

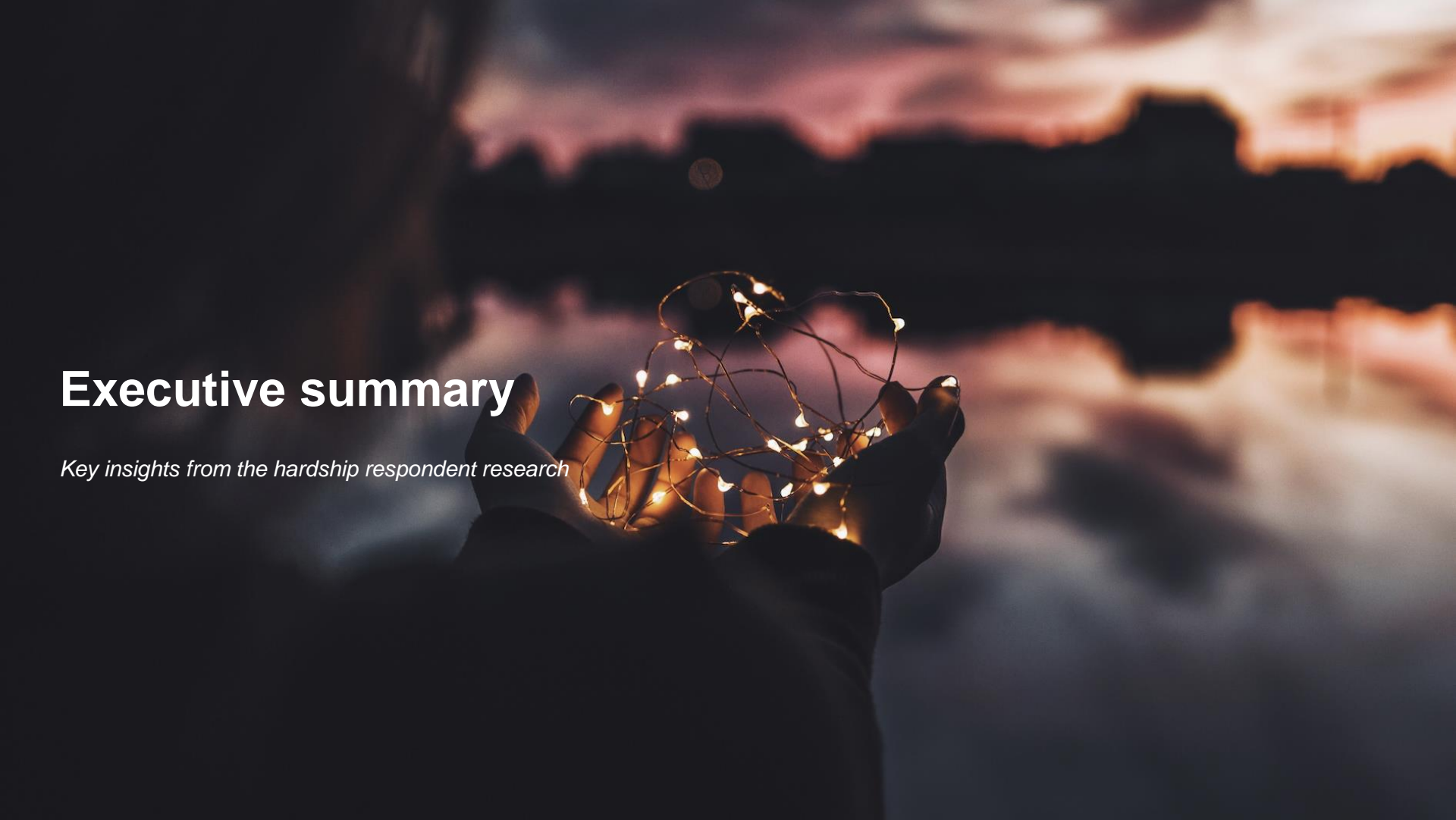


COVID-19 Customer Hardship

Customer research insights report
June 2020

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A hand is shown from the wrist up, holding a tangled string of warm white LED lights. The hand is positioned in the lower center of the frame. The background is a blurred sunset or sunrise sky with soft orange, pink, and purple clouds. The overall mood is warm and hopeful.

Executive summary

Key insights from the hardship respondent research

Purpose and context

This study seeks to explore the challenges Jemena respondents are facing due to the COVID-19 pandemic.

Survey Purpose

- This study was designed to help understand changes in electricity consumption, sentiment towards electricity and how behaviours might have changed due to the COVID-19 pandemic.
- Its intent is to provide insights on hardships that respondents are facing and/or how respondent behaviours and attitudes have shifted in order to understand how we can help them navigate uncertain times.
- The primary research tool used was a survey questionnaire administered to Jemena's Electricity Network customer base.
- A series of questions were explored to provide insights on how long into the future the impact of COVID-19 impact will last, in order to uncover 'at risk' groups, so that Jemena has the ability to provide help and understand operational implications.
- To formulate a view point on what the future of electricity might hold, we surveyed respondents about new propositions (e.g: bundled utility plans) and what the drivers behind their choices might be to uncover potential new solutions that could be offered.
- To supplement the survey, the analysis of Australian economic trends from Deloitte Access Economics was incorporated into the report.
- To feel confident that the insights discovered had statistical significance, the age and gender of the surveyed population was representative of Jemena's Electricity Network customer base.

Survey methodology

921 people in Jemena electricity postcodes were surveyed. The age and gender of survey respondents was representative of Jemena Electricity Network's customer base

Survey contents

A random sample of 921¹ people in Jemena electricity postcodes, who pay or have sight of their electricity bill, were surveyed via an online questionnaire².

The following themes were explored:

- **Screening questions** to understand demographics and household composition
 - Age group, electricity type, postcode, bill responsibility, employment status, household composition
- **Electricity and appliance mix** to understand how respondents use electricity in the household
 - Household appliance mix use (e.g: lights, radiator, gas heating etc.)
 - Household activities, used less or more often during COVID-19 (e.g: gas cooktop, electronics)
- **Personal impact of COVID-19** to understand what the impact has been on respondents employment and household income
 - Impact on jobs, income, supplements, work type, location and expected duration of impact
- **Relationship with electricity and behaviour** to understand actions around electricity consumption and their ability to pay
 - Who is their retailer, what is their electricity bill, actions to reduce electricity bill, their concerns to pay bills after COVID-19
- **Additional support for electricity payments** to understand additional support respondents are receiving and drivers behind the need for support
 - Additional support received, drivers, first point of call for support, comms about support available
- This survey was conducted between 20th-27th May 2020. **Insights in this report were derived from responses collected between these dates only.**

1. As this was a digital English language survey it likely does not include the views of residents who are digitally isolated or whom solely speak a language other than English.

2. Questionnaire provided in appendix.

Australian macroeconomic insights



Economic growth is expected to **decline in 2020** before **returning to growth in 2021**.



Unemployment will however **continue to rise to a peak of 8.5% in early 2021**, and take years to return to pre COVID-19 levels.



Declining hours worked and income combined will mean residential and business respondents alike will **contribute to higher levels of bill support**, for an extended period.

Key insights



921 respondents in Jemena electricity postcodes were surveyed, **over half of all survey respondents were aged 45 and below** with the **largest representation (25%) being in the 25 – 34 age bracket.**



Two-thirds of respondents surveyed are employed in full time or part time casual work.



The impact of COVID-19 was felt throughout respondents, with **44% of respondents experiencing a small or significant decrease in household income.**



Out of those who felt their income decreased, **26% were healthcare and social assistance workers**, the highest industry representation of those affected. This is **likely due to the immediate lockdown of non-essential health services and the cancellation of elective surgery.**



For those whose household income had been affected, **46% of respondents believed the effect would last under 6 months.** However, **23% believed the effect could last 10+ months.** In both cases, those most concerned **were respondents earning between \$37k – 90k per annum.**



The decrease in household income can be partially attributed to the fact that **39% of all surveyed respondents had experienced reduced hours or become unemployed** due to COVID-19.

Key insights (cont.)



27% of respondents had accessed Job Keeper / Seeker, the most predominant income supplement amongst those surveyed. A further **8% had also drawn down on their super** to supplement their income.



Amongst those who are receiving Job Keeper / Seeker, **45% are concerned with their ability to pay their electricity bill(s) once Job Keeper / Seeker payments are cut off.**



Looking forward, **23% indicated that they would consider accessing additional support in 3 – 6 months**, with the **main driver being difficulty in affording electricity due to a sudden change in income.**



Despite this, **78% of respondents who were surveyed did not, or were unsure, if they had received any communications from their retailer about additional support.**



38% of respondents did require additional support for their electricity bill, and for 65% of them their first point of contact was their electricity retailer.



Despite **COVID-19 having limited impact on the way consumers purchase electricity** (e.g: research), **9% of consumers are now more actively managing their electricity** (e.g: switching lights / appliances off).

Key insights for new propositions



The most **popular proposition** was a **3 month reduction in electricity bills**, followed by a return to the normal rate after this time. With the key driver of appeal behind this choice being **respondents wanting immediate relief**.



Nearly **half of all respondents want gas and electricity to be provided by one provider and the rest of their utilities to be provided by a separate provider**, across all of the proposed propositions a **monthly pay-for-what-you-use fee was preferred**.



The most important factor for considering new electricity propositions was a **trusted brand**, whilst **one off payments** was the least important factor.



respondents were mixed on their feelings towards a **proposition which would allow electricity providers to remote access their appliances** to switch them on / off to reduce costs, with **38% finding it somewhat appealing**.

Subgroup insights



There was a **higher representation of respondents working in retail, hospitality, arts and recreation industries** across **sub groups that have been adversely impacted by COVID-19.**



Many respondents are **already seeking additional support for their electricity bills and other household finances.** This need will further increase once Job Keeper/Seeker payments and other income supplements dry up, meaning they will require further support in the medium to long term.



Groups with higher representations of **business owners will require additional support** with the ABS estimating that **29% of businesses will not have sufficient cash to continue operating after the next 3 months.**



As income and unemployment conditions worsen, the **proportion of respondents moving into the unemployed group is likely to grow**, which will increase the number of people experiencing greater financial hardship.

respondent segmentation insights



“Optimists” - Their **optimistic outlook does not align with economic recovery estimates**, which may result in respondents being less equipped to face the continuing economic downturn.



“Worriers” - Despite a more conservative outlook toward COVID-19 recovery, **respondent expectations are also not aligned with macroeconomic conditions**. As a result, respondents are still likely to be in further disadvantage once income supplements stop, **particularly the 16% who are now unemployed**.



“Left behind” - Given the **high proportion of people who experienced income and job loss**, and the anticipated continuation of economic downturn, **this segment is likely to be the most financially impacted**.



“Short term advantaged” – The **high proportion of respondents on income supplements are likely to fall into further hardship** when the uptick in disposable income is removed.



“Planners” - Despite their **shift towards greater savings and lower energy consumption**, economic downturn coupled with the fall in disposable incomes after supplements end, may **result in greater hardship for respondents**.



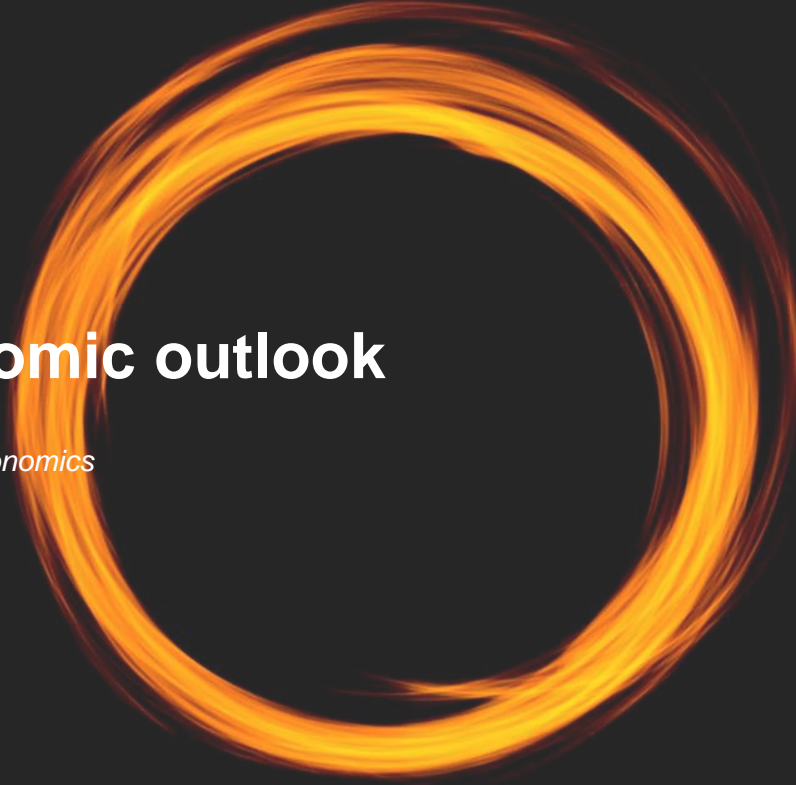
“Detached” - Although respondents make modest incomes and the proportion of those receiving Job Keeper/Seeker is lower, **the number of respondents concerned with their ability to pay bills is smaller than other segments**.



“Unaffected” - In terms of financial wellbeing, respondents in this segment **are least concerned with their ability to pay their electricity bills**. The **proportion of “unaffected” respondents may however fall over the next financial year** given worsening economic conditions, which may push more respondents into financial hardship.

Australian economic outlook

Key insights from Deloitte Access Economics



Australian economic outlook and hardship

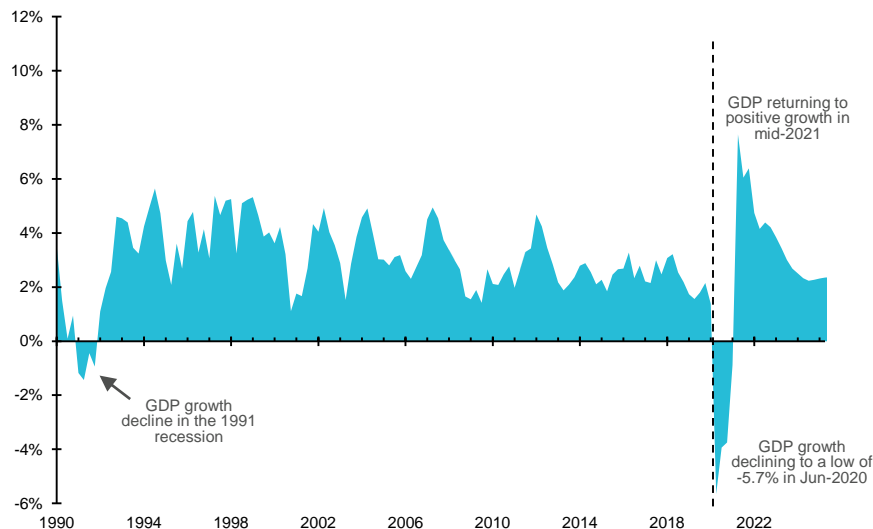
Economic outlook and hardship purpose

- To understand the challenges consumers will face, a summary of insights from Deloitte Access Economics was included.
- The intention & purpose of this section is to provide an informed view about the most likely economic outlook, an understanding of the risks to that outlook and what it could mean for the level of hardship respondents.

Australian economic outlook: GDP and unemployment

Key drivers of residential respondent hardship support are unemployment, lower hours or lower income. We expect GDP growth to decline through to 2020, before recovering and returning to positive economic growth in mid-2021.

Figure 1: Nominal GDP quarterly growth outlook, year to change¹

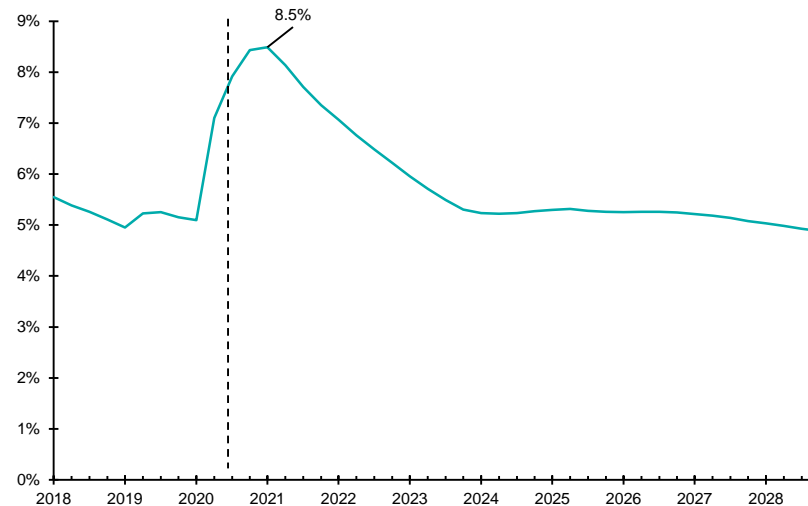


We forecast nominal GDP growth to decline to a low of -5.7% GDP growth in the year-to the June 2020 quarter. This outlook represents the most likely, mild economic outlook.

With continued government stimulus support and effective control of COVID-19, we expect GDP growth to begin its recovery in mid-2021 and return to positive growth in late 2021.

1. Source: Deloitte Access Economics, Business Outlook June 2020

Figure 2: Unemployment rate outlook²



Unemployment rises on an elevator and takes the stairs down. Australia's unemployment rate will reduce slowly, not returning to pre COVID-19 levels until at least 2024.

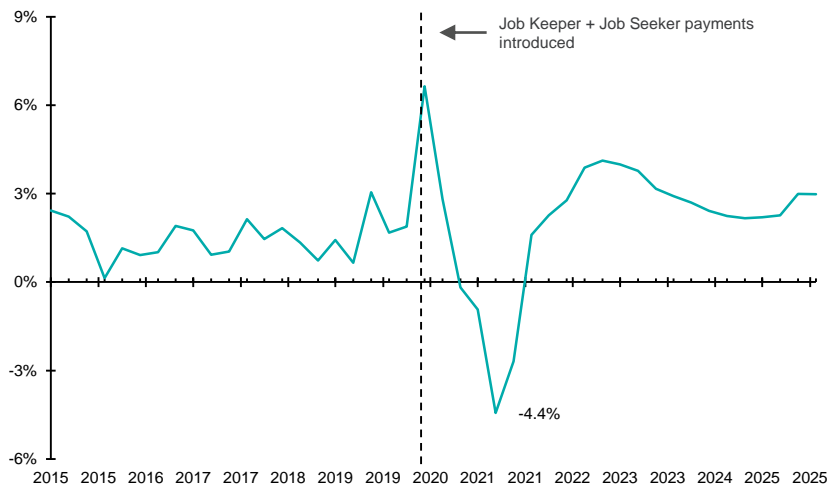
Elevated levels of unemployment will be combined with slow wage growth, fewer hours worked than people want and more part-time work.

2. Source: Deloitte Access Economics, Business Outlook June 2020

Australian economic outlook: Household income and hardship outlook

Key drivers of residential respondent hardship are unemployment, fewer hours worked and lower income. The expected deterioration in conditions for households underpins our expectation for rising hardship respondents to increase to mid-2021 before slowly declining.

Figure 3: Real household disposable income (change yoy)¹

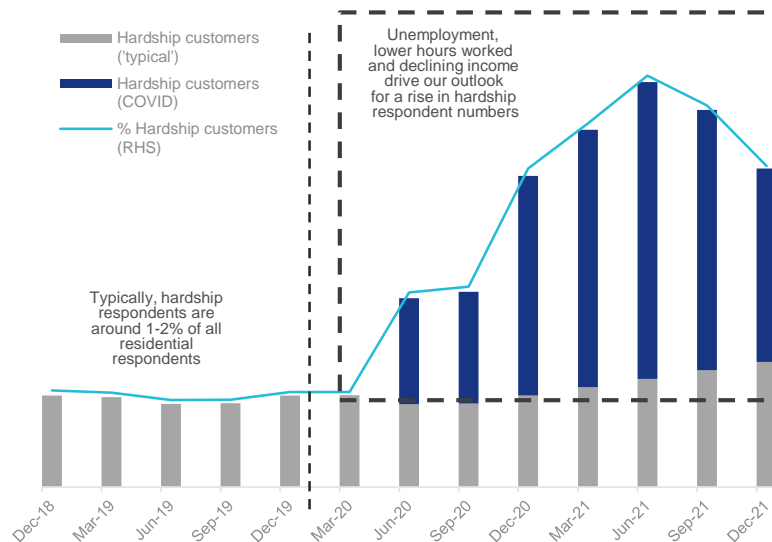


With the impact of higher unemployment, lower wage growth and fewer hours, we forecast household income growth to decline to a low of -4.4% in the March quarter 2021.

This will place pressure on a household's ability to meet the ongoing costs of living.

1. Source: Deloitte Access Economics, Business Outlook May 2020

Figure 4: Potential impact on residential hardship²



We expect residential hardship, driven by unemployment, reduced hours and lower incomes to reach a peak in ABC of residential consumers by mid-2021.

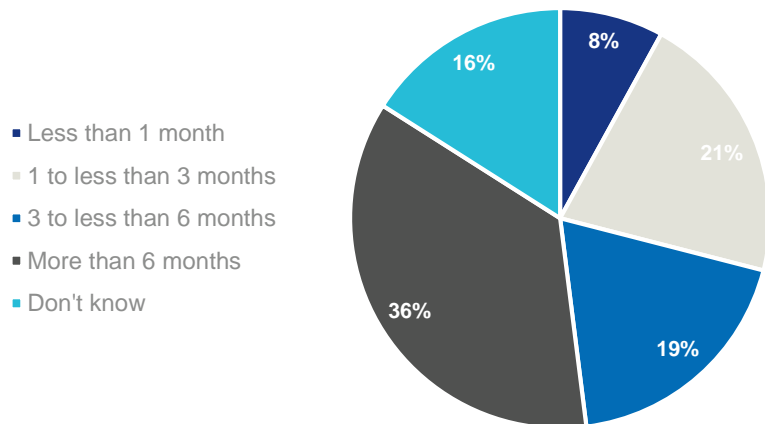
We expect the levels of respondents requiring hardship support to decline slowly through 2021-2022 before returning to pre COVID-19 levels in 2026 (in line with our expectations for unemployment).

2. Source: Deloitte Access Economics analysis June 2020

Australian economic outlook: Industry employment and bill difficulties

The COVID-19 pandemic is negatively impacting some industries more than others. We expect bill difficulty to continue among commercial respondents, in line with our outlook for deterioration in conditions through 2020.

Figure 5: Businesses that can remain operating with current cash¹

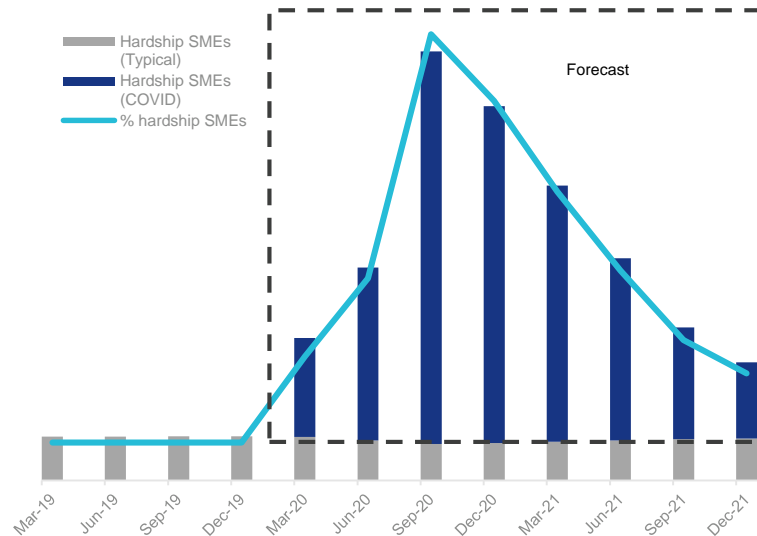


29% of businesses report being able to survive for 3 months or less on current cash reserves.

Business conditions and employment in metropolitan Melbourne and Sydney will be hard hit as people and businesses deal with the uncertainty of how to control the virus and ongoing 'hot spots'.

1. ABS, *Business impacts of COVID19, June 2020: Business sentiments on length of time operations could be supported by currently available cash on hand, by employment size, by industry*

Figure 6: Outlook for businesses that may require bill support, April 2020²



Businesses will continue to seek to control costs, particularly after the September 2020 end to the Job Keeper allowance and loan holidays from banks.

Businesses will be looking hard at their costs to remain viable, and there will be an increase in those needing bill support from their electricity provider.

2. Source: Deloitte Access Economics analysis, June 2020

Australian economic outlook: Risks and uncertainty for consumers

The COVID19 pandemic is uncertain and consumers (both residential and commercial) will be evaluating their financial position and their bills, as they receive information and the economic trajectory of Australia emerges.

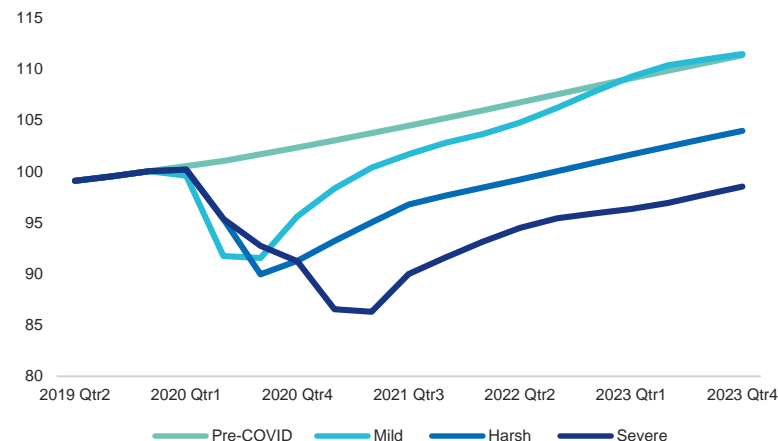
There are risks to the economic outlook as the pandemic plays out. Each consumer segment is aware of these risks and is evaluating their circumstances as information emerges. How will their views change as conditions deteriorate?

We have outlined our view of a 'mild' recession, but the risk of a second wave of COVID19 cases, and a severe economic scenario remain.

Key questions

- How will the segments and their views discussed in the survey results change as economic conditions worsen?
- How will their views change during the recovery?
- How long will the perception of bill pressure remain?
- How many will require extended bill support or hardship programs through unemployment?

Figure 7: Australia's potential economic outlook – 3 scenarios¹



		2020	2021	2022	2023
GDP growth year average, percent	Pre-COVID	2.1	2.7	2.9	2.9
	Mild	-4.7	6.5	4.8	4.6
	Harsh	-5.0	1.6	4.2	3.2
	Severe	-4.4	-6.6	6.9	2.8

1. Source: Deloitte Access Economics Horizon | Definition of 3 scenarios included in appendix

Participant profile

Who participated in the study?



Participant profile – Jemena respondent base

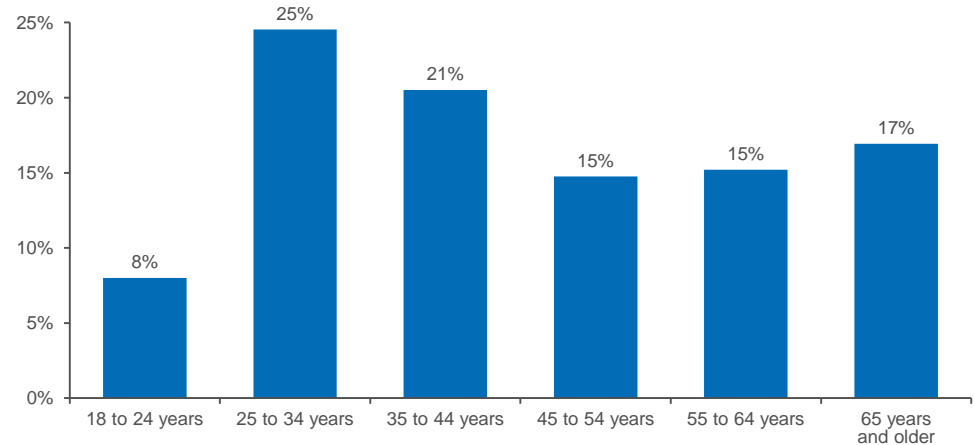
The age and gender of the 921 survey respondents are representative of customers in Jemena's Electricity Network

Respondents

Respondents represented Jemena's respondent base

- 921 survey respondents
- All survey respondents in Jemena Electricity Postcodes¹
- All survey respondents pay or have sight of their electricity bill
- 43% Male, 57% Female
- 18 – 24 years, 74 (8%)
- 25 – 34 years, 226 (25%)
- 35 – 44 years, 189 (21%)
- 45 – 54 years, 136 (15%)
- 55 – 64 years, 140 (15%)
- 65 + years, 156 (17%)

Figure 8: Age distribution of respondents (n=921)²



Over half of all survey respondents were aged below 45, with the largest age group being represented by those aged 25 to 34

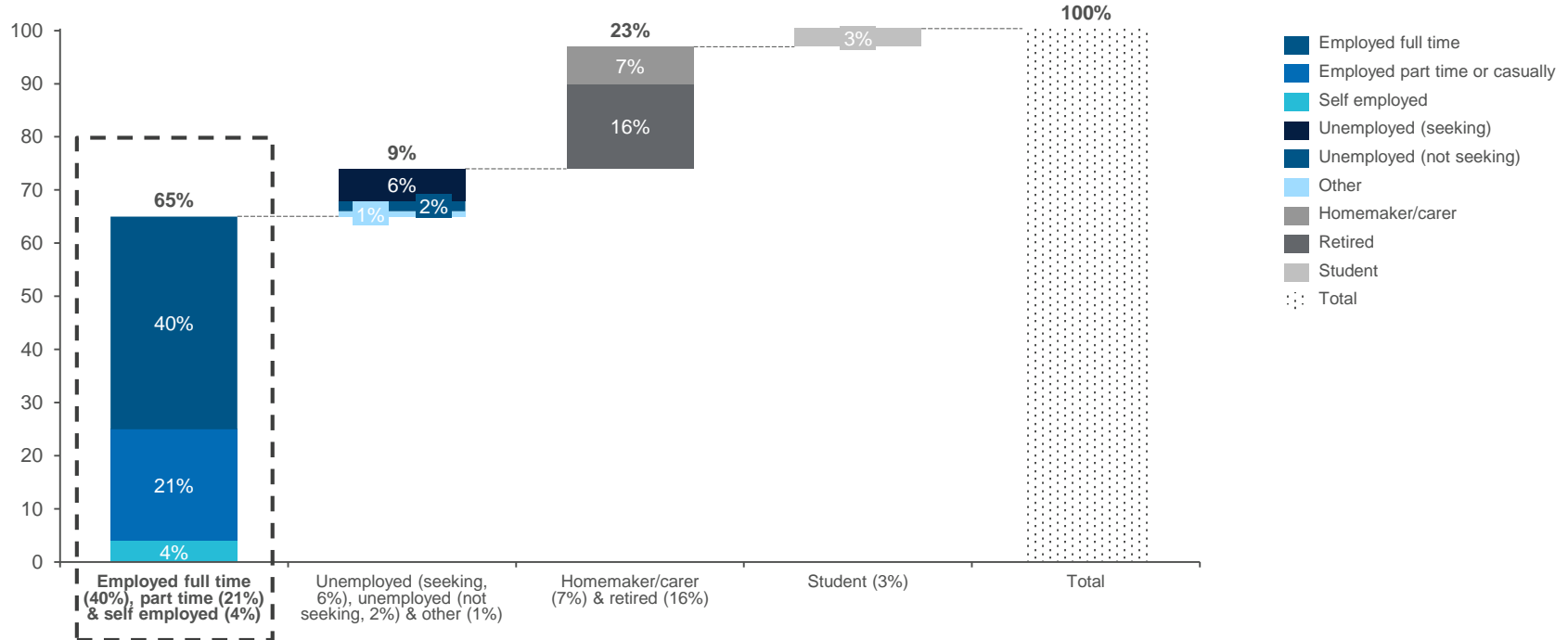
1. Postcodes supplied by Jemena, provided in appendix.

2. S1 Please choose your age from the following ranges

Participant profile – Employment status

Approximately two-thirds of all respondents in Jemena postcodes are currently employed in full-time, part time or casual work.

Figure 9: Employment status of respondents (n=921)¹



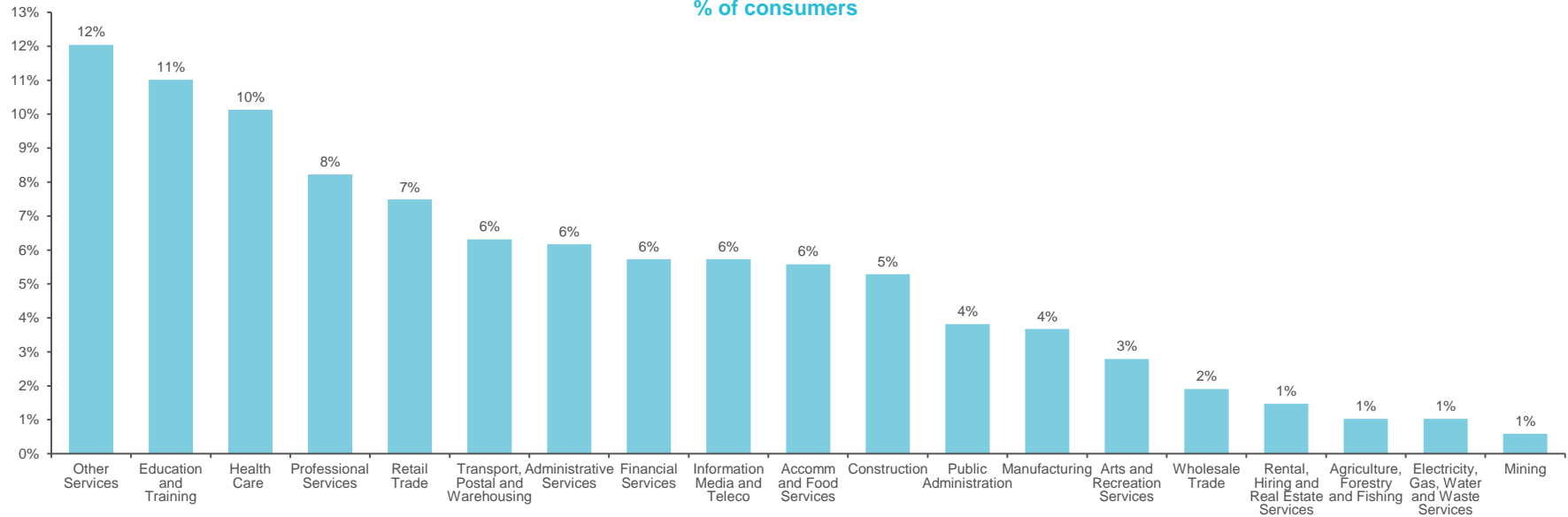
1. S2 Which of the following best describes your current employment status?

Participant profile - Industry

The top 3 industries that respondents are employed in are other services, education and training, and health care. Compared to the Australian labour force, respondents were more represented in other services, telecommunication and education industries.

Figure 10: Respondent employment industries (n=681)¹

% of consumers



Compared to Australian Population

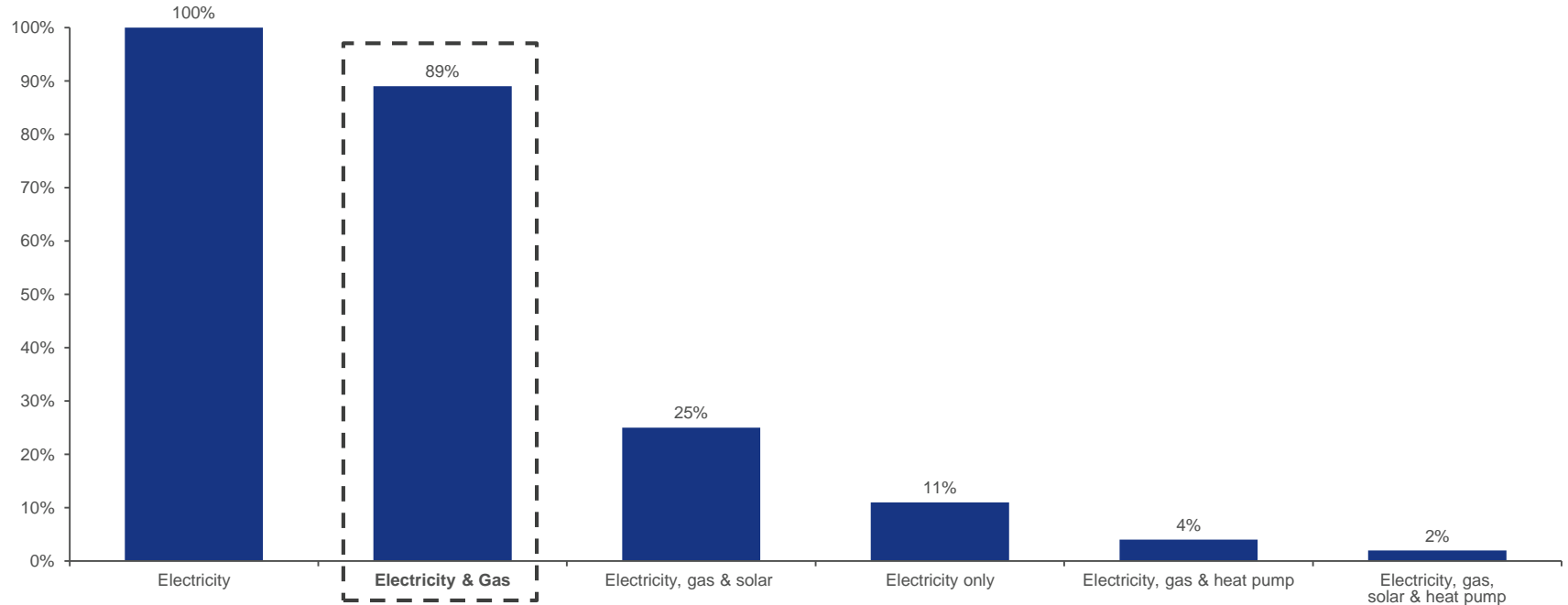
+8.3% +2.4% -3.6% -0.7% -2.2% +1.3% +2.8% +2.1% +4.1% -1.6% -3.9% -2.6% -3.4% +0.9% -1.1% -2.2% -1.4% 0.0% -1.3%

1. Z6 Which of the following best describes the industry of your current or most recent previous occupation?

Participant profile – electricity profile

89% of respondents used both gas and electricity, whilst solar power was the most commonly utilised form of renewable electricity.

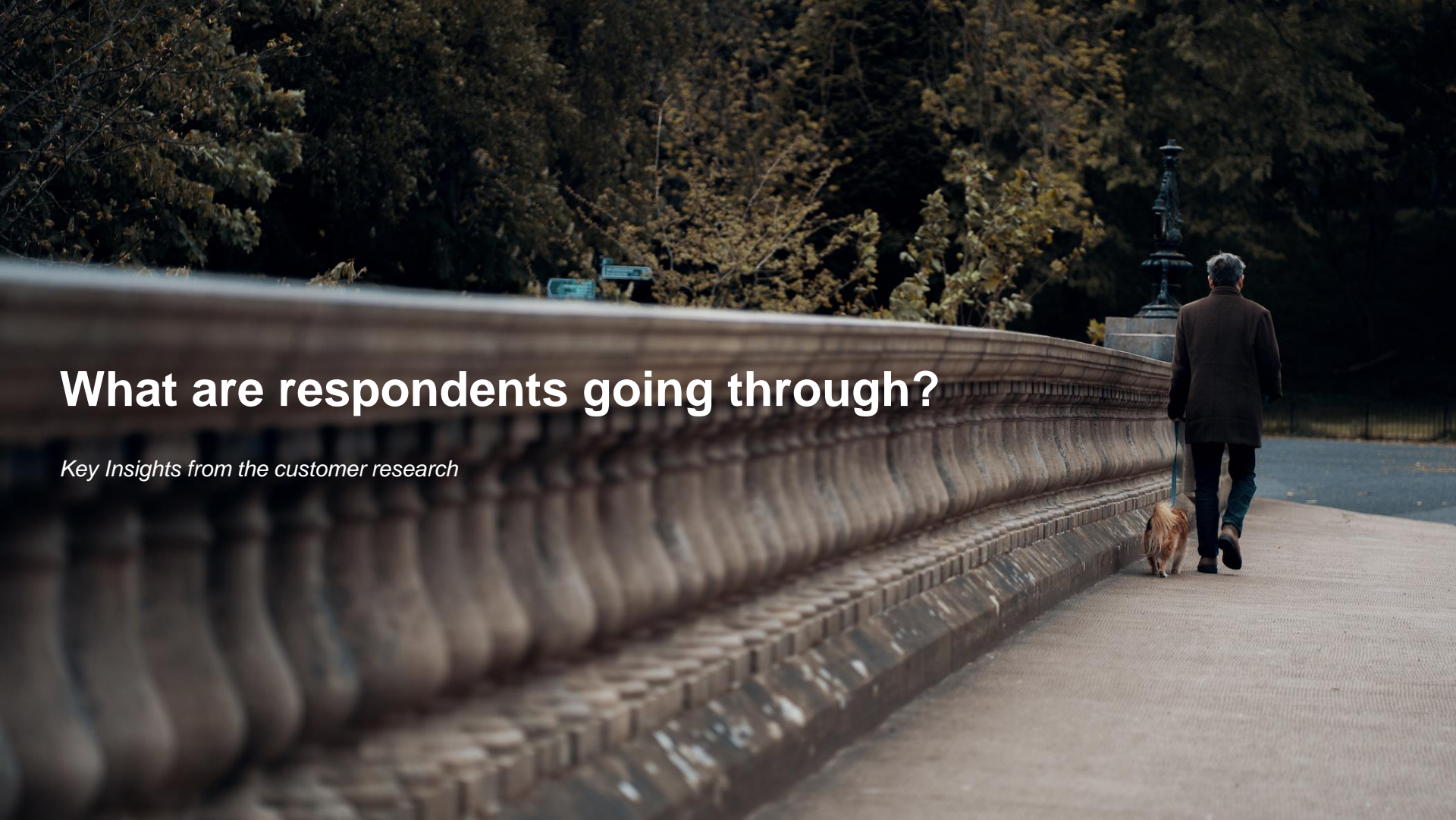
Fishing 11: Respondent electricity profile (n=921, multiple selections)¹



1. S3 Which of the following types of electricity do you use at home?

What are respondents going through?

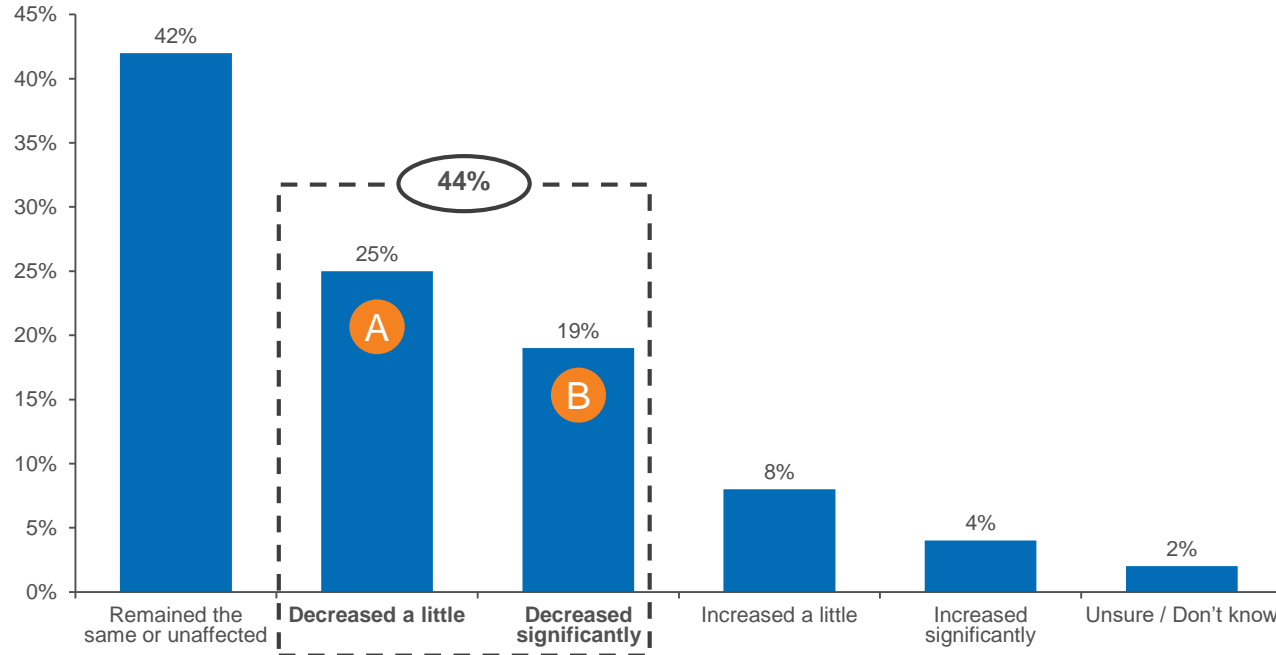
Key Insights from the customer research



What has been the impact of COVID-19 on respondents?

44% of respondents have had their household income decrease

Figure 12: How has COVID-19 affected household income? (n = 921)¹



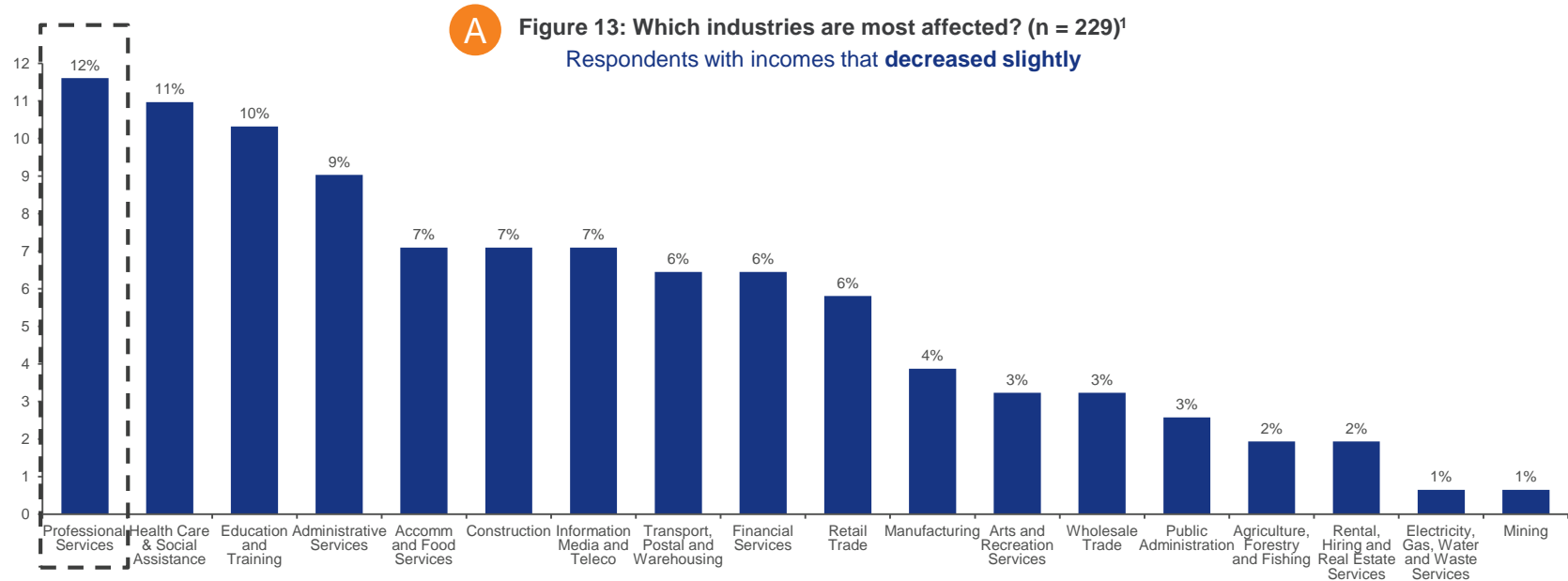
42% of respondents in Jemena's electricity postcodes did not experience any changes in household income due to COVID-19.

Conversely 44% of respondents had experienced a small or significant decrease in household income as a result of COVID-19.

1. B7 How has COVID-19 affected your household income?

What has been the impact of COVID-19 on respondents?

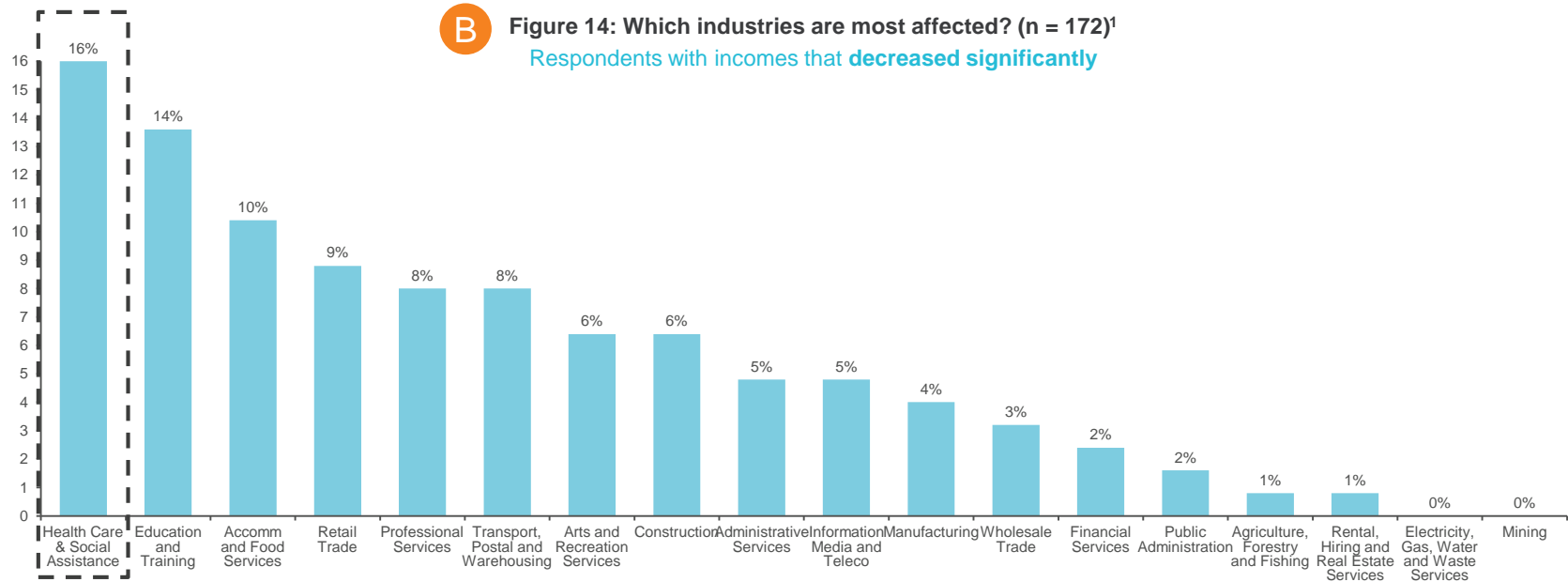
For respondents that had experienced a small decrease in household income, those that worked in Professional Services were most affected



1. B7 How has COVID-19 affected your household income? + Z6 Which of the following best describes the industry of your current or most recent previous occupation?

What has been the impact of COVID-19 on respondents?

For respondents that had experienced a significant decrease in household income, those that worked in Healthcare and Social Assistance were most affected. This is likely due to the impact experienced by non-essential healthcare workers due to social distancing measures, in addition to the cancellation of elective surgery.



1. B7 How has COVID-19 affected your household income? + Z6 Which of the following best describes the industry of your current or most recent previous occupation?

What has been the impact of COVID-19 on respondents?

Of the respondents whose household incomes were impacted by COVID-19, 46% of them believed the financial impact would last less than 6 months. However, 23% of respondents are concerned it could last 10+ months

Figure 15: How long do respondents believe their household finances will be affected due to COVID-19? (n = 537)¹

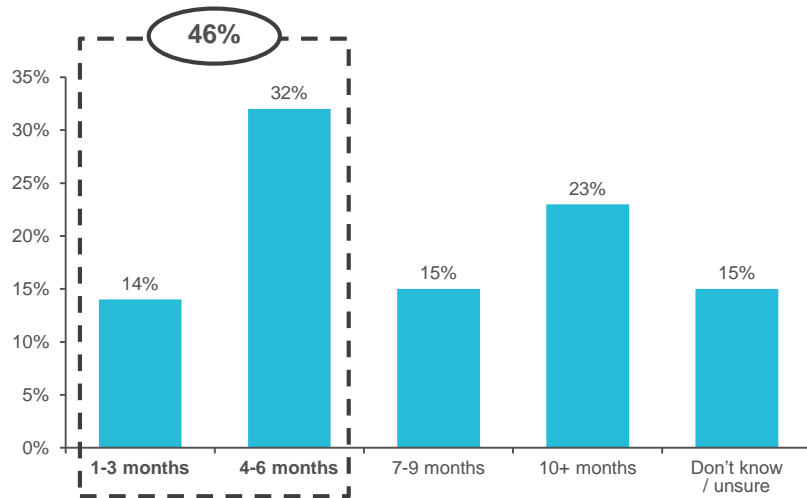
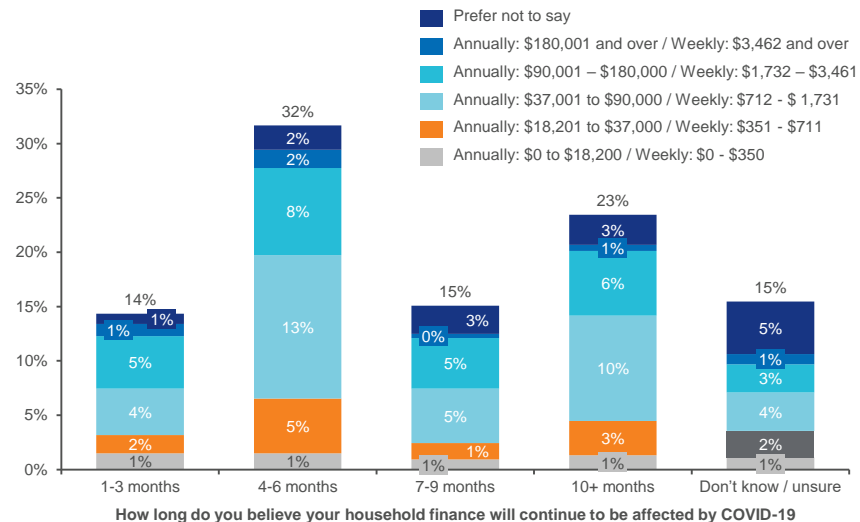


Figure 16: How does this change with household income levels? (n = 537)²



Out of those respondents whose household incomes were affected by COVID-19, **46% believed that the impact would last under 6 months.**

23% of respondents affected by COVID-19 expressed concerns that the **impact on household finances would be felt for 10+ months.**

1. B6 How long do you believe your household finance will continue to be affected by the COVID-19 pandemic (either a lower than usual or higher than usual income)?

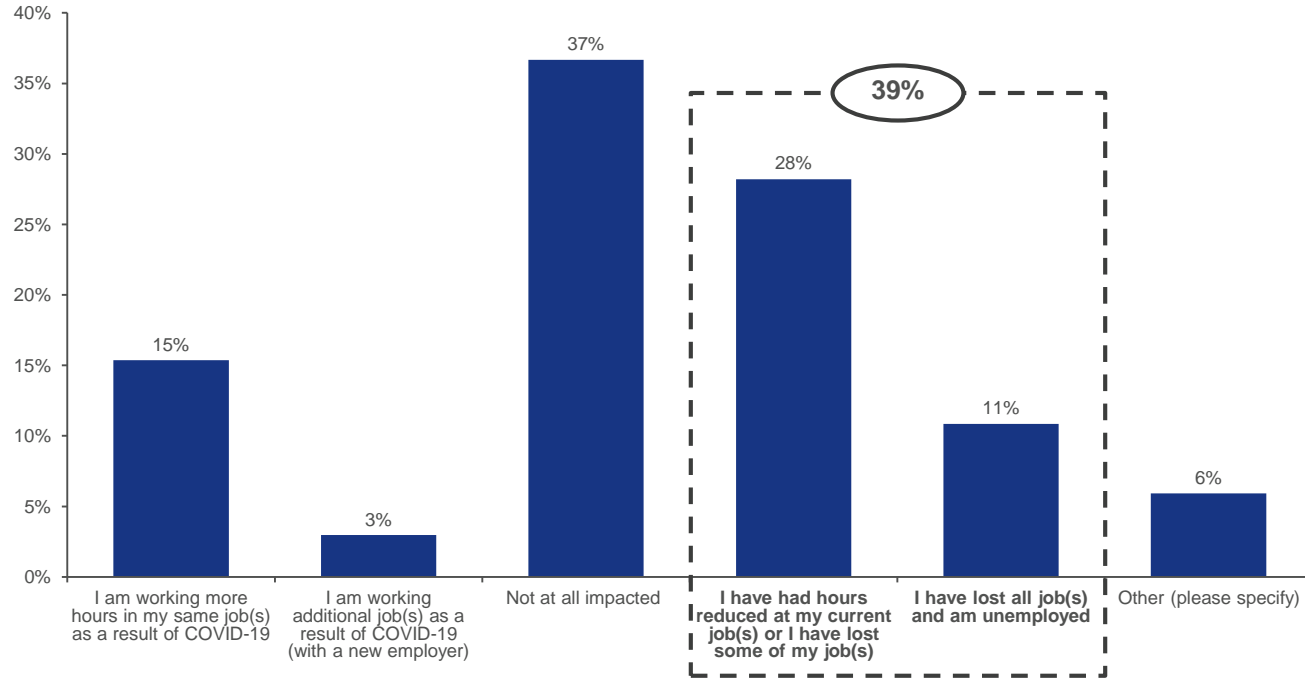
respondents with an annual income of \$37k - \$90k are **hopeful that the restrictions will last between 4 – 6 months**, but also believe that it will take a lot longer to achieve normality with their household finances.

2. Z4 Please indicate your current household income from all sources before tax. + B6

What has been the impact of COVID-19 on respondents?

39% of respondents had their hours reduced or became unemployed due to COVID-19

Figure 17: How has COVID-19 affected job(s) or employment status? (n = 709)¹



37% of respondents have not been impacted by COVID-19, however **39% had either experienced reduced hours or became unemployed.**

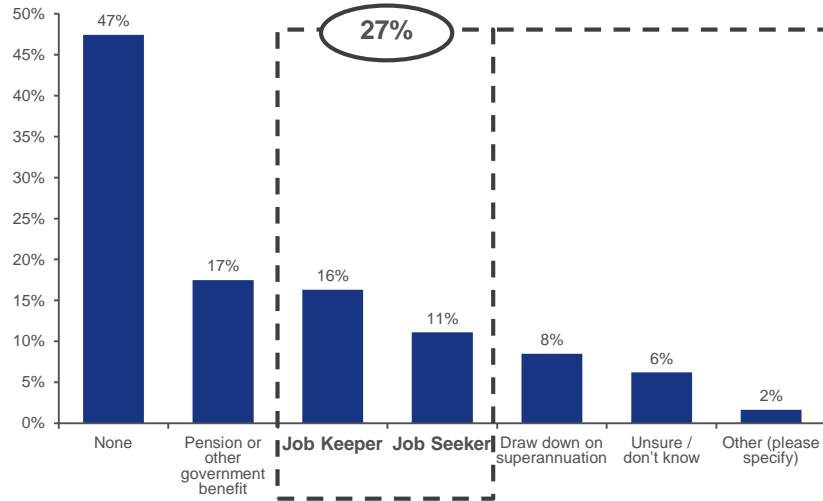
Interestingly 15% report that they are now working more hours as a result of COVID-19.

1. B1 How has COVID-19 affected your job or employment status?

How concerned are respondents about their bills?

27% of respondents are receiving Job Keeper or Job Seeker. 45% of these respondents are concerned with their ability to pay their electricity bill once the scheme is cut off

Figure 18: What income supplements are respondents receiving as a result of COVID-19? (n = 921, multiple selections)¹

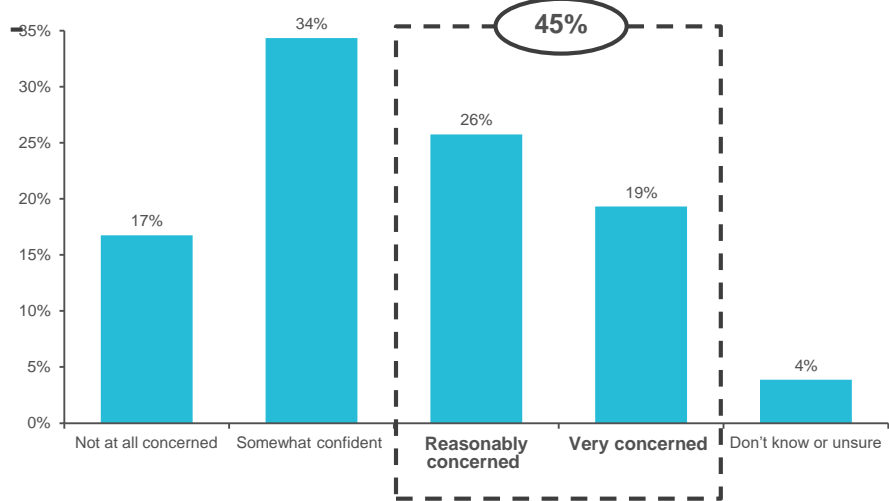


47% of respondents have received no income supplements due to COVID-19.

The income supplement most prevalent for respondents was Job Keeper / Seeker with **27% of respondents indicating that they were receiving Job Keeper / Seeker (or both).**

1. B3 Are you currently receiving, or will you receive any of the below supplements to your income in the next month?

Figure 19: Are Job Keeper / Job Seeker respondents concerned with their ability to pay electricity bills once the scheme is cut off? (n = 233)²



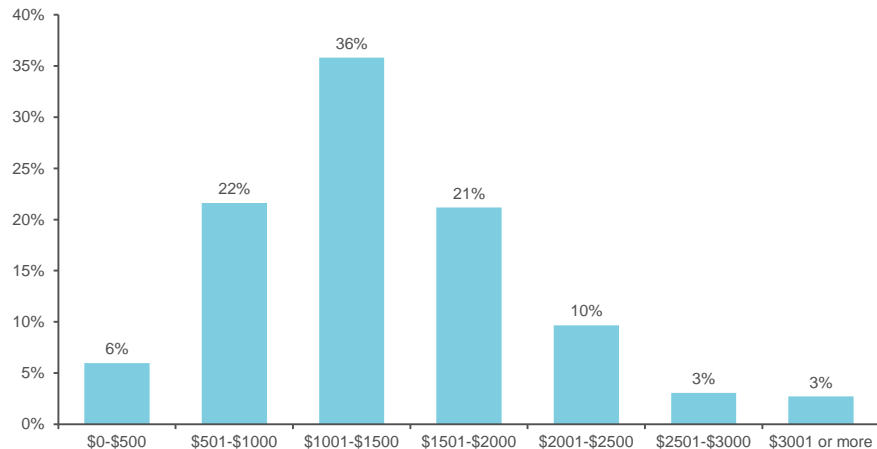
Of the respondents that are receiving Job Keeper or Job Seeker payments (233), **45% are concerned with their ability to pay their electricity bill(s) after payment is cut-off**

2. C4 How concerned or worried are you about how you might be able to pay your electricity bill(s) in the circumstance where you no longer receiving Job Keeper or Job Seeker payments?

How concerned are respondents about their bills?

Over half of all respondents pay between \$1000 - \$2000 for electricity per year. A similar proportion of respondents anticipate that their bills will increase by 10%-30% over the next three months, likely the result of long periods of time spent at home

Figure 20: Average electricity bill cost (n = 921)¹

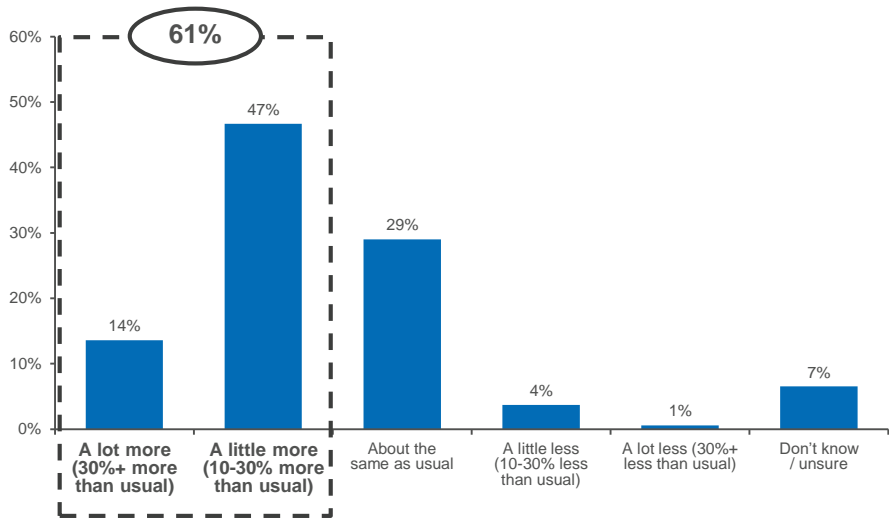


57% of respondents pay between \$1000 and \$2000 annually for the electricity bill,

respondents with high electricity bills are likely to be self employed/business owners

1. C6 On average, how much do you pay for electricity per year?

Figure 21: Expected change in electricity bill cost (n = 921)²



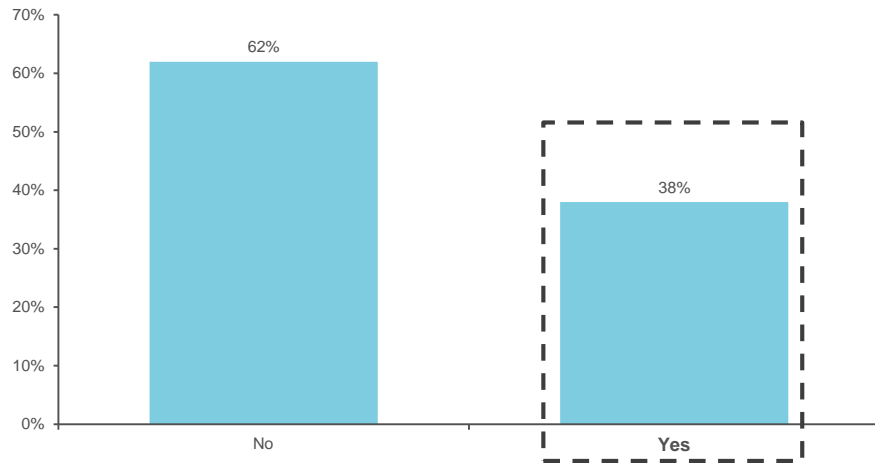
Nearly half all of respondents expect to pay 10%-30% more over the next three months. This is likely the result of respondents staying at home for longer periods of time

2. C7 How much do you expect to pay for your next electricity bill (i.e., in the next three months)?

How concerned are respondents about their bills?

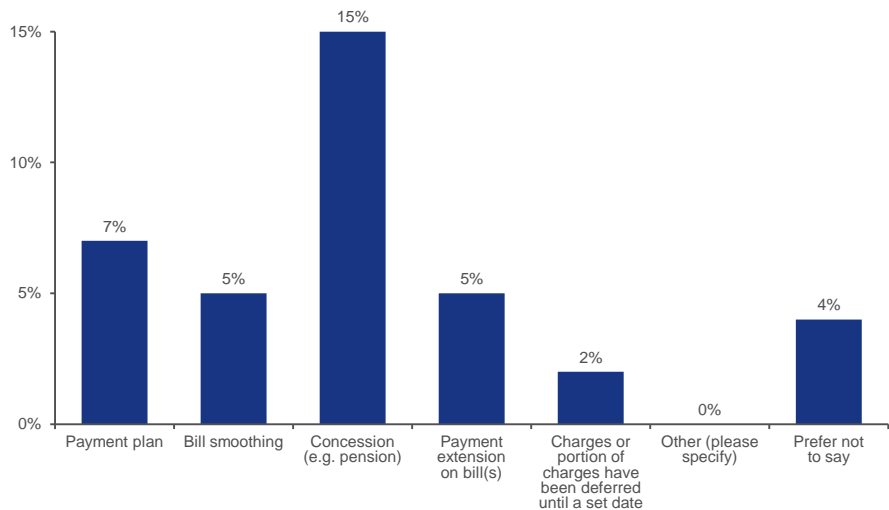
386 respondents required one or more forms of financial support to help pay their electricity bill. Concessions such as pension or seniors discount were the most utilised form of support

Figure 22: Additional support for other electricity bills
(n = 921, multiple selections)¹



38% of respondents have accessed one or more forms of additional support to help relieve pressure from their electricity bills. This equates to 386 people

Figure 23: Additional support for electricity bills
(n = 921, multiple selections)¹



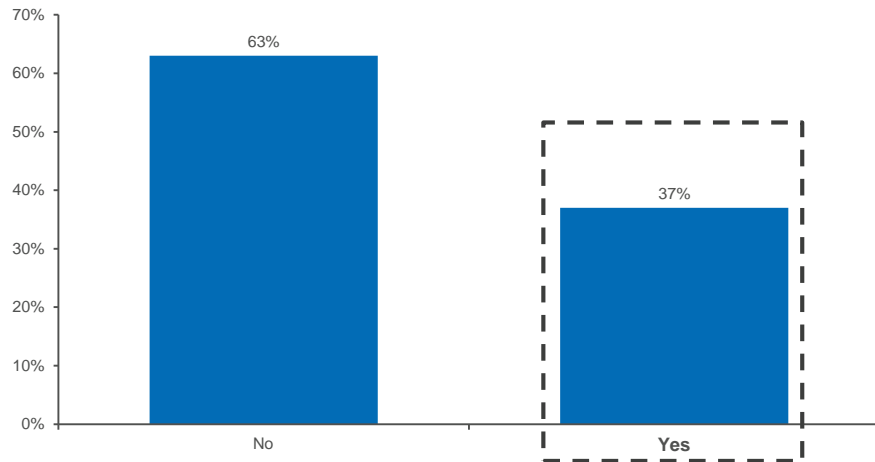
Of the 38% of respondents that accessed financial support, **concessions such as pension or seniors discount** were the most commonly utilised form of support.

1. D1 Are you currently receiving any additional support for the payment of your electricity bill(s)?

How concerned are respondents about their bills?

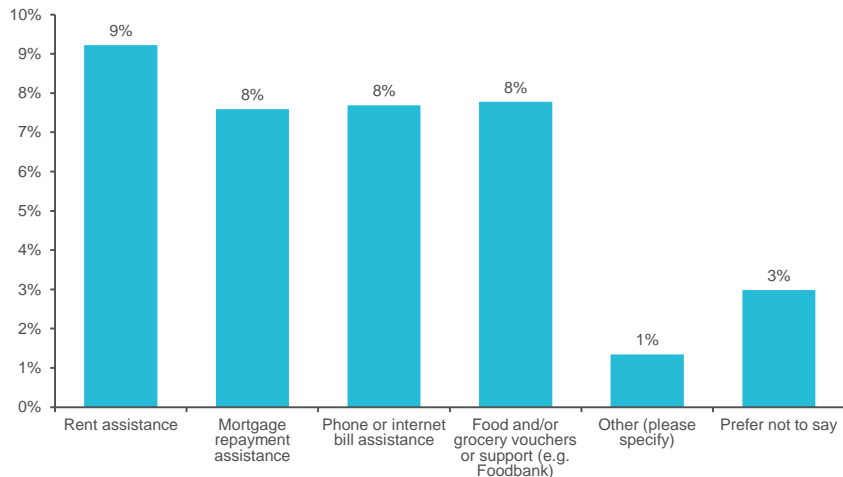
37% people required one or more forms of additional support for other household finance items. Rent assistance was the most sought after form of additional support

Figure 24: Additional support for other household finances
(n = 921, multiple selections)¹



37% of respondents have accessed one or more forms of additional support to help relieve pressure from other household finances. This equates to 381 people

Figure 25: Additional support for other household finances
(n = 921, multiple selections)¹



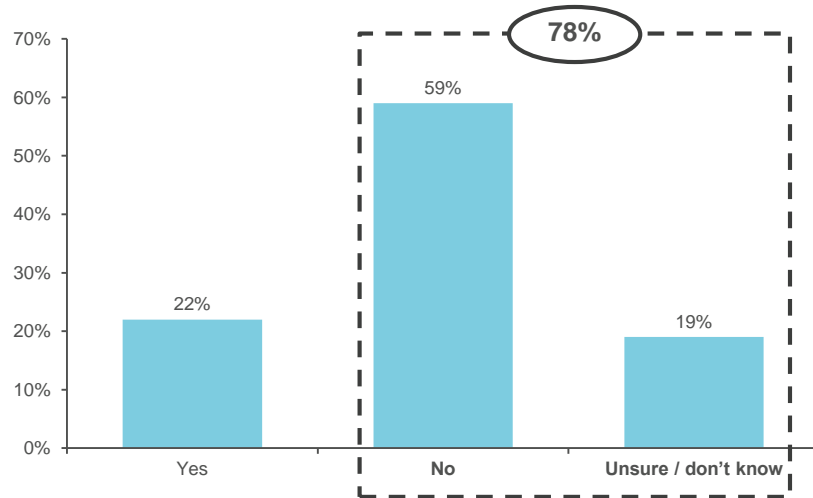
Of the 37% of respondents that accessed financial support, there was no particular item that the majority of respondents required support within. **Rent assistance had a slightly higher proportion of respondents requiring additional support.**

¹ D4 Thinking about your household finances, have you enquired or accessed additional support elsewhere, apart from your electricity bill(s)?

How concerned are respondents about their bills?

78% of respondents were unsure or didn't receive any communications from their retailer about additional support. Of those that did require support, 65% called their electricity retailer first

Figure 26: Have respondents received any communications or heard about additional support from electricity retailers? (n = 921)¹

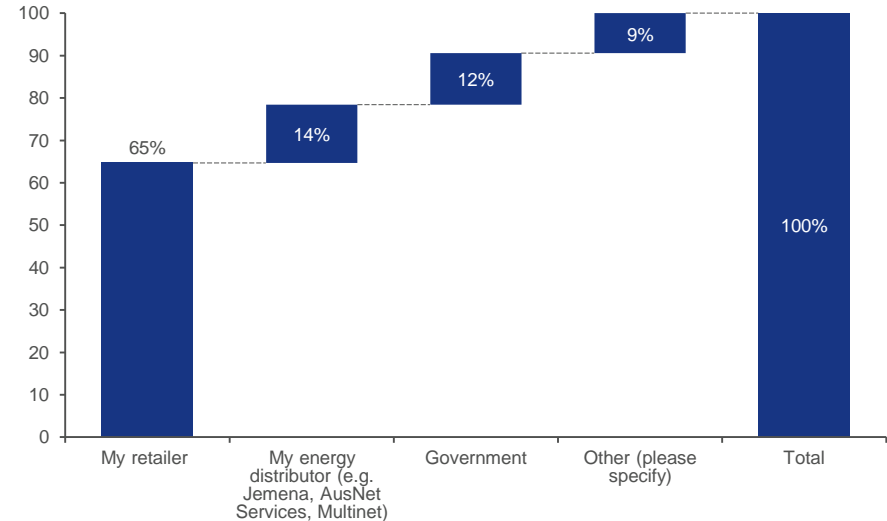


78% of respondents surveyed had not, or were unsure if they had, received any communications from their electricity retailers about financial support

Only 22% of respondents had indicated that they received communications about support available to them from their retailers.

1. D5 Have you received any communications or have you heard about the additional support available to you from your electricity retailer?

Figure 27: For those respondents that did require additional support, who was their first point of call? (n = 297)²



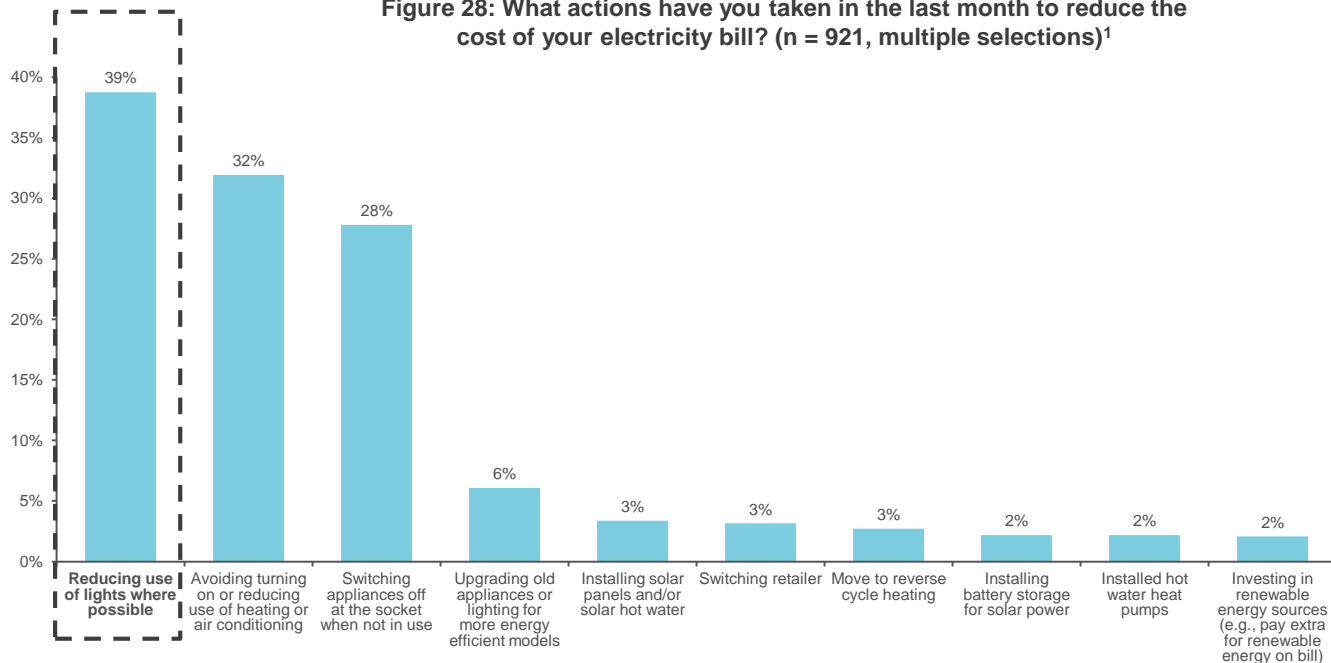
For those respondents that did require additional support (297), 65% of them called their electricity retailer first for additional support.

2. D3 Where did you first go to enquire and access additional support for your electricity bill(s)?

What are respondents doing to manage their electricity?

The most common ways for respondents to reduce the cost of their electricity bill were changes in behaviour as opposed to initiatives that required further investment and money

Figure 28: What actions have you taken in the last month to reduce the cost of your electricity bill? (n = 921, multiple selections)¹



39% of all respondents reduced the use of lights in order to reduce the cost of their electricity bill.

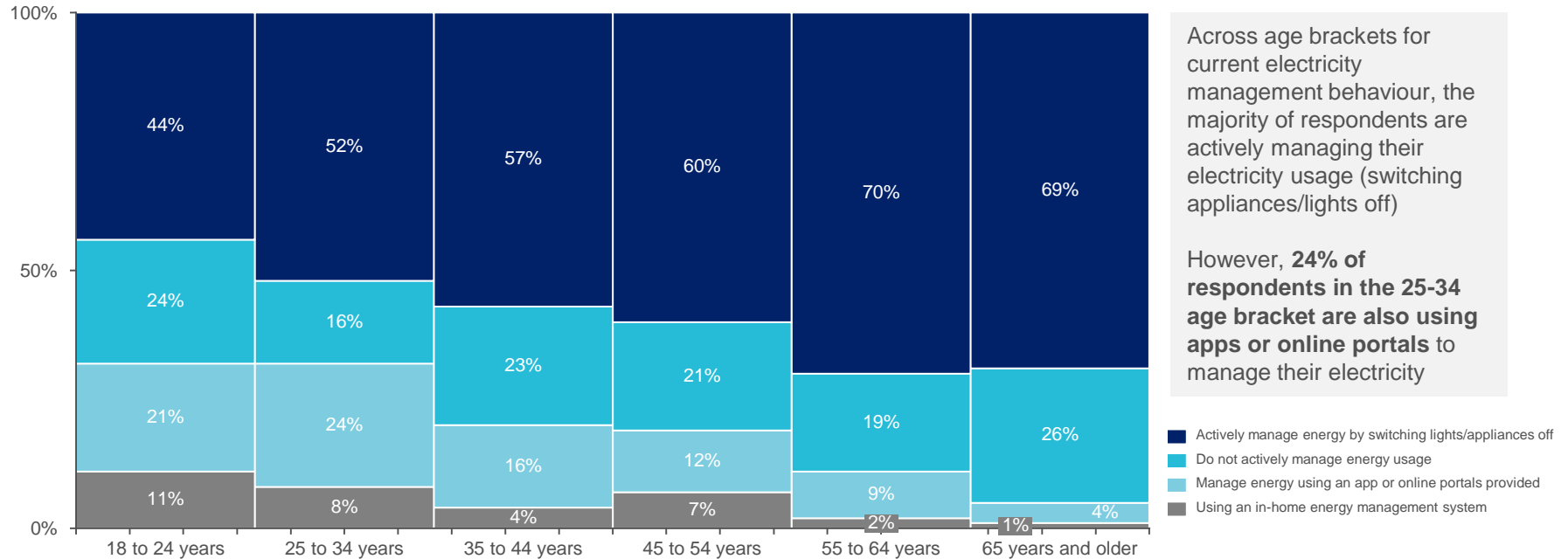
Actions such as installing solar panels or hot water pumps were less popular, likely due to the cost required

1. C3 What actions have you taken in the last month to reduce the cost of your electricity bill?

What are respondents doing to manage their electricity?

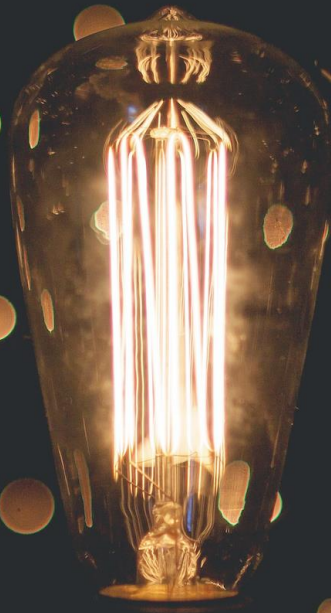
24% of respondents in the 24 – 34 age bracket are going beyond the basics (e.g: switching off their lights / appliances) to manage their electricity, by accessing their electricity apps or online portals to find cost savings

Figure 29: How does this change across age brackets? (n = 921)



What's next?

Key Insights from the customer research



Proposition testing

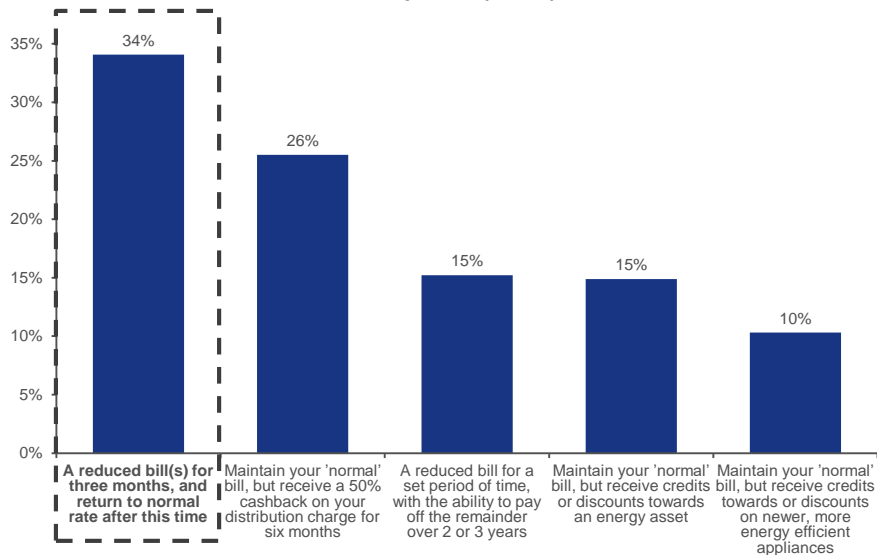
Proposition testing purpose

- Given the impact of COVID-19, it was important to survey respondents on potential new propositions that might provide additional value to respondents via cost savings or improved ease of usage
- In order to do this, respondents were questioned on their preferences for a variety of new propositions and their drivers behind the choices that they made
- The intention & purpose of this section is thus to uncover new solutions that could potentially be explored and developed, in order to provide respondents with an improved experience in managing their electricity

Proposition testing: Support mechanisms

The most popular proposition was a 3 month reduction in electricity bills, and the driver of appeal behind this was respondents wanting immediate financial relief

Figure 30: Preferred preferences (ranked) for new propositions if relief was required? (n=921)

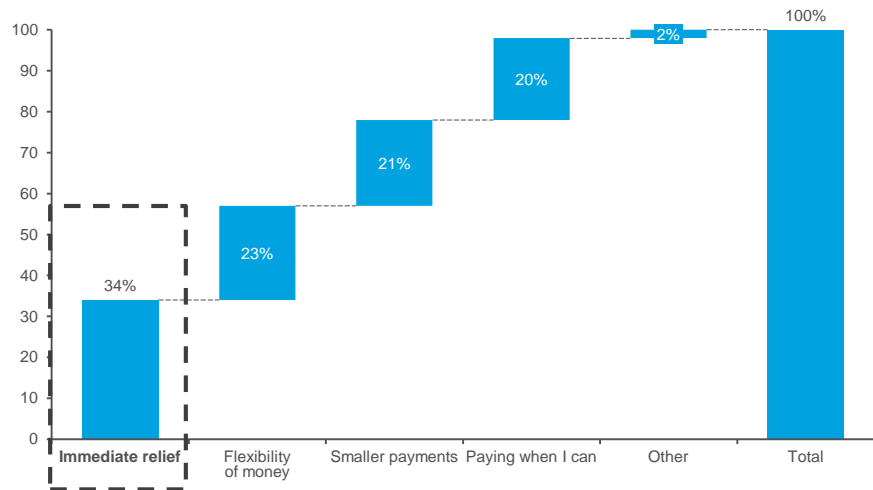


The most compelling proposition was reduced bills for three months, and a subsequent return to the normal rate, with 34% of respondents ranking this as their number 1 option.

respondents surveyed also showed some interest in a 50% cash back on distribution charges for six months as an alternative proposition.

1. E1 If there was a circumstance where you might require additional support as a direct consequence of COVID-19, which of the following ideas would most and least appeal to you?

Figure 31: What are the drivers of appeal for respondents in considering new COVID-19 propositions? (n=921)



For 34% of respondents immediate financial relief was the most important factor when considering the above propositions.

Respondents were evenly spread across other drivers of appeal.

2. E2 What were the most important factors for you in considering how appealing these ideas were, in context of needing additional support?

Proposition testing: Support mechanisms

Nearly half of all respondents want separation between electricity/gas providers and broadband/mobile providers. Across all propositions the overwhelmingly preferred payment option was a 'monthly pay-for-what-you-use fee'

Figure 32: Preferred preferences (ranked) for new propositions if relief was required? (n=921)

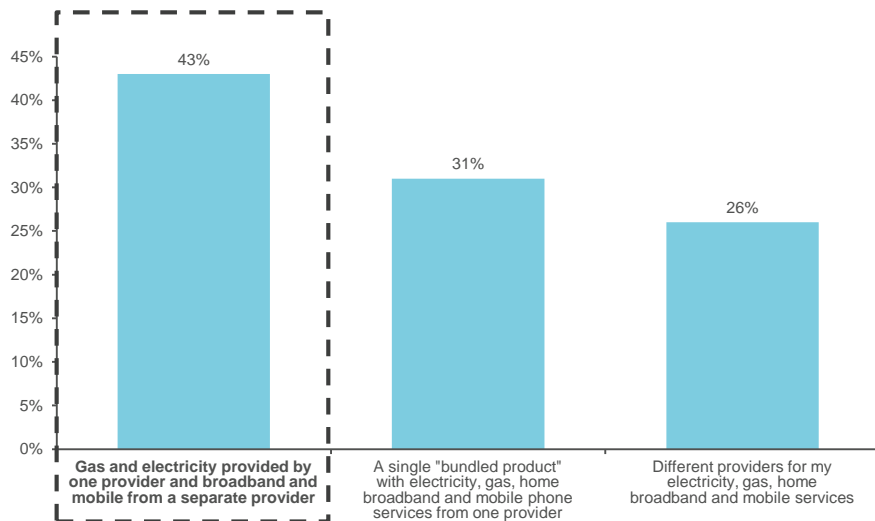
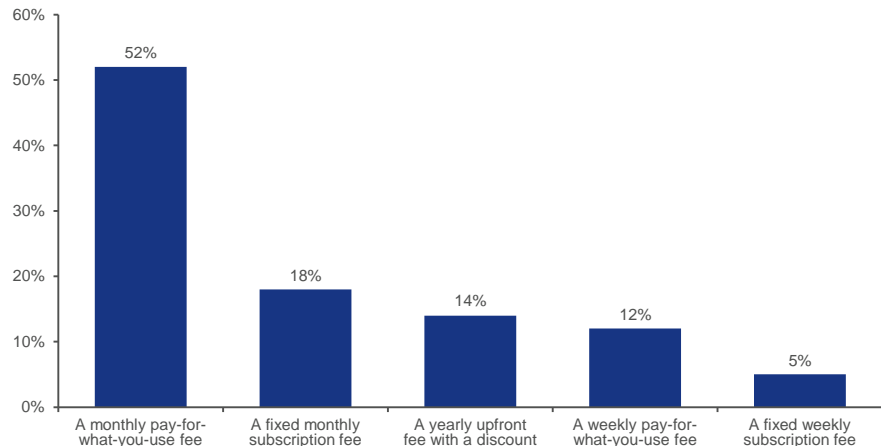


Figure 33: What payment options do those respondents prefer? (n=921)



Out of those proposition's that we suggested, regarding purchasing electricity, **43% of respondents in Jemena postcodes preferred the method of Gas & Electricity provided by one provider and broadband and mobile by a separate provider.**

A single bundled product for electricity, gas, broadband and mobile phone's did gain interest with the idea appealing to 31% of respondents.

When asked about how they would like to pay for it, **the overwhelming majority of consumers (52%) responded that they would like to pay for it monthly in a pay-for-what-you-use fee.**

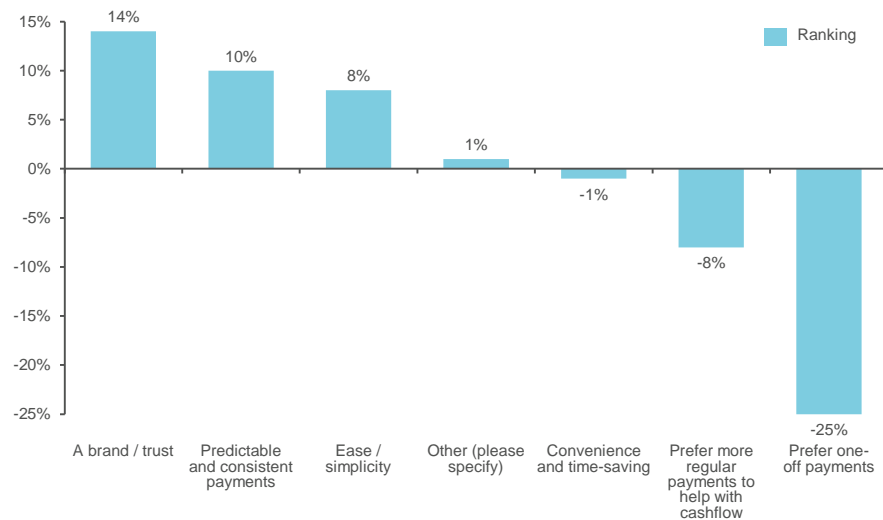
1. E3 Thinking about a more general situation, for example, after COVID-19 in 12 months' time, how would you rate any of the below ideas of purchasing electricity?

2. E7 You ranked as the most appealing proposition. Thinking about this product, how would you ideally like to pay for it?

Proposition testing: New electricity

Respondents felt that a trusted brand and consistent electricity payments were the most important factors for considering a new electricity proposition. 55% of respondents were open to the idea of remotely switching appliances on/off.

Figure 34: Most important and least important factors when considering a new electricity proposition? (n=921)

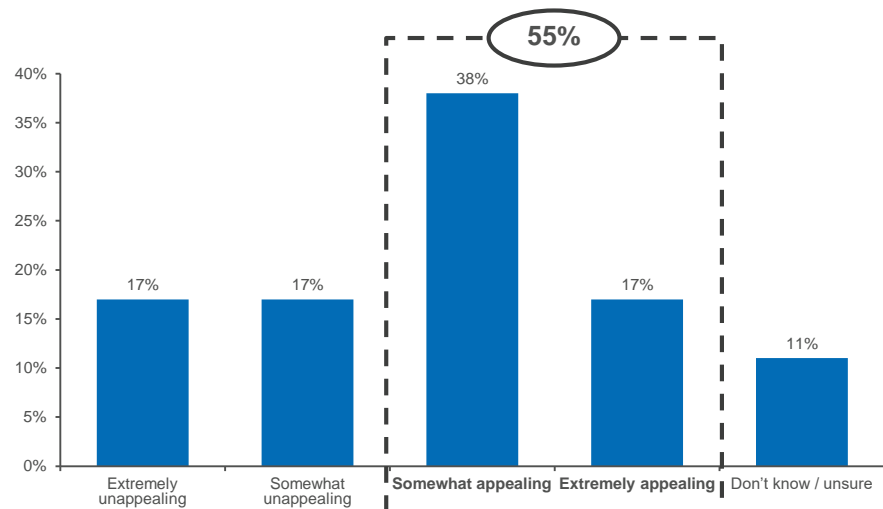


The most important factor in choosing one of the new propositions was a reputable brand. This was followed by predictable and consistent payments along with the ease and simplicity of using a new proposition.

Conversely, by far the least important factor for respondents was 'one-off payments'

1. E4a Which of the below factors did you consider to be most important when choosing? + E4b Which of the below factors did you consider to be least important when choosing?

Figure 35: How appealing is it to allow electricity providers remote access to switch appliances on / off to reduce cost? (n=921)



We asked respondents how appealing a service would be that allows electricity retailers to help reduce cost by remotely switching appliances on / off during peak times.

Responses were mixed, with **55%** finding it either somewhat or extremely appealing, whilst 34% found it somewhat or extremely unappealing.

2. E8 In the future, respondents might be able to sign up to a service that allows their electricity retailer to help reduce the cost of an electricity bill by remotely switching appliances on and off during off-peak times...



Subgroups

Key insights from respondent sub groups

Subgroup methodology

Subgroups were created to better understand changing respondent behaviours and sentiment.

Subgroup methodology

- We created **3 subgroups** based on how respondents answered specific questions (see below)
- We calculated an index to see how different respondents in each segment were compared to respondents in all other segments. The summary table on the next slide outlines the key insights from the analysis of the indexes

% of respondent population ¹	Subgroup name	Qualifying question	Qualifying response	No. of qualified respondents	No. of question respondents ¹
25 %	Job Keeper & Job Seeker	Are you currently receiving, or will you receive any of the below supplements to your income in the next month?	Job Keeper or Job Seeker	233	921
28 %	I've had my hours reduced as a result of COVID-19	How has COVID-19 affected your job or employment status?	I have had hours reduced at my current job(s) or I have lost some of my job(s)	200	709
11 %	I've lost my job because of COVID-19	How has COVID-19 affected your job or employment status?	I have lost all job(s) and am unemployed	77	709

- Some additional notes:
 - Based on how respondents answered previous questions in the survey, they may or may not have received subsequent questions

1. These interest groups are not mutually exclusive – it is possible for a respondent to be part of multiple interest groups

Subgroup summary

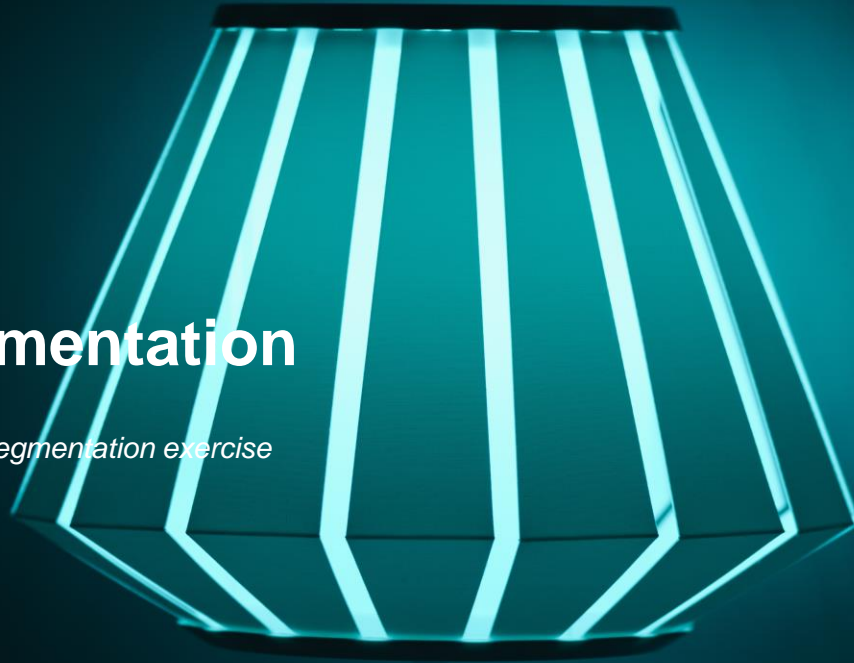
Subgroups were created to better understand changing respondent behaviours and sentiment.

% of respondent population ¹	Subgroup name	Characteristics	Income and assistance	Actions taken	Outlook
25%	Job Keeper & Job Seeker	<ul style="list-style-type: none"> More likely to be younger 18-24 and still living with their families. Mainly working in trades, agriculture, arts and recreation service and mining industries. 20% of respondents are working in a completely different role or have started a new job 	<ul style="list-style-type: none"> 59% had significantly decreased income However, 22% had increase income (from normal) most likely from Job keeper / seeker 13% drawn down from super 	<ul style="list-style-type: none"> 15% have asked for either mortgage, rent, phone or food assistance 11% have asked for payment extensions 32% are actively changing behaviour to reduce bills 5% have invested in solar / energy efficiency appliances in the last month – perhaps using income windfall to protect them for the future 	Whilst they may be ok short term, they will struggle if Job Keeper / Seeker is withdrawn (45% concerned about their ability to pay their bills post supplements)
28%	I've had my hours reduced as a result of COVID-19	<ul style="list-style-type: none"> More likely to work in accommodation and food services, administration, retail and wholesale industries. 40% have the same job, however their focus has shifted due to COVID-19. Group had the largest proportion of business owners 	<ul style="list-style-type: none"> 85% have a decrease in income 13% drawn down from super Income decreases are likely to be partial as 32% are on Job Keeper payments 	<ul style="list-style-type: none"> 11% have asked for either mortgage, rent, phone or food assistance 6% have payment extension 42% are actively changing behaviour to reduce bills Easy to implement changes such as switching lights and appliances off when not in use were preferred 	They will struggle if Job Keeper is withdrawn (45% have indicated that they are concerned about their ability to pay their bills)
11%	I've lost my job because of COVID-19	<ul style="list-style-type: none"> They are much more likely to be in the lowest income bracket. Likely to work in accommodation art, food services, labourers and recreation services. 53% of respondents are currently renting 	<ul style="list-style-type: none"> 80% have experienced a decrease in income Only 10% have drawn down from Super – they may not have balances 50% are on Job Seeker payments 9% have also borrowed to supplement incomes (vs 3% who have not lost their job) 	<ul style="list-style-type: none"> 15% have asked for either mortgage, rent, phone or food assistance 8% payment extension 50% are actively changing their behaviour to reduce bills (switching off lights etc...) 	This interest group is likely to be the most at risk of continuous hardship <ul style="list-style-type: none"> 62% concerned about their ability to pay their bills post supplements 30% believe they will be impacted long term (10+ months)

1. These interest groups are not mutually exclusive – it is possible for a respondent to be part of multiple interest groups

Customer segmentation

Key Insights from our customer segmentation exercise



Segmentation Methodology

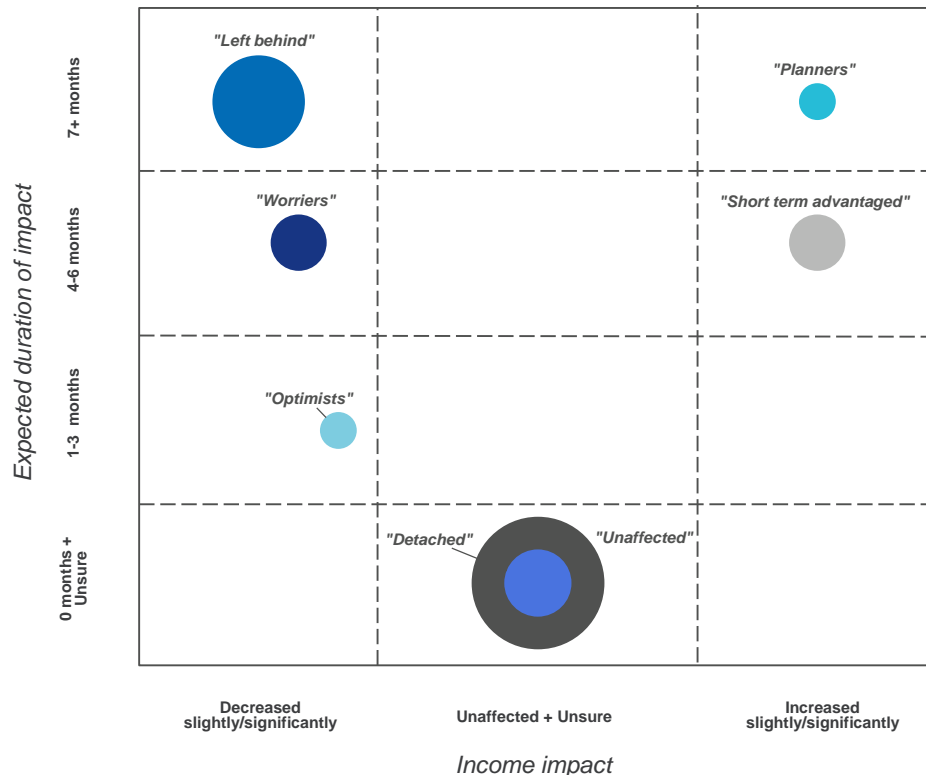
A segmentation exercise was performed in order to gain a deeper understanding of changing respondent behaviours and sentiment.

Methodology

- In order to create our segments, we looked at how respondents responded to the following two questions:
 - How has COVID-19 affected your household income?
 - How long do you believe your household finance will continue to be affected by the COVID-19 pandemic?
- We then grouped **921 respondents into 7 segments** based on their responses to these two questions:

Segment name	Income impact	Expected duration of impact
"Optimists"	Decreased slightly/significantly	1-3 months
"Worriers"	Decreased slightly/significantly	4-6 months
"Left behind"	Decreased slightly/significantly	7+ months
"Short term advantaged"	Increased slightly/significantly	1-6 months
"Planners"	Increased slightly/significantly	7+ months
"Detached"	Unsure / Don't know	-
"Unaffected"	Remained the same or unaffected	-

- We calculated an index to see how different respondents in each segment were compared to respondents in all other segments. The following pages outline the key insights from the analysis of the indexes



Segmentation summary

Segment	Key Insights
<div>6%</div> <div><i>“Optimists”</i></div>	<ul style="list-style-type: none">• Optimists have experienced a decrease in household income but anticipate COVID-19 impacts to be short term. Nearly half of all respondents are aged below 34.• Respondents are highly over indexed in the agriculture, forestry and fishing industry.• Nearly two-thirds have had their hours reduced or have lost responsibilities within their role. Although this creates disadvantage and hardship, it is not a complete loss of employment, which may contribute to the optimistic outlook of this segment.• 38% are currently receiving Job Keeper or Job Seeker payments, and/or have borrowed money due to COVID-19.• 42% of respondents are concerned with their ability to pay their electricity bills once income supplements stop. This coupled with a reduction in hours may enhance the financial hardship these respondents will face.• 60% of respondents are actively changing their habits to reduce their electricity bill.• Their optimistic outlook does not align with Deloitte Access Economics' economic recovery estimate, which may result in respondents being less equipped to face the continuing negative economic conditions.
<div>14%</div> <div><i>“Worriers”</i></div>	<ul style="list-style-type: none">• Worriers have experienced a decrease in household income and have a medium outlook towards when COVID-19 will stop affecting them.• They are predominantly aged between 25-44 and earning average incomes.• Respondents were more likely to work in accommodation and food services, arts and recreation, mining and wholesale industries.• Nearly two thirds are concerned with being able to pay their electricity bill compared to pre COVID-19. Over half of all respondents not currently receiving financial assistance to pay their bill will consider accessing support in the next 3-6 months.• 49% of respondents are also renting, which may result in greater rental stress when income supplements are cut off. respondents were 1.8x more likely to seek out rent assistance in order to reduce their financial burden.• Despite a more conservative outlook toward COVID-19 recovery, respondent expectations are still not aligned to macroeconomic conditions. As a result, respondents are still likely to be in further disadvantage once income supplements stop, particularly the 16% who are now unemployed.

Segmentation summary

Segment

Key Insights

19%

“Left behind”

- Respondents in this segment have **experienced a decrease in household income** and have a **long term view** for when COVID-19 will stop affecting their household.
- They are more represented in the arts and recreation services industry.
- 56% are now more concerned with being able to pay their electricity bill than before COVID-19. **Compared to some other segments, a below average proportion of respondents have received Job Keeper and Job Seeker**, which may have resulted in a larger proportion of respondents that have withdrawn from their superannuation in the last 3 months.
- Respondents are **actively changing their electricity and spending habits in order to reduce financial burden**, likely as a result of their longer term outlook for the COVID-19 pandemic.
- They are 2x more likely to have already reduced spending on essential items, and 68% of respondents are actively changing their habits to reduce their electricity bill.
- 22% of respondents have lost their job due to COVID-19, the **highest proportion across all segments**.
- Given the high proportion of people who experienced income and job loss, and the anticipated continuation of economic downturn, **this segment is likely to be the most financially impacted**. Further financial support will be required to assist these respondents.

7%

“Short term advantaged”

- Respondents have experienced an increase in household income and anticipate **COVID-19 impacts to be short term**. They are 1.7x more likely to be aged 18-24.
- Respondents were more likely to work in accommodation and food services, administrative services, arts and recreation, and agriculture industries.
- Due to Job Keeper/Seeker payments, **the incomes of this group have increased**. This is likely a result of Job Keeper/Seeker payments being higher than the income they were previously earning.
- Out of all 6 segments, they have the **highest proportion of respondents receiving Job Keeper and Job Seeker**. However, of these people, half are concerned with their ability to continue paying for bills once income supplements stop.
- Respondents **are likely to be hopeful for an early end to COVID-19** as their ability to support themselves financially will heavily reduce when they stop receiving income supplements.
- In preparation for this, respondents are also more likely to have increased savings in the last 3 months and have shifted their electricity behaviours in order to reduce their bills.
- Similar to the *“Optimists”* segment, the optimistic outlook for respondents here **does not align with the expected recovery timeline of the economy**.
- The high proportion of respondents on income supplements are **likely to fall into further hardship when the uptick in disposable income from income supplements is removed**.

Segmentation summary

Segment	Key Insights
<div>3%</div> <div><i>“Planners”</i></div>	<ul style="list-style-type: none">Planners have experienced an increase in household income but hold a medium term view for when COVID-19 impacts will end.Respondents are highly over indexed in mining industries and are also more likely to work in rental, real estate, and retail industries.Compared to other segments, there is a comparatively lower proportion of employed respondents, in addition to a higher likelihood of respondents earning less than \$18,200.Of those working respondents, 30% have shifted focus within their role and a similar proportion are working much longer hours.53% are currently receiving Job Keeper or Job Seeker payments, however 64% are worried about paying their electricity bills once these income supplements stop, the highest of all segments.As a likely result of a more conservative outlook of COVID-19 impacts, respondents are changing their electricity and saving behaviours in order to shelter them from greater financial stress once Job Keeper/Seeker payments end.Despite their shifts towards greater savings and lower energy consumption, economic downturn coupled with the fall in disposable incomes after income supplements end may result in greater hardship for respondents.
<div>10%</div> <div><i>“Detached”</i></div>	<ul style="list-style-type: none">Detached respondents did not indicate whether their household income changed or how long they expect COVID-19 impacts to last.Respondents are over indexed in arts, recreation and transport industries.This segment has the highest proportion of homemakers, carers and retirees. This ties to the fact that they also have the lowest proportion of working respondents.Although respondents make modest incomes and the proportion of those receiving Job Keeper/Seeker is lower, the number of respondents concerned with their ability to pay bills is smaller than other segments. Given the higher number of retirees, many receive pension and seniors discounts to help relieve financial stress.respondent behaviours remain broadly unchanged as the result of COVID-19 impacts, despite these respondents not being as financially secure as some other segments.This segment provided the least information or were uncertain about how COVID-19 has broadly affected them, hence it is hard to make any firm judgements about their outlook.

Segmentation summary

Segment

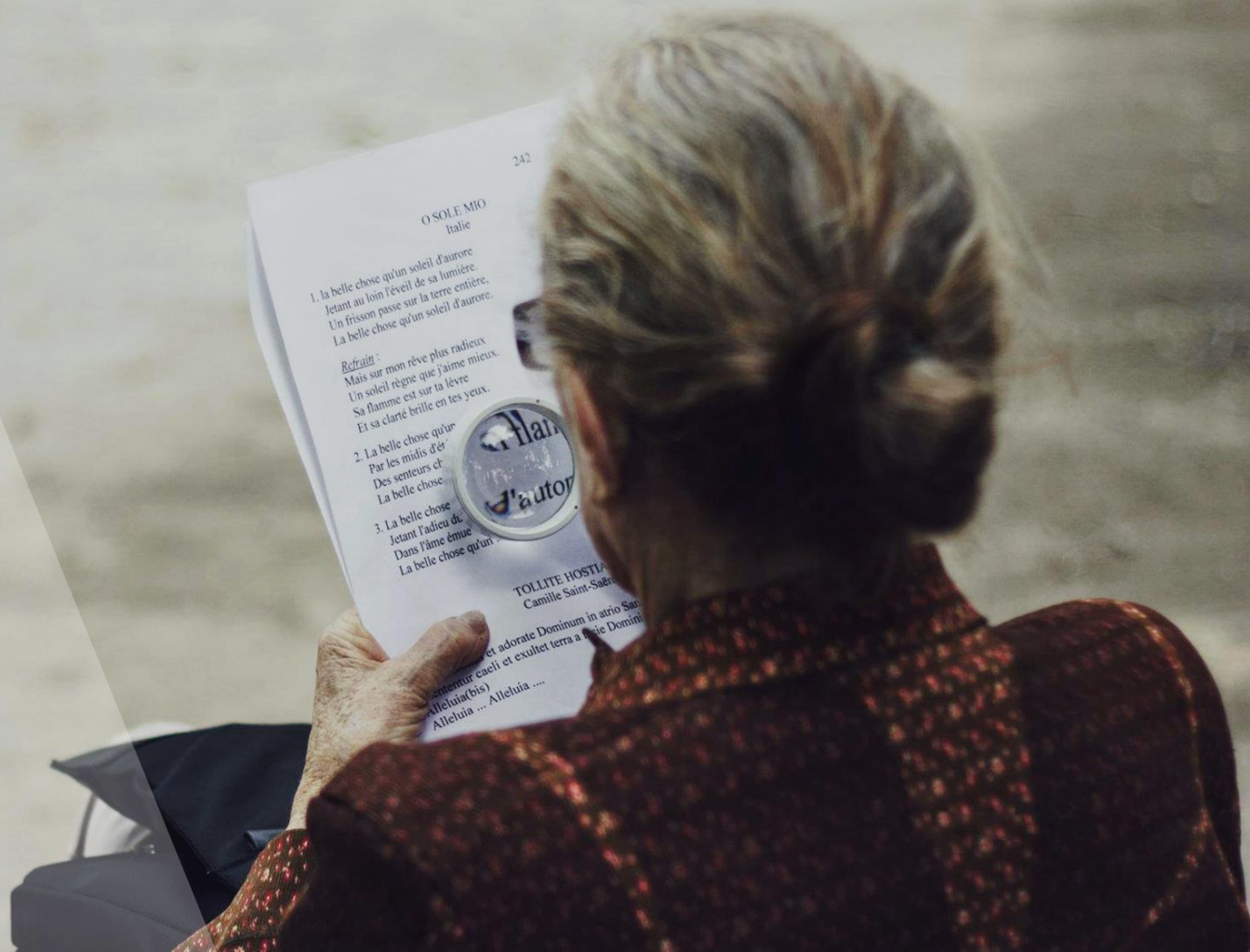
42%

“Unaffected”

Key Insights

- Unaffected respondents experienced no change in their income, and were not prompted to answer the question regarding COVID-19 impacts.
- There is a higher representation of homemakers, carers and retirees, as well as those earning higher incomes.
- Working respondents are over represented in public administration, professional services and real estate industries.
- 40% of respondents make over \$90,000 p.a. 38% of respondents also own their home outright, the highest across all segments.
- They have the lowest proportion of respondents receiving Job Keeper and Job Seeker payments, however in line with a higher proportion of retirees, many receive pension and other government benefits.
- 69% stated they have not accessed additional support to pay their electricity bills. Of these people, 82% stated they would not need any financial support in the next 3-6 months.
- In terms of financial wellbeing, respondents in this segment are least concerned with their ability to pay their electricity bills. In general, the lives and behaviours of respondents within this group will largely remain unchanged as a result of COVID-19.
- The proportion of “unaffected” respondents may fall over the next financial year given worsening economic conditions, which may push more respondents into financial hardship.

Appendix



O SOLE MIO Italie

1. la belle chose qu'un soleil d'aurore
Jetant au loin l'éveil de sa lumière.
Un frisson passe sur la terre entière,
La belle chose qu'un soleil d'aurore.

Refrain :
Mais sur mon rêve plus radieux
Un soleil règne que j'aime mieux.
Sa flamme est sur ta lèvre
Et sa clarté brille en tes yeux.

2. La belle chose qu'un
Par les midis d'été
Des senteurs et
La belle chose




3. La belle chose
Jetant l'adieu de
Dans l'âme émue
La belle chose qu'un



TOLLITE HOSTIA Camille Saint-Saëns

et adorate Dominum in atrio San
mentur caeli et exultet terra a facie Domini
Alleluia(bis)
Alleluia ... Alleluia ...

Deloitte Access Economics recovery scenarios

	The future we hope for (Mild scenario)	The future we prepare for (Harsh scenario)	The future we want to avoid (Severe scenario)
Health Response and Impact 	<p>Rapid and effective containment measures result in a short sharp peak in new infected cases in April 2020.</p> <p>Physical distancing restrictions are replaced by effective testing, tracking and containment measures.</p>	<p>Australia successfully flattens the curve but without enhanced detection and tracing technology, ongoing physical distancing restrictions are required to manage new outbreaks.</p> <p>A vaccine (or effective treatment) is made available in July 2021.</p>	<p>Without effective detection and tracing, and a lack of compliance with remaining physical distancing rules, a major second wave of infections occur.</p> <p>A vaccine (or effective treatment) isn't available until July 2022.</p>
Domestic Economic Recovery 	<p>Economic recovery begins from mid 2020.</p> <p>Economic activity reaches pre-COVID levels as productivity enhancing ways of working and a series of economic reforms are effectively implemented.</p>	<p>Economic activity starts to recover in late 2020.</p> <p>Activity remains below pre-COVID expectations in the long run as business investment falters.</p>	<p>Economic activity continues to weaken in 2020 as a result of the second outbreak.</p> <p>The recovery starts in late 2021, with the economy remaining lacklustre, hampered by financial distress and weak business and consumer confidence.</p>
Global Economic Recovery 	<p>The world economy recovers quicker than expected.</p> <p>Global supply chains begin to mend as the outbreak recedes in China and North Asia.</p>	<p>The world economy faces a lengthy recession with persistently weak supply and demand.</p> <p>Global containment remains a problem, limiting the movement of goods, people and capital.</p>	<p>Many other countries across the world, including Australia, sees a resurgence of the pandemic, while others continue to struggle to contain the virus.</p> <p>The global economy faces an even more severe and prolonged downturn, hampered by de-globalisation and geopolitical posturing.</p>

Postcode List

POST CODE	SUBURB
3040	ABERFELDIE
3042	AIRPORT WEST
3044	AIRPORT WEST
3078	ALPHINGTON
3025	ALTONA EAST
3025	ALTONA NORTH
3031	ASCOT VALE
3032	ASCOT VALE
3049	ATTWOOD
3034	AVONDALE HEIGHTS
3042	AVONDALE HEIGHTS
3079	BELLFIELD
3081	BELLFIELD
3753	BEVERIDGE
3012	BRAYBROOK
3019	BRAYBROOK
3043	BROADMEADOWS
3047	BROADMEADOWS
3012	BROOKLYN
3025	BROOKLYN
3055	BRUNSWICK
3063	BULLA
3428	BULLA
3429	BULLA
3083	BUNDOORA
3086	BUNDOORA
3037	CALDER PARK
3049	CALDER PARK
3047	CAMPBELLFIELD
3056	CAMPBELLFIELD
3058	CAMPBELLFIELD
3060	CAMPBELLFIELD
3061	Campbellfield
3062	CAMPBELLFIELD
3023	CAROLINE SPRINGS
3037	CAROLINE SPRINGS
3430	CLARKEFIELD
3044	COBURG
3048	COBURG
3058	COBURG
3059	COBURG
3058	COBURG NORTH

POST CODE	SUBURB
3048	COOLAROO
3061	COOLAROO
3058	CRAIGIEBURN
3061	CRAIGIEBURN
3063	CRAIGIEBURN
3064	CRAIGIEBURN
3047	DALLAS
3427	DIGGERS REST
3079	EAGLEMONT
3084	EAGLEMONT
3033	EAST KEILOR
3039	ESSENDON
3040	ESSENDON
3041	ESSENDON
3041	ESSENDON AIRPORT
3041	ESSENDON FIELDS
3040	ESSENDON NORTH
3041	ESSENDON NORTH
3040	ESSENDON WEST
3042	ESSENDON WEST
3078	FAIRFIELD
3060	FAWKNER
3031	FLEMINGTON
3032	FLEMINGTON
3011	FOOTSCRAY
3012	FOOTSCRAY
3335	FRASER RISE
3336	FRASER RISE
3437	GISBORNE
3437	GISBORNE SOUTH
3043	GLADSTONE PARK
3046	GLENROY
3043	GOWANBRAE
3088	GREENSBOROUGH
3059	GREENVALE
3064	GREENVALE
3046	HADFIELD
3081	HEIDELBERG
3084	HEIDELBERG
3078	HEIDELBERG HEIGHTS
3081	HEIDELBERG HEIGHTS
3081	HEIDELBERG WEST

POST CODE	SUBURB
3033	HILLSIDE
3037	HILLSIDE
3038	HILLSIDE
3040	IVANHOE
3079	IVANHOE
3081	IVANHOE
3084	IVANHOE
3079	IVANHOE EAST
3047	JACANA
3036	KEILOR
3032	KEILOR EAST
3033	KEILOR EAST
3034	KEILOR EAST
3036	KEILOR EAST
3038	KEILOR LODGE
3036	KEILOR NORTH
3033	KEILOR PARK
3042	KEILOR PARK
3031	KENSINGTON
3073	KEON PARK
3083	KINGSBURY
3012	KINGSVILLE
3084	MACLEOD
3085	MACLEOD
3012	MAIDSTONE
3011	MARIBYRNONG
3012	MARIBYRNONG
3032	MARIBYRNONG
3048	MEADOW HEIGHTS
3000	MELBOURNE
3045	MELBOURNE AIRPORT
3337	MELTON
3059	MICKLEHAM
3064	MICKLEHAM
3039	MOONEE PONDS
3040	MOONEE PONDS
3015	NEWPORT
3040	NIDDRIE
3042	NIDDRIE
3064	NIDDRIE
3070	NORTHCOTE
3078	NORTHCOTE

POST CODE	SUBURB
3044	OAK PARK
3046	OAK PARK
3063	OAKLANDS JUNCTION
3032	PASCOE VALE
3044	PASCOE VALE
3058	PASCOE VALE
3044	PASCOE VALE SOUTH
3058	PASCOE VALE SOUTH
3038	PLUMPTON
3335	PLUMPTON
3012	PRESTON
3056	PRESTON
3072	PRESTON
3073	PRESTON
3072	REGENT WEST
3058	RESERVOIR
3073	RESERVOIR
3179	RESERVOIR
3431	RIDDELLS CREEK
3335	ROCKBANK
3084	ROSANNA
3085	ROSANNA
3062	ROXBURGH PARK
3064	ROXBURGH PARK
3011	SEDDON
3062	SOMERTON
3015	SOUTH KINGSVILLE
3015	SPOTSWOOD
3016	SPOTSWOOD
3032	STRATHMORE
3041	STRATHMORE
3041	STRATHMORE HEIGHTS
3426	SUNBURY
3427	SUNBURY
3429	SUNBURY
3020	SUNSHINE
3020	SUNSHINE NORTH
3030	SUNSHINE NORTH
3037	SYDENHAM
3038	SYDENHAM
3037	TAYLORS HILL
3038	TAYLORS HILL

POST CODE	SUBURB
3037	TAYLORS LAKES
3038	TAYLORS LAKES
3074	THOMASTOWN
3337	TOOLERN VALE
3437	TOOLERN VALE
3012	TOTTENHAM
3025	TOTTENHAM
3032	TOTTENHAM
3020	TRAVANCORE
3032	TRAVANCORE
3043	TULLAMARINE
3045	TULLAMARINE
3054	TULLAMARINE
3084	VIEWBANK
3085	VIEWBANK
3040	WEST ESSENDON
3000	WEST FOOTSCRAY
3011	WEST FOOTSCRAY
3012	WEST FOOTSCRAY
3081	WEST HEIDELBERG
3039	WEST MEADOWS
3049	WEST MEADOWS
3043	WESTMEADOWS
3049	WESTMEADOWS
3064	WESTMEADOWS
3757	WHITTLESEA
3429	WILDWOOD
3016	WILLIAMSTOWN
3016	WILLIAMSTOWN NORTH
3750	WOLLERT
3085	YALLAMBIE
3012	YARRAVILLE
3013	YARRAVILLE
3015	YARRAVILLE
3063	YUROKE

Questionnaire



Survey
Questionnaire

- Please double-click this icon to view the questionnaire
- We were able to survey 921 respondents, in Jemena Electricity Postcodes

Inherent Limitations

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy, or reliability is given in relation to the statements and representations made by, and the information and documentation provided by respondents to the survey and Jemena personnel. We have not attempted to verify these sources independently unless otherwise noted within the report.

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