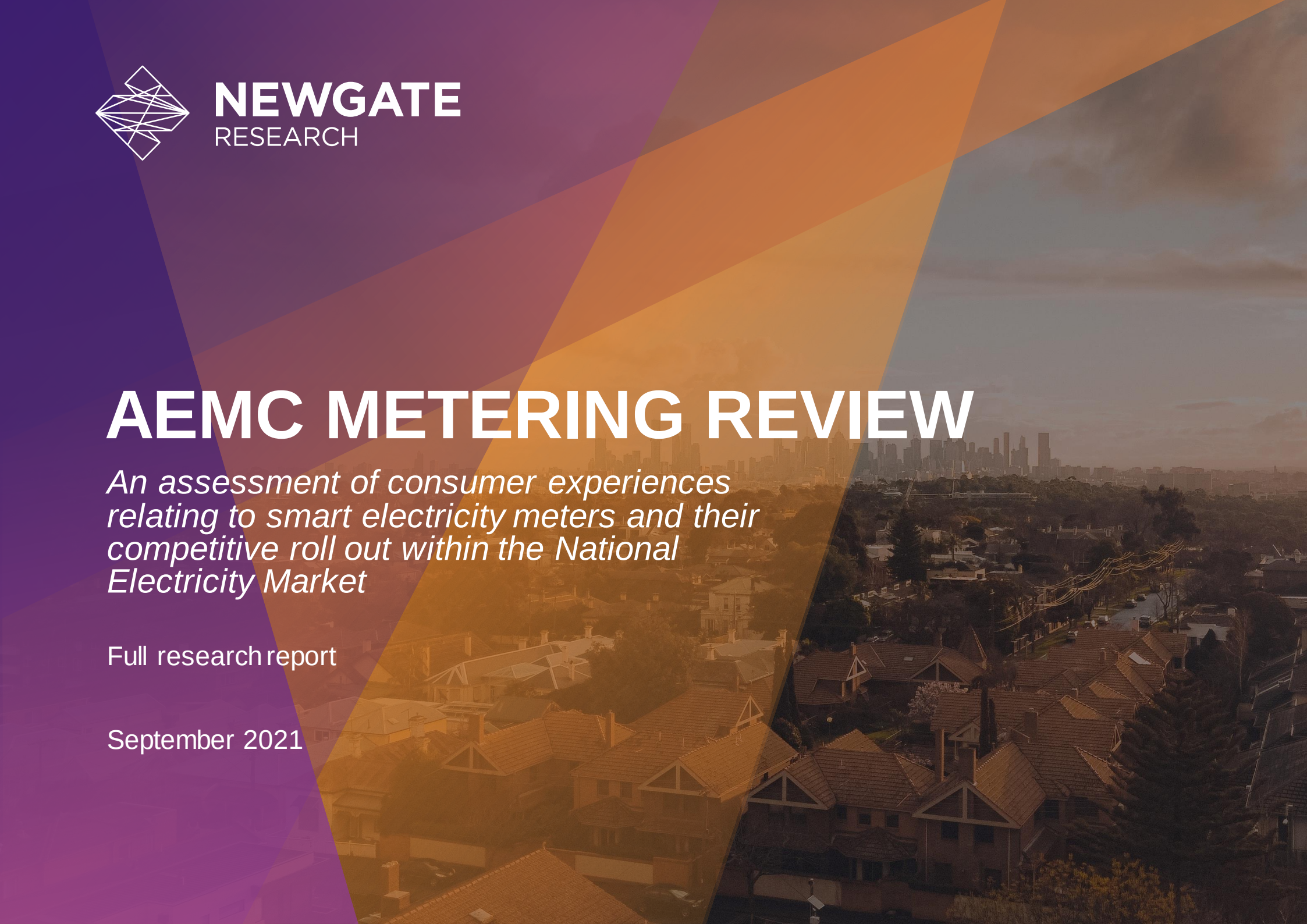
NEWGATE RESEARCH

AEMC METERING REVIEW

An assessment of consumer experiences relating to smart electricity meters and their competitive roll out within the National Electricity Market

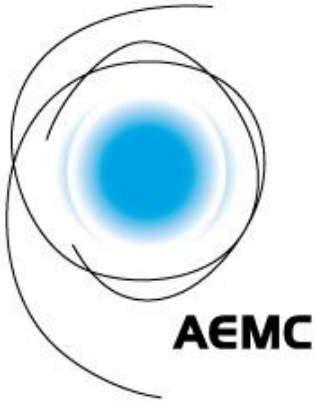
Full research report

September 2021



REPORT PREPARED FOR

Ed Chan, Director



REPORT PREPARED BY

Sue Vercoe
Managing Director
Newgate Research
Sue.Vercoe@newgateresearch.com.au
02 9232 9550

Alexis Polidoras
Associate Director
Alexis.Polidoras@newgateresearch.com.au
03 9611 1850

In preparing this report we have presented and interpreted information that we believe to be relevant for completing the agreed task in a professional manner. It is important to understand that we have sought to ensure the accuracy of all the information incorporated into this report. Where we have made assumptions as a part of interpreting the data in this report, we have sought to make those assumptions clear. Similarly, we have sought to make clear where we are expressing our professional opinion rather than reporting findings. Please ensure that you take these assumptions into account when using this report as the basis for any decision-making.

The qualitative research findings included throughout this report should not be considered statistically representative and cannot be extrapolated to the general population. For the quantitative research results, the base (number and type of participants asked each question) and the actual survey questions are shown at the bottom of each page. Results may not always total 100% due to rounding. Weighted results are shown throughout the report, unless otherwise specified. The weighting approach is outlined in the methodology. This project was conducted in accordance with AS: ISO20252:2019 guidelines, to which Newgate Research is accredited. Project reference number: NGR 2104004

CONTENTS

EXECUTIVE SUMMARY

NEWGATE RESEARCH

EXECUTIVE SUMMARY

Engagement in the energy market

Electricity customers see electricity bills as a significant expense and most are interested in ways to economise. Nearly three quarters (73%) are interested in working out ways to save money on their electricity bill by changing how and when they use electricity.

How people go about trying to save money varies depending on their knowledge and engagement and results show many are not sure what actions they can take beyond what they already do. Around three quarters (78%) of residential and business customers agree their main way of lowering bills is to turn off lights, avoid leaving appliances on standby and looking for more efficient appliances. More than half the residential customers surveyed (54%) believe they have done all they can to reduce their energy usage, with this rising to 66% amongst small businesses.

Looking forward, customers are interested in finding ways to be more efficient in how they use electricity and in monitoring electricity usage across the day, in order to understand which appliances use the most electricity.

Small business customers demonstrate higher levels of technology adoption than residential customers and are quite interested in ways to automate energy usage and determine which systems they can adopt to be more independent from the grid.

Residential customers are less likely to proactively investigate what innovation options are available and more inclined to adopt a 'wait and see' mindset around technological adoption in the energy space. Qualitative results suggest many are not sure what they can practically do other than purchase a solar or battery system.

Results show that most customers (72%) support the transition to more renewable sources of energy.

Current awareness of smart meters

In the focus groups, only a small proportion of participants were fully aware of the multiple features and benefits of a smart meter. Further, many had not heard of a smart meter, with several people only learning through their involvement in the research that they were likely to have had a smart meter installed due to recent renovations or rewiring.

Using a series of criteria questions to establish smart meter ownership in the quantitative survey, it was established that over a third (36%) of customers with smart meters (outside of Victoria) are not aware they have one installed.

Baseline sentiment

Baseline sentiment (before providing any information) **amongst those with smart meters** varies greatly between business and residential customers, with 73% of small business versus 57% of residential customers feeling somewhat or very positive about having a smart meter installed at their property. Most of the remainder are neutral with only 11% of small businesses feeling negative versus 6% of residential customers.

These findings suggest that business customers are likely to be gaining more value from their smart meter, with residential customers still working out the potential benefits. This is likely related to the higher level of technology adoption amongst small businesses and the fact that 91% of small business customers recall receiving information about how to make the most of their smart meter at installation compared to 53% of residential customers.

Additional analysis shows that residential customers who recall receiving information about their smart meter are more likely to feel positive towards it (66% vs. 46% who did not recall receiving any information).

EXECUTIVE SUMMARY CONT.

Baseline sentiment (before providing any information) amongst those without a smart meter is similar for those with a smart meter, with 51% of residential customers feeling very or somewhat positive compared to 67% of small business customers. Most of the remainder are ambivalent with only 7-8% feeling negative.

Drivers of sentiment towards smart meters

When given more information about smart meters, positive sentiment increases for customers with and without smart meters, particularly amongst residential customers.

Newgate's MessageLab analysis shows that the messages about smart meter services most responsible for delivering a shift in sentiment relate to features that are very tangible and could almost be considered hygiene factors. They include **accurate bills** based on real-time usage (no more estimated bills) and **improved safety** (identifying electrical faults and reducing risk of electrocution).

Other important but less effective messages relate to better grid stability to reduce the chance of **blackouts**, the ability to get **financial rewards** for reducing electricity usage for short time periods and being able to check usage in dollars in real-time to allow for better **budgeting.**

The services that drive sentiment shifts amongst those with smart meters are similar overall, with the exception of the most effective messages. This is that having a smart meter gives them the ability to **check their dollar usage in real-time to allow them to budget more effectively.** This was consistent with the focus group findings and reflects a lack of understanding of the functionality of a smart meter. In the groups, many were surprised this was possible and were keen to get information and access to apps that do this.

Likelihood to request installation

Customers' positivity towards smart meters does not immediately translate into their likelihood to request installation in the next 12 months. At baseline, before any information was provided about services enabled by smart meters, only 8% of residential customers without a smart meter were very or extremely likely to request one in the next 12 months, with 61% not at all or not very likely to do so. This is supported by the findings from the focus groups, with many people not interested enough to go *out of their way* to request a smart meter.

Small business customers' likelihood to request a smart meter installation was higher, with 27% extremely or very likely to request installation and a further 42% fairly likely to request installation. Whilst small businesses are more informed and motivated than residential customers, it is still necessary to promote the benefits of smart meters to drive active consideration.

Increases in likelihood to request installation amongst people without a smart meter did occur after they were given more information, albeit at a lower level than the increase in positive sentiment.

EXECUTIVE SUMMARY CONT.

Barriers to requesting installation

When faced with a decision of whether or not to proactively take action to request installation of a smart meter, both the qualitative and quantitative research showed that many customers exhibited a default bias – a desire to stay with the status quo due to cognitive and informational limitations, loss aversion and inertia.

In the focus groups, we saw people immediately asking about the cost of installation. They approached the issue in the same way that many customers approach the potential purchase of solar panels or batteries, wanting to ensure that the benefits would outweigh the costs within a defined period.

When told that smart meter installation would likely be free but they may need to pay to upgrade associated equipment like their meter board, there was concern about the lack of certainty about the amount they would need to pay, with some saying they would want to have the opportunity to opt-out at that point.

Once focus group participants understood that a smart meter would typically mean they would go on a time-of-use tariff, this became their primary cost concern on the basis that this would likely be an ongoing cost while installation would be a one-off fee.

While some certainly felt they would be able to change their behaviour and take advantage of this tariff, others were more uncertain and reflected a loss aversion mindset. They wanted evidence that someone in their situation would be no worse off, with some interested in seeing case studies.

At the end of the quantitative survey, people were asked to spontaneously mention any concerns or questions. Potential cost was by far the most common issue raised.

Note also that many who said they were unlikely to request installation are renters or homeowners with strata arrangements and they feel the decision is out of their hands.

Drivers of installation

The most attractive feature of a smart meter is access to an app or portal that shows their usage in real time translated into dollars. They wanted information to verify what energy saving behaviours have an impact on bills and to understand the consumption of specific appliances.

Some noted that whether or not they looked at this app or portal just once or regularly would depend on its utility and the ease of translating data into meaningful action.

Some customers were also interested in associated access to innovative services like energy management systems. Some appreciated broader benefits smart meters can provide such as better grid operation leading to reduced spending on network infrastructure, which could result **in lower bills over the longer term.**

Smart meter installation issues

In the focus groups, there were a few people who had a very poor installation experience with typical issues centred around **delays in installation and poor communication.**

In the quantitative survey, nearly a third of customers with a smart meter (31%) could either not recall or weren't involved with the installation of their smart meter. Among those who did recall, most found the installation somewhat or very easy, while only the minority reported having difficulty.

EXECUTIVE SUMMARY CONT.

1

Whilst there is widespread interest from customers in learning more about ways to save money on their electricity bill, an increase in the uptake of smart meters is dependent on people understanding exactly how a smart meter can help them better manage their energy use and ultimately save them money.

2

People are interested in the ability to access an app or portal that enables them to check their dollar usage in real-time, but repeated use will depend on availability of tools to help them translate the data into action and actually save them money without too much effort. For example, understanding which appliances are contributing the most to their total bill.

3

Most residential and small business customers feel positive or neutral about having a smart meter installed at their property but their likelihood to proactively request installation in the next 12 months is lower. While they appreciate the potential benefits, they are put off by uncertainty about installation costs and the likely impact of a transition to time of use pricing. In weighing these things up, they are unsure whether the benefits will outweigh potential costs.

4

Critical to the successful smart meter installation roll out will be strategies to help customers understand how to benefit from different pricing plans, specifically giving them clear information on how they can adapt their behaviour to take advantage of cheaper electricity during different times of the day. In addition, case studies that show that customers can manage energy used and save money by adopting simple measures would be of great interest.

"I want to know more about what happened in Victoria, if they have been collecting the information from 2006 it would be interesting to know what they have learnt from it over the last 15 years. Has there been a reduction in usage? Have people saved money?"
(Tasmania, Resident without a smart meter)

INTRODUCTION

Background, objectives and methodology

BACKGROUND AND OBJECTIVES

In November 2015, the AEMC established a new Framework for the deployment of smart meters (under Expanding Competition in Metering and Related Services) that could be led by retailers or by consumers across most of the National Energy Market (NEM). This Framework was established with the aim of driving installations and increasing competition, encouraging new products, services and pricing to benefit consumers, and giving them better information about their energy use.

These arrangements commenced in December 2017 and the roll out is in progress, with around a 20% penetration across the NEM (excluding Victoria where a mandatory roll out of smart meters occurred). In December 2020, the AEMC initiated a review of the Framework with the publication of a consultation paper, receiving submissions from industry participants, ombudsmen, regulators and consumer representatives.

The AEMC partnered with Energy Consumers Australia (ECA) to commission Newgate Research to provide a robust evidence base from small customers' experiences and attitudes, which will inform decision-making on the AEMC's Review of the regulatory framework for metering services.

Specific research objectives to determine:

- What do consumers know about smart meters?
- What do consumers consider the benefits and costs of having a smart meter to be?
- How do consumers want to engage with the energy market? What changes to, or new, products and services might they find beneficial?
- What do consumers currently use smart meters for?
- What are the main issues or roadblocks that consumers have faced throughout the process of trying to obtain or replace a smart meter (if any)?
- What issues or roadblocks has the metering framework imposed that prevent customers from having their electricity expectations met?

METHODOLOGY

Newgate designed a mixed-methodology study to provide the AEMC with both qualitative and quantitative insights on customer attitudes and experiences related to smart meters.

1

DESIGN

Newgate, the AEMC and ECA began with an inception meeting attended by critical team members. This meeting provided further background information for Newgate to finalise the sampling approach and design the qualitative and quantitative research materials.

2

FOCUS GROUPS

Newgate conducted fourteen focus groups (online via Zoom and face-to-face) with residential and small business customers across the NEM, with and without smart meter (total sample n=101). This phase explored how people currently engage in the energy market, their current awareness and experience of smart meters, and what are the drivers and barriers towards greater adoption of smart meters. The findings from the focus groups were then included in the quantitative survey to assess their incidence.

3

QUANTITATIVE SURVEY

A 15 minute online survey was carried out with n=1,948 residential and business customers sampled from across the NEM (n=1,257 have a smart meter installed, n=691 do not have a smart meter installed). **This report integrates the learnings across both phases of the research**.

NEWGATE RESEARCH

Please refer to the appendix for a full methodology disclosure statement.

STUDY PHASE 1: QUALITATIVE RESEARCH WITH RESIDENTIAL AND SMALL BUSINESS CONSUMERS

Focus groups

14 face-to-face and online focus groups of 1.5 - 2 hours in length with a total of n=101 participants across all groups.

Fieldwork dates

27th May – 8th June 2021

Group locations

Metropolitan and regional groups across the NEM in New South Wales, Queensland, South Australia, Tasmania and the Australian Capital Territory (mix of face-to-face and online). Groups in Victoria were held with metropolitan participants only (online).

Participant characteristics

To be eligible to take part, participants needed to be sole or joint decision makers for their residential or business electricity supply. Residential and small business groups included a mix of age, gender, electricity distributors/retailers, homeowners vs. renters, vulnerable consumers and those who speak a language other than English at home. The sample included customers with and without smart meters installed and from across the technology adoption curve e.g., Innovators, Early adopters and Laggards.

STUDY PHASE 1: QUANTITATIVE RESEARCH WITH RESIDENTIAL AND SMALL BUSINESS CONSUMERS

Online methodology

A 15-minute online survey with participants sourced from CanvasU, a professional market and social research panel.

Fieldwork dates

17th June – 11th July 2021

Robust sample

n = 1,948 participants, with both residents and businesses sampled from across the NEM, comprising n=1,407 residential consumers and n=541 business consumers.

To be eligible to take part, participants needed to be sole or joint decision makers for their residential or business electricity supply. Business customers required to have quarterly bills equal to or less than thresholds to qualify as small consumers (see the appendix for the thresholds provided by AEMC). Further sample information is provided on the next page.

Margin of error +/- 2.2% (95% confidence interval) for the total sample and higher for subgroups of residents (+/- 2.6%), small businesses (+/- 4.2%), customers with smart meters (+/- 2.8%) and customers without smart meters (+/- 3.7%).

Quotas were set for gender, age, state, metro/regional location and smart meter ownership. The total sample was weighted to reflect the incidence of smart meters in the NEM (41%), along with the age, gender and locational splits at a national level. Nearly half (45%) of the residential sample were renters.

QUANTITATIVE SURVEY SAMPLE FRAME

Smart meter sample (unweighted data):

Jurisdiction	Residential (Total n=864)		Business (Total n=393)		**Total (n=1,257)**	
	%	n=	%	n=	**%**	**n=**
ACT	4%	33	2%	8	**3%**	**41**
NSW	21%	181	26%	103	**23%**	**284**
QLD	20%	171	14%	56	**18%**	**227**
SA	13%	115	15%	60	**14%**	**175**
TAS	5%	40	2%	7	**4%**	**47**
VIC	38%	324	40%	159	**38%**	**483**

Non-Smart meter sample (unweighted data):

Jurisdiction	Residential (Total n=543)		Business (Total n=148)		**Total (n=691)**	
	%	n=	%	n=	**%**	**n=**
ACT	6%	34	1%	2	**5%**	**36**
NSW	36%	197	46%	68	**38%**	**265**
QLD	33%	180	26%	38	**32%**	**218**
SA	18%	99	24%	36	**20%**	**135**
TAS	6%	33	3%	4	**5%**	**37**
VIC	-	-	-	-	**-**	**-**

Participants in the smart meter sample were sourced from every jurisdiction in the NEM, while those in the non-smart meter sample excluded Victorians, where nearly all consumers have a smart meter.

Data was weighted at a national level to reflect both the population and the distribution of smart meters across these locations.

Samples for each jurisdiction were also weighted to reflect the rates of smart meter ownership *within* each location. The AEMC provided Newgate with data on the incidence rates:

- ACT: 16%
- NSW: 17%
- QLD: 17%
- SA: 18%
- TAS: 20%
- VIC: ~100%

Please see the appendix for the weighted results for smart meter ownership in our sample.

MAIN FINDINGS

ENGAGEMENT IN THE ENERGY MARKET

What are the current and desired behaviours of people when it comes to energy usage?

What is the current mindset towards new tech from the energy category?

What energy technologies do people currently own or plan to purchase?

QUALITATIVE FINDINGS: CURRENT ENGAGEMENT IN THE ENERGY MARKET

Electricity is considered a significant expense, and everyone is looking to economise.

Across all jurisdictions, there is a universal desire to spend less on electricity. Many say electricity is a significant proportion of their household or business expenditure and they feel that prices are continuing to rise. Small businesses are particularly sensitive to electricity prices, as they feel running a business requires a level of usage they cannot control.

Focus group participants said they attempt to save money in different ways depending on their knowledge and engagement in the energy category. The less engaged people tend to adopt simple 'rules of thumb' around saving electricity (e.g., switching off lights and appliances rather than leaving them on standby). The more engaged are most aware of how they use energy across the day, have changed behaviour to capitalise on times when electricity is cheaper, and are more likely to have assessed the impact of these behavioural changes.

Looking forward, everyone wants to find more ways to be more efficient in how they use electricity. Many people express an interest in monitoring their electricity usage across the day, coupled with greater knowledge of which appliances are using the most energy.

Whilst participants assume the large appliances and those involved in heating and cooling are the biggest users of electricity, there is confusion about how much electricity is used by appliances on standby and smaller high-tech appliances (e.g., smart phones and laptops). Across the board, we also see a strong desire for more definitive information about the link between how much electricity their appliances use, their behaviour and their energy bill.

Participants are also very interested in solar and battery systems as a way to save money and make use of a natural resource. Whilst some mention feed-in tariffs, most do not spontaneously see solar as a source of income. However, when prompted many would like the ability to earn revenue from their solar exports.

In their words

"I would love a break down on each item and exactly what energy it uses. We leave our computers on idle, and I often wonder how much energy it is using and whether it makes any difference." (NSW Resident)

"I am not sure if it is worth turning off appliances on standby, I am sure you only save a few cents leaving your laptop on standby." (QLD Resident)

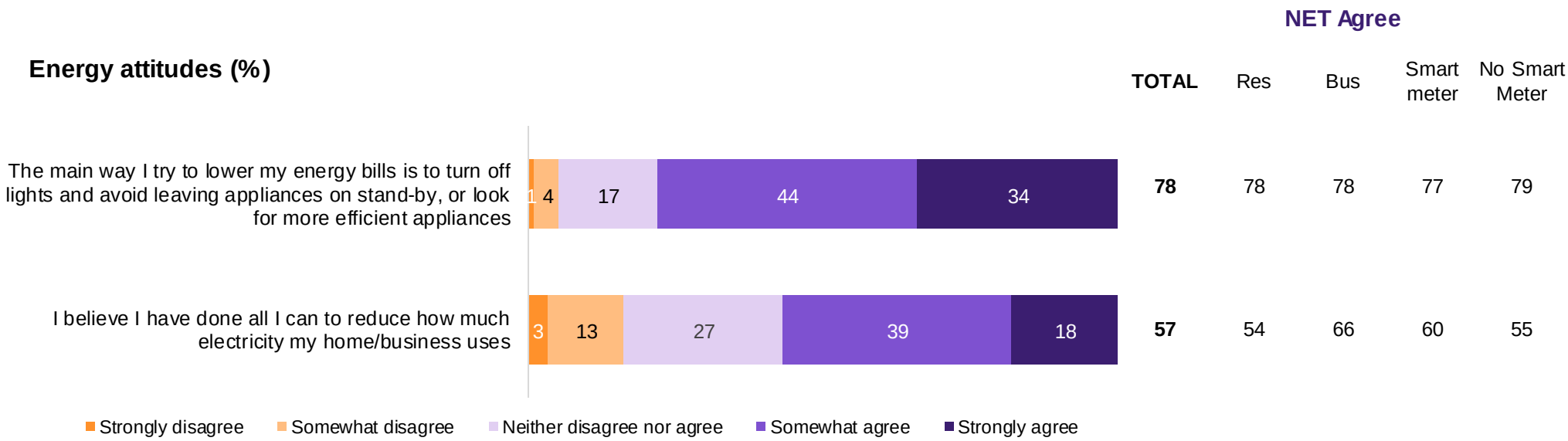
"A battery with solar gives you flexibility to do what you want whenever you want. Because we're a business we operate in certain hours and usually it's a peak time and if you have a battery, you have the option." (NSW Small business)

CURRENT ENERGY BEHAVIOURS

Many people adopt quite simple behaviours as their main way to save energy, and over half believe they have done all they can to reduce their energy usage.

Building on the findings from the focus groups, 78% of both residential and business customers in the survey agree that the main way they try to lower their energy bills is via switching off lights, appliances on standby or looking for more efficient appliances. More than half (54%) of residential customers believe they have done all they can to reduce their electricity usage. This increases to 66% amongst small business survey participants. In the focus groups, small business customers mentioned the struggle to lower their energy use as they have an obligation to keep the electricity on to run their business.

Energy attitudes (%)



Differences by demographic: Those who feel that they've done all they can to reduce their usage are more likely to be aged over 65 (69%), males (62%), households where all occupants are aged over 18 (62%) and those who describe their financial situation as doing well and feeling comfortable (65%).

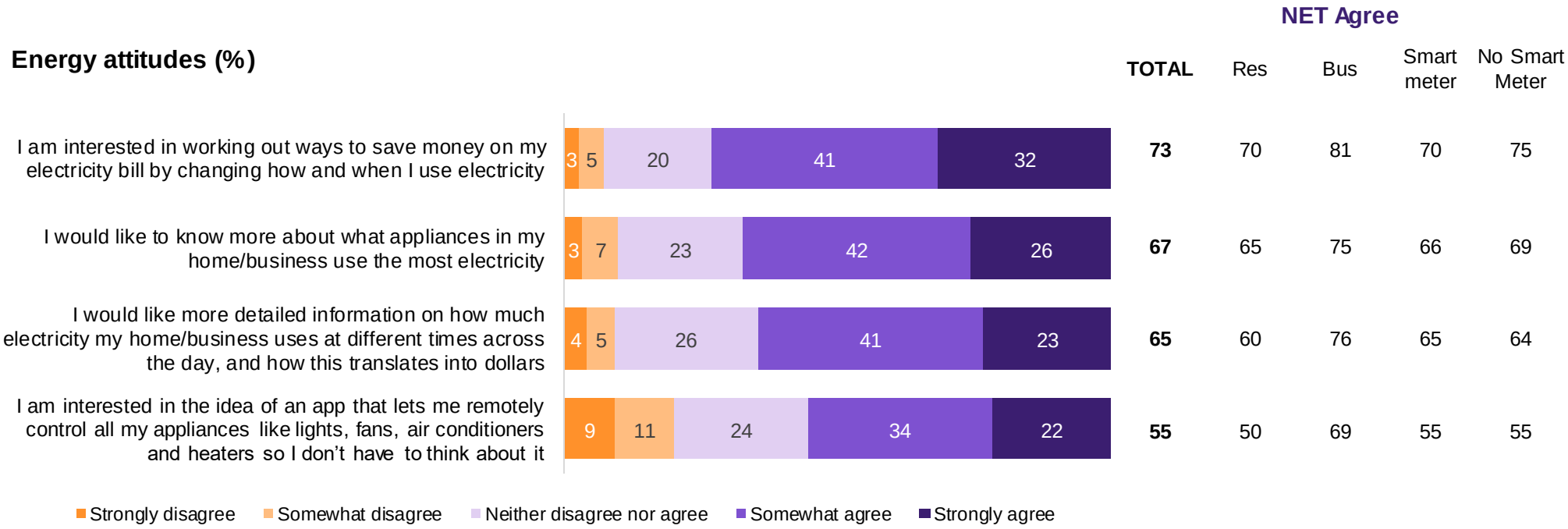
Q3 To what extent do you agree or disagree with the following statements about electricity? Base: All participants n=1,948 (Residents: n=1,407, Businesses: n=541)

FUTURE ENERGY BEHAVIOURS

Looking forward, many people are interested in saving money by changing how and when they use electricity, particularly small business customers.

73% of customers agree they are interested in changing how and when they use electricity to save money, with 67% also keen to know more about electricity use by appliance and 65% seeking more detailed information on electricity use across the day. Automation of appliances is appealing, but at a lower level.

Small businesses have a higher level of engagement in all these potential behaviours than residential customers.



Q3 To what extent do you agree or disagree with the following statements about electricity? Base: All participants n=1,948 (Residents: n=1,407, Businesses: n=541)

INTEREST IN RENEWABLES, SOLAR AND GRID STABILITY

Nearly three in four customers are in favour of using more renewable energy sources, with small business particularly interested in becoming more independent from the grid.

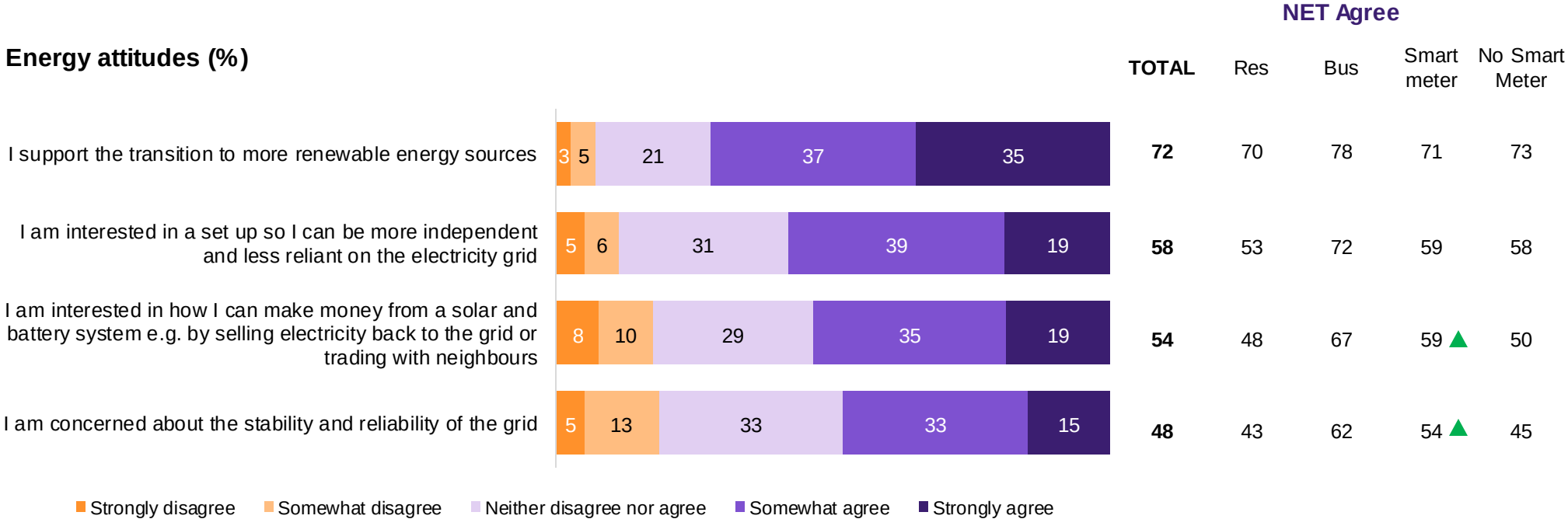
Consistent with the focus groups, these results reflect strong community support for the transition to renewables (70% among residents and 78% among small businesses). This transition is seen as important and inevitable on the basis that they are better for the environment and a smarter way to source energy.

Small business customers are more interested than residential customers in being independent from the grid (72% vs. 53%) and how they can make money from solar and a battery system (67% vs. 48%).

Only 43% of residential customers are concerned about grid stability and there are no significant differences between metro and regional customers. Amongst small businesses 62% are concerned about grid stability, with businesses in South Australia significantly more likely to be concerned (81%) than those in other states.

Customers with smart meters are significantly more interested in how to make money from a solar or battery system (59%) and concerned for the stability and reliability of the grid (54%), compared to those without a smart meter (at 50% and 45% respectively).

Energy attitudes (%)



Q3 To what extent do you agree or disagree with the following statements about electricity? Base: All participants n=1,948 (Residents: n=1,407, Businesses: n=541)

▲ *Significantly more likely than smart meter / non-smart meter customers at the 95% confidence level*

ATTITUDES TOWARDS INNOVATION FROM THE ENERGY SECTOR

Most residential customers adopt a 'wait and see' mindset around innovation in the energy market. Small businesses tend to be early adopters and innovators, especially those with a smart meter.

Whilst a third of people see themselves as Early adopters (20%) or Innovators (11%) when it comes to technology within the energy sector, 56% are more likely to wait until others have used it, being in the Early majority (37%) or Late majority (19%). This presents a challenge to new technology as many people won't necessarily seek it out. Small businesses exhibit a stronger desire to adopt new technology.

Difference by demographic: Innovators or Early Adopters (31%) are more likely to be aged 35-44 (44%), male (37%), Victorian (37%) and in a good financial position, doing well and feeling comfortable (45%).

Q2 If an energy company or other service provider offered a new technology or innovative service, which of the following would best describe you? This can include new products or services to generate, store, track and manage energy use in your home. Base: All participants n=1,948 (Residents: n=1,407, Businesses: n=541)

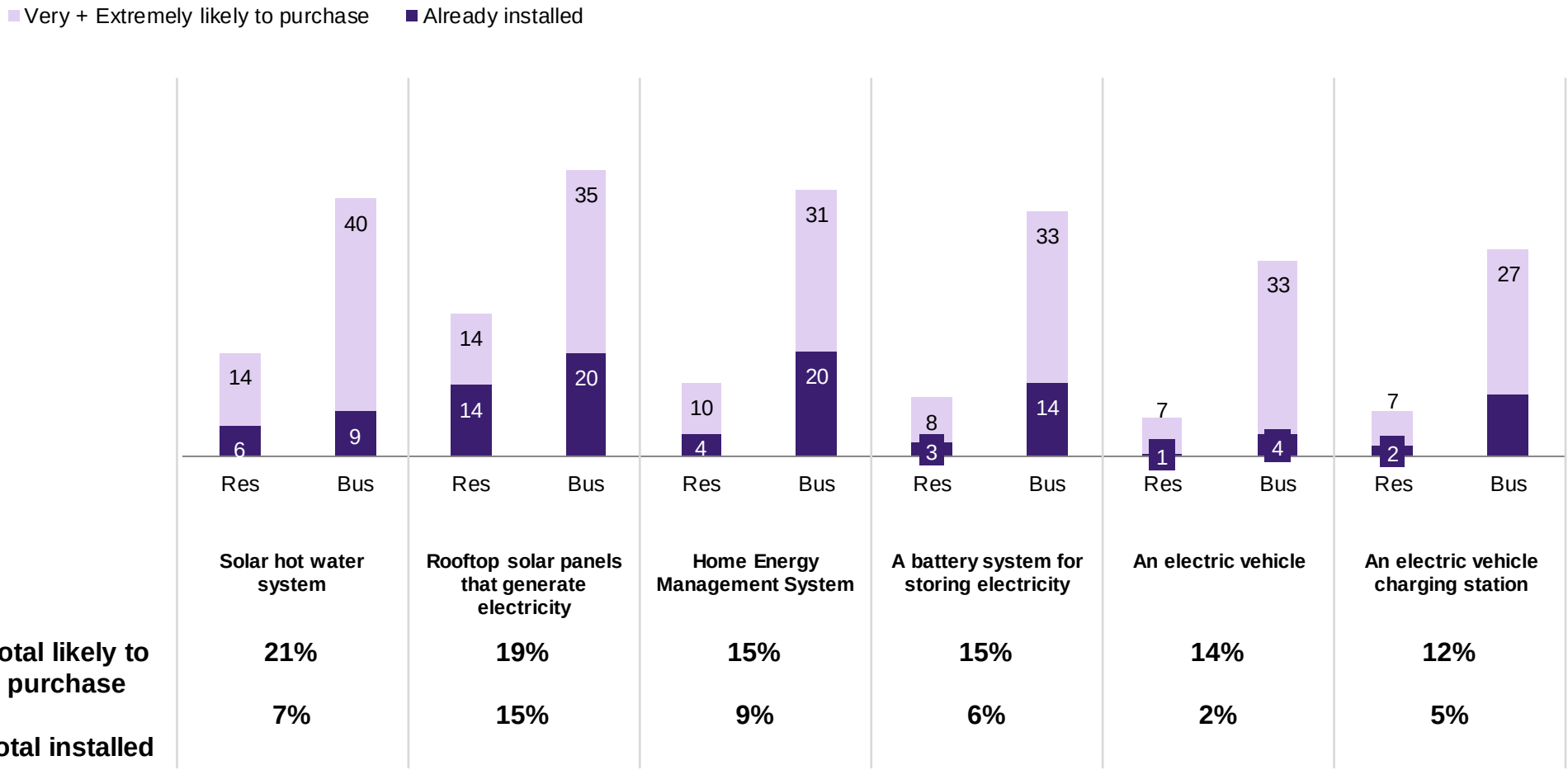
▲ *Significantly more likely than smart meter / non-smart meter customers at the 95% confidence level*

LIKELY TO PURCHASE AND OWNERSHIP OF ENERGY TECHNOLOGIES

Across the entire sample, businesses are more likely than residential customers to say they already own or are likely to purchase a range of electricity saving or monitoring technologies in the next 12 months.

Some demographics were significantly more likely to intend to purchase all types of technologies, including those aged 35 to 44, households with 3 or more occupants, technology Innovators and Early adopters and those who describe their financial situation as doing well and feeling comfortable.

Likelihood to purchase in the next 12 months (very + extremely likely) and current ownership (%)



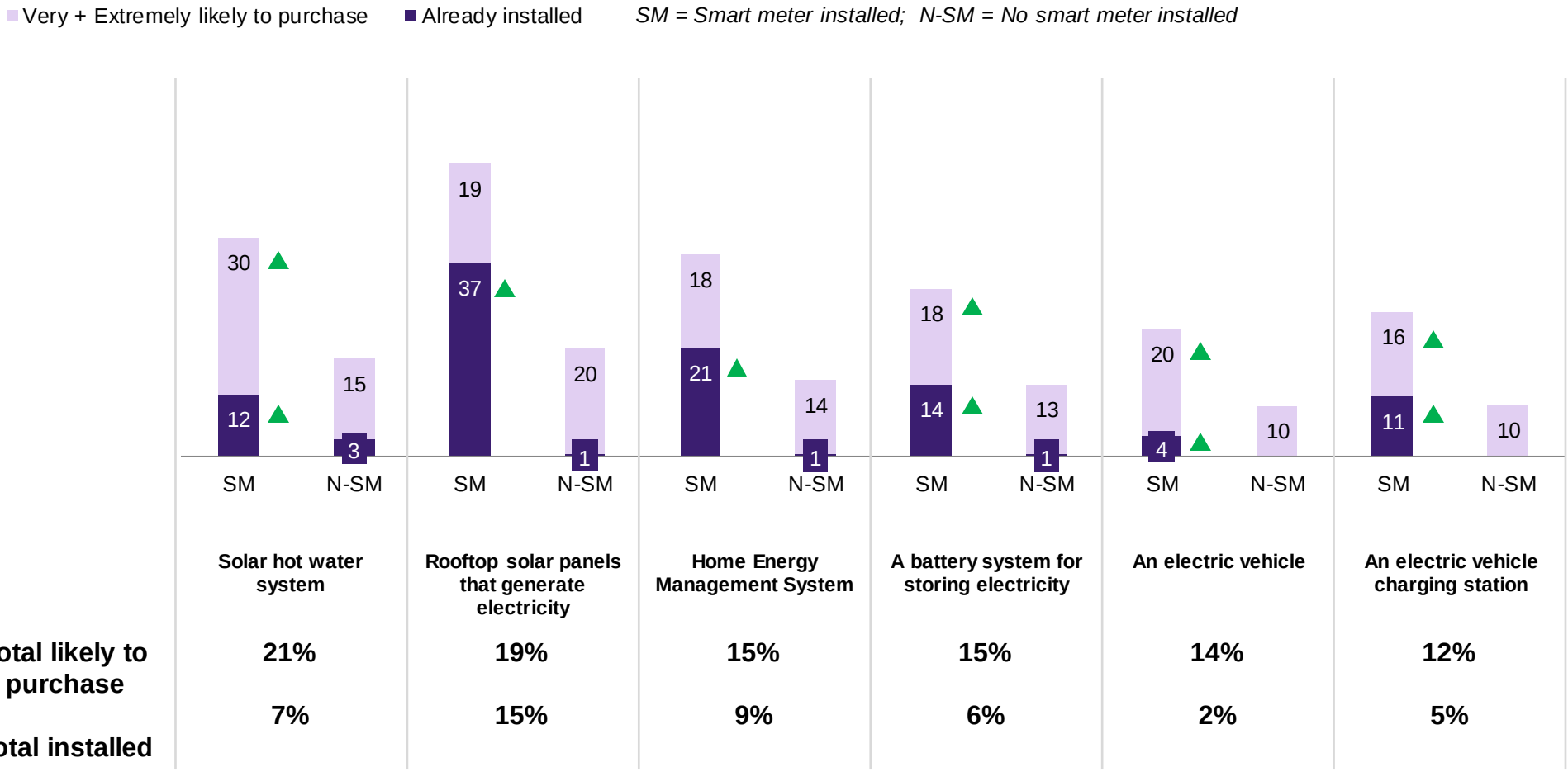
Q1 For each of the following things, how likely is that you will purchase them for your home/business within the next 12 months? Base: All participants n=1,948 (Residents: n=1,407, Businesses: n=541)

SMART METER OWNERSHIP AND ENERGY TECHNOLOGIES

Customers with a smart meter are significantly more likely than those without to have any energy technology installed or to intend to purchase most technologies.

Smart meter owners were most likely to have rooftop solar panels for generating electricity (37%), with a further one in five (19%) likely to purchase them in the next 12 months. An equal proportion of customers without a smart meter intend to purchase rooftop solar (20%), indicating likely growth for smart meter ownership in the next 12 months.

Likelihood to purchase in the next 12 months (very + extremely likely) and current ownership (%)



NEWGATE RESEARCH

Q1 For each of the following things, how likely is that you will purchase them for your home/business within the next 12 months? Base: All participants n=1,948 (With a smart meter n=1,257, Without a smart meter n=691)

▲ *Significantly more likely than non-smart meter customers at the 95% confidence level*

BASELINE ATTITUDES TO SMART METERS

How do people with a smart meter currently feel about having one and what impacts sentiment?

How do people without a smart meter feel and does this translate to interest in requesting to have one installed?

What are the reasons for being likely or unlikely to request installation?

NEWGATE RESEARCH

QUALITATIVE FINDINGS: CURRENT ATTITUDES TO SMART METERS

Most people are not aware of all that a smart meter can offer them.

Only a small proportion of focus group participants were fully aware of the multiple features and benefits of a smart meter, and these tended to be those with solar. In most cases, the drive was to install a solar system and the smart meter was incorporated into that package.

Many others had not heard of a smart meter, with several people only learning through their involvement in the research that they are likely to have had a smart meter installed due to recent renovations or rewiring.

The least engaged people with smart meters typically understood that it delivers a more accurate reading of their electricity usage. However, most are unsure how to access the data provided by their smart meter and, if they could, are unsure how they could translate this into electricity saving strategies.

Many participants had not been provided with any information on how to make the most of their smart meter when it was installed, and some were not aware that they could access an app or portal to gain greater insight into their electricity usage.

Only the most engaged know that smart meters tracked usage across a day and only a very small number of these consumers are aware that the data was in 30-minute intervals.

Many of those without smart meters were unsure about whether they'd request to have a smart meter installed, even after finding out more information about the benefits and features. They were not sure if a smart meter was worth the effort, especially without clarity around any additional costs involved in having one installed and the implications of being forced onto a time of use tariff.

Behavioural science backs this with many people hesitant to proactively change their situation, typically exhibiting a default bias – a desire to stay with the status quo due to cognitive and informational limitations, loss aversion and inertia. To drive behavioural change among this audience they will either need a compelling incentive to request a smart meter, a 'nudge' (e.g., being informed it will be installed unless they opt-out, or having it mandated).

In their words

"During school holidays I am in trouble as the kids are all using the internet. I check my smart meter to monitor it. It gives me a view of what is happening, and I can see the implication of school holidays."
(NSW Resident, Smart meter with solar)

"I said 'whoa, how do I work this?' I had to do my own research." (NSW Resident with a smart meter)

"I would be more positive if I could get the information to understand its effectiveness, my main question would be to know what its purpose is, is it cost effective."
(NSW Regional Resident, without a smart meter)

SURVEY FLOW TO GAUGE RESPONSE TO SMART METER AND IDENTIFY WHAT FEATURES IMPACT SENTIMENT AND LIKELIHOOD TO REQUEST INSTALLATION

To address the limited knowledge and awareness of smart meters among customers, the survey design needed to explain what a smart meter is and its features in various levels of detail to test sentiment and likelihood to request installation. This methodology allows us to test the potential shifts in sentiment and likelihood before and after exposure to more information. The survey flow was as follows:

QS9 — **Baseline information:** Every property has a meter that measures how much electricity you use, and this information is used to work out how much you are charged. These are usually located in a meter box on your property, often outside. Some of the newer types of electricity meters are known as smart meters or digital interval meters. They measure your electricity use without your meter needing to be manually read by a meter reader. **Do you think you have a smart meter?**

Q4 / **Q5** — **Baseline sentiment towards having one installed** (non-smart meter / smart meter segments)

Q7 — **Baseline likelihood to request installation** (non-smart meter segment only)

Q8 — **Exposed to features and benefits of smart meters**

Q9 / **Q12** — **Considered sentiment towards having a smart meter installed** (non-smart meter / smart meter segments)

Q10 — **Considered likelihood to request installation** (non-smart meter segment only)

ASSESSING SMART METER STATUS

It is well known that many people are not sure whether they have a smart meter. To infer a customers' smart meter status, a composite variable was created using three criteria. This involved a) asking people directly, b) asking about the different features of their property that equate to having a smart meter and c) registering where they live.

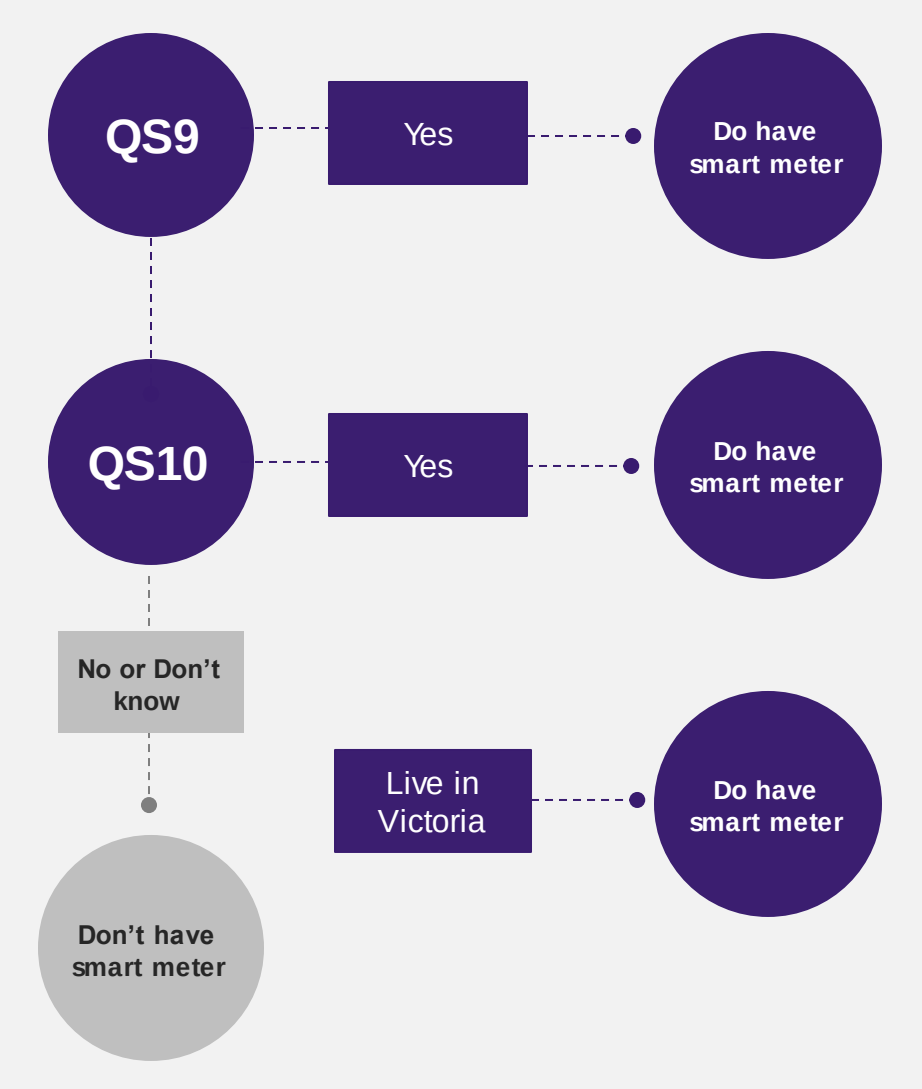
Aware they have a smart meter installed:

QS9: Every property has a meter that measures how much electricity you use, and this information is used to work out how much you are charged. These are usually located in a meter box on your property, often outside. Some of the newer types of electricity meters are known as smart meters or digital interval meters. They measure your electricity use without your meter needing to be manually read by a meter reader. Do you think you have a smart meter?

Meet criteria for likely smart meter ownership:

QS10: Do any of the following apply to your property?

- You have rooftop solar panels that generate electricity (this does not include solar panels for your hot water only)
- You have an electric vehicle charging station
- You have a Home Energy Management System – this type of system automatically controls your heating or cooling thermostat and appliances according to your settings
- You have a battery system for storing electricity
- Your property was built after December 2017
- You completed a significant renovation that required major electrical upgrades since December 2017
- You completed significant electrical upgrades (eg. installation of a ducted air-conditioner or an electric vehicle charging station since December 2017.)
- A faulty electricity meter was replaced since December 2017.

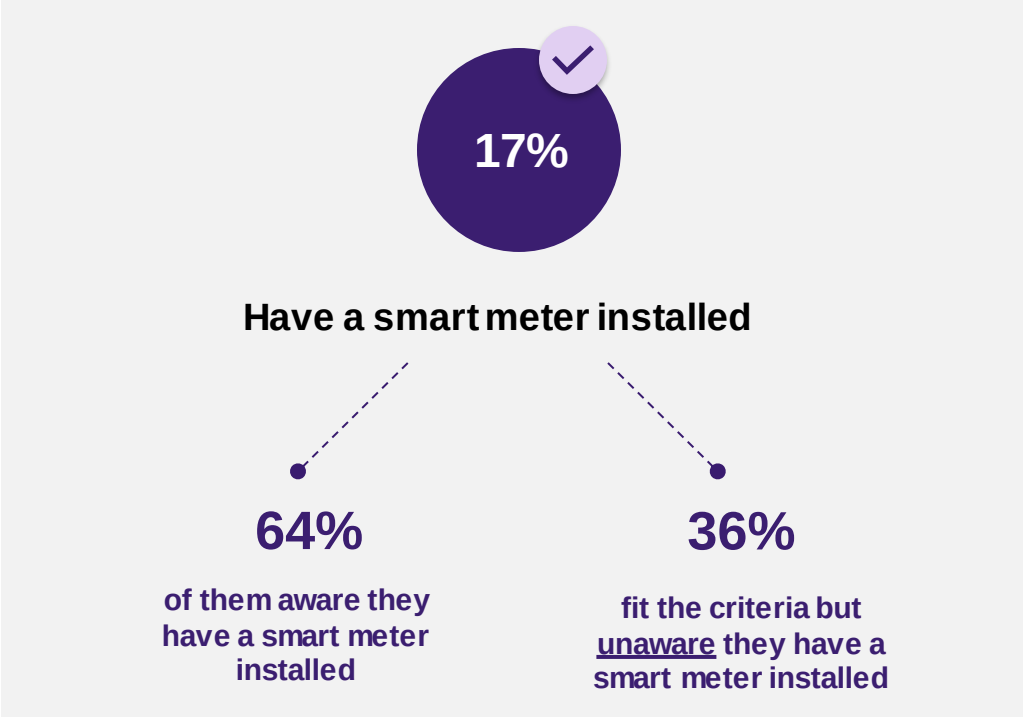


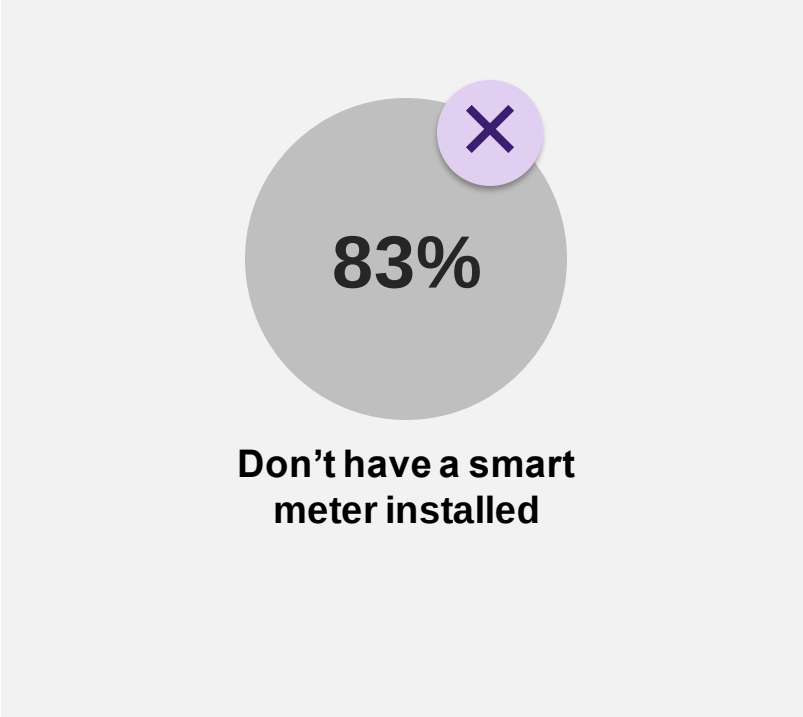
S9 Do you think you have a smart meter? / S10 Do any of the following apply to your property? Base: All participants with a smart meter outside of Victoria n=774 (Residents: n=540, Businesses: n=234)

TOTAL SMART METER INCIDENCE: OUTSIDE VICTORIA

Analysis indicates that over a third of customers outside of Victoria, who are very likely to have a smart meter, are not aware they have one installed.

Smart meter incidence among customers outside of Victoria:





Businesses are more likely to be aware they have a smart meter installed (80%) compared to residential customers (58%). No significant differences are observed by state or metro and regional locations.

Differences by demographic: Those aware they have a smart meter are more likely to be doing well and feeling comfortably financially (74%). Customers aged over 55 were less likely to be aware they have a smart meter (51%) compared to those younger (68% aware). Renters were just as likely as homeowners to be aware if they have a smart meter installed at their residence (both at 58%).

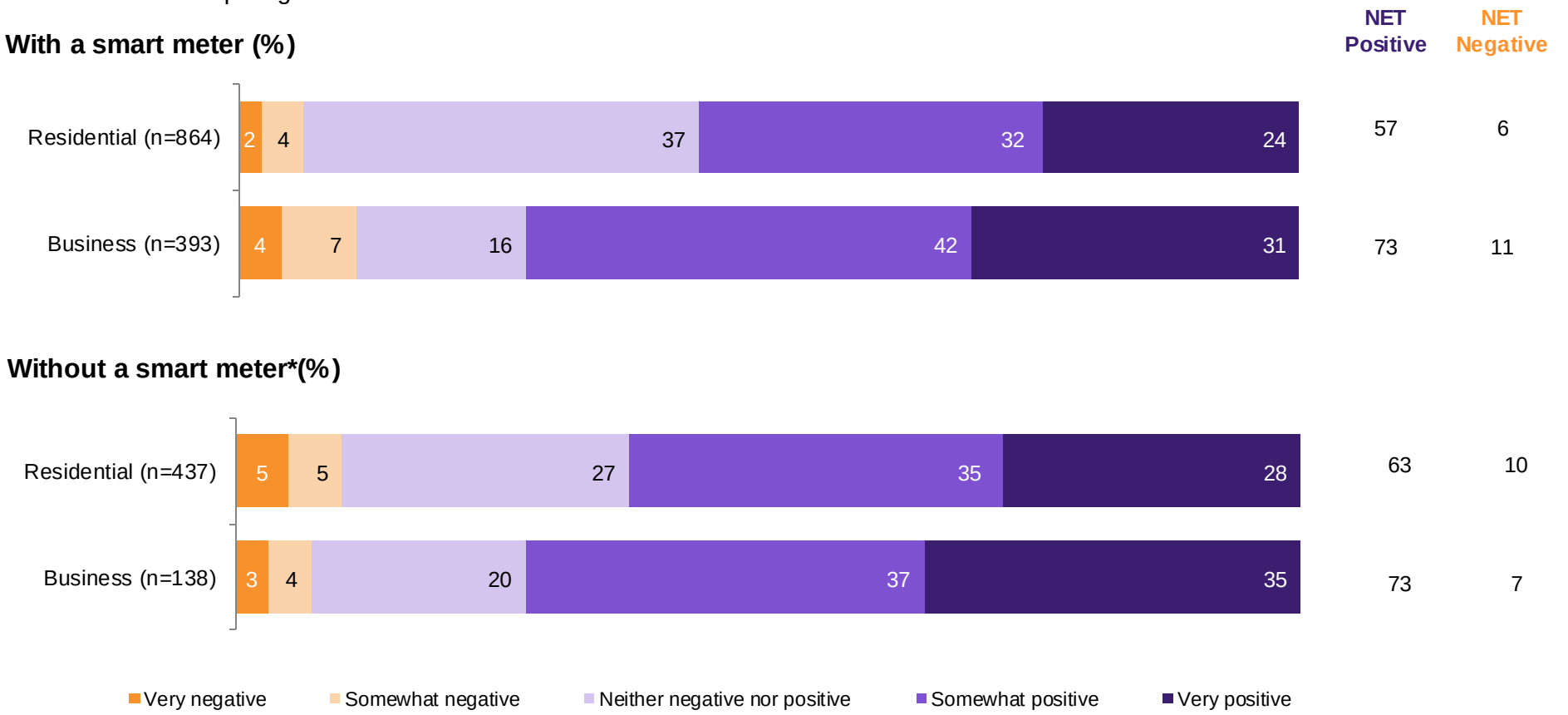
Please refer to the appendix for the unweighted figures for smart meter incidence in the research sample.

S9 Do you think you have a smart meter? / S10 Do any of the following apply to your property? Base: All participants with a smart meter outside of Victoria n=774 (Residents: n=540, Businesses: n=234)

BASELINE SENTIMENT: BY SMART METER STATUS

Baseline sentiment (before providing any information) amongst those without a smart meter is similar to those with a smart meter.

More than half of residential customers with smart meters feel positive (57%) which is slightly less than the positive sentiment amongst residential participants without a smart meter installed (63%). Nearly three in four small business customers with a smart meter feel positive (73%) which is on par with rates of positivity amongst small businesses without one installed (73%). There were no statistically significant differences in sentiment when comparing smart meter status.



** For comparative purposes, these results have been rebased and include only those who could provide a rating, thereby excluding don't know responses. Customers without a smart meter were provided with the option of saying they didn't know enough to have an opinion, which was more common among residential customers (18% feel this way) than small business customers (8%). For charted results which include these participants, please refer to pages 34 and 35.*

Q7 How do you feel about having a smart meter installed at your property? Base: All participants with a smart meter n=1,257 (Residents: n=864, Businesses: n=393) / Q4 How would you feel about having a smart meter installed at your property? Base: All participants without a smart meter (Residents n=543, Businesses n=148)

THOSE WITH A SMART METER: BASELINE SENTIMENT

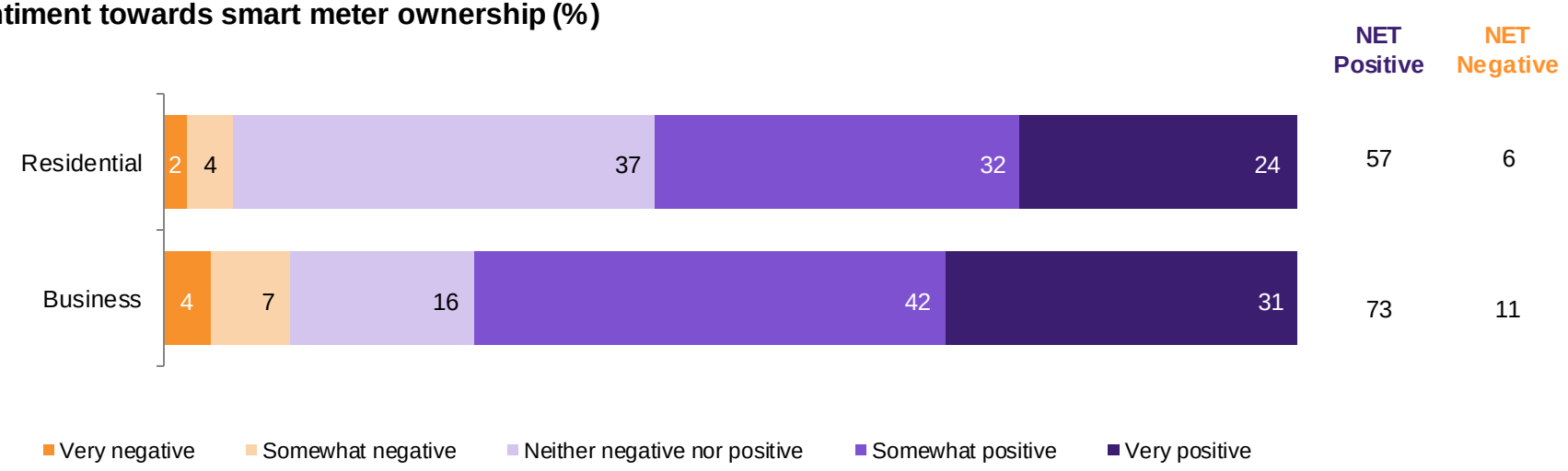
Among smart meter owners, small businesses tended to feel more positive about having one installed compared to residential customers.

Almost three-quarters (73%) of small businesses with a smart meter feel positive about it, compared to just over half of residential customers (57%). These findings suggest that business customers may be gaining more value from their smart meter, with residential customers still working out the potential benefits. This is likely due to the higher level of technology adoption amongst small businesses and the fact they are more likely to recall receiving information with their smart meter at installation (see next slide).

Customers in Victoria (either residential or business) are no more likely to feel positive towards their smart meters than those in other states (60% feel positive, compared to 64% in all other states).

Those who have energy technologies installed are more likely to feel positive, specifically those with a home energy management system (70% feel positive vs 59% of those without), solar hot water system (76% vs 59%), an electric vehicle charging station (73% vs 60%) and those with a battery system for storing electricity (76% vs 59%).

Sentiment towards smart meter ownership (%)

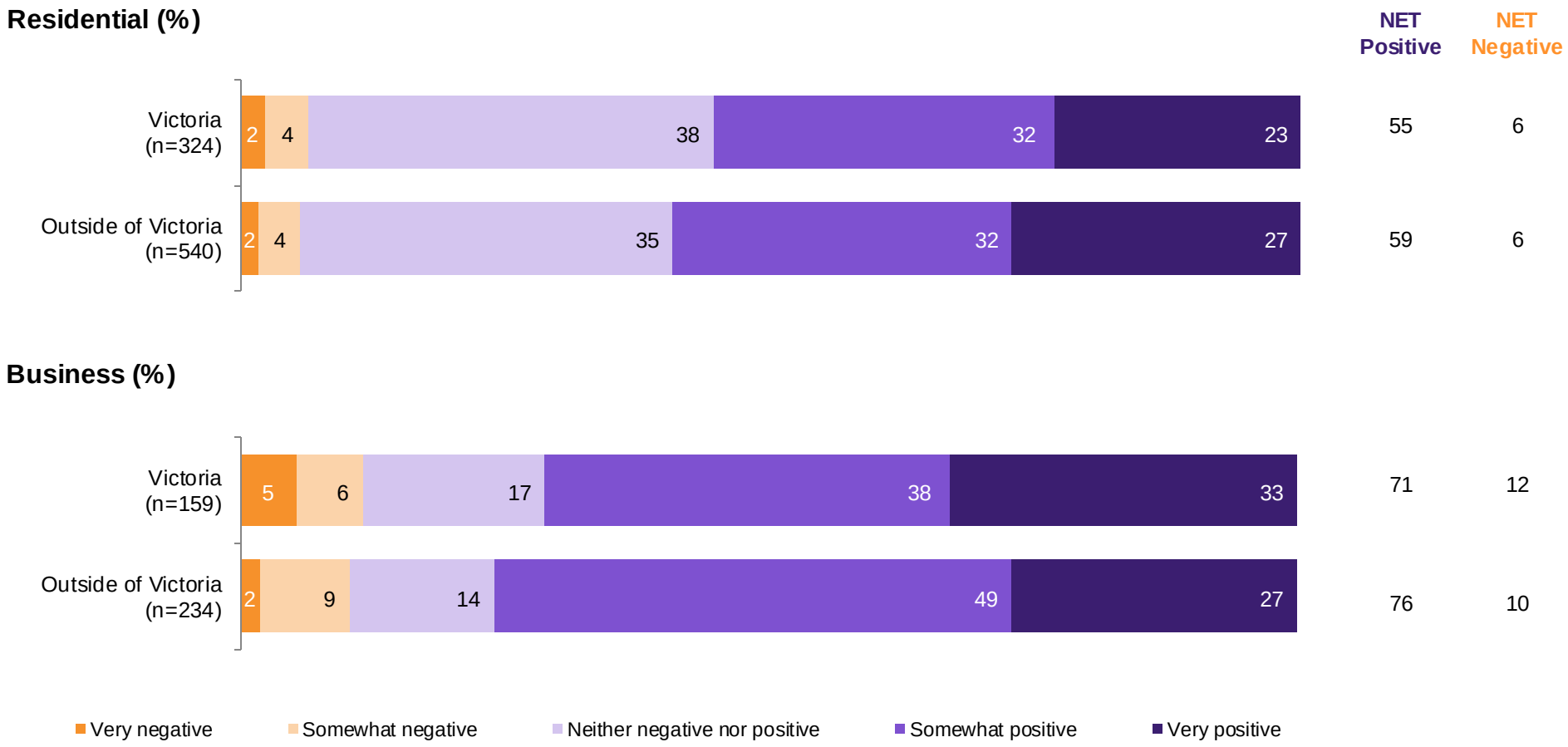


Q7 How do you feel about having a smart meter installed at your property? Base: All participants with a smart meter n=1,257 (Residents: n=864, Businesses: n=393)

THOSE WITH A SMART METER: BASELINE SENTIMENT

There are no significant differences in sentiment between smart meter owners in Victoria (where installation is mandatory) compared to customers elsewhere in the NEM who have one installed.

More than half of residential customers in Victoria feel positive about having a smart meter installed (55%), which is slightly lower (although not statistically significant) than residents elsewhere in the NEM (59%). A majority of Victorian businesses felt positive (71%), slightly less than the proportion of business customers elsewhere in the NEM (76%).

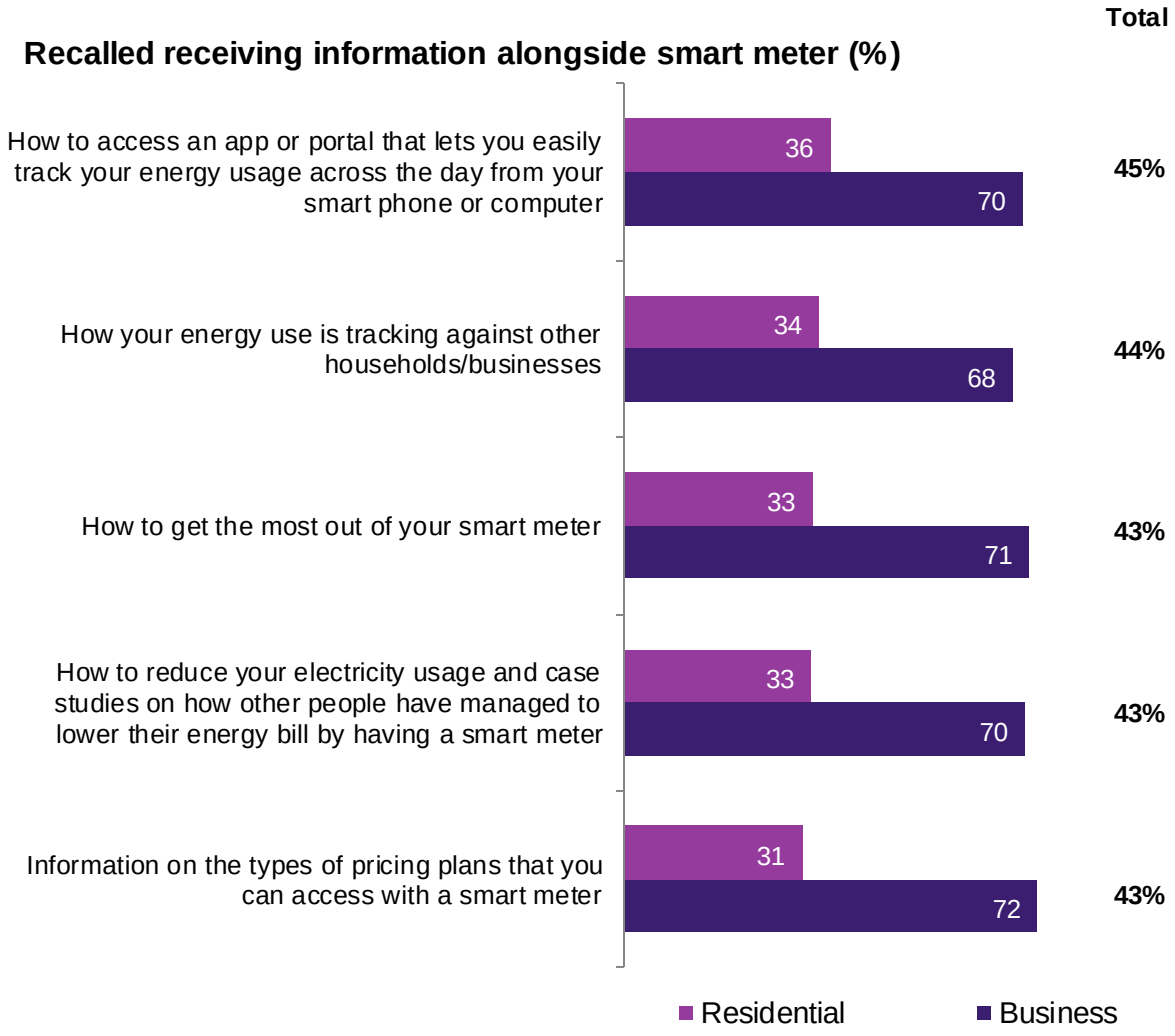


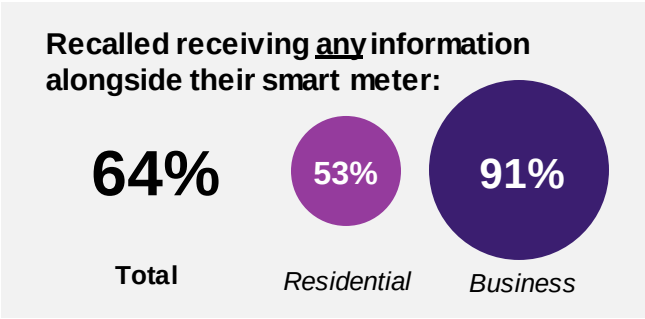
Q7 How do you feel about having a smart meter installed at your property? Base: All participants with a smart meter n=1,257 (Residents: n=864, Businesses: n=393)

THOSE WITH A SMART METER: INFORMATION RECEIVED ALONGSIDE THEIR SMART METER

Small businesses with smart meters are much more likely to recall having received information than their residential counterparts.

Similar to the focus groups, only 53% of residential customers recalled receiving any information when their smart meter was installed, and only 36% were told how to access an app or portal to track energy usage.





Demographics more likely to recall having received information:

- Living outside of Victoria (69%)
- Aged 18-44 (77%)
- Living in households with 4+ occupants (64%)
- Doing well/ financially comfortable (72%)
- Quarterly electricity bill of $500+ (76%).

Those least likely to recall having received information:

- Aged over 50 (38%)
- Victorians (61%)
- Own their home outright (44%).

Q17 Alongside your smart meter, did you receive any information on the following? Base: All participants with a smart meter n =1,257 (Residents: n=864, Businesses: n=393)

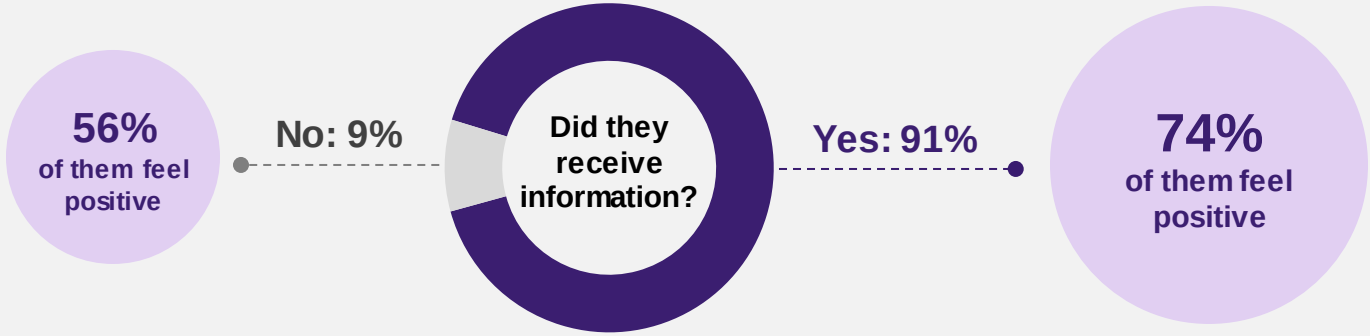
THOSE WITH A SMART METER: IMPACT OF RECEIVING INFORMATION ON BASELINE SENTIMENT

Those who recalled receiving information with their smart meter are more likely to feel positive about having a smart meter installed at their property.

Residential customers: information provision and sentiment

Residential customers who recalled receiving information alongside their smart meter are significantly more likely to feel positive towards having one installed (66%), compared to those who recalled receiving no information (46%).

Small business: information provision and sentiment



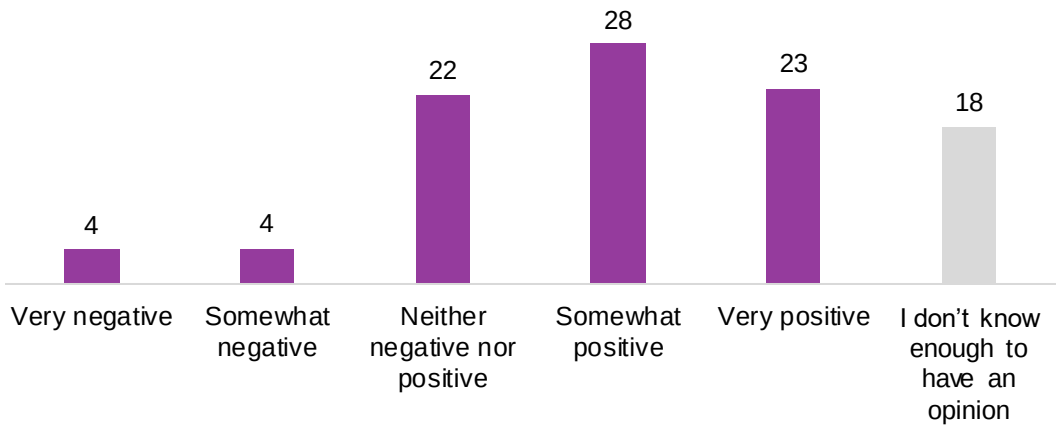
Businesses who recalled receiving information tended to feel more positive (74%) towards their smart meter, compared to those who didn't (56%). However, this difference was not statistically significant due to the small sample size.

Q17 Alongside your smart meter, did you receive any information on the following? / Q7 How do you feel about having a smart meter installed at your property? Base: All participants with a smart meter n=1,257 (Residents: n=864, Businesses: n=393)

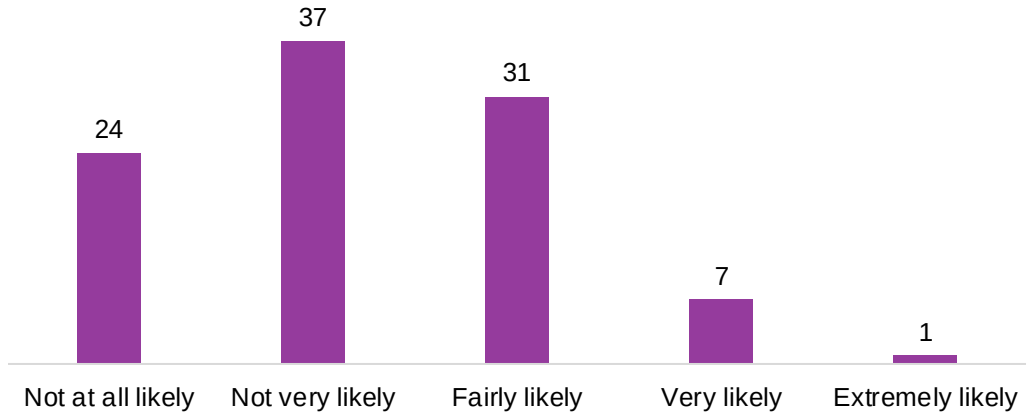
RESIDENTIAL CUSTOMERS WITHOUT A SMART METER: BASELINE SENTIMENT AND LIKELIHOOD TO REQUEST INSTALLATION

Residential customers without a smart meter are generally positive about them, but a lower percentage are likely to request installation in the next 12 months.

Residential customers: sentiment towards ownership (%)



Residential customers: likelihood to request installation (%)



Residential customers are generally positive to the idea of a smart meter being installed at their property (51% are very or somewhat positive).

Around one in five felt ambivalent (22%) while a further 18% felt like they do not have enough information to have an opinion.

However, this level of positivity does not immediately translate into likelihood to request installation, with 61% not at all or not very likely to do so in the next 12 months.

This is supported by the findings from the focus groups, with many people not interested enough to go out of their way to request a smart meter. They still have many questions around the benefits of having a smart meter installed and what costs would be incurred with installation.

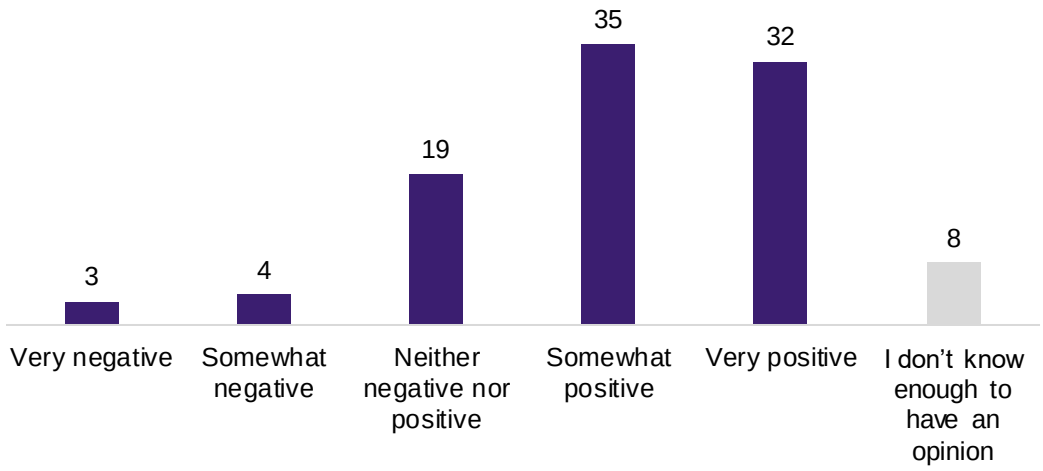
Demographic differences: Homeowners are significantly more likely than renters to feel negative (15% vs 4%), although there are no significant differences in likelihood to request installation by home ownership status (9% of homeowners vs 8% of renters).

Q4 How would you feel about having a smart meter installed at your property? / Q5 How likely are you to request the installation of a smart meter at your property in the next 12 months? Base: All residential participants without a smart meter n=543

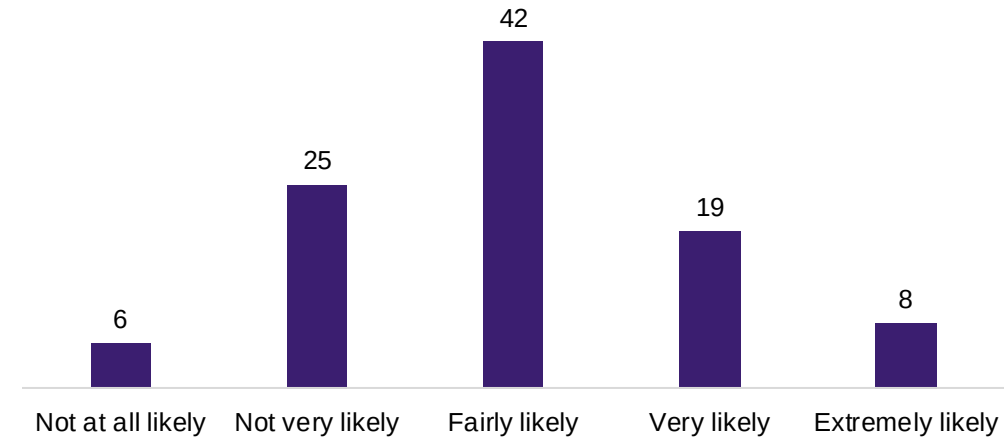
SMALL BUSINESS CUSTOMERS WITHOUT A SMART METER: BASELINE SENTIMENT AND LIKELIHOOD TO REQUEST INSTALLATION

Small business customers without a smart meter are more positive about them and more likely to request installation in the next 12 months compared to their residential counterparts.

Small business: sentiment towards ownership (%)



Small business: likelihood to request installation (%)



Small business customers show a higher level of positive sentiment towards smart meters (67% are very or somewhat positive), compared to residential customers (51%).

Only 8% feel that they do not have enough information to have an opinion (18% among residential customers).

In contrast to residential customers, this level of positivity translates to a higher likelihood to request installation of a smart meter, with 27% being extremely or very likely.

However, we do see 42% of small businesses are still only fairly likely to request installation.

Around a third (31%) are not likely to request installation - half that among residential customers (61%).

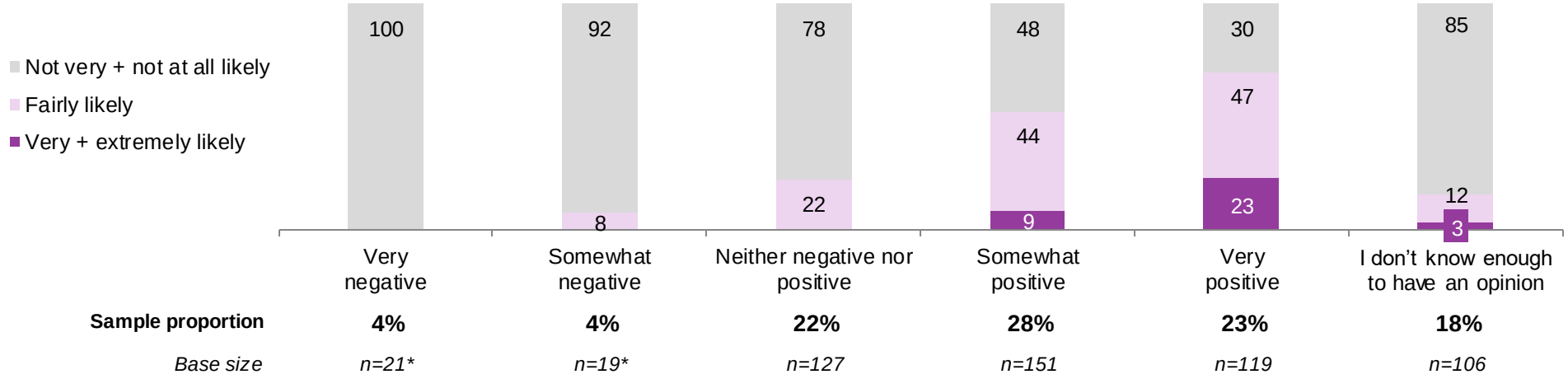
Whilst small businesses are more informed and motivated than residential customers, it is still necessary to promote the benefits of smart meters to drive active consideration.

Q4 How would you feel about having a smart meter installed at your property? / Q5 How likely are you to request the installation of a smart meter at your property in the next 12 months? Base: All business participants without a smart meter n=148

THOSE WITHOUT A SMART METER: RELATIONSHIP BETWEEN SENTIMENT AND LIKELIHOOD TO REQUEST INSTALLATION

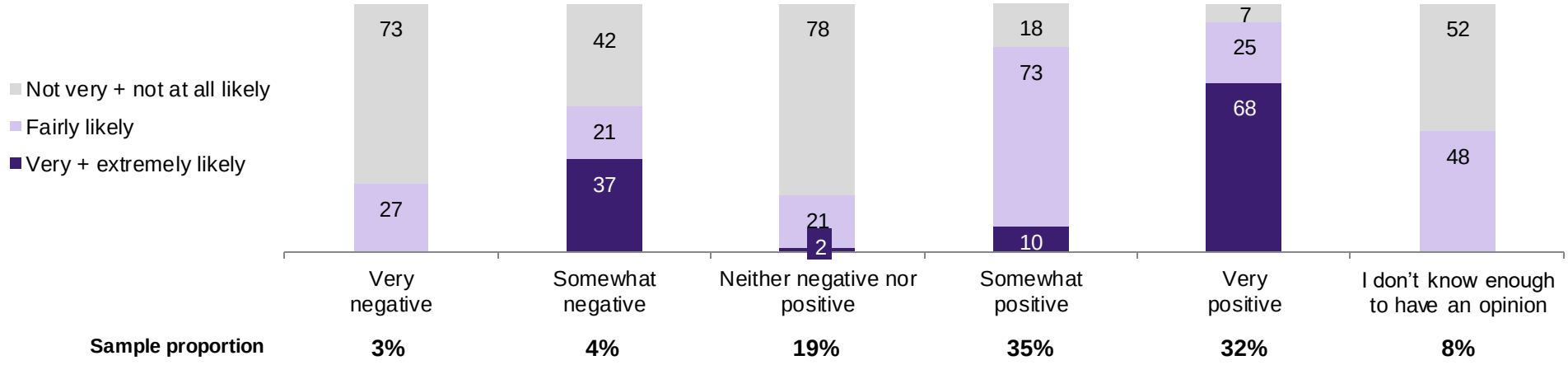
Cross analysis shows the likelihood to request installation of a smart meter increases amongst those who feel positive about having a smart meter installed.

Residential customers: sentiment by likelihood to request installation (%)



	Very negative	Somewhat negative	Neither negative nor positive	Somewhat positive	Very positive	I don't know enough to have an opinion
Sample proportion	**4%**	**4%**	**22%**	**28%**	**23%**	**18%**
Base size	*n=21**	*n=19**	*n=127*	*n=151*	*n=119*	*n=106*

Business customers: sentiment by likelihood to request installation (%)



	Very negative	Somewhat negative	Neither negative nor positive	Somewhat positive	Very positive	I don't know enough to have an opinion
Sample proportion	**3%**	**4%**	**19%**	**35%**	**32%**	**8%**
Base size	*n=4**	*n=6**	*n=28**	*n=52*	*n=48*	*n=10**

NEWGATE RESEARCH

Q4 How would you feel about having a smart meter installed at your property? / Q5 How likely are you to request the installation of a smart meter at your property in the next 12 months? Base: All participants without a smart meter (Residents n=543, Businesses n=148)

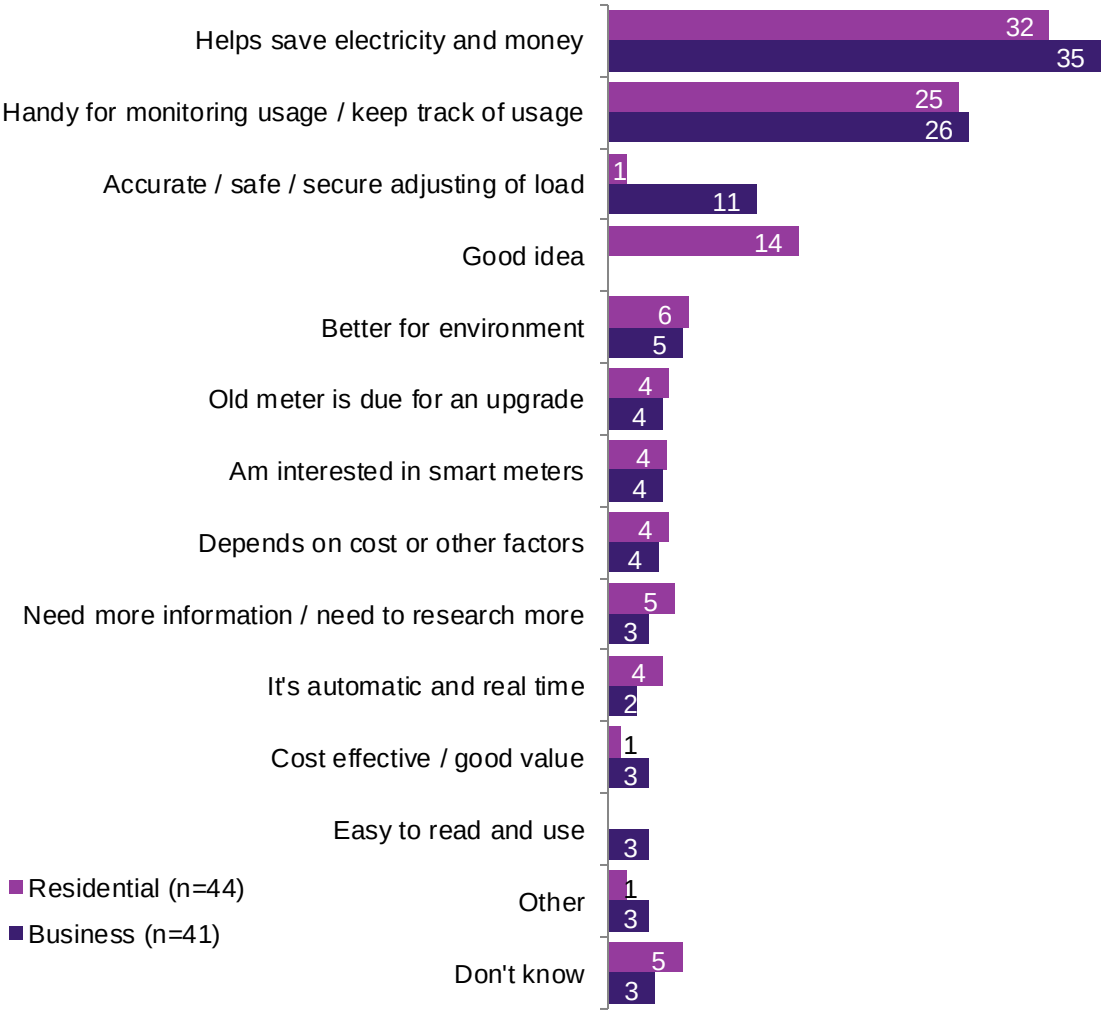
*NB: * Caution low base size: results indicative only.*

THOSE WITHOUT A SMART METER: REASONS FOR BEING LIKELY TO REQUEST INSTALLATION

Those who said they are more likely to request installation in the next 12 months were asked the reason why and the chart below reflects coding of their verbatim responses. The most appealing reason is the potential to save electricity and money, alongside the ease of monitoring usage.

14%
Very or extremely likely to request installation

Reasons for being likely to request installation in the next 12 months (% mentioned)



"I'm very interested in being more environmentally friendly and reducing the amount of electricity used in the household."
(QLD, regional, residential)

"I would like to be able to save the business money by knowing exactly where it's being used the most."
(NSW, metro, small business)

"I think the time is right to install a smart meter and work on reducing electricity costs as much as possible."
(SA, regional, residential)

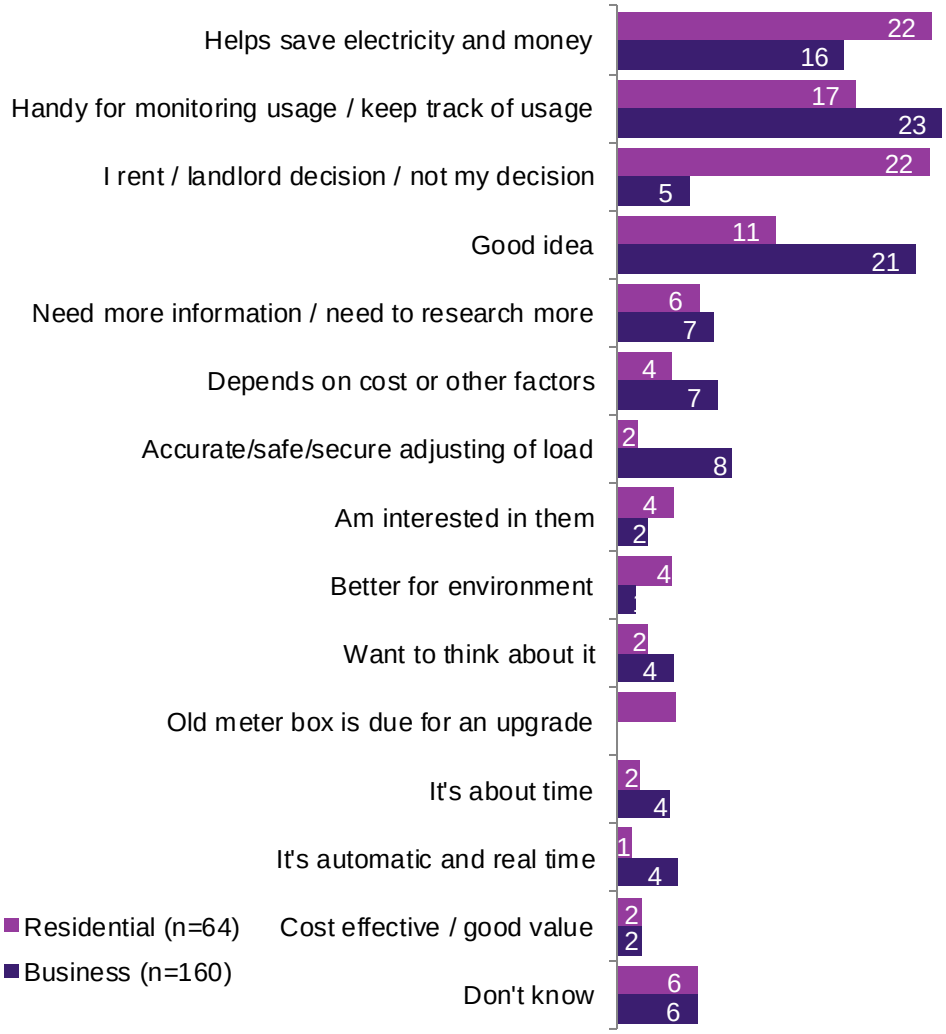
Q6 What makes you say that you are <INSERT RESPONSE FROM Q5> to install a smart meter at your property in the next 12 months? Base: All non-smart meter participants very or extremely likely to install a smart meter n=85 (Residents n=44, Businesses n=41) NB: Concerns or questions with less than 2% total mentions are not shown.

THOSE WITHOUT A SMART METER: REASONS FOR BEING FAIRLY LIKELY TO REQUEST INSTALLATION

Customers who are only fairly likely to request installation had more disparate views on having a smart meter installed.

34%
Fairly likely request installation

Reasons for being fairly likely to request installation in the next 12 months (% mentioned)



"I think it is important that we look at alternative energy sources and if there is a way to save money at the same time, that would be brilliant."
(NSW, metro, residential)

"Depending on the cost, I would like to be able to have more control over my electricity usage."
(SA, metro, small business)

"I'm fairly likely to do some research about having a smart meter installed at my property. I believe saving electricity is going to be the way of the world very soon."
(NSW, regional, residential)

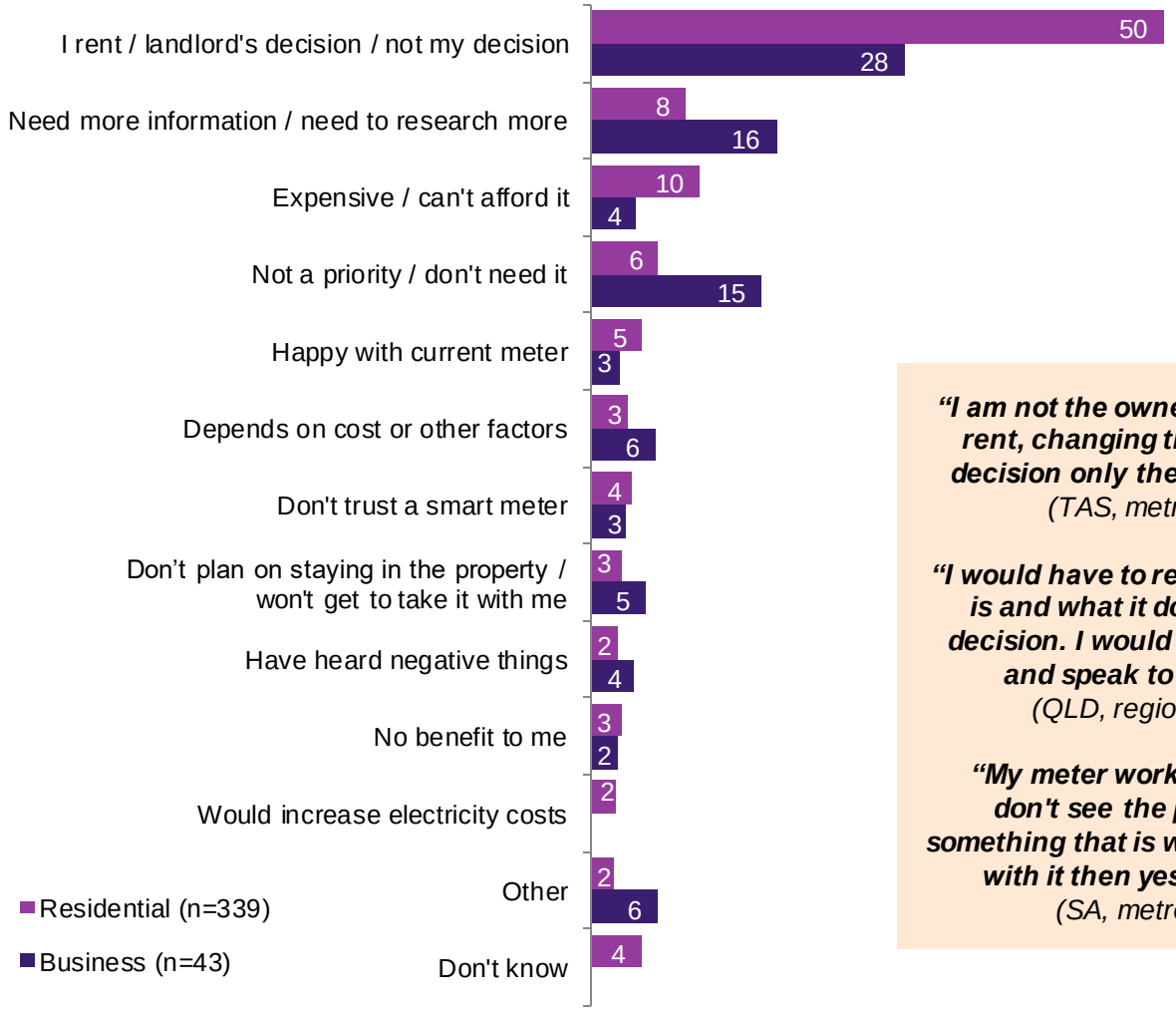
Q6 What makes you say that you are <INSERT RESPONSE FROM Q5> to install a smart meter at your property in the next 12 months? Base: All non-smart meter participants fairly likely to install a smart meter n=124 (Residents n=64, Businesses n=160) NB: Concerns or questions with less than 2% total mentions are not shown.

THOSE WITHOUT A SMART METER: REASONS FOR BEING UNLIKELY TO REQUEST INSTALLATION

While among those unlikely to request installation in the next 12 months, the most common roadblock is a customer's rental status or a lack of decision-making power.

53%
Not at all or not very likely to request installation

Reasons for being unlikely to request installation in the next 12 months (% mentioned)



"I am not the owner of my property. As I rent, changing the meter would be a decision only the owner could make."
(TAS, metro, residential)

"I would have to research exactly what it is and what it does before I make a decision. I would have to look at costs and speak to the real-estate."
(QLD, regional, residential)

"My meter works perfectly fine, so I don't see the point in replacing something that is working. If there issues with it then yes, I'd request one."
(SA, metro, residential)

NEWGATE RESEARCH

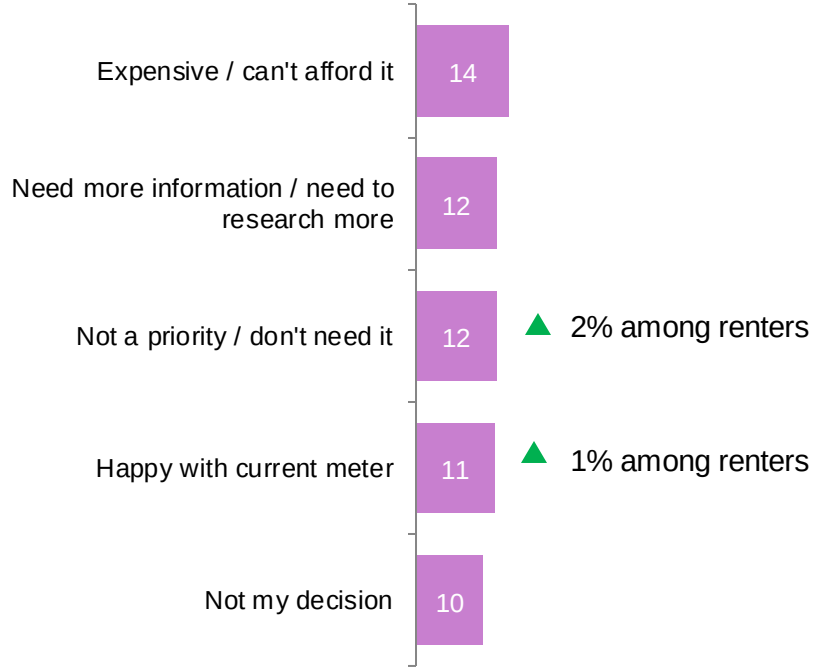
Q6 What makes you say that you are <INSERT RESPONSE FROM Q5> to install a smart meter at your property in the next 12 months? Base: All non-smart meter participants not at all or very unlikely to install a smart meter n=382 (Residents n=339, Businesses n=43) NB: Concerns or questions with less than 2% total mentions are not shown.

THOSE WITHOUT A SMART METER: REASONS FOR BEING UNLIKELY TO REQUEST INSTALLATION BY HOME OWNERSHIP STATUS

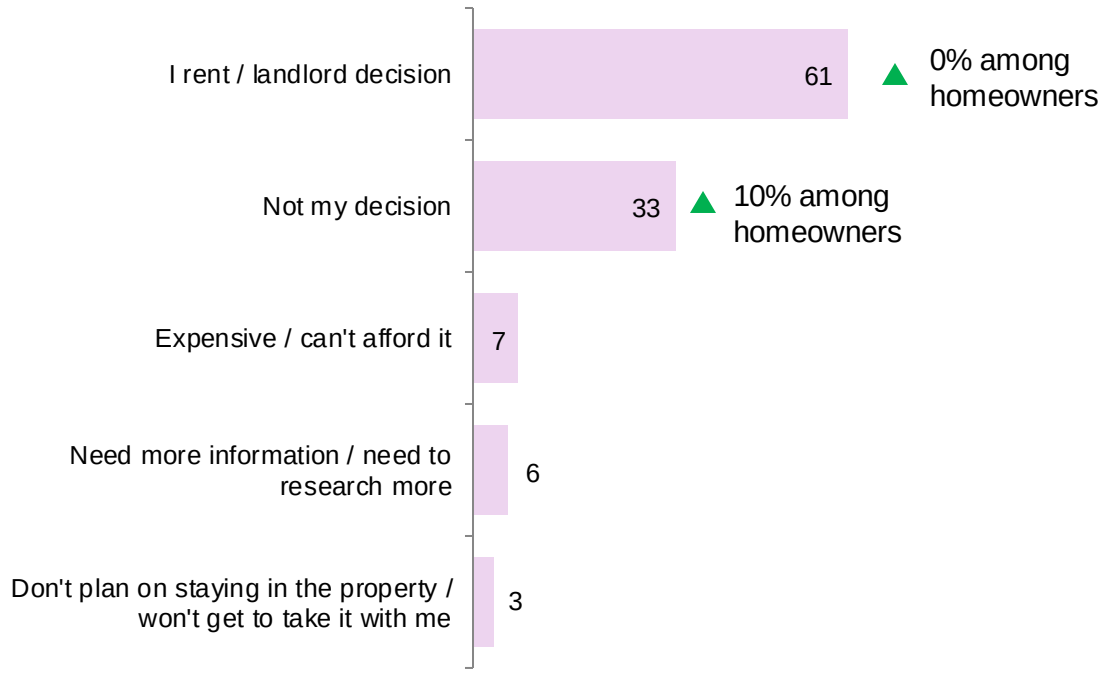
Homeowners are less likely to request installation because they feel a smart meter is too expensive or they don't know enough and isn't a priority. Renters feel the decision is out of their hands.

Top reasons for being unlikely to request installation in the next 12 months (% mentioned)

Among residential participants who are homeowners (n=123)



Among residential participants who are renters (n=206)



▲ *Significantly higher than other subgroup at the 95% confidence level*

Q6 What makes you say that you are <INSERT RESPONSE FROM Q5> to install a smart meter at your property in the next 12 months? Base: All non-smart meter participants not at all or very unlikely to install a smart meter (Residents n=339) NB: Only the top five mentions are listed

DRIVERS AND BARRIERS TO SMART METERS

From the focus groups, how do people respond to different features and benefits of smart meters?

How did the learnings from the focus groups inform the design of the quantitative survey?

EXPLORING RESPONSES TO THE DIFFERENT FEATURES AND BENEFITS OF SMART METERS

An overview of the qualitative methodology

Participants in the focus groups were shown a fact sheet on smart meters and a list of features and benefits. Each participant was asked to rate their top three features and asked their reasons for that selection. Any concerns were also drawn out in the discussion. Below is the list of features shown to participants.

You can get access to real time, detailed information on your energy use. This can help you work out when you are spending the most on your energy and can then help you plan how to make savings.
You can get access to programs that may involve financial rewards for turning off appliances like air conditioning for a short period during high usage periods.
Having a smart meter gives you access to a range of innovative products and services that can empower you to reduce your electricity use and save money. These include specialised plans for customers based on how they use energy.
A smart meter helps you get the most out of your solar system. You can keep track of how much of the energy generated by your solar system you are using and selling.
Your smart meter can quickly identify power outages and automatically report them, which means faster repairs.
Retailers can use smart meter data to provide you with the most appropriate electricity plan based on how you use electricity. You can also provide an agent access to your detailed usage to help find the best electricity plan for you.
Widespread smart meter installation can help the organisations operating the grid plan better and reduce spending over the long term. This could translate to lower electricity bills over the longer term.
Widespread smart meter installation can help the grid provider to improve the stability and reliability of the grid's operation, reducing the chance of black outs.
You can get more frequent bills if you want (e.g., monthly). There are no more estimated bills.
You can access a time of use pricing plan – this means your retailer will charge you different prices at different times of the day and you can save money if you can move your energy use to cheaper times.

QUALITATIVE FINDINGS: DRIVERS OF CONSIDERATION

Overall focus group participants appreciate the ability to track their energy consumption and get a more accurate record of their energy spend.

Analysis of focus group findings suggest that the primary tier benefits of smart meters for consumers involve gaining a better understanding of energy usage to enable cost savings.

Top rated features include:

- Access to real time, detailed information on electricity usage across the day, giving insight on how to change behaviour to make savings. However, inherent in this assumption is the belief that they could easily visualise their consumption and identify those appliances that used the most energy. It was clear that the effectiveness of smart meters would be highly contingent on apps and portals to enable consumers to make the most of the data provided.

- You can get more frequent bills if you want (e.g., monthly). There are no more estimated bills. Many people like this feature because it would enable them to plan and budget better, especially amongst more vulnerable customers, and it also avoided surprises at bill time. Discussions about not needing to have the bill read by a meter reader sometimes raised concerns about job losses amongst meter readers, while most people are not seeking more frequent bills. More accurate bills and no longer receiving estimates is the better way to communicate this feature.

- Access to a range of innovative products and services that help you reduce your electricity use and save money, including specialised plans for customers based on how they use energy. Notably, the innovative products and features are of more appeal to the early adopters compared to mainstream customers. Most people are interested in retailers providing specialised plans based on how customers use their energy and thereby ensuring savings on their energy bills.

In their words

"Without the app, what would be the use of it? It would be the same as having a Fitbit that doesn't show how many steps you've done." (Regional QLD, Resident, unaware that they had a Smart meter)

"Not being overcharged for electricity, you can see your bill every few days, it is predicable." (NSW Regional Resident)

"This is what I was talking about before – you could install a remote system that turned things off when you weren't using them, or even better, it detected you weren't there and switched off your whole system." (SA Small business, no smart meter)

QUALITATIVE FINDINGS: DRIVERS OF CONSIDERATION

'Nice to have' features focused on better grid operation and maintenance, but only if people could see a direct benefit to themselves. Power down programs are appealing but some fear being too inconvenienced.

Second tier benefits are either more general in nature, useful at the time and only relevant if they translated into direct benefits to the end customer or have narrower appeal.

Second tier benefits include:

- Identification of power outages to speed up repairs. This is a lesser-known feature of smart meters and did generate interest when first mentioned. The appeal is strongest amongst those who regularly experience outages, specifically in regional areas. However, for other areas, this is less of a priority.

- Widespread installation to enable better management and stability of the grid. This again is a lesser-known feature and mainly appealing if it could be definitively linked to lower bills. Better infrastructure management is only relevant to most customers if they receive some financial benefit. Note that better grid management did have more appeal amongst the more engaged participants who had a better grasp of issues facing the grid as a whole. These people felt that widespread smart meter installation made a lot of sense to increase efficiency for the network overall.

- Access to programs that may involve financial rewards for turning off appliances like air conditioning for a short period during high usage periods. This feature has many strong attractors but is also polarising particularly when applied to air conditioning. Those who found it appealing tend to be those that are highly engaged and the more financially astute. The detractors did not like the idea that the program might be imposed upon them, or they felt the power down would be too detrimental (e.g., aircon turned off on extremely hot day). Using more cautious language (e.g., 'reducing/adjusting' vs. 'turning off appliances') would help make this feature more appealing to people.

In their words

"You want power outages fixed quickly." (QLD Regional Resident)

"It's about the lower electricity bills over the longer term. I want to know how I will save money." (TAS Resident)

"Managing electricity across the network sounds safer." (ACT Resident)

"If this is about essential infrastructure, then that is a good thing and should be how smart meters are talked about." (SA Resident)

"If I turned up my air con my staff would not be happy, they would probably work less, so it wouldn't be a saving for me." (NSW Business)

QUALITATIVE FINDINGS: BARRIERS TO CONSIDERATION

In the focus groups, a primary barrier to consideration was time of use pricing. Many feared the amount they'd pay for electricity would go up with time-of-use pricing.

You can access a time-of-use pricing plan – this means your retailer will charge you different prices at different times of the day and you can save money if you can move your energy use to cheaper times. Most people were not aware of their current pricing plan and approached the concept of time-of-use pricing with some scepticism. Their primary concern was whether they could change the times of day when they consumed most electricity to avoid having higher bills.

This was especially concerning for those who:

- Worked elsewhere during the day and returned home during peak time; or
- Lived in large households and could not see how they could control the electricity consumption across the household (e.g with teenagers).

This issue tends to evoke a negativity bias with people focusing on the potential penalty versus the advantages of off-peak pricing. Participants suggest interest in obtaining more information about simple behaviour changes that would help them reduce their energy consumption and save money with time-of-use pricing.

Some saw time-of-use pricing as advantageous and could think of ways they might be better off (e.g by running and/or setting to run main appliances like washing machines and dishwashers during off peak periods).

In their words

"I work three days a week, so I can do my big washes during the day, so this would suit me because I am at home." (TAS Resident)

"I have a daytime job so can't come home to use it, would benefit others but not me." (SA Resident)

"If they could show me how much someone actually saves, that would be helpful. I would need to see the actual dollar figure to feel comfortable." (NSW Business)

QUALITATIVE FINDINGS: BARRIERS TO CONSIDERATION

The (potential) one-off cost to install a smart meter is also barrier for many.

In their words

There is confusion across all groups as to whether people must pay to have a smart meter installed. Most people initially assumed this would be the case.

Amongst those with a smart meter:

- A number of people had paid for installation, with some having paid up to $600.
- Some assumed the smart meter was free as part of the installation of their solar system.

When told that smart meters were usually installed for free, but that people had to pay for any necessary upgrades to their meter boards, there was a sense of disquiet and queries about how people would be informed of the potential for a charge and whether they would have the option to opt-out if they didn't wish to pay.

It is clear that costs – both ongoing costs associated with a time-of-use tariff and one-off fees associated with installation - are a strong factor in relation to how people feel about having a smart meter installation at their home and requesting installation. This is exacerbated by a lack of understanding around likely financial benefits.

"I had to pay to have it installed, now I am pissed off to hear that others didn't. I paid $600." (NSW Resident)

"What would happen if they came to your house and said you needed to upgrade your wiring? Could you change your mind and not get a smart meter?" (SA Resident)

HOW THE DESCRIPTION OF THE SMART METER FEATURES WERE ADAPTED FOR THE QUANTITATIVE SURVEY

Features shown in the focus groups	How each statement was adapted for the quantitative survey (marks changes)
You can get access to real time, detailed information on your energy use. This can help you work out when you are spending the most on your energy and can then help you plan how to make savings.	A smart meter could give you access to real time, detailed information on your electricity use using an app or portal. This can help you work out when you are spending the most on energy and can help you plan how to make savings.
You can get access to programs that may involve financial rewards for turning off appliances like air conditioning for a short period during high usage periods.	You can get access to programs that financially reward you for reducing your electricity usage for a short period of time during peak demand periods (e.g., adjusting your air conditioning on hot summer days).
Having a smart meter gives you access to a range of innovative products and services that can empower you to reduce your electricity use and save money. These include specialised plans for customers based on how they use energy.	Having a smart meter means you can get access to a range of innovative products and services. This can include apps that monitor usage and energy management systems that help you manage the amount of electricity you use.
A smart meter helps you get the most out of your solar system. You can keep track of how much of the energy generated by your solar system you are using and selling.	A smart meter is a key piece of equipment when you have a solar system because it measures how much electricity you are selling to the grid.
Your smart meter can quickly identify power outages and automatically report them, which means faster repairs.	Smart meters can help identify an area that has lost power. This means the network operator can start repairs sooner.
	Smart meters could improve safety for your home. For example, by reducing the risk of electrocution by detecting electrical faults.
Retailers can use smart meter data to provide you with the most appropriate electricity plan based on how you use electricity. You can also provide an agent access to your detailed usage to help find the best electricity plan for you.	Retailers can use smart meter data to advise you on the most appropriate electricity plan based on how you use electricity. You can also provide an agent access to your detailed usage to help find the best electricity plan for you.
Widespread smart meter installation can help the organisations operating the grid plan better and reduce spending over the long term. This could translate to lower electricity bills over the longer term.	Widespread smart meter installation can help grid operators plan better and reduce spending on network infrastructure. This could translate to lower electricity bills over the longer term.
Widespread smart meter installation can help the grid provider to improve the stability and reliability of the grid's operation, reducing the chance of black outs.	Widespread smart meter installation can help grid operators improve the stability and reliability of the grid's operation, reducing the chance of blackouts.
You can get more frequent bills if you want (e.g., monthly). There are no more estimated bills.	Smart meters mean you receive accurate bills based on your actual real-time usage – there are no more estimated bills.
	Smart meters allow people to check their usage in dollars in real-time so you can budget more effectively and avoid surprises at bill time.
You can access a time of use pricing plan – this means your retailer will charge you different prices at different times of the day and you can save money if you can move your energy use to cheaper times.	With a smart meter, customers can go on a time of use pricing plan (with different prices at peak, off-peak and shoulder periods), so you can work out ways to lower your bills by adjusting your electricity use to off peak or shoulder periods when prices are lower.
	Connections and disconnections can be done remotely. If you are moving premises, you will save money and time by not having a technician come out to your property.

RATING OF SMART METER FEATURES

How do people rate the different features of a smart meter?

SMART METER FEATURE RATINGS: TOTAL SAMPLE

Customers were exposed to a series of statements about smart meters and asked how each statement made them feel about them. All features rate highly, with the more practical aspects of a smart meter rating the highest; (e.g no more estimated bills, speedier repairs, bill budgeting and home safety). However, real time data to help you plan how to save, power down incentives and time of use pricing are also of interest, albeit at a slightly lower level.

Total sample (n=1,948)	NET Positive	NET Negative
Smart meters mean you receive accurate bills based on your actual real-time usage – there are no more estimated bills.	76%	4%
Smart meters can help identify an area that has lost power. This means the network operator can start repairs sooner.	75%	4%
Smart meters allow people to check their usage in dollars in real-time so you can budget more effectively and avoid surprises at bill time.	74%	4%
Smart meters could improve safety for your home. For example, by reducing the risk of electrocution by detecting electrical faults.	74%	4%
You can get access to programs that financially reward you for reducing your electricity usage for a short period of time during peak demand periods (e.g. adjusting your air conditioning on hot summer days).	72%	5%
A smart meter could give you access to real time, detailed information on your electricity use using an app or portal. This can help you work out when you are spending the most on energy and can help you plan how to make savings.	72%	5%
Widespread smart meter installation can help grid operators improve the stability and reliability of the grid's operation, reducing the chance of blackouts.	72%	4%
Widespread smart meter installation can help grid operators plan better and reduce spending on network infrastructure. This could translate to lower electricity bills over the longer term.	72%	5%
Connections and disconnections can be done remotely. If you are moving premises, you will save money and time by not having a technician come out to your property.	71%	5%
With a smart meter, customers can go on a time of use pricing plan (with different prices at peak, off-peak and shoulder periods), so you can work out ways to lower your bills by adjusting your electricity use to off peak or shoulder periods when prices are lower.	70%	5%
Retailers can use smart meter data to advise you on the most appropriate electricity plan based on how you use electricity. You can also provide an agent access to your detailed usage to help find the best electricity plan for you.	69%	7%
A smart meter is a key piece of equipment when you have a solar system because it measures how much electricity you are selling to the grid.	68%	6%
Having a smart meter means you can get access to a range of innovative products and services. This can include apps that monitor usage and energy management systems that help you manage the amount of electricity you use.	67%	6%

Q8 The following are a series of statements that some people have made about smart meters. How does each one make you feel about smart meters? Base: All participants n=1,948 (Residents: n=1,407, Businesses: n=541)

SMART METER FEATURE RATINGS: SMART METER VS NON-SMART METER

Customers with and without a smart meter installed have similar responses to the features, with no significant differences between these audiences.

Statement: Somewhat + Very positive	TOTAL (n=1,948)	*Smart meter (n=1,257)*	*Non-Smart meter (n=691)*
Smart meters mean you receive accurate bills based on your actual real-time usage – there are no more estimated bills.	**76%**	*76%*	*75%*
Smart meters can help identify an area that has lost power. This means the network operator can start repairs sooner.	**75%**	*76%*	*74%*
Smart meters allow people to check their usage in dollars in real-time so you can budget more effectively and avoid surprises at bill time.	**74%**	*74%*	*74%*
Smart meters could improve safety for your home. For example, by reducing the risk of electrocution by detecting electrical faults.	**74%**	*75%*	*73%*
You can get access to programs that financially reward you for reducing your electricity usage for a short period of time during peak demand periods (e.g. adjusting your air conditioning on hot summer days).	**72%**	*72%*	*73%*
A smart meter could give you access to real time, detailed information on your electricity use using an app or portal. This can help you work out when you are spending the most on energy and can help you plan how to make savings.	**72%**	*73%*	*71%*
Widespread smart meter installation can help grid operators improve the stability and reliability of the grid's operation, reducing the chance of blackouts.	**72%**	*73%*	*71%*
Widespread smart meter installation can help grid operators plan better and reduce spending on network infrastructure. This could translate to lower electricity bills over the longer term.	**72%**	*73%*	*71%*
Connections and disconnections can be done remotely. If you are moving premises, you will save money and time by not having a technician come out to your property.	**71%**	*72%*	*71%*
With a smart meter, customers can go on a time of use pricing plan (with different prices at peak, off-peak and shoulder periods), so you can work out ways to lower your bills by adjusting your electricity use to off peak or shoulder periods when prices are lower.	**70%**	*70%*	*70%*
Retailers can use smart meter data to advise you on the most appropriate electricity plan based on how you use electricity. You can also provide an agent access to your detailed usage to help find the best electricity plan for you.	**69%**	*70%*	*68%*
A smart meter is a key piece of equipment when you have a solar system because it measures how much electricity you are selling to the grid.	**68%**	*70%*	*66%*
Having a smart meter means you can get access to a range of innovative products and services. This can include apps that monitor usage and energy management systems that help you manage the amount of electricity you use.	**67%**	*67%*	*68%*

Q8 The following are a series of statements that some people have made about smart meters. How does each one make you feel about smart meters? Base: All participants n=1,948 (Residents: n=1,407, Businesses: n=541)

CHANGES IN SENTIMENT TOWARDS SMART METERS

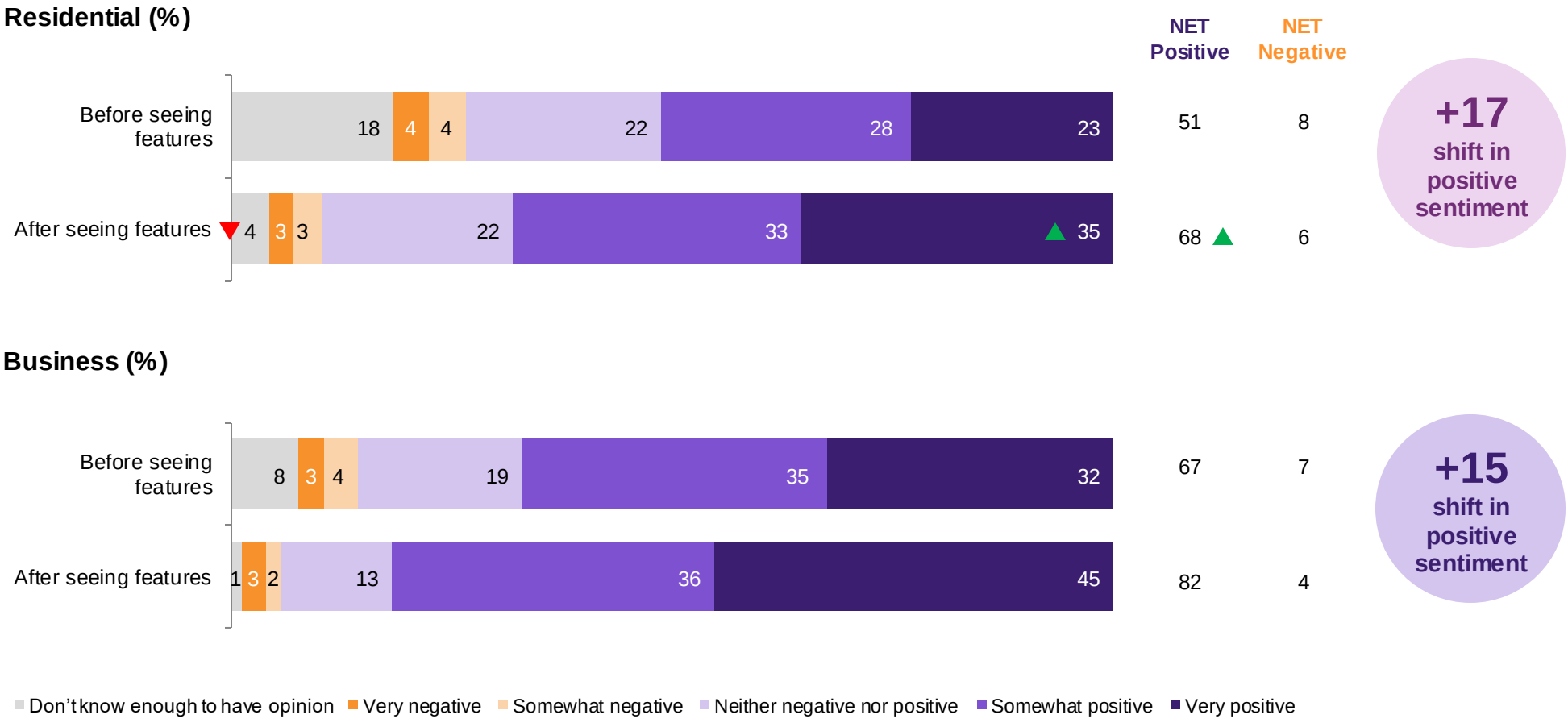
How do people feel about smart meters pre and post seeing more information?

Which features are more likely to drive a shift in sentiment?

NEWGATE RESEARCH

SHIFT IN SENTIMENT: AMONG THOSE WITHOUT A SMART METER

Following exposure to the features of smart meters, sentiment among residential customers shifted to be significantly more positive. Businesses also became more positive, although this change isn't statistically significant (likely due to small sample size).

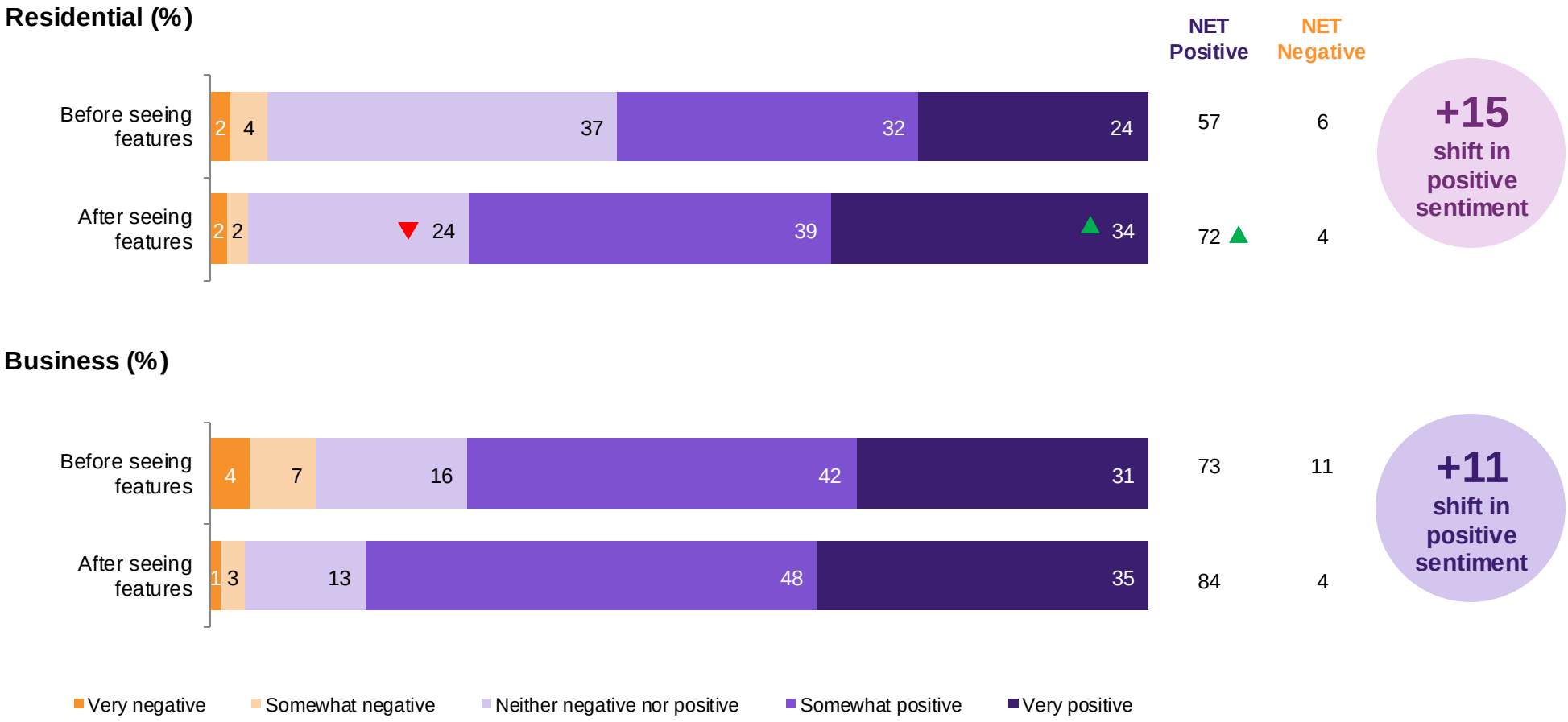


Significantly higher / lower than before seeing messages at the 95% confidence level

Q4 How would you feel about having a smart meter installed at your property? / Q9 Now that you have read more information, how do you feel about having a smart meter installed at your property? Base: All participants without a smart meter n=691 (Residents: n=543, Businesses: n=148)

SHIFT IN SENTIMENT: AMONG THOSE WITH A SMART METER

Following exposure to the features of smart meters, sentiment amongst those who already have a smart meter became more positive, with significant movement observed for residential customers.



Significantly higher / lower than before seeing messages at the 95% confidence level

Q7 How do you feel about having a smart meter installed at your property? / Q12 Now that you have read more information, how do you feel about having a smart meter installed at your property? Base: All participants with a smart meter n=1,257 (Residents: n=864, Businesses: n=393)

MODELLING APPROACH

Newgate's proprietary *MessageLab* modelling identifies the messages that have the greatest potential to drive or shift sentiment towards or against an idea or issue.

The shift in sentiment is determined through the creation of a shift variable. In this study, this comes from looking at the change in ratings given by each participant in response to their sentiment towards having a smart meter installed (both with or without a smart meter). This was asked before and after seeing messages highlighting the features of smart meters.

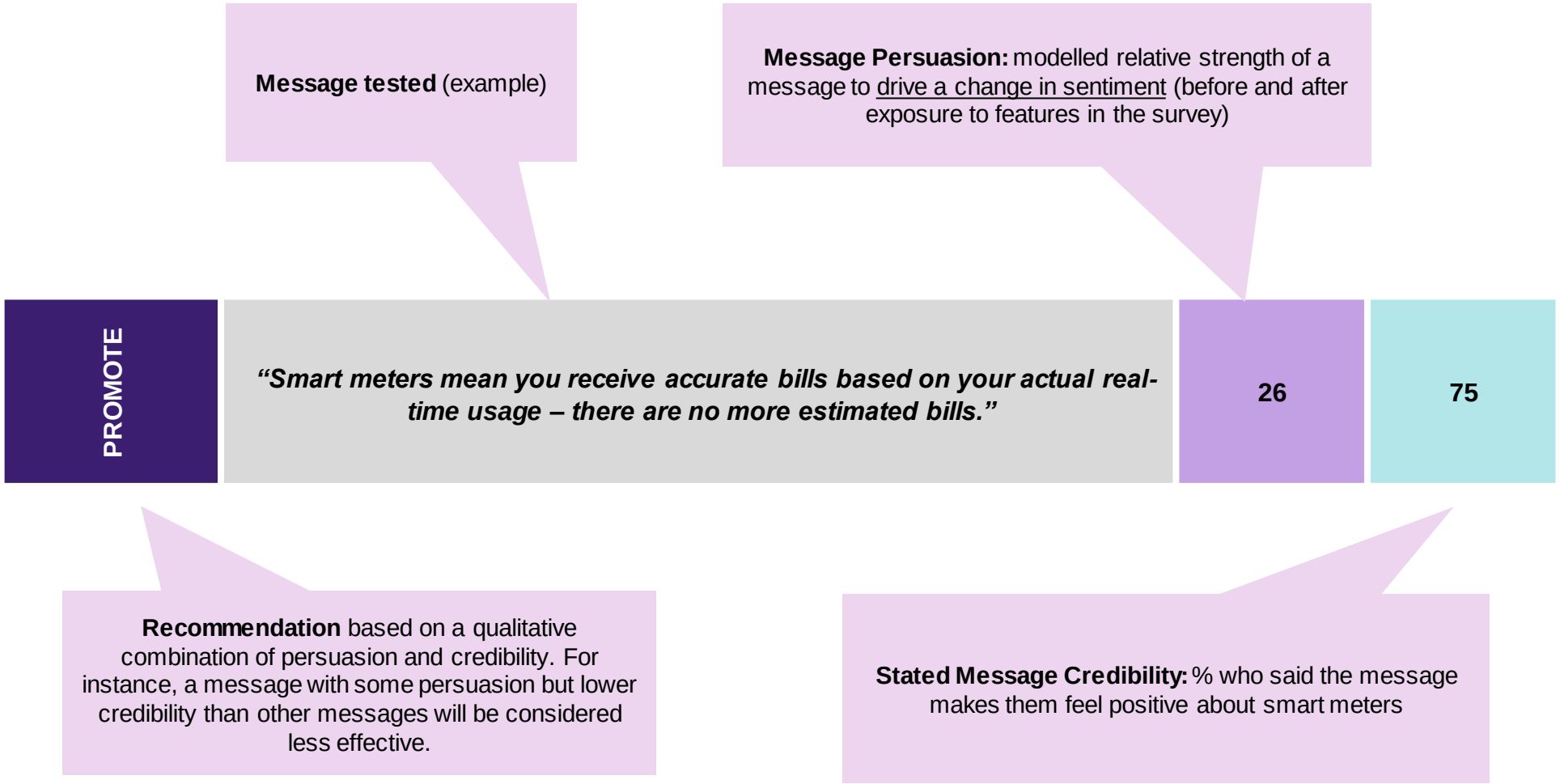
We note the influence of messages can operate in both a positive or negative direction, with the most influential messages providing the greatest effect (and predictive power) on the final sentiment of participants. Given only positive messages were tested, these messages tended to impact on final sentiment in a positive manner.

The results group messages into three categories based on their strength in promoting smart meters:

- Promote
- Consider
- Less effective

HOW TO INTERPRET SUBSEQUENT MESSAGELAB CHARTS

The diagram below explains how to read the MessageLab results that follow on subsequent slides.



DRIVERS OF SHIFT IN SENTIMENT: NON-SMART METER SAMPLE

The feature that most strongly drives increased positivity towards smart meters is more accurate bills, followed by improvements in home safety.

		Persuasion	Credibility
PROMOTE	*Smart meters mean you receive accurate bills based on your actual real-time usage – there are no more estimated bills.*	26	75
	Smart meters could improve safety for your home. For example, by reducing the risk of electrocution by detecting electrical faults.	13	73
	Widespread smart meter installation can help grid operators improve the stability and reliability of the grid's operation, reducing the chance of blackouts.	9	71
	You can get access to programs that financially reward you for reducing your electricity usage for a short period of time during peak demand periods (e.g. adjusting your air conditioning on hot summer days).	8	73
CONSIDER	*Smart meters allow people to check their usage in dollars in real-time so you can budget more effectively and avoid surprises at bill time.*	7	74
	Widespread smart meter installation can help grid operators plan better and reduce spending on network infrastructure. This could translate to lower electricity bills over the longer term.	7	71
	With a smart meter, customers can go on a time of use pricing plan (with different prices at peak, off-peak and shoulder periods), so you can work out ways to lower your bills by adjusting your electricity use to off peak or shoulder periods when prices are lower.	6	70
LESS EFFECTIVE	*Retailers can use smart meter data to advise you on the most appropriate electricity plan based on how you use electricity. You can also provide an agent access to your detailed usage to help find the best electricity plan for you.*	8	68
	Having a smart meter means you can get access to a range of innovative products and services. This can include apps that monitor usage and energy management systems that help you manage the amount of electricity you use.	7	68
	Smart meters can help identify an area that has lost power. This means the network operator can start repairs sooner.	3	74
	A smart meter could give you access to real time, detailed information on your electricity use using an app or portal. This can help you work out when you are spending the most on energy and can help you plan how to make savings.	3	71
	Connections and disconnections can be done remotely. If you are moving premises, you will save money and time by not having a technician come out to your property.	2	71
	A smart meter is a key piece of equipment when you have a solar system because it measures how much electricity you are selling to the grid.	0	66

Q8 The following are a series of statements that some people have made about smart meters. How does each one make you feel about smart meters? / Q4 How would you feel about having a smart meter installed at your property? / Q9 Now that you have read more information, how do you feel about having a smart meter installed at your property? Base: All participants without a smart meter n=691 (Residents: n=543, Businesses: n=148)

DRIVERS OF SHIFT IN SENTIMENT: SMART METER SAMPLE

As with the non-smart meter sample, bill accuracy drives positive sentiment towards smart meters. In addition, home safety, reduction of blackouts, lower bills via TOU pricing and identification of power outages are also influential services.

		Persuasion	Credibility
PROMOTE	*Smart meters allow people to check their usage in dollars in real-time so you can budget more effectively and avoid surprises at bill time.*	20	74
	Smart meters could improve safety for your home. For example, by reducing the risk of electrocution by detecting electrical faults.	17	75
	Widespread smart meter installation can help grid operators improve the stability and reliability of the grid's operation, reducing the chance of blackouts.	12	73
	With a smart meter, customers can go on a time of use pricing plan (with different prices at peak, off-peak and shoulder periods), so you can work out ways to lower your bills by adjusting your electricity use to off peak or shoulder periods when prices are lower.	10	70
	Smart meters can help identify an area that has lost power. This means the network operator can start repairs sooner.	9	76
CONSIDER	*Widespread smart meter installation can help grid operators plan better and reduce spending on network infrastructure. This could translate to lower electricity bills over the longer term.*	7	73
	Smart meters mean you receive accurate bills based on your actual real-time usage – there are no more estimated bills.	6	76
	You can get access to programs that financially reward you for reducing your electricity usage for a short period of time during peak demand periods (e.g. adjusting your air conditioning on hot summer days).	5	72
	A smart meter could give you access to real time, detailed information on your electricity use using an app or portal. This can help you work out when you are spending the most on energy and can help you plan how to make savings.	4	73
LESS EFFECTIVE	*Connections and disconnections can be done remotely. If you are moving premises, you will save money and time by not having a technician come out to your property.*	3	72
	A smart meter is a key piece of equipment when you have a solar system because it measures how much electricity you are selling to the grid.	3	70
	Having a smart meter means you can get access to a range of innovative products and services. This can include apps that monitor usage and energy management systems that help you manage the amount of electricity you use.	3	67
	Retailers can use smart meter data to advise you on the most appropriate electricity plan based on how you use electricity. You can also provide an agent access to your detailed usage to help find the best electricity plan for you.	0	70

Q8 The following are a series of statements that some people have made about smart meters. How does each one make you feel about smart meters? / Q7 How do you feel about having a smart meter installed at your property? / Q12 Now that you have read more information, how do you feel about having a smart meter installed at your property? Base: All participants with a smart meter n=1,257 (Residents: n=864, Businesses: n=393)

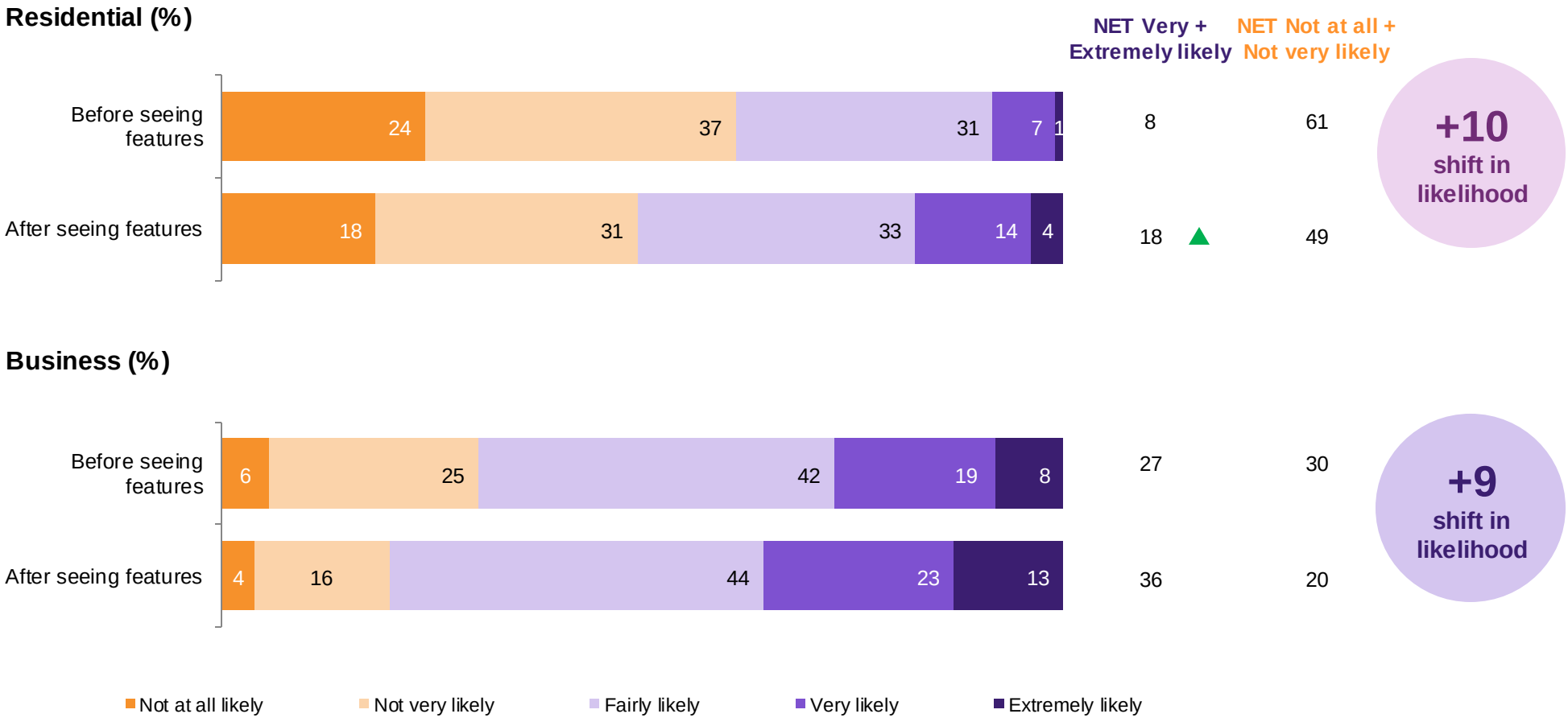
CHANGES IN LIKELIHOOD TO REQUEST INSTALLATION

How do people without a smart meter feel about requesting to have a smart meter installed pre and post seeing more information?

Which features are more likely to drive a shift in likelihood to request installation?

SHIFT IN LIKELIHOOD TO REQUEST INSTALLATION: AMONG THOSE WITHOUT A SMART METER

The likelihood of requesting installation of a smart meter in the next 12 months among residential customers does increase significantly after being shown the features of smart meters, however, at a lower level than the increase in positive sentiment.



▲ *Significantly higher than before seeing messages at the 95% confidence level*

Q5 How likely are you to request the installation of a smart meter at your property in the next 12 months? / Q10 Sometimes people change their views after reading more information – but sometimes they still feel the same way. How likely are you to request the installation of a smart meter at your property in the next 12 months? Base: All participants without a smart meter n=691 (Residents: n=543, Businesses: n=148)

NOTE ON MODELLING LIKELIHOOD TO REQUEST INSTALLATION

While it was not the primary purpose of this study, Newgate Research sought to conduct statistical modelling to see if it would be helpful in explaining what features or messages drive likelihood to request installation of a smart meter. We considered several different types of models to try to determine which messages would be most powerful in shifting opinion. The explanatory power of these models (known as the R^2) was fairly low, which suggests that the models did not adequately explain what drives likelihood to request installation of a smart meter.

We believe the main reasons for this are as follows:

- Baseline awareness of smart meters and their features was low and we were only able to convey a limited amount of information in the survey. This was not sufficient for survey participants to be able to make a concrete judgement.
- In particular, we were unable to provide specific information on the cost-benefit analysis. The focus groups showed that customers wanted concrete information on the likely cost of installation, the likely impact of time-of-use tariffs, and how much they might be able to save by leveraging information they discovered via use of an app or portal linked to their smart meter. Some customers also raised concerns about data privacy issues and health and safety issues.
- Some groups within the sample did not feel able to act on smart meter opportunities, e.g. renters or homeowners with a strata arrangement

BARRIERS TO SMART METERS

What are people's concerns or questions about smart meters after information?

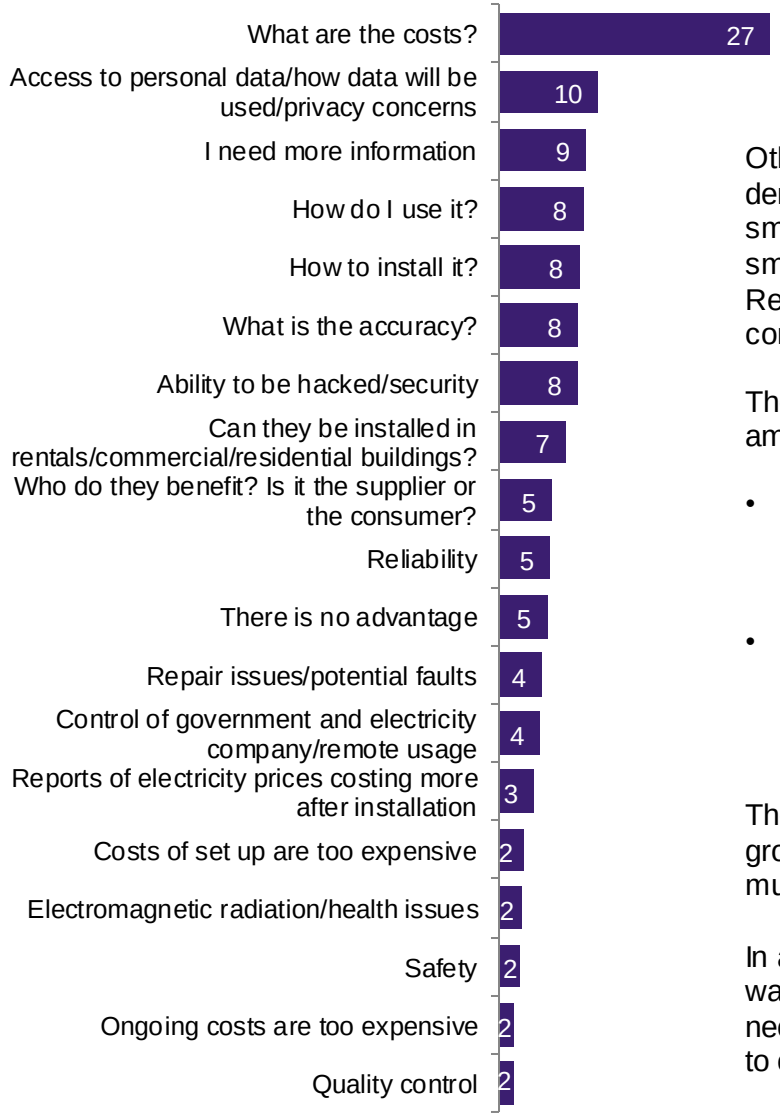
NEWGATE RESEARCH

BARRIERS TO SMART METERS

After seeing the features of smart meters in the survey, only a quarter of participants expressed a concern or asked a question about smart meters, with potential costs being the key question. The chart below reflects coding of their verbatim responses.

26%
Had a concern or question about smart meters

Top questions or concerns (% mentioned): Those with questions or concerns (n=491)



Other key findings related to different consumer demographics included that unsurprisingly, those without a smart meter are significantly more likely than those with a smart meter to have a concern or question (29% vs 21%). Residents and businesses were just as likely to have a concern or question (26% and 27% respectively).

There were only two significant differences in concern amongst those with smart meters vs. those without:

- Those without a smart meter are significantly more likely to mention the costs (33% vs. 13% of those with a smart meter).
- Those with a smart meter are more likely to note the electromagnetic radiation (5% vs. 1%) – this issue was noted by 2% of the total sample with concerns or questions.

These findings mirror the concerns expressed in the focus groups, with many people confused as to whether people must pay to have a smart meter installed.

In addition, people concerned that even if the smart meter was installed for free, they would have to pay for any necessary upgrades to their meter boards. They didn't want to commit to this without knowing the price.

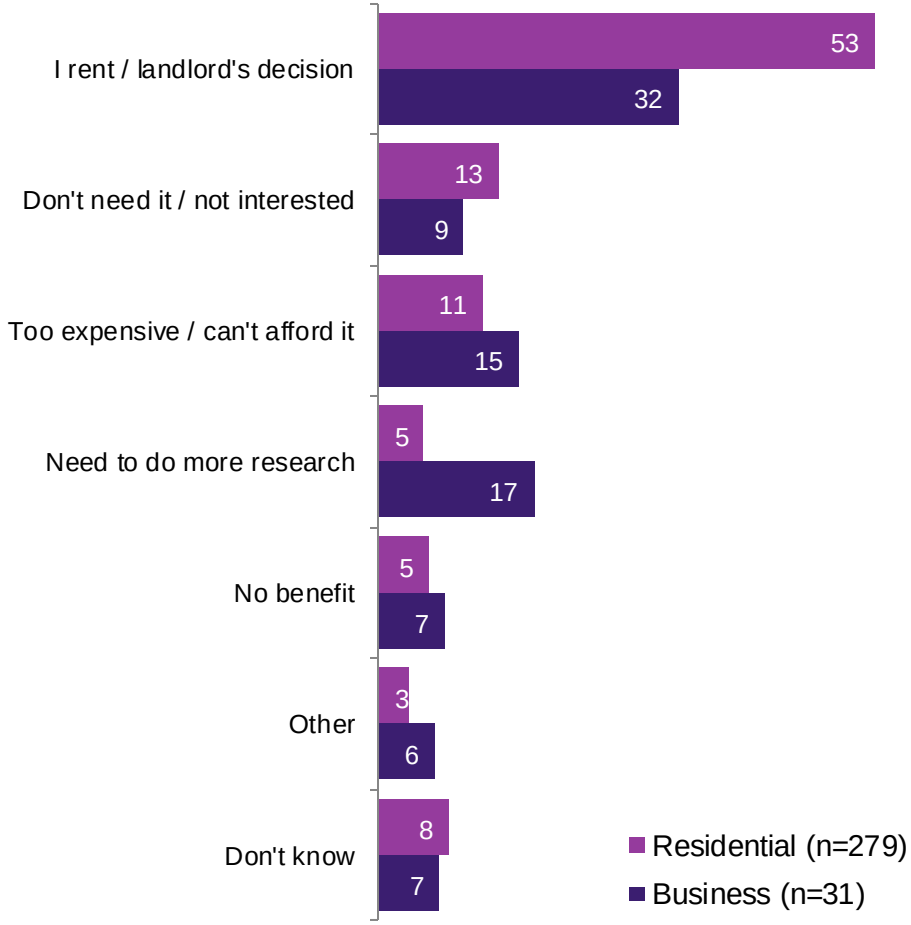
Q13 Based on everything that you have heard or read about smart meters, do you have any concerns or questions about smart meters? Base: All participants n=1,948 (Residents: n=1,407, Businesses: n=541) NB: Concerns or questions with less than 2% mentions are not shown.

CONSIDERED REASONS FOR UNLIKELY TO REQUEST INSTALLATION

After seeing the features of smart meters in the survey, those who said they are unlikely to request installation were again asked the reason why and the chart below reflects coding of the verbatim responses. Again, we see the majority are renters and therefore feel the decision is out of their hands.

41%
Not at all or not very likely to request installation

Reasons for being not at all or not very likely to install a smart meter in the next 12 months <u>after</u> reading more information (% selecting each reason)



"I would love for our landlord to install one, simply as it would be great for us. But I don't plan on buying one for their property as that isn't my responsibility or decision to make."
(QLD, metro, residential)

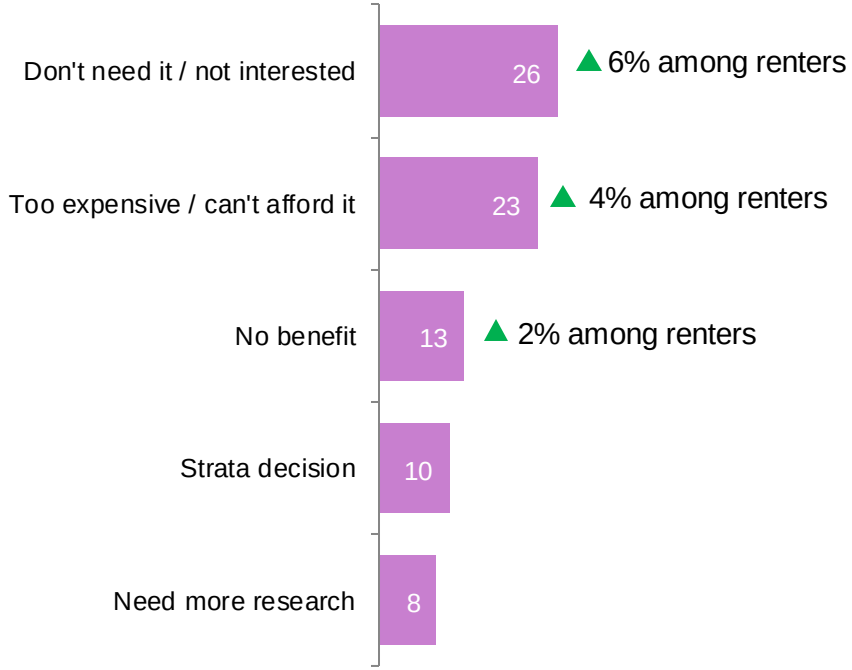
Q11 What makes you say that you are <INSERT RESPONSE FROM Q10> to install a smart meter at your property in the next 12 months?
Base: All non-smart meter participants not at all or very unlikely to install a smart meter n=310 (Residents n=279, Businesses n=31) NB: Concerns or questions with less than 2% mentions are not shown.

CONSIDERED REASONS FOR UNLIKELY TO REQUEST INSTALLATION BY HOME OWNERSHIP STATUS

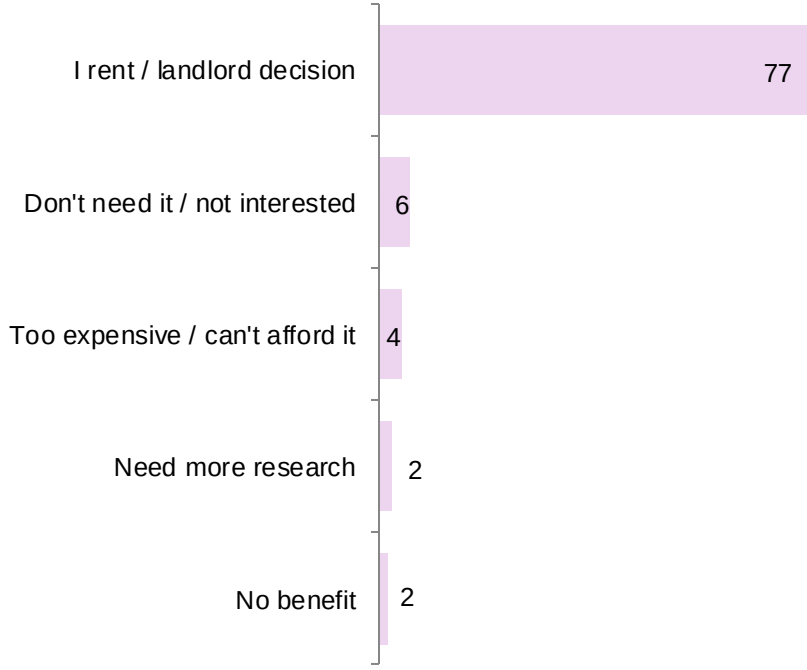
After being exposed to smart meter features, homeowners are less likely to request installation because they continue to feel a smart meter isn't needed or is too expensive. Renters and strata members continue to feel the decision is out of their hands.

Top reasons for being unlikely to request installation in the next 12 months after reading more information (% mentioned)

Among residential participants who are homeowners (n=101)



Among residential participants who are renters (n=172)



▲ *Significantly higher than other subgroup at the 95% confidence level*

Q11 What makes you say that you are <INSERT RESPONSE FROM Q10> to install a smart meter at your property in the next 12 months? Base: All non-smart meter participants not at all or very unlikely to install a smart meter (Residents n=279) NB: only the top five mentions are listed

SMART METER INSTALLATION

What are the main issues or roadblocks that consumers have faced throughout the process of trying to obtain or replace a smart meter (if any)?

QUALITATIVE FINDINGS: SMART METER INSTALLATION

Across all focus groups, there were a few people who had a very poor installation experience.

Typical issues centred around:

- Delays in installation. This was particularly frustrating for people who had installed solar panels and had to wait for the smart meter to be installed (in one case, up to 12 months).
- Poor communication about when it was going to be installed, with consumers having to proactively contact their retailer to arrange the date or not having a clear date set. In one case, a homeowner was surprised to return to their property one day and see the meter being installed – there was no previous correspondence.
- Installers not turning up on the agreed date or time and not contacting consumers to reschedule.
- Not knowing in advance that any upgrades to the meter box or wiring would have to occur before installation and what this additional cost might be.

On further discussion, many consumers also realised that they had received very little if any handover information on how to make the most of their smart meter e.g., what apps to use.

In some instances, customers had been expected to pay for access to an app to read their smart meter.

In their words

"I kept ringing them over six months. They sent the 2nd or 3rd letter explaining and it said that smart meters were available. It took nearly a year for it to happen. I had the panels up but no smart meter. Everyone told me different dates. I escalated it to the manager." (NSW Resident)

"I had panels on for 10 days but no meter. I called before but nothing from their side. No communication at all, nothing. I kept calling again and again. I kept calling. He said he was coming at 10am and he rocked up at 2pm in the afternoon." (QLD Resident)

"I said 'bloody hell, how do I work this?'. I had to do my own research." (NSW Resident)

"I got offered the smart meter app for a cheaper deal. It is normally $11 a month. The app checks your hourly usage." (TAS Resident)

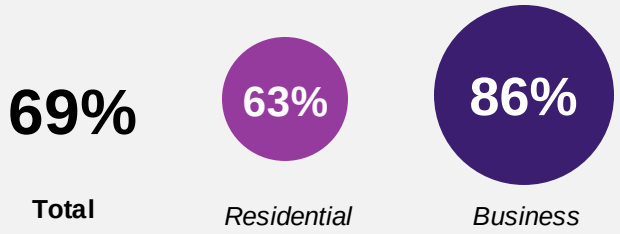
NB: Victorian qualitative focus group participants were not asked any questions relating to installation experiences. This is due to the mandatory roll out of smart meters in Victoria, which is different to the roll out in other jurisdictions.

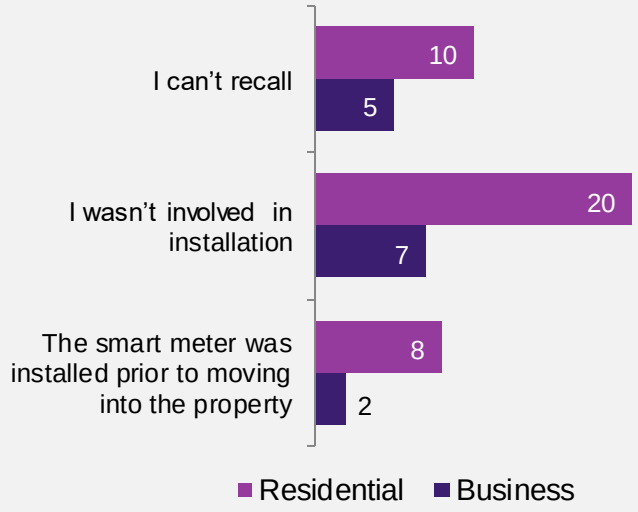
INSTALLATION EXPERIENCES

In the quantitative survey, nearly a third of customers with a smart meter (31%) could either not recall or weren't involved with the installation of their smart meter. Among those who did recall how it went, most found the installation to be somewhat or very easy, while only the minority reported having difficulty.

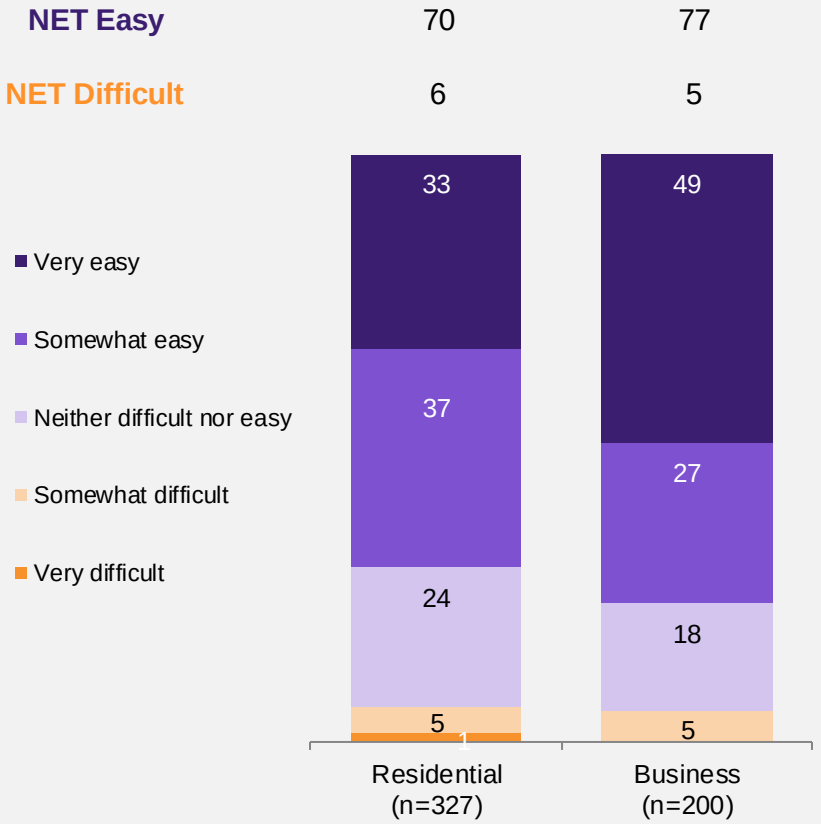
Installation experience: Total sample (%)

Could recall and rate their installation experience:





Installation experience: Among those who recall installation (%)



NB: Victorian quantitative survey participants were not asked any questions relating to installation experiences. This is due to the mandatory roll out of smart meters in Victoria, which is different to the roll out in other jurisdictions.

Q14 Overall, how would you rate the experience of having a smart meter installed? Base: All participants with a smart meter outside of Victoria n=774 (Residents: n=540, Businesses: n=234)

▲ *Significantly more likely than business/residential customers at the 95% confidence level*

REASONS FOR A POSITIVE VS. NEGATIVE INSTALLATION EXPERIENCE

After rating their installation experience, those who gave a rating were asked the reason for their rating. The most commonly mentioned reasons are provided below.

Very / somewhat easy to install: 73%

Convenient

"It was straight forward; service was great and easily done." *(NSW Metro)*

"It was easily organised and done quickly without too much interruption." *(TAS Regional)*

Quick

"It only took them around 1.5 to 2 hours for a typical smart meter installation, and then the engineers checked it all out. No problems." *(SA Metro)*

"The electrician that attended wasn't at my property for a very long time, he was very nice and informative. The short outage did not affect my day." *(SA Metro)*

Came with solar

"All was done by my solar installer and energy provider." *(NSW Metro)*

"I was home when a new solar system installed and at the same time as the smart meter system, so it was so easy." *(QLD Regional)*

Very / somewhat difficult to install: 6%

Complex process

"I was messed around by experts as I needed the meter for my new solar panels and the companies sending me back and forth for some license or form thing needed and who was paying for it etc. In the end it was the Ombudsman who sorted it all out." *(SA Regional)*

Time consuming process

We had to have people out a few times during the changeover, it was more complicated." *(SA Metro)*

"It was time consuming to stay on top with the processes." *(ACT Regional)*

Additional expense

"The property is very large, and we had some old electrical wiring and some new wirings that needed to be sorted out that cost us." *(NSW Regional)*

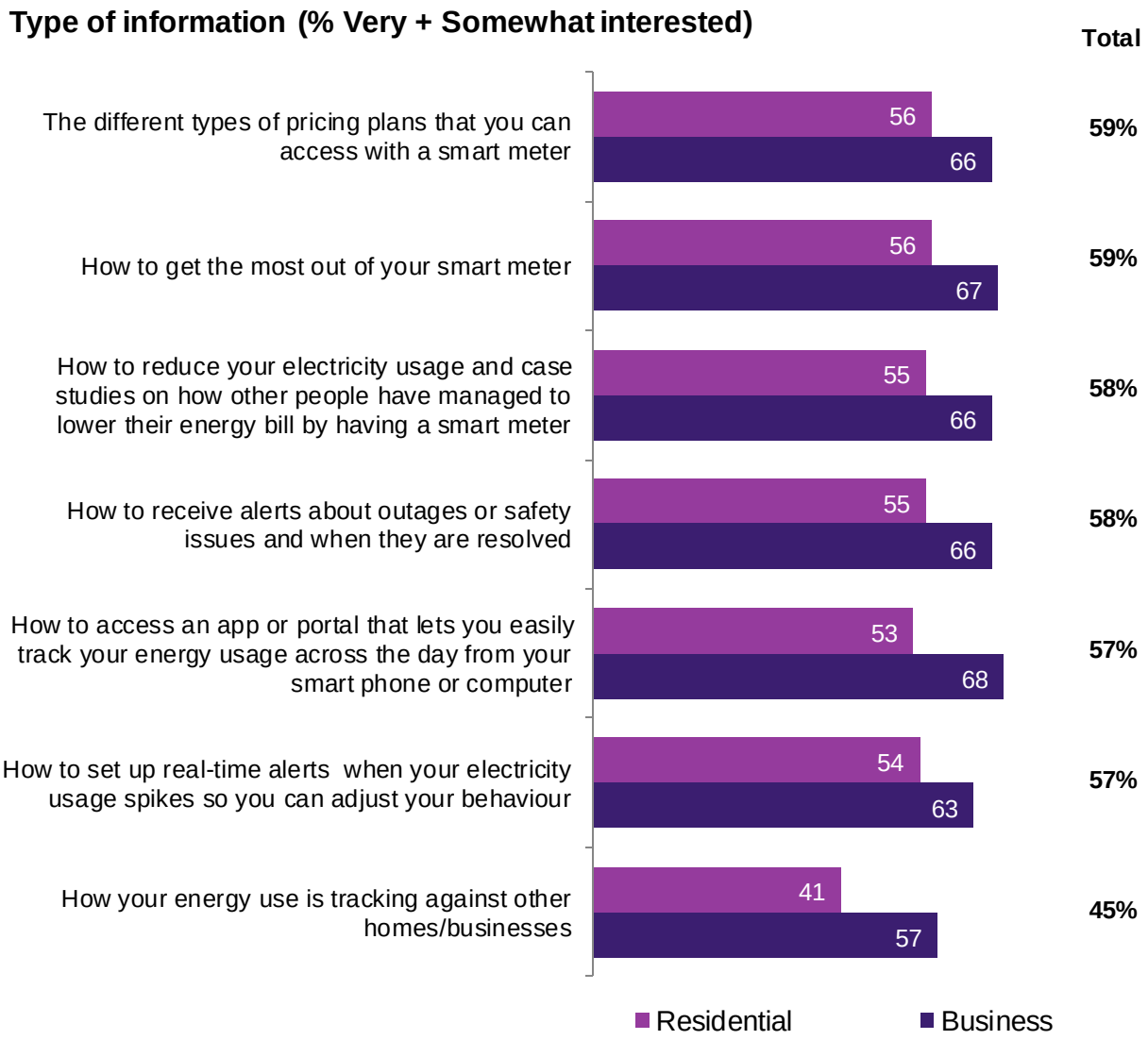
Q14 Overall, how would you rate the experience of having a smart meter installed? / Q15 What makes you say that the installation experience was <INSERT RESPONSE FROM Q14>? Base: All smart meter participants who recalled their installation, rated their installation as easy n=380 (Residents n=229, Businesses n=151) or difficult n=29 (Residents n=20, Businesses n=9)

INFORMATION NEEDS

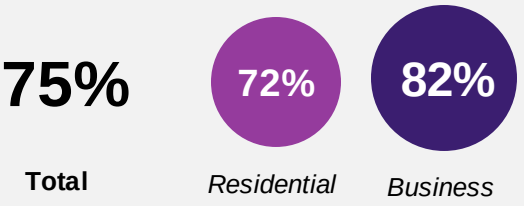
What types of information would people seek when having a smart meter installed?

TYPES OF INFORMATION PEOPLE SEEK ALONGSIDE INSTALLATION

Consistent with the qualitative research findings, most customers are interested in receiving information on how to make the most of their smart meter if they had one installed, particularly business customers.



Interested in at least one type of information:



Customers that stated that they're very or extremely likely to install a smart meter in the next 12 months (after seeing the features) are significantly more likely to be interested in all types of information, compared to those unlikely to do so.

They are most interested in knowing how to access an app or portal to track usage (92% interested) and how to get their most out of their smart meter (91%).

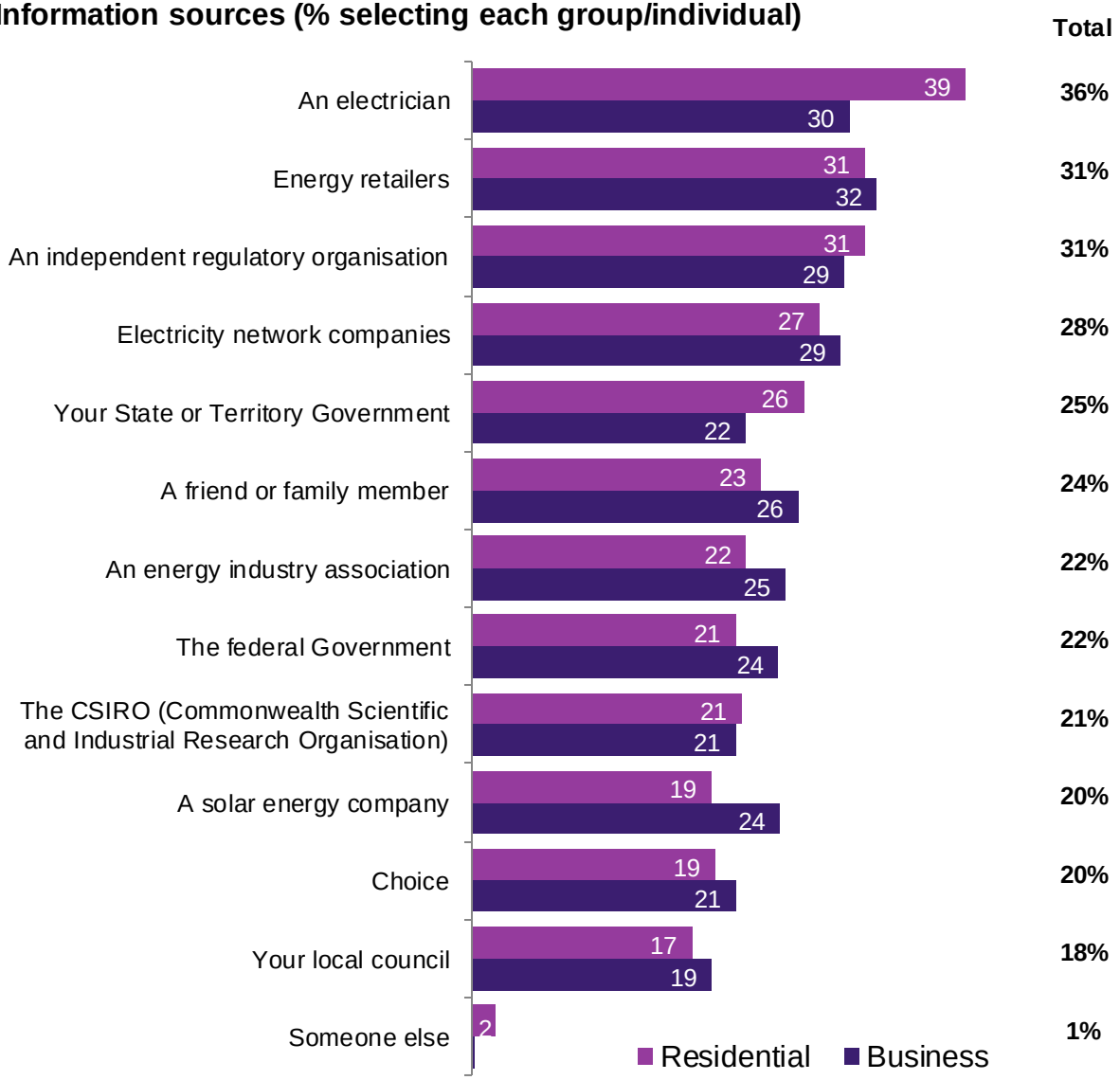
Younger customers are more likely to be interested in how to access an app or portal (68% of 18–34-year-olds vs 52% of those aged 35+).

Q16 If you to have a smart meter installed at your property, how interested would you be in receiving information on the following? Base: All participants without a smart meter n=691 (Residents: n=543, Businesses: n=148)

TRUSTED INFORMATION SOURCES: TOTAL SAMPLE

Electricians, energy retailers and an independent regulatory organisation are the most trusted sources of information when it comes to smart meters. Residents are more likely than businesses to trust electricians.

Information sources (% selecting each group/individual)



Other key findings related to different consumer demographics included that customers who are very or extremely likely to request installation of a smart meter in the next 12 months (after seeing the features) are more likely to trust a solar energy company (31%), compared to those unlikely to request installation (11%).

Customers without a smart meter installed are more likely to trust the CSIRO (24%) than those without one installed (17%).

Those aged 18 to 34 are more likely to trust a friend or family member (29%) or a solar energy company (27%). However, older customers aged 65 and over are more likely to trust an independent regulatory organisation (47%), the CSIRO (32%) and Choice (32%).

Renters are more likely to trust a friend or family member (27% vs. 17% of homeowners). Homeowners are more likely to trust an independent regulatory organisation (37% vs. 25% of renters), state or territory government (30% vs. 22%), the CSIRO (26% vs. 18%) and Choice (22% vs. 16%).

NEWGATE RESEARCH

Q18 Which of the following sources would you trust the most to give you information about smart meters? Base: All participants n=1,948 (Residents: n=1,407, Businesses: n=541)

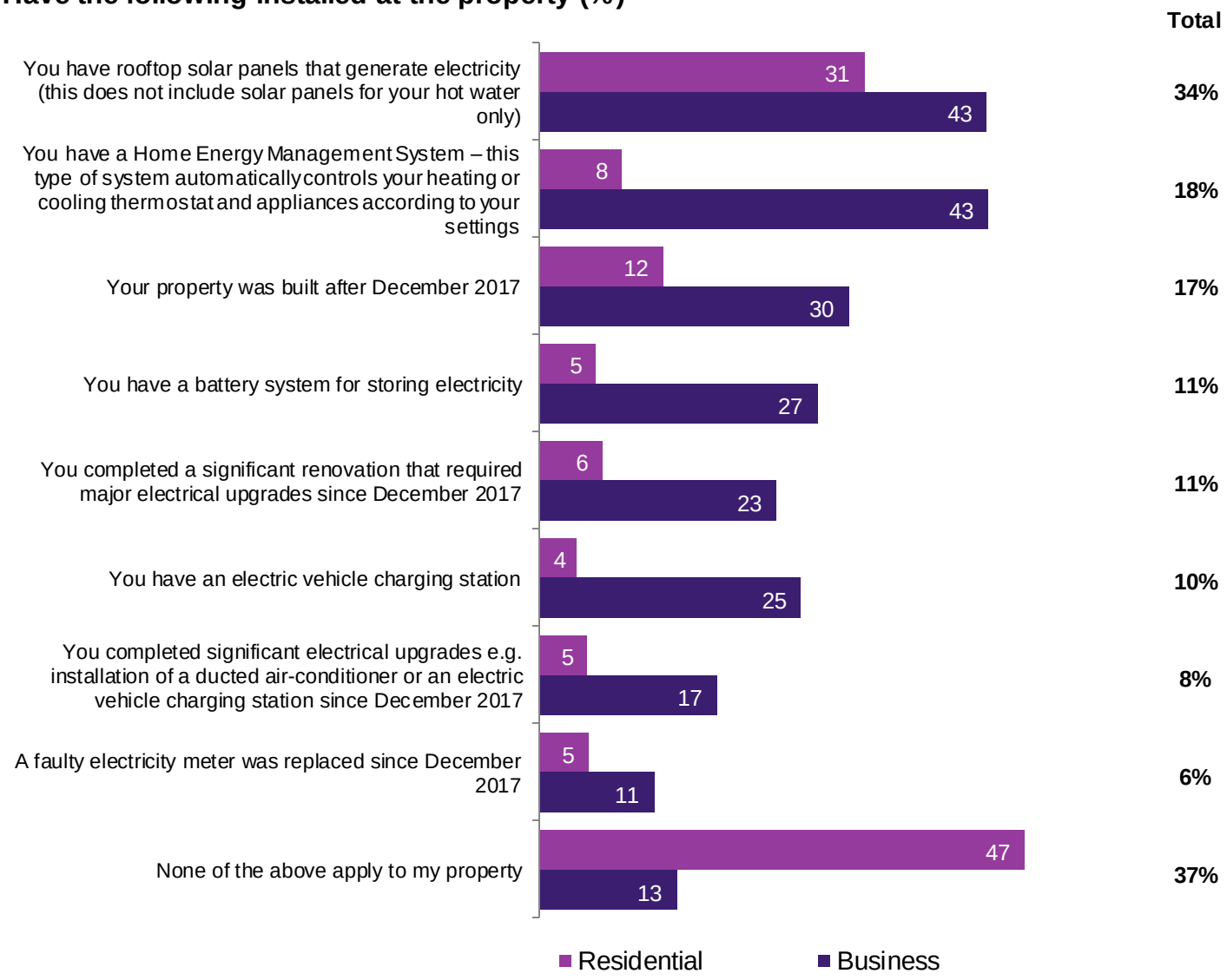
APPENDIX

ADDITIONAL ANALYSIS

PROPERTY FEATURES LINKED TO SMART METER SAMPLE

Customers with a smart meter installed

Have the following installed at the property (%)



The smart meter was installed prior to moving into the property:

6%

Total

8%

Residential

2%

Business

S10 Do any of the following apply to your property? Base: All participants with a smart meter n=1,257 (Residents: n=864, Businesses: n=393)

RESPONSE TO FEATURES: RESIDENTS VS SMALL BUSINESSES

Small businesses respond more positively to all features of smart meters. They're significantly more likely than residential customers to find time of use pricing and tailored electricity plans appealing.

Statement: Somewhat + Very positive	TOTAL (n=1,948)	*Residential (n=1,407)*	*Business (n=541)*
Smart meters mean you receive accurate bills based on your actual real-time usage – there are no more estimated bills.	**76%**	*74%*	*79%*
Smart meters can help identify an area that has lost power. This means the network operator can start repairs sooner.	**75%**	*74%*	*77%*
Smart meters allow people to check their usage in dollars in real-time so you can budget more effectively and avoid surprises at bill time.	**74%**	*73%*	*79%*
Smart meters could improve safety for your home. For example, by reducing the risk of electrocution by detecting electrical faults.	**74%**	*72%*	*76%*
You can get access to programs that financially reward you for reducing your electricity usage for a short period of time during peak demand periods (e.g. adjusting your air conditioning on hot summer days).	**72%**	*71%*	*77%*
A smart meter could give you access to real time, detailed information on your electricity use using an app or portal. This can help you work out when you are spending the most on energy and can help you plan how to make savings.	**72%**	*70%*	*76%*
Widespread smart meter installation can help grid operators improve the stability and reliability of the grid's operation, reducing the chance of blackouts.	**72%**	*70%*	*77%*
Widespread smart meter installation can help grid operators plan better and reduce spending on network infrastructure. This could translate to lower electricity bills over the longer term.	**72%**	*70%*	*75%*
Connections and disconnections can be done remotely. If you are moving premises, you will save money and time by not having a technician come out to your property.	**71%**	*71%*	*73%*
With a smart meter, customers can go on a time of use pricing plan (with different prices at peak, off-peak and shoulder periods), so you can work out ways to lower your bills by adjusting your electricity use to off peak or shoulder periods when prices are lower.	**70%**	*67%*	*76%*
Retailers can use smart meter data to advise you on the most appropriate electricity plan based on how you use electricity. You can also provide an agent access to your detailed usage to help find the best electricity plan for you.	**69%**	*66%*	*76%*
A smart meter is a key piece of equipment when you have a solar system because it measures how much electricity you are selling to the grid.	**68%**	*66%*	*72%*
Having a smart meter means you can get access to a range of innovative products and services. This can include apps that monitor usage and energy management systems that help you manage the amount of electricity you use.	**67%**	*65%*	*73%*

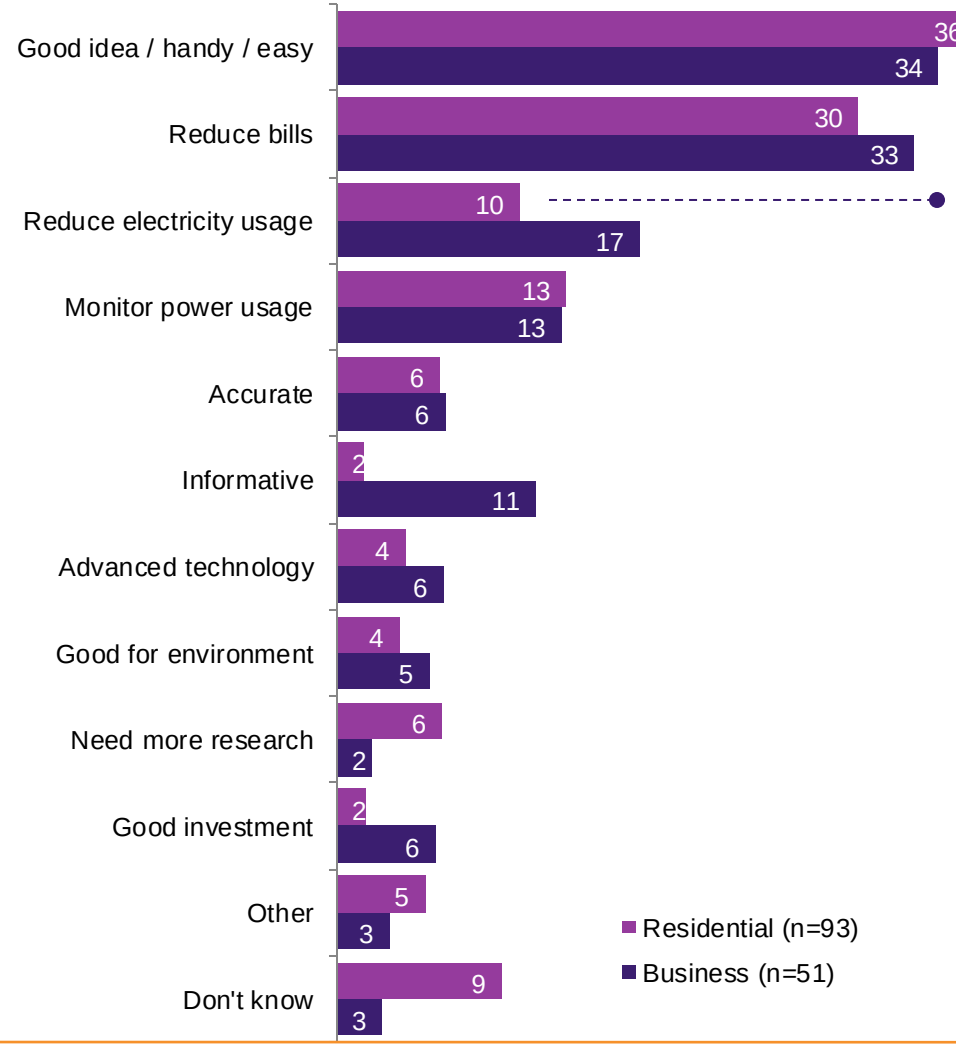
Q8 The following are a series of statements that some people have made about smart meters. How does each one make you feel about smart meters? Base: All participants n=1,948 (Residents: n=1,407, Businesses: n=541)

CONSIDERED REASONS FOR SELECTING LIKELY TO REQUEST

Those who said they are likely to request installation after seeing the features were asked the reason why and the chart below reflects coding of their verbatim responses. Again, the most compelling reason is the ability to reduce bills and electricity usage.

23%
Very or extremely likely to request installation

Reasons for being likely to install a smart meter in the next 12 months after reading more information (% mentioned)



"After reading the information, it would have a positive impact on our household electricity usage."
(QLD, metro, residential)

Q11 What makes you say that you are <INSERT RESPONSE FROM Q10> to install a smart meter at your property in the next 12 months? Base: All non-smart meter participants very or extremely likely to install a smart meter n=144 (Residents n=93, Businesses n=51) NB: Concerns or questions with less than 2% total mentions are not shown.

METHODOLOGY AND SAMPLE COMPOSITION

METHODOLOGY DISCLOSURE STATEMENT

This research was conducted by Newgate Research on behalf of The Australian Energy Market Commission (AEMC) and included qualitative and quantitative research components, as outlined below. The target population for the research was Australian electricity consumers (residential and small businesses) based in jurisdictions in the National Electricity Market (NEM) (NSW, VIC, QLD, TAS, ACT, SA).

Phase 1: Qualitative research

The qualitative phase of this research was conducted between the 27th of May and the 8th of June 2021. Groups were moderated by Sue Vercoe, Vanessa Morrison and Alexis Polidoras.

The research comprised 14 face-to-face and online focus groups of 1.5 - 2 hours in length with a total of n=101 participants based in jurisdictions in the NEM. To be eligible to participate, they needed to be sole or joint decision makers for their residential or business electricity supply. Business customers were required to have quarterly bills equal to or less than thresholds to qualify as small consumers.

Focus group participants were recruited by Farron Research – a commercial provider of research sample participants. Participation was on a voluntary, opt-in basis. Participants were compensated between $80 and $150 for their time.

Phase 2: Quantitative research

The quantitative component of this research was conducted between 17th June – 11th July 2021. The research comprised a 15-minute survey with participants sourced from CanvasU, a professional market and social research panel, with n=1,948 participants.

Weighting was applied to the survey dataset to more accurately reflect the target population, using rim weighting (or raking).

The data set was weighted to match population data from the Australian Bureau of Statistics' Census 2016 for age, gender, state and location (Capital/Non-capital cities). Data was also weighted to reflect smart meter ownership, with incidence rates provided by the AEMC.

Weighting efficiency was around 72% for most survey estimates. That is, the effective sample size for most estimates was around 72% of the actual sample size (i.e. n=1,411 for estimates made on the total sample). Using the effective sample size, the maximum margin of error for estimates made on the total sample is +/- 2.6%.

The full question wording used in the survey is included within the report. For multiple choice questions and statement grids, the order of response options and statements was randomised to avoid potential order effect.

The research was undertaken in compliance with the Australian Polling Council Quality Mark standards which can be viewed here: https://www.linkedin.com/company/australian-polling-council

APPROACH TO ASSESSING SMART METER STATUS

= Coded to Smart Meter segment

	Survey response code	Weighted %	Unweighted (%)	n=
Aware they have a smart meter installed				
QS9. Every property has a meter that measures how much electricity you use and this information is used to work out how much you are charged. These are usually located in a meter box on your property, often outside. Some of the newer types of electricity meters are known as smart meters or digital interval meters. They measure your electricity use without your meter needing to be manually read by a meter reader. **Do you think you have a smart meter?**	**Yes**	**28%**	**44%**	**859**
	No	50%	37%	730
	Don't know	22%	18%	359
Fit criteria for smart meter installation				
QS10. Do any of the following apply to your property? • You have rooftop solar panels that generate electricity (this does not include solar panels for your hot water only) • You have an electric vehicle charging station • You have a Home Energy Management System – this type of system automatically controls your heating or cooling thermostat and appliances according to your settings • You have a battery system for storing electricity • Your property was built after December 2017 • You completed a significant renovation that required major electrical upgrades since December 2017 • You completed significant electrical upgrades e.g. installation of a ducted air-conditioner or an electric vehicle charging station since December 2017 • A faulty electricity meter was replaced since December 2017	**Yes**	**25%**	**47%**	**908**
	None of the above apply to my property	75%	53%	1,040
Located in Victoria				
Live in or run a business in Victoria	**Yes**	**28%**	**25%**	**483**
TOTAL ASSIGNED TO SMART METER SEGMENT		**41%**	**65%**	**1,257**

QUANTITATIVE SURVEY SAMPLE FRAME: SMART METER SAMPLE

Smart meter sample distribution:

Jurisdiction	Weighted %	Unweighted %	Unweighted n (1,257)
ACT	1%	3%	41
NSW	15%	23%	284
QLD	9%	18%	227
SA	4%	14%	175
TAS	1%	4%	47
VIC	70%	38%	483

Smart meter incidence by jurisdiction:

Jurisdiction	Weighted %	Unweighted %	Unweighted n (1,257)
ACT	16%	53%	77
NSW	17%	52%	549
QLD	17%	51%	445
SA	18%	56%	310
TAS	19%	56%	84
VIC	100%	100%	483

QUANTITATIVE SURVEY SAMPLE FRAME: NON-SMART METER SAMPLE

Non-Smart meter sample:

Jurisdiction	Weighted %	Unweighted %	Unweighted n (691)
ACT	3%	5%	36
NSW	51%	38%	265
QLD	31%	32%	218
SA	12%	20%	135
TAS	4%	5%	37
VIC	-	-	-

SMALL BUSINESS CRITERIA: QUARTERLY BILL SIZES

To qualify as small business customers, participants needed to have quarterly electricity bills equal to or less than the following amounts in each jurisdiction (as provided by the AEMC):

Jurisdiction	Quarterly bill threshold	Average bill size in sample
ACT	**$8,016.75**	$612
NSW	**$8,940.75**	$1,024.50
QLD	**$6,850.00**	$1,032.90
SA	**$17,072.50**	$1,488.10
TAS	**$9,088.50**	$1,040.90
VIC	**$2,328.00**	$605.20

NB: These figures were based on the consumption rate thresholds between small customers and large customers in different states and territories

QS8b How much do you typically spend on electricity, either quarterly, monthly or annually? Please enter in whichever format is easiest. Please note we only need one format. Your best estimate is fine. Base: All business participants n=541

SAMPLE COMPOSITION: SMART METER CUSTOMERS

	Unweighted %	Unweighted n
Region		
Metro	63	794
Regional	37	463
Gender		
Male	50	634
Female	49	619
Age		
18-34	41	520
35-44	23	283
45-54	11	137
55-64	9	109
65+	17	208
Quarterly bill size (reported by participants)		
Small ($0-$299)	29	338
Medium ($300-$500)	35	399
Large ($500+)	36	416
Employment status		
Working full time	45	562
Working part time / casually	20	246
Retired	15	194
Self-employed	8	99
Student	3	35
Unemployed	5	60
Home duties	6	81
Financial status		
Doing well and feeling comfortable	32	399
Doing OK and making ends meet	47	595
Having some difficulty but just making ends meet	16	207
Having a lot of difficulty making ends meet	4	56

	Unweighted %	Unweighted n
Household income*		
Less than $20,000	6	58
$20,000 to $59,999	36	329
$60,000 to $99,999	21	176
$100,000 to $149,999	16	131
Over $150,000	11	87
Number of people in household*		
1	14	117
2	32	278
3	23	199
4	19	163
5	7	61
More than 5	5	46
People under 18 living in the home*		
Yes	43	371
No	57	493
Home ownership*		
Renting	35	303
Own outright	32	264
Own with a mortgage	31	274
House type*		
House	76	660
Townhouse	7	62
Apartment or unit	15	131
Caravan park	1	5
Retirement village	0	4
Other	0	2

Base: All participants with a smart meter n=1,257 (Residents: n=864, Businesses: n=393)

** Asked of residential participants only*

SAMPLE COMPOSITION: NON-SMART METER CUSTOMERS

	Unweighted %	Unweighted n
Region		
Metro	54	374
Regional	46	317
Gender		
Male	40	279
Female	59	409
Age		
18-34	33	230
35-44	21	147
45-54	17	115
55-64	13	91
65+	16	108
Quarterly bill size (reported by participants)		
Small ($0-$299)	26	162
Medium ($300-$500)	31	194
Large ($500+)	42	260
Employment status		
Working full time	34	234
Working part time / casually	21	144
Retired	13	90
Self-employed	10	72
Student	3	20
Unemployed	7	50
Home duties	12	86
Financial status		
Doing well and feeling comfortable	20	135
Doing OK and making ends meet	48	330
Having some difficulty but just making ends meet	24	166
Having a lot of difficulty making ends meet	9	60

	Unweighted %	Unweighted n
Household income*		
Less than $20,000	9	50
$20,000 to $59,999	39	228
$60,000 to $99,999	22	115
$100,000 to $149,999	15	71
Over $150,000	6	35
Number of people in household*		
1	20	111
2	33	177
3	18	99
4	16	87
5	6	35
More than 5	6	34
People under 18 living in the home*		
Yes	43	233
No	57	310
Home ownership*		
Renting	62	336
Own outright	18	98
Own with a mortgage	18	98
House type*		
House	65	351
Townhouse	10	52
Apartment or unit	24	130
Caravan park	0	2
Retirement village	1	3
Other	1	5

Base: All participants without a smart meter n=691 (Residents: n=543, Businesses: n=148)

** Asked of residential participants only*

SAMPLE COMPOSITION: BUSINESS INDUSTRY

	Unweighted %	Unweighted n
Industry		
Agriculture, Forestry & Fishing	3	17
Mining	2	10
Manufacturing	8	44
Electricity, Gas, Water and Waste Services	3	17
Construction	7	40
Wholesale Trade	4	24
Retail Trade	16	86
Accommodation and Food Services	5	26
Transport, Postal and Warehousing	3	15
Information Media and Telecommunications	4	23
Financial and Insurance Services	7	38
Rental, Hiring and Real Estate Services	3	14
Professional, Scientific and Technical Services	9	50
Administrative and Support Services	4	20
Public Administration and Safety	1	8
Education and Training	6	30
Health Care and Social Assistance	6	33
Arts and Recreation Services	2	9
Other Services	7	37

Base: All business participants n=541

Thank you

Sydney
+61 2 9232 9550
Level 15, 167 Macquarie Street
Sydney NSW 2000

Canberra
+61 2 9232 9500
John McEwen House
7 National Circuit
Barton ACT 2600

Perth
Level 28, 108 St Georges Terrace
Perth WA 6000

Melbourne
+61 3 9611 1850
Level 10, 120 Collins Street
Melbourne VIC 3000

Brisbane
+61 7 3009 9000
Level 14, 110 Eagle Street
Brisbane QLD 4000

Adelaide
Level 16, 70 Franklin St
Adelaide SA 5000

NEWGATE RESEARCH