



Press Release

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Households pay less on electricity than on petrol, insurance, groceries – survey

Kiwi households spend an average of just \$37.90 per week on electricity – less than 3 per cent of weekly expenditure – says the Electricity Retailers' Association.

Chief Executive Jenny Cameron is responding to Consumer NZ's Cost of Living survey, which says the price of power was the biggest cost-of-living concern for 63 per cent of consumers. Food and grocery costs concerned 62 per cent of consumers.

"There is a perception by some that electricity is a big chunk of weekly incomes, but latest official statistics show that to not be the case," Ms Cameron says.

Statistics NZ's 2015/16 Household Expenditure Survey shows the electricity spend of \$37.90 is just 2.9 per cent of average weekly household expenditure of \$1299.90. That compares to \$40.10 (3.6 per cent) in the previous survey in 2012/13 – a decrease of 5.6%. Over that same period, net expenditure of all household spending increased 17 per cent. The 2.9 per cent is also the lowest proportion of household budgets since 2000/01 since when it has been steadily dropping.

In addition, the price per unit of electricity fell by 2.1% in real terms between 2015 and 2016, according to the Ministry of Business, Innovation and Employment's annual Energy in New Zealand report.

The Statistics NZ survey shows that the average weekly spend on electricity remains well below most other essential household expenditure, including transport costs of \$195 (up 23 per cent - includes an average \$42 for petrol), groceries, fruit & veg, and meat, poultry & fish \$144 (up 9.6 per cent), restaurant/ready-to-eat food \$89 (up 9.6 per cent), and insurances \$62 (up 11.6 per cent).

"No one can argue these are not all essential items, yet according to the survey their proportion of household expenditure has increased, in some cases alarmingly, while electricity's proportion was falling," says Ms Cameron.

"Some people may be surprised by these numbers, particularly the proportion of the electricity spend and how it compares with other household essentials, especially food and grocery costs, which rated slightly better yet was nearly four times the budget.

"We are fully aware that these are averages, and that depending on where you live, the season, and the energy efficiency of your home and appliances, electricity prices can vary.

"Spending the equivalent of just five loaves of bread and four 2-litre bottles of milk a week on electricity seems like a pretty good deal. Considering how important electricity is in our everyday lives, the fact that we spend such a small part of our incomes on it demonstrates the value being provided by the sector.

“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 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”, says Ms Cameron.

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

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.

For further information, contact Brent Webling on 021 821 383 or email media@eranz.org.nz