000 Australians household decision makers towards energy affordability.

"When faced with a higher than expected bill, **only 17 per cent** of Australian households are comparing other offers or switching to a different provider, which can be a very effective money saving tactic."

"Seeking expert advice is vital when it comes to understanding your bill, identifying your options and securing the most cost effective provider."

The research also found that an encouraging **98 per cent** of Australian households are taking steps to use less energy at home but only **18 per cent** think that this has significantly reduced their energy bill.

"Looking for ways to reduce energy usage remains very important, but the most effective way to lower your energy costs is to make sure you are on a plan that offers discounted rates and cost-effective tariffs," Laura said.

<b>iSelect's top energy price saving tips</b>
<b>1. Understand your bill</b> – know your usage and the difference between peak and off-peak rates
<b>2. Be wary of 'special offers'</b> – short-term gains can mean long term pain
<b>3. Consider splitting your provider</b> – this may provide a greater saving than a bundled product
<b>4. Opt for paperless billing or direct debit</b> – can result in significant savings
<b>5. Consider solar power</b> – there is an initial cost outlay but can be cost-effective over time
<b>6. Shop around</b> – call an energy comparison expert like iSelect and ensure you have your latest bill handy

<b>How are Australians saving money on energy this winter?</b>
• 79% of Australians <b>wear extra or warmer clothes</b>
• 68% of Australians <b>use blankets</b> on the couch or bed
• 59% of Australians <b>close curtains or blinds</b> to keep heat in
• 50% of Australians only <b>heat occupied rooms</b>
• 31% of Australians <b>seal cracks</b> to stop draughts
• 23% of Australians <b>go to bed early</b>
• 21% of Australians <b>turn down the heater</b> thermostat

**ENDS**

**For further information, please contact:**

**Laura Crowden**

Public Relations Manager | iSelect Limited

Ph: +61 3 9276 8178 | Mob: +61 421 784 254 | Email: [lcrowden@iselect.com.au](mailto:lcrowden@iselect.com.au)

**About iSelect**

iSelect is Australia's leading multi-channel 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.