



Press Release

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Electricity just 2.9% of household budgets, latest figures show

Electricity now comprises the lowest proportion of New Zealanders' household budgets since the statistics were first recorded, says the Electricity Retailers Association of New Zealand (ERANZ).

The 2015/16 Household Expenditure Survey, released on 2 December, shows electricity now comprises just 2.9 per cent, or \$37.90, of the average weekly household expenditure of \$1299.90. That compares with 3.6 per cent, or \$40.10, in 2012/13 (average weekly expenditure \$1110.10) – a decrease of 5.6%.

ERANZ Chief Executive Jenny Cameron says many people will likely be surprised by some of the numbers, particularly the proportion of the average electricity spend and how it compares with other household spending.

“Considering how important electricity is in our everyday lives, the fact that we spend on average less than 3 per cent of our incomes demonstrates the value that is being provided by the sector.

“Spending the equivalent of 26% of a weekly grocery shop on it – equal to adding five loaves of bread and four 2-litre bottles of milk to the grocery trolley, or having two flat whites each day at work – seems like a pretty good deal.

“The fact is that New Zealand electricity prices are also very reasonable by world standards - around the middle of the 30 OECD industrialised countries (12th highest).”

ERANZ analysis of the survey, which is undertaken every three years by Statistics NZ, shows the average weekly spend on electricity remains well below the spend on many other household items. That includes the weekly spend on petrol at \$42.30 (down 13 per cent from \$48.80), groceries, fruit & veg, and meat, poultry & fish \$144.10 (up 9.6 per cent from \$131.40), and restaurant/ready-to-eat food \$89.30 (up 10 per cent from \$81.10).

In 2015/16, on average, New Zealand households spent 17.3 per cent of their income on housing costs, which includes mortgage and rental costs. In the year to 30 June 2016, about 31 per cent of households spent one-quarter or more of their total income on housing costs. Over that same period, net expenditure of all household spending was up 17 per cent.

While electricity's proportion of the household budget dropped to 3.6 per cent, total spending on house and household utilities sector, of which electricity is a part, jumped by 22.6 per cent. Electricity's proportion of that spend dropped from 14.8 per cent to 11.4 per cent.

Electricity remained by far the biggest proportion of the average household energy bill, its \$37.90 spend comparing with gas \$2.90, solid fuels \$1.10, liquid fuel 10c, and other domestic fuels \$5.10.

“Our market is the most competitive in the world in terms of choice of retailer, range of service, and ease to change between power providers. There is strong evidence that retailers are helping customers to manage their power usage via technology and value-based products and services offering customers more choice and control. Retailers will not only continue to offer competitive prices but also services most valued by customers”, said Ms Cameron.

“We have also seen through this year’s independent AMR Corporate Reputation Index that four of our energy retailers were voted by customers as in the top 20 most trusted brands in New Zealand – another positive signal that our energy companies have a clear focus on serving their customers’ needs.”

[Go to the Household Expenditure Survey details here.](#)

About the Household Expenditure Statistics

The Household Expenditure Survey (HES) is conducted every three years and collects information on household expenditure and income, material well-being, as well as a wide range of demographic information. A shorter version of the survey, HES (Income), is collected in the two years between the full HES.

About ERANZ

The Electricity Retailers Association of New Zealand was established in August 2015 to represent the electricity retail industry on important sector-wide issues such as delivering value to stakeholders and consumers, and supporting the continued development of an open, competitive, sustainable and effective electricity market.

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