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Monitoring the Development of Energy Retail Competition - Business

Prepared for: ESCOSA
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CONTENTS

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Section 1
Introduction

This document has been prepared by McGregor Tan Research to report on the findings of Business Research.

Background

1.1 Following the establishment of full contestability of the South Australian electricity retail market in January 2003, The Essential Services Commission of South Australia (ESCOSA) commissioned McGregor Tan Research to conduct a survey among small consumers of electricity in September 2003, August 2004 and a follow up in February 2006. These surveys comprised residential households in Adelaide and regional areas, as well as small business customers.

1.2 The overall intention of these surveys was to gauge an initial indication as to how competition was developing in the electricity retail market in South Australia.

1.3 More specifically, this research was to determine the following:

- Awareness of the choice of electricity retailers
- Current electricity retailers used
- The degree to which consumers were receiving offers from electricity retailers
- The degree to which consumers were approaching electricity retailers
- The degree to which consumers were transferring between electricity retailers
- The uptake of electricity contracts
- The likelihood of taking up electricity contracts in the future
- Key household and business demographics

1.4 Given the developments in the market place, and the move to full retail contestability for gas, this research updates the customer surveys undertaken in 2003 and 2004, hence again in 2006 we monitored aspects that were not included in the 2003 survey, namely:

- Intentions - identifying factors driving intentions
- Awareness - identifying any gaps or areas of misunderstanding and transfer experience
- Offers - determining the degree to which customers have understood details, as well as the reasons customers have chosen to accept or decline offers
- Innovation - identify any evidence of innovative product offerings
- The availability of information to assist in assessing the market contract offers received
- The reasons why offers of market contracts may not be accepted by customers
- Experience of any misleading or deceptive behaviour by a retailer
- Ease of the transfer process for customers

Methodology

1.5 McGregor Tan Research conducted 410 telephone interviews with small businesses in South Australia in the following areas:

- Adelaide metropolitan area - 253
- Regional South Australia - 157

1.6 Businesses with electricity and reticulated natural gas in their household answered the sections of the questionnaire relating to both electricity and gas, while all other businesses – those with electricity only or electricity and bottled gas - responded to the questions relating to electricity only.

1.7 These interviews were conducted from the 31st January to 13th February, 2006.

1.8 It is important to note that the total sample size of 410 allows for a level of accuracy of plus or minus 5%, at a confidence interval of 95%. This level of accuracy is lower for the smaller sample sizes - gas customers, for example.

5.1 The levels of accuracy for all samples relevant to this project are outlined in Appendix 3.

Section 2
Executive Summary

The following Executive Summary covers the key findings of the Business Research.

2.1 ***Business Energy Supply***

When asked what energy combinations they had in their business, more than three quarters (72%, down from 76% in 2004) of those surveyed indicated that they had electricity only. The other combinations which were identified were:

- Electricity and reticulated natural gas (14%, up from 12% in 2004)
- Electricity and bottled gas (14%, up from 11% in 2004)

2.2 ***Energy Consumption***

The approximate average consumption of both electricity and gas, as measured by the average monthly bill, is outlined below.

Consumption of Electricity

Over two thirds (69%, down from 71%) of respondents indicated that their average electricity consumption was $350 per month or less, as outlined:

- Less than $100 per month (24%, up from 15% in 2004)
- $101 to $150 per month (20%, down from 23% in 2004)
- $151 to $200 per month (8%, down from 15% in 2004)
- $201 to $350 per month (15%, down from 18% in 2004)
- $351 to $500 per month (10%, down from 13% in 2004)
- $501 to $750 per month (7% unchanged from 2004)
- $751 to $1,000 per month (7%, up from 3% in 2004)
- $1,001 to $1,250 per month (1% unchanged from 2004)
- $1,251 to $1,500 per month (2% unchanged from 2004)

- $1,501 to $2,000 per month (4%, up from 2% in 2004)

Consumption of Gas

Over half (57%, up from 50% in 2004) of the businesses surveyed indicated that their approximate average consumption of gas was less than $100 per month. The other ranges of gas usage identified were:

- $101 to $150 per month (5%, down from 16% in 2004)
- $151 to $200 per month (7%, down from 8% in 2004)
- $201 to $350 per month (10% unchanged from 2004)
- $351 to $500 per month (9%, up from 2% in 2004)
- $501 to $750 per month (9%, up from 6% in 2004)
- $751 to $1,000 per month (3%, down from 8% in 2004)

2.3 Awareness of Choice of Retailer

Awareness of Choice of Electricity Retailer

The incidence of being aware of the ability to choose one's own electricity retailer remained high (75%, down from 77% in 2004) in the current survey.

There was also a similar proportion of residents to the previous survey who indicated that they were obliged to purchase electricity from their existing retailer (18%, up from 17% in 2004).

Awareness of Choice of Gas Retailer

Interestingly, awareness of the ability to choose one's own gas retailer was marginally higher, at 81% (up from 80% in 2004).

This compared to 12% (up from 6% in 2004) who indicated they were obliged to purchase gas from their existing retailer.

2.4 *Electricity and Gas Retailers*

Electricity Retailers

AGL, named by 57% (down from 79% in 2004) of those surveyed, dropped significantly again, however still remained the company that most businesses **currently** purchase their electricity from.

The other companies named, by those surveyed, recorded increases when compared to the previous survey, as outlined:

- Origin (13%, up from 8% in 2004)
- TXU (12%, up from 5% in 2004)
- Powerdirect (8%, up from 3% in 2004)

There was a significant increase in awareness of companies from which these businesses **could** buy electricity, as evidenced by the following responses:

- AGL (63%, up from 34% in 2004)
- TXU (35%, up from 26% in 2004)
- Origin (34%, up from 33% in 2004)
- Powerdirect (7%, up from 4% in 2004)
- Energy Australia (7%, up from 4% in 2004)

Gas Retailers

Origin, named by 83% (down from 86% in 2004) of those surveyed, is **currently** the provider of gas for the majority of businesses. The other companies named, albeit by smaller proportions of respondents, were AGL (9%, up from 4% in 2004) and Energy Australia (2% not named in 2004).

When asked from which companies they **could** purchase gas, Origin (50%, up from 36% in 2004) and AGL (48%, up from 38% in 2004) were clearly the most common responses. TXU (14% unchanged from 2004) and Energy Australia (3%, down from 4% in 2004) were also named.

2.5 *Offers of Contract*

Electricity Retailers

More than half (54%, up from 38% in 2004) of the businesses surveyed indicated that they had received an individual offer of a contract from an electricity retailer. As a result, the proportion who had not received an offer of a contract fell from 60% in 2004 to 42% in this current Survey .

Of those who had received an offer of a contract, the companies named, and the comparisons to 2004, were:

- TXU (30%, up from 26% in 2004)
- Origin (22%, down from 33% in 2004)
- AGL (16%, down from 27% in 2004)
- Powerdirect (12%, up from 9% in 2004)
- Energy Australia (11%, up from 3% in 2004)

The majority (64%, up from 68% in 2004) of those who had received an offer indicated that the offer was easy to understand. This compares to one in five (20%, up from 18% in 2004) who indicated the offer was difficult to understand.

Gas Retailers

A similar proportion to the previous survey (16%, down from 18% in 2004) of the businesses surveyed indicated that they had received an offer of a contract from a gas retailer. This compared to 78%, down from 80% in 2004 who had not received such an offer.

Of this small number of businesses who had received an offer (n=9), one third (33%, down from 67% in 2004) had received an offer from Origin, while AGL (22% unchanged from 2004), TXU (11%, down from 33% in 2004) and Energy Australia (11%) were also named.

All (100%, up from 77% in 2004) of those who had received an offer indicated that the offer was easy to understand.

2.6 Approaching Retailers

Electricity Retailers

The incidence of having approached an electricity retailer to ask about buying electricity stood at 12%, up from 7% in 2004, however, this remains relatively low.

The main retailers which had been approached by this small number of businesses (n=48) were:

- AGL (52%, up from 26% in 2004)
- TXU (29%, down from 33% in 2004)
- Origin (27%, up from 15% in 2004)
- Energy Australia (13%, up from 7% in 2004)
- Powerdirect (13%, down from 19% in 2004)

Just 5 of the 48 businesses surveyed (or 10%, down from 11% in 2004) who had approached an electricity retailer indicated that they were refused by the retailer.

Gas Retailers

Just 5 of the 58 of the businesses surveyed (or 9%) had approached any gas retailer(s) to ask about purchasing gas from them (none were recorded in the 2004 survey).

The main retailers which had been approached by this small number of businesses (n=5) were:

- AGL (40%)
- Origin (40%)
- Energy Australia (20%)

None of those who had approached an electricity retailer indicated that they were refused by the retailer.

2.7 New Contracts

Electricity Contracts

The proportion of the businesses surveyed who indicated that they had taken out a contract with an electricity retailer more than doubled (42%, up from 18% in 2004).

For the overwhelming majority of those who had taken out a contract (83%, up from 80% in 2004), the transfer process was considered to be easy, with over half (53%, up from 49% in 2004) indicating that this process was very easy. Just 8% (unchanged from 2004) of this group considered the transfer process to be difficult.

A high proportion (89%) of these businesses named AGL as their previous retailer, a marginal increase over the 84% recorded in the 2004 survey. Origin (1%, steady decrease from the previous survey 7% recorded in 2004), South Australian Electricity (1%) TXU (2%, up from

1% in 2004) and Powerdirect (1%) were also named by small proportions of those surveyed.

For those who had taken out a contract, the main driver in the decision to change retailers was price/ cost (83%).

For those who had not taken out a contract, the three main reasons that were identified were that they were happy with their current retailer (38%, up from 29% in 2004), inadequate potential savings (12%, up from 9% in 2004) and that there was insufficient information (11%, up from 22%). Other reasons included:

- Waiting for better offers (8%, up from 7% in 2004)
- Have not had time/ too busy/ had not thought about it/ not a priority (8%)
- Lack of confidence in the new retailer (6%)
- Do not want to be locked into a contract/ do not like contracts (6%)

A small proportion (4%, up from 1%) of all businesses had entered into a contract and used the cooling off period to cancel.

In relation to taking out a contract with an electricity retailer in the next twelve months, 17%, (down from 28% in 2004) indicated that they would be likely to do so. There was a corresponding increase in the proportion who indicated that they would be unlikely to do so – 64%, up from 49% in the 2004 Survey .

These responses indicate that a higher proportion of those surveyed have made a decision about an electricity retailer - do not know/not sure (7%), as well as the fact that a significant proportion (42%) of businesses have already taken out a contract with an electricity retailer.

Gas Contracts

One in five businesses surveyed (19%, or 11 respondents, up from 10%, or 5 respondents in 2004) indicated that they had taken out a contract with a gas retailer.

For most (73%, up from 80% in 2004) of these businesses the transfer process was easy.

The majority (55%, down from 100% in 2004) who had taken out a contract with a gas retailer named Origin as their previous retailer. Other retailers named included AGL (18%) and the SA Gas Company (18%).

For those who had taken out a contract, the two main drivers in the decision to change retailers was price/ cost (55%) and one company for both gas and electricity (36%).

For those who had not taken out a contract, the main reasons identified were:

- Happy with the current retailer (36%, down from 44% in 2004)
- Insufficient information (17%, up from 7% in 2004)
- Waiting for better offers (11%, up from 4% in 2004)
- Do not want to be locked into a contract/ do not like contracts (11% not mentioned in 2004)
- Inadequate potential savings (9%, down from 16% in 2004)
- Have not had time/ too busy/ had not thought about / not a priority (9%, down from 13% 2004)
- Lack of awareness of offers (9% not mentioned in 2004)

None of those surveyed indicated that they had entered into a contract and used the cooling off period to cancel.

The proportion of respondents that stated that they would be likely to take out a contract with a gas supplier in the next twelve months dropped to 16%, from 24% in the previous survey. While the majority (66%, up from 56% in 2004) indicated that they would be unlikely to do so.

2.8 *Important Factors in Switching Retailers*

Electricity and Gas Retailers

Businesses were asked to rate, on a scale of 1 to 5, where 5 is very important and 1 is not at all important, the importance of a number of factors in relation to the decision to switch retailers. It is generally considered that an average rating of 3.5 is important, 4.0 is very important and 4.5 or above is extremely important.

Based on these parameters, there was an extremely high level of importance attributed to price, a very high level of importance attributed to supply as with the level of customer service. The importance attributed to having both contracts with the one retailer, showed mixed results. These responses were similar for both electricity and gas retailers, as outlined:

- Price - average rating (electricity 4.6, up from 4.7 in 2004, gas 4.7, up from 4.5 in 2004)
- Supply - average rating (electricity 4.3 unchanged from 2004 and gas, 4.4 up from 4.3 in 2004)
- The level of customer service – average rating (electricity 4.0 and gas 4.2 - not asked in 2004)
- Having both contracts with the one supplier - average rating (electricity 2.8, up from 2.4 in 2004, gas 3.0, down from 3.3 in 2004)

2.9 Information

Information About Electricity Contracts

A relatively small proportion (14%, up from 12% in 2004) of the businesses surveyed indicated that they had looked for information to assist them in making a decision about moving to a market contract with an electricity supplier.

The main sources of information named by this group, included:

- The Internet (38%, up from 20% in 2004)
- Representative of the retailer (18%, up from 12% in 2004)
- The retailer (18%, down from 24% in 2004)
- Friends/family/work colleagues (11%, up from 6% in 2004)

For almost three quarters (73%, similar to 74% in 2004) of these respondents, the information was easy to obtain.

When asked if the information was easy to understand and compare offers, half (50%, up from 46% in 2004) indicated that this was so, while over a third (38%, up from 34% in 2004) stated that this process was difficult.

The majority (73%, up from 61% in 2004) of these businesses indicated that they were able to obtain sufficient information to make an informed choice. The vast majority (88%) indicated the information was important in making their decision about switching retailers.

Information About Gas Contracts

Just 5%, or 3 respondents (down from 4%, or 2 respondents in 2004), indicated that they had looked for information to assist them in making a decision about moving to a market contract with a gas supplier.

The three respondents each named the retailer, and one also named the Internet as their sources of information.

All three of these businesses found the information easy to obtain.

Two of these businesses indicated that it was easy to understand the information and compare offers, while one indicated neither easy or difficult.

All of these respondents stated that the information was sufficient to make an informed choice, and was important in making their decision about switching retailers.

2.10 Understanding Bills

Electricity and Gas Bills

Those surveyed were read two statements relating to the format of gas and electricity offers and asked to rate, on a scale of 1 to 5, where 5 is strongly agree and 1 is strongly disagree, their level of agreement with these statements. It is generally considered that an average rating of 3.5 represents a reasonably high level of agreement, 4.0 a very high level of agreement and 4.5 or above an extremely high level of agreement.

There were similar responses for both electricity and gas.

There was a very high level of agreement with the statement concerning both electricity and gas bills being easy to understand - average rating for electricity of 4.2, and gas of 4.4.

There were reasonably high levels of agreement for the statement that the information contained in electricity and gas bills enabling comparisons with other retailer’s offers, with an average rating for electricity 3.5, and 3.8 for gas.

2.11 *Misleading and Deceptive Behaviour*

The incidence of having experienced misleading or deceptive behaviour from retailers was low. When read a number of statements relating to such behaviour from energy retailers, the overwhelming majority (78%, down from 91% in 2004) of the businesses surveyed indicated that they had not experienced any of this behaviour in the past twelve months.

Small proportions of businesses named a number of these types of behaviour, as outlined:

- High pressure selling including badgering and harassment (16%, up from 6% in 2004)
- Provision of misleading or deceptive information (8%, up from 3% in 2004)
- An attempt to trick you into signing a contract (6%, up from 3% in 2004)
- Actual tariffs did not match quoted tariffs (4%, up from 1% in 2004)
- Transferring you to another retailer without your explicit consent (1% unchanged from 2004)

2.12 *Variety and Innovation of Offers*

The businesses surveyed were read two statements relating to gas and electricity offers and asked to rate, on a scale of 1 to 5, where 5 is strongly agree and 1 is strongly disagree, their level of agreement with these statements. It is generally considered that an average rating of 3.5 represents a reasonably high level of agreement, 4.0 a very high level of agreement and 4.5 or above an extremely high level of agreement.

Based on these parameters, there was a reasonably high level of agreement that there is a greater variety of offers available compared to a year ago - average rating of 3.8, up from 3.5 in 2004.

In relation to the offers of a year ago being more innovative, those relating to gas recorded mixed levels of agreement, with an average rating of 3.3, up from 3.0 in 2004.

2.13 *Awareness of Independent Assistance*

One in five respondents (19%, down from 22% in 2004) indicated that they were aware of the availability of independent assistance, to help in making energy decisions.

2.14 *Incidence of Contacting the Retailer*

A quarter of businesses surveyed (26%) had contacted their electricity and/ or gas retailer in the past twelve months, compared to 74% who had not.

2.15 *Incidence of Having the Same Retailer for Both Electricity and Gas*

Just 5% of respondents stated, when asked they currently purchase both electricity and gas from the same retailer.

Section 3
Electricity

This Section outlines the key findings of the research. For further analysis please refer to the Computer Tabulations.

3.1 Electricity Consumption

3.1.1 Those surveyed were asked what was their approximate average consumption of electricity, as represented by their average quarterly bill.

3.1.2 The majority (69%, down from 71% in 2004) of respondents indicated that their average electricity consumption was $350 per month or less. A quarter (24%, significantly up from 15% in 2004) of businesses surveyed, indicated their quarterly bills were under $100. As a result, significantly lower proportions of those surveyed indicated that their electricity consumption was in the pre-defined ranges of $101 to $350 a month, as shown below:

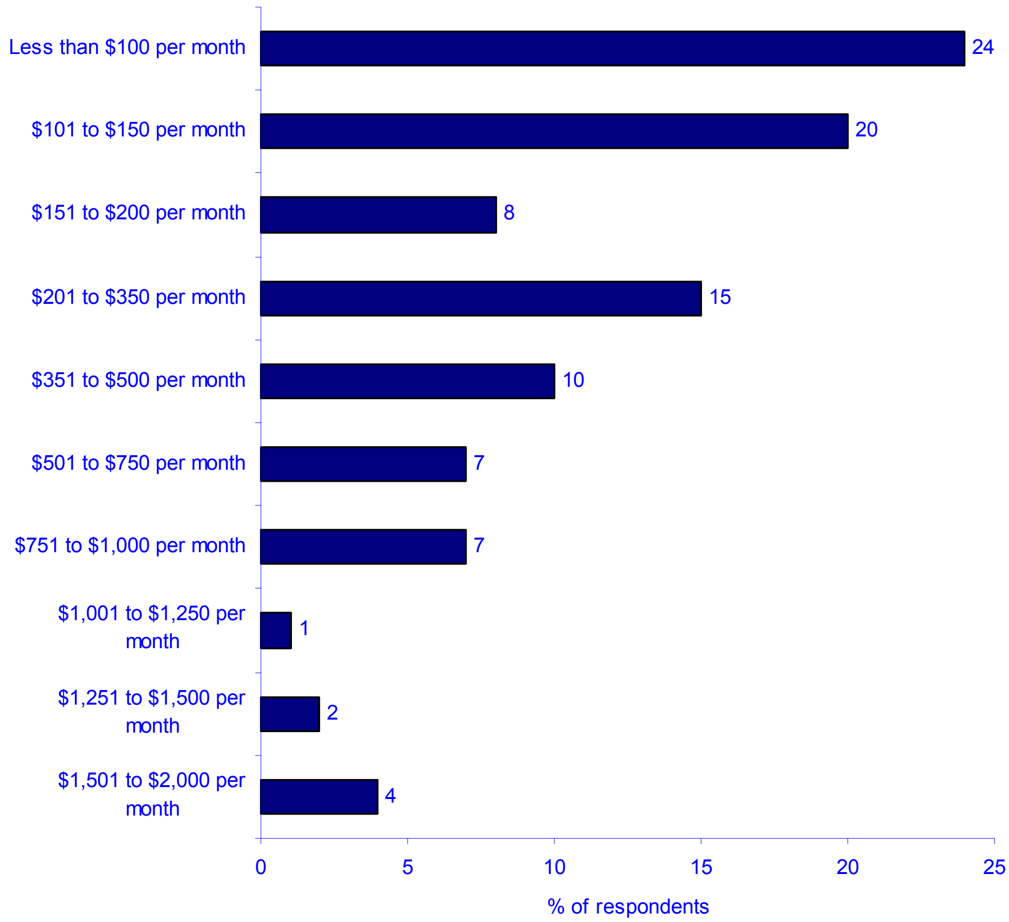
- $101 to $150 per month (20%, down from 23% in 2004)
- $151 to $200 per month (8%, down from 15% in 2004)
- $201 to $350 per month (15%, down from 18% in 2004)

3.1.3 The remaining third (31%) of those surveyed indicated that their electricity consumption was in the pre-defined ranges of greater than $350 per month, as shown below:

- $351 to $500 per month (10%, down from 13% in 2004)
- $501 to $750 per month (7% unchanged from 2004)
- $751 to $1,000 per month (7%, up from 3% in 2004)
- $1,001 to $1,250 per month (1% unchanged from 2004)
- $1,251 to $1,500 per month (2% unchanged from 2004)
- $1,501 to $2,000 per month (4%, up from 2% in 2004)

3.1.4 There were few variances to these responses among the groups surveyed.

WHAT IS YOUR APPROXIMATE AVERAGE CONSUMPTION OF ELECTRICITY AS REPRESENTED BY YOUR AVERAGE QUARTERLY BILL? (n=410)



3.2 *Awareness of Choice of Electricity Retailer*

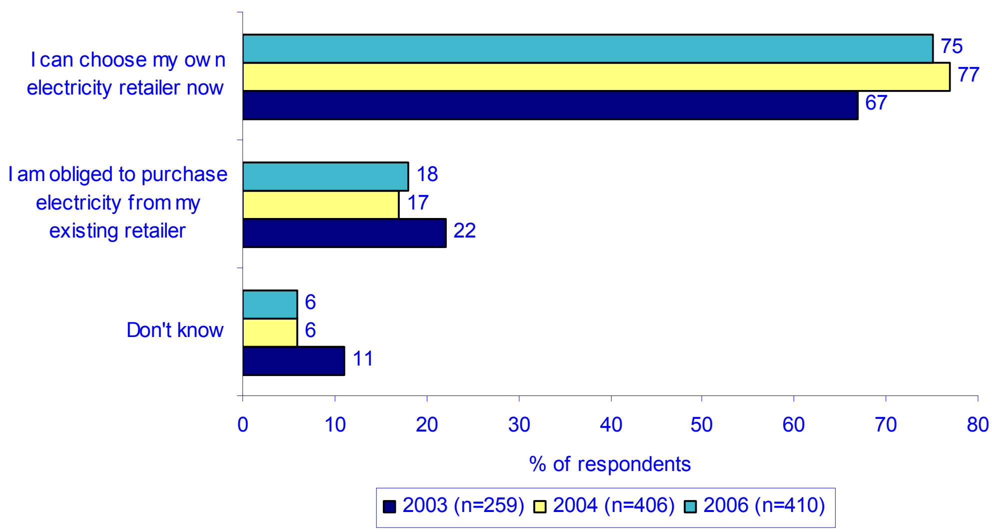
3.2.1 Respondents were initially read two statements and asked to indicate which they thought to be correct. These statements were:

- I can choose my own electricity retailer now
- I am obliged to purchase electricity from my existing retailer

3.2.1 Three quarters (75%) of the businesses surveyed indicated that they were able to choose their own electricity retailer now. This result is similar to 2004 (77%) and well above the 2003 result (67%).

3.2.2 Those who indicated their electricity retailer was AGL (79%) and those who had not taken out a contract from an electricity retailer (81%), were more likely to indicate that they could choose their own electricity retailer now.

AS FAR AS YOU ARE AWARE, WHICH OF THE FOLLOWING APPLIES?



3.3 Electricity Retailers

Electricity Retailers Currently Used

3.3.1 Those surveyed were asked from which company they currently purchased their electricity.

3.3.2 AGL remained the retailer, whom the greatest proportion of businesses currently purchased electricity from (57%). However, the proportion has dropped significantly from the previous surveys (79% in 2004, 86% in 2003).

3.3.3 As a result, in comparison to the previous survey in 2004, higher proportions of respondents named other companies, as outlined:

- Origin (13%, up from 8% in 2004)
- TXU (12%, up from 5% in 2004)
- Powerdirect (8%, up from 3% in 2004)
- Energy Australia (4%, not named in 2004)
- South Australian Electricity (2%, not named in 2004)

3.3.4 There were a number of variances to these responses among the groups surveyed, including:

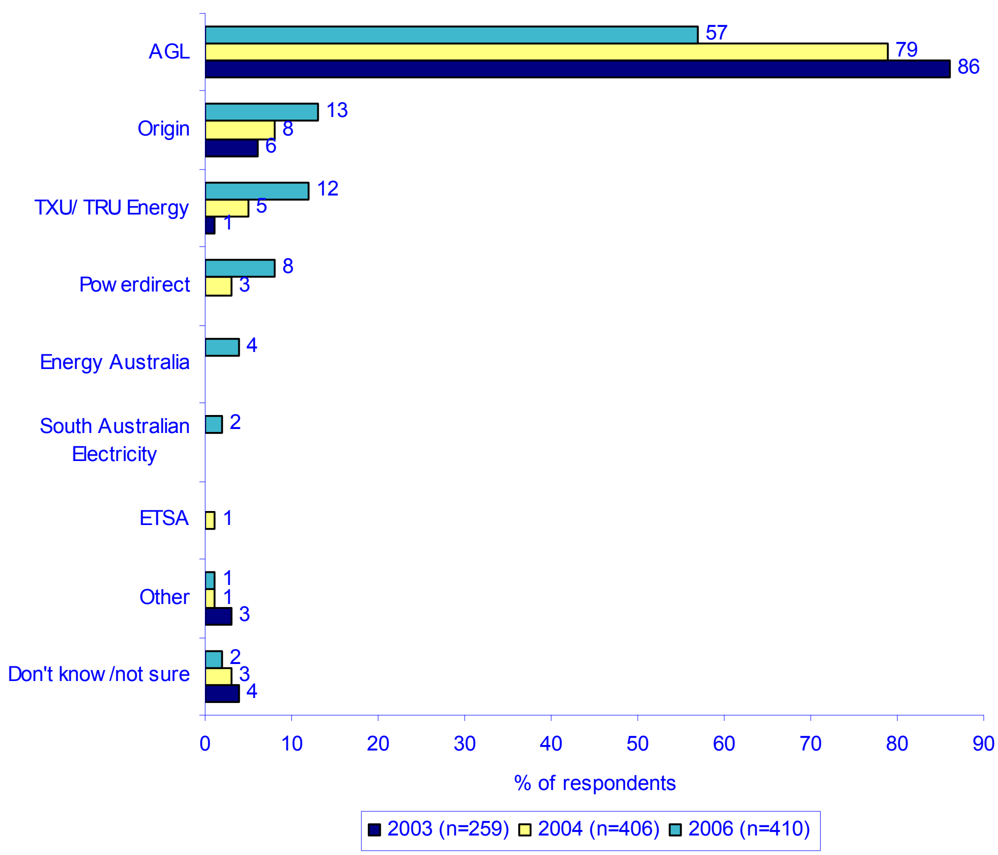
- Origin was named by higher proportions of those who had taken out a contract with an electricity retailer (20%), those who had received an offer of a contract with an electricity retailer (16%) and those in metropolitan Adelaide (17%)
- TXU was more likely to be named by the same groups - those who had taken out a contract with an electricity retailer (24%), and those who had received an offer of a contract with an electricity retailer (17%)

- Powerdirect was also named by higher proportions of those who had taken out a contract with an electricity retailer (17%) and those living in regional areas (13%)

- Energy Australia was named by higher proportions of those who had taken out a contract with an electricity retailer (9%) and had received an offer of contract from an electricity retailer (6%)

- Conversely those who had not taken out a contract (82%) or those who had not received an offer of contract from an electricity retailer (70%) were more inclined to purchase electricity from AGL

WHICH COMPANY DO YOU CURRENTLY BUY ELECTRICITY FROM?



Electricity Retailers Which Could be Used

3.3.5 Respondents were then asked to identify the electricity companies from which they could buy electricity.

3.3.6 There was a significant increase in awareness of companies from which these businesses **could** buy electricity, as evidenced by the following responses:

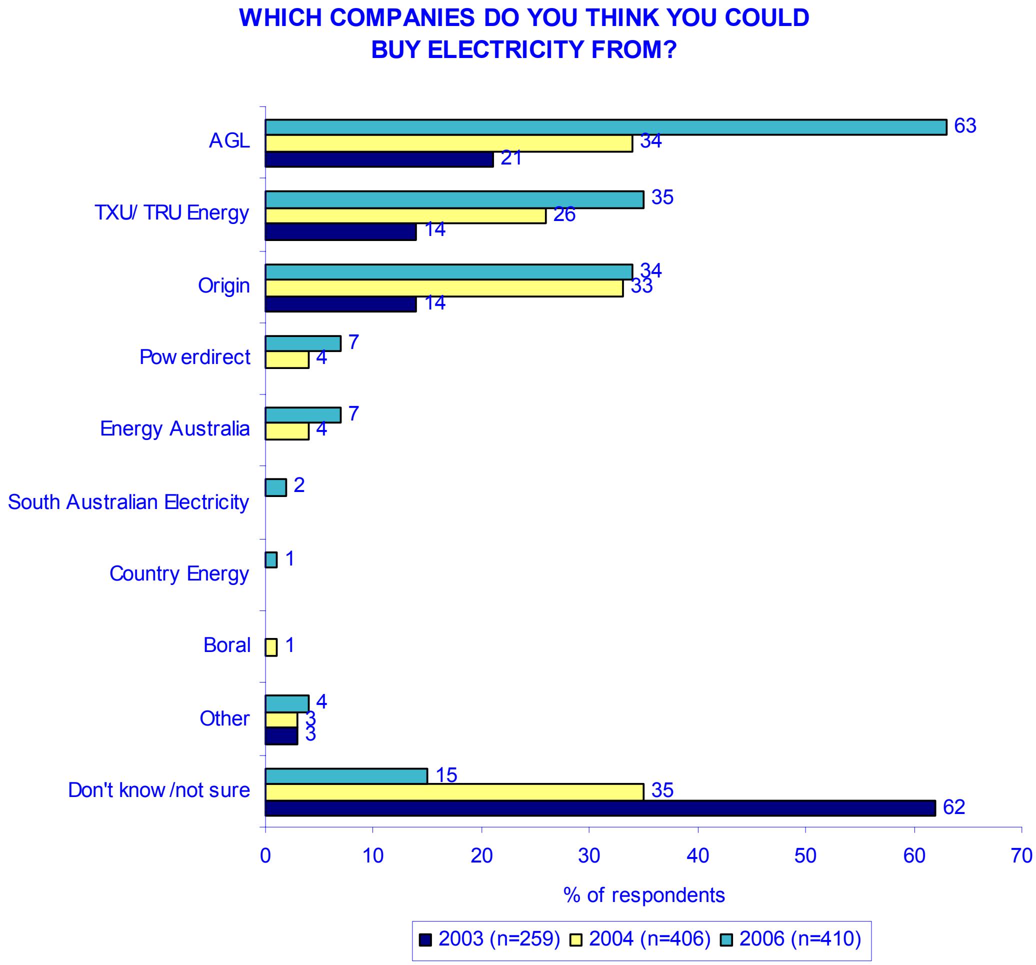
- AGL (63%, up from 34% in 2004)
- TXU (35%, up from 26% in 2004)
- Origin (34%, up from 33% in 2004)
- Powerdirect (7%, up from 4% in 2004)
- Energy Australia (7%, up from 4% in 2004)

3.3.7 Those who purchased their electricity from AGL were less inclined to name Origin (27%), Powerdirect (3%) and Energy Australia (5%).

3.3.8 In general those who had received an offer of contract or had taken out a contract with an electricity retailer, were more inclined to name the 5 most named retailers as outlined above.

3.3.9 The incidences of naming a number of these companies was significantly higher among those in metropolitan Adelaide - Origin (41%), and TXU (41%).

3.3.10 Conversely, these responses were significantly lower among those from regional South Australia - Origin (22%) and TXU (26%). While a higher proportion of regional respondents named Powerdirect (13%) and AGL (67%).


WHICH COMPANIES DO YOU THINK YOU COULD BUY ELECTRICITY FROM?
AGL
TXU/ TRU Energy
Origin
Pow erdirect
Energy Australia
South Australian Electricity
Country Energy
Boral
Other
Don't know /not sure
63
34
21
35
26
14
34
33
14
7
4
7
4
2
1
1
4
3
3
15
35
62
0
10
20
30
40
50
60
70
% of respondents
2003 (n=259)
2004 (n=406)
2006 (n=410)

3.4 Offers of Contract

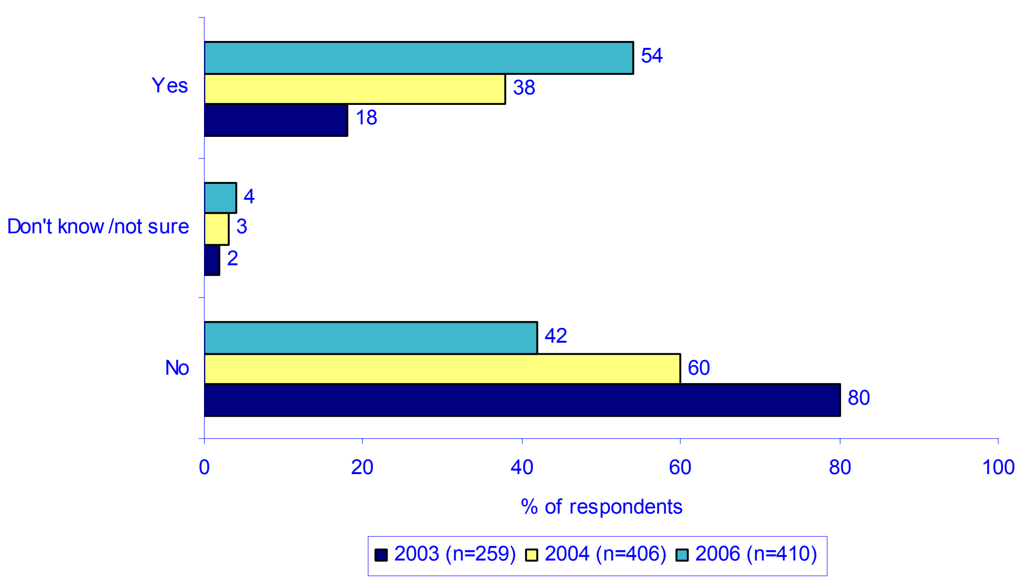
Incidence of Receiving an Offer of an Electricity Contract

3.4.1 Those surveyed were asked if they had received an individual offer of a contract from any electricity retailer, including their existing retailer, to sell them electricity.

3.4.2 Over half (54%) of respondents indicated that they had received an individual offer of a contract. This represents a significant increase over the 38% recorded in 2004 and the 18% recorded in the 2003 study. Conversely, the proportion who stated that they had not received such an offer fell (80% in 2003 and 60% in 2004) to 42% in this current Survey .

3.4.3 Only 43% of those who currently purchase their electricity from AGL had received an offer of a contract.

HAVE YOU RECEIVED AN INDIVIDUAL OFFER OF A CONTRACT FROM ANY ELECTRICITY RETAILER, INCLUDING YOUR EXISTING RETAILER, FOR THEM TO SELL YOU ELECTRICITY?



Electricity Retailer from Whom the Offer was Received

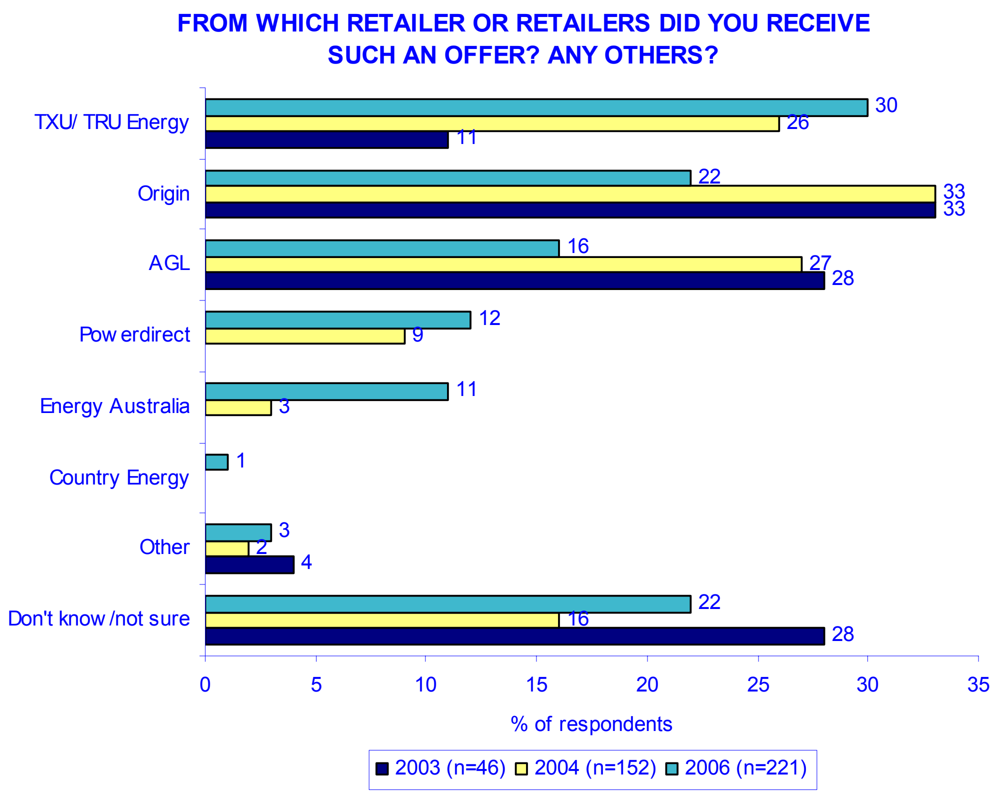
3.4.4 Those who had received an offer of a contract were asked which retailer(s) they had received such an individual offer from.

3.4.5 Origin and AGL recorded significant decreases while TXU recorded a significant increase again. Powerdirect and Energy Australia presence increased in the current survey. The main companies named are outlined below:

- TXU (30%, up from 26% in 2004)
- Origin (22%, down from 33% in 2004)
- AGL (16%, down from 27% in 2004)
- Powerdirect (12%, up from 9% in 2004)
- Energy Australia (11%, up from 3% in 2004)

3.4.6 Those surveyed that had taken out a contract with an electricity retailer, had higher incidences of naming TXU (37%), AGL (19%) and Powerdirect (17%).

3.4.7 Origin was more likely to be named by those in metropolitan Adelaide (29%), while TXU (40%) and Powerdirect (21%) were named by a higher proportion of regional businesses (47%).



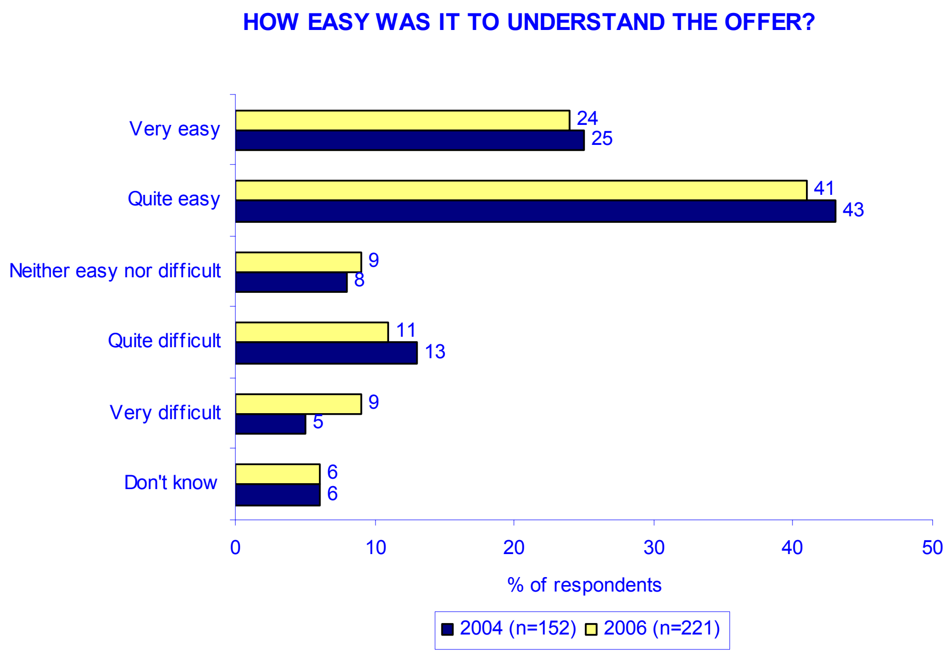
Ease of Understanding the Offer

3.4.8 Those who had received an offer of a contract were asked how easy it was to understand the offer.

3.4.9 Almost two thirds (64%, down from 68% in 2004) of respondents considered that the offer they received was easy to understand - 24% stating that it was very easy and 41% quite easy.

3.4.10 However, one fifth (20%) indicated that the offer was difficult to understand - 11% quite difficult and 9% very difficult.

3.4.11 There were few variances to these responses among the groups surveyed, however businesses who had taken out a contract with an electricity retailer were more inclined to have considered the offer easy to understand (74%).


HOW EASY WAS IT TO UNDERSTAND THE OFFER?
Very easy
Quite easy
Neither easy nor difficult
Quite difficult
Very difficult
Don't know
24
25
41
43
9
8
11
13
9
5
6
6
0
10
20
30
40
50
% of respondents
2004 (n=152)
2006 (n=221)

3.5 Approaching Electricity Retailers

Incidence of Approaching Electricity Retailers About Purchasing Electricity

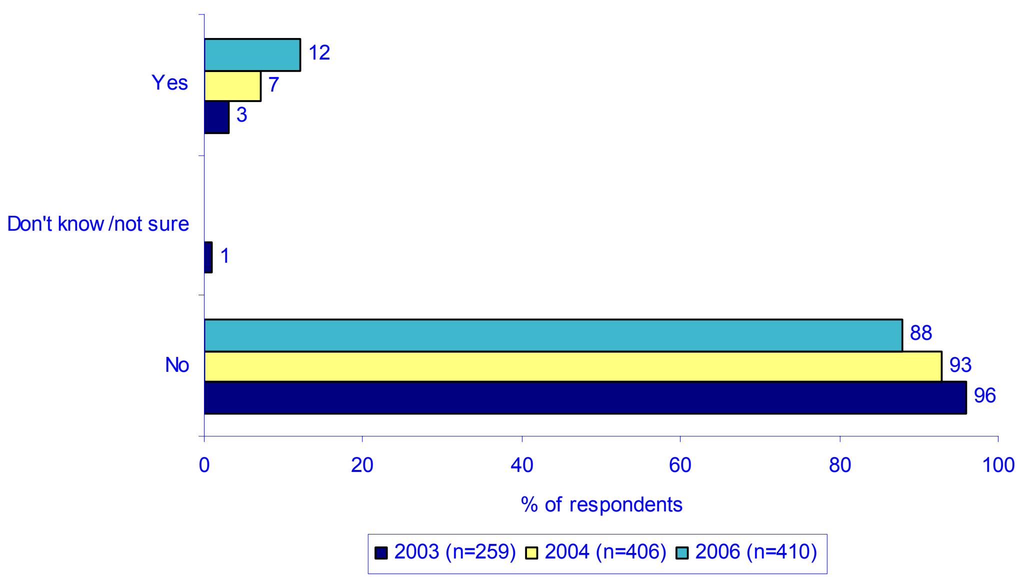
3.5.1 Respondents were asked if they had approached any electricity retailer(s), including their existing retailer, to ask about buying electricity from them.

3.5.2 The incidence of having approached an electricity retailer about buying electricity from them, while remaining low (12%), has increased from previous Surveys as the graph displays.

3.5.3 Not surprisingly, higher proportions of those who had taken out a contract with an electricity retailer (19%) indicated that they had approached a retailer.

3.5.4 There were no other significant variances among the groups surveyed.

HAVE YOU APPROACHED AN ELECTRICITY RETAILER OR RETAILERS, INCLUDING YOUR EXISTING RETAILER, TO ASK ABOUT BUYING ELECTRICITY FROM THEM?



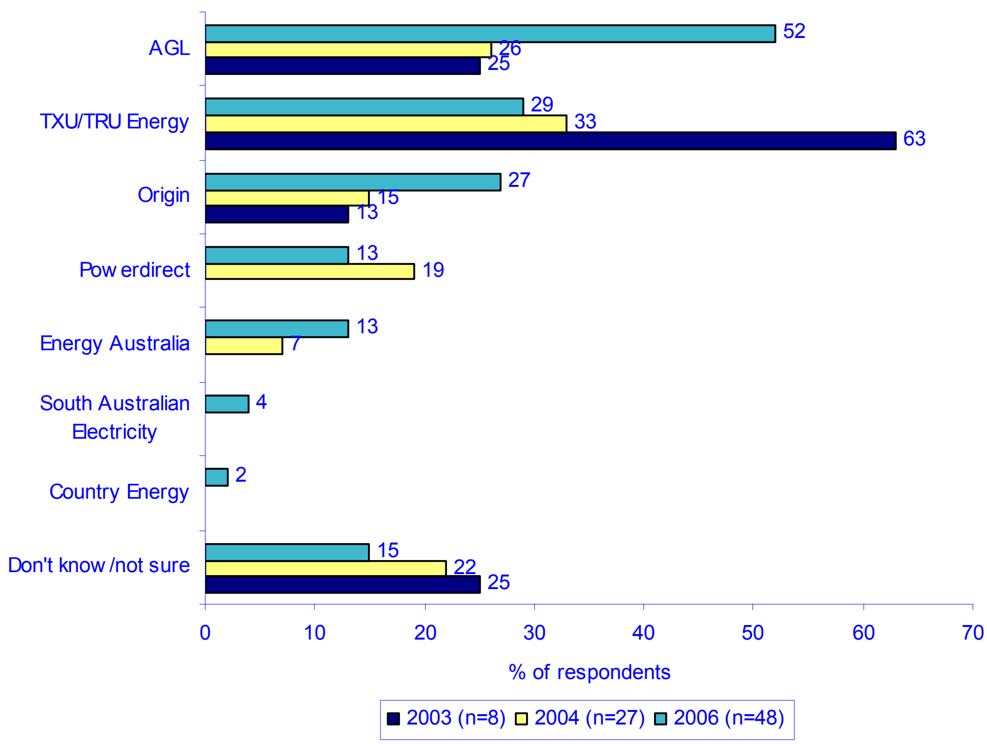
Electricity Retailer that was Approached

3.5.5 Those who had approached an electricity retailer were asked which retailer(s) they approached.

3.5.6 Given the small sample sizes for this question in all surveys (current n=48), 2004 (n=27) and 2003 (n=8) statistically significant comparisons are not possible, however, the results were:

- AGL (52%, up from 26% in 2004)
- TXU (29%, down from 33% in 2004)
- Origin (27%, up from 15% in 2004)
- Energy Australia (13%, up from 7% in 2004)
- Powerdirect (13%, down from 19% in 2004)

WHICH RETAILER OR RETAILERS DID YOU APPROACH? ANY OTHERS?



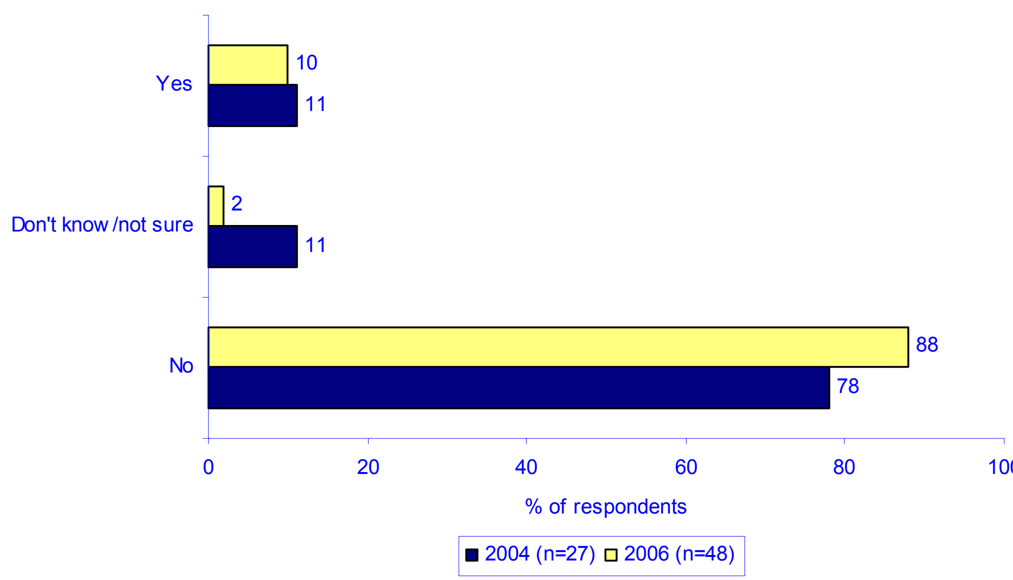
Incidence of Being Refused by the Electricity Retailer

3.5.7 Those who had approached an electricity retailer were asked if they were refused by the retailer.

3.5.8 Just 5 of the 48 businesses surveyed (10%) indicated that their approach to the retailer had been refused.

3.5.9 Contrastingly, 88% (up from 78%) indicated that their approach had not been refused, while a further 2% were unsure.

WERE YOU REFUSED BY THE RETAILER?



3.6 New Contracts

Incidence of Having Taken Out a Contract

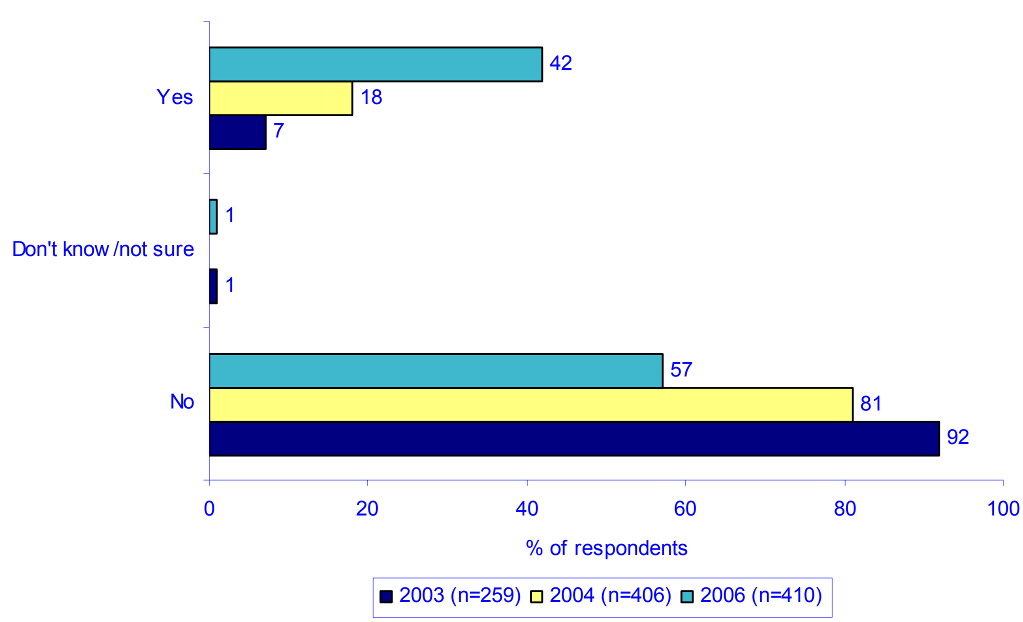
3.6.1 Those surveyed were asked if they had taken out a contract with an electricity retailer.

3.6.2 A significant increase was recorded with the proportion of businesses who had taken out a contract with an electricity retailer (42%, up from 18% in 2004). This result represents a continuing trend over the previous surveys.

3.6.3 As a result, the proportion of those surveyed who had not taken out a contract declined significantly from 81% in 2004 to 57% in this current Survey .

3.6.4 Not surprisingly, higher proportions of those who had received an offer of a contract (65%) had taken out a contract.

HAVE YOU TAKEN OUT A CONTRACT WITH AN ELECTRICITY RETAILER?



Ease of the Transfer Process

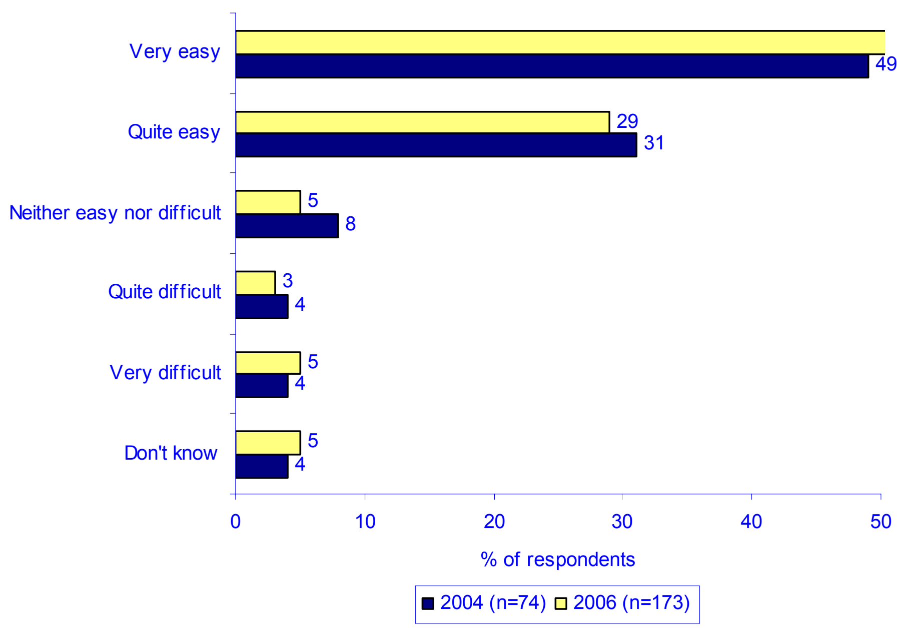
3.6.5 Those who had taken out a contract with an electricity retailer were asked to rate, on a 5 point scale, where 1 is very easy and 5 is very difficult, how easy was the transfer process.

3.6.6 Again, for the overwhelming majority of those who had taken out a contract (83%, up from 80% in 2004), the transfer process was easy, with over half (53%) indicating that the process was very easy.

3.6.7 Just 8% of these respondents considered the transfer process to be difficult.

3.6.8 There were no significant variances to these responses among the groups surveyed.

HOW EASY WAS THE TRANSFER PROCESS?



Previous Retailer

3.6.9 Those who had taken out a contract with an electricity retailer were asked to name their old or previous retailer.

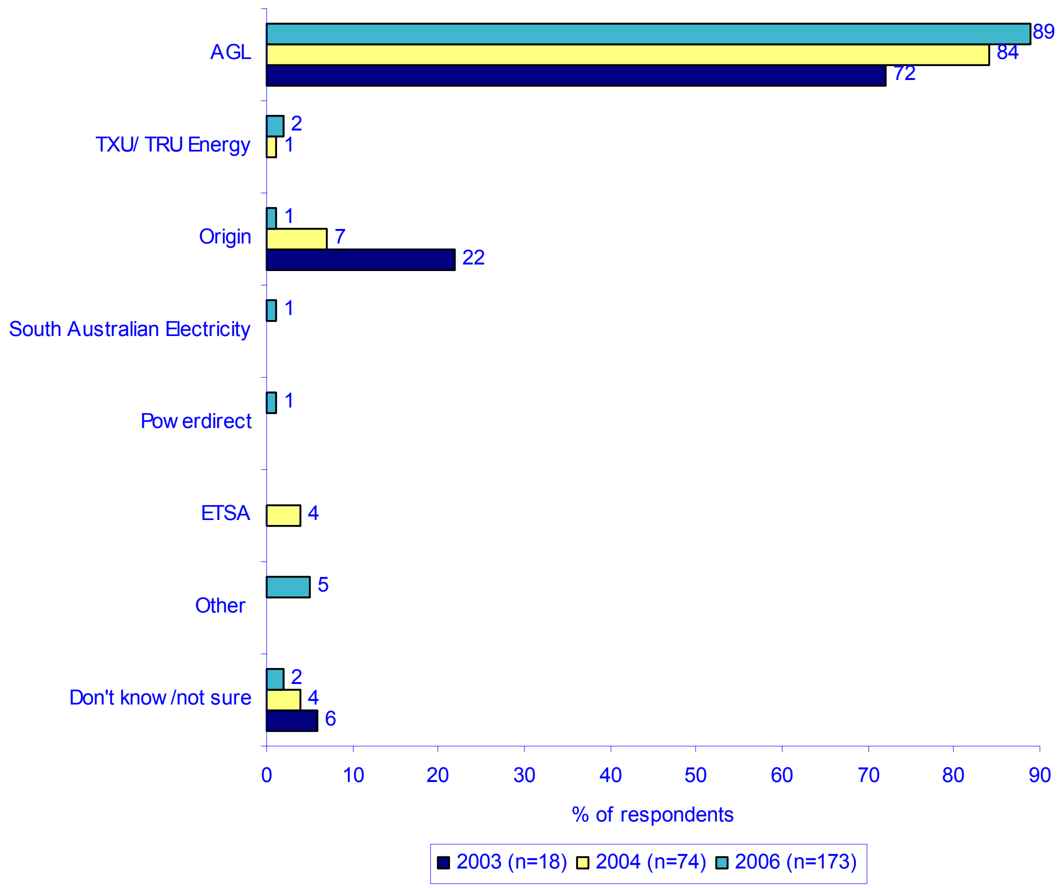
3.6.10 A high proportion (89%) of these businesses named AGL as their previous retailer, a marginal increase over the 84% recorded in the 2004 survey.

3.6.11 The other retailers named, albeit by significantly lower proportions, were:

- Origin (1%, steady decrease from the previous survey 7% recorded in 2004)
- South Australian Electricity (1%)
- TXU (2%, up from 1% in 2004)
- Powerdirect (1%)

3.6.12 There were no significant variances to these responses among the groups surveyed, however there was a higher incidence of regional businesses naming AGL as their previous retailer (96%).

WHAT WAS THE NAME OF YOUR OLD OR PREVIOUS RETAILER?



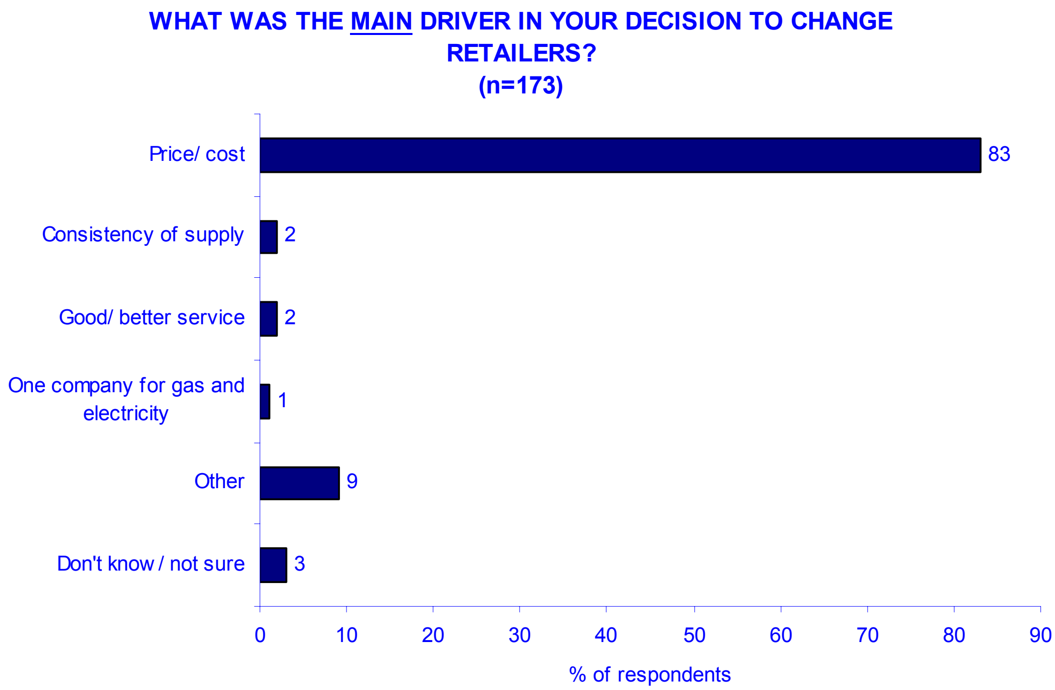
Main driver for changing retailers

3.6.13 Those who had taken out a contract were then asked what was the main driver behind their decision to change retailers.

3.6.14 The overwhelming response given for businesses was price/ cost (83%).

3.6.15 Consistency of supply and good / better service (both 2%) were also mentioned by a small number of respondents.

3.6.16 There was few variances amongst the groups surveyed.



Reasons for Not Taking Out a Contract

3.6.17 Those who had not taken out a contract were asked why they had not done so.

3.6.18 Many reasons for not having taken out a contract were identified, however, three main reasons emerged, namely:

- Happy with the current retailer (38%, up from 29% in 2004)
- Inadequate potential savings (12%, up from 9% in 2004)
- Insufficient information (11%, down from 22% in 2004)

3.6.19 Other reasons included:

- Waiting for better offers (8%, up from 7% in 2004)
- Have not had time/ too busy/ had not thought about it/ not a priority (8%)

- Lack of confidence in the new retailer (6%)

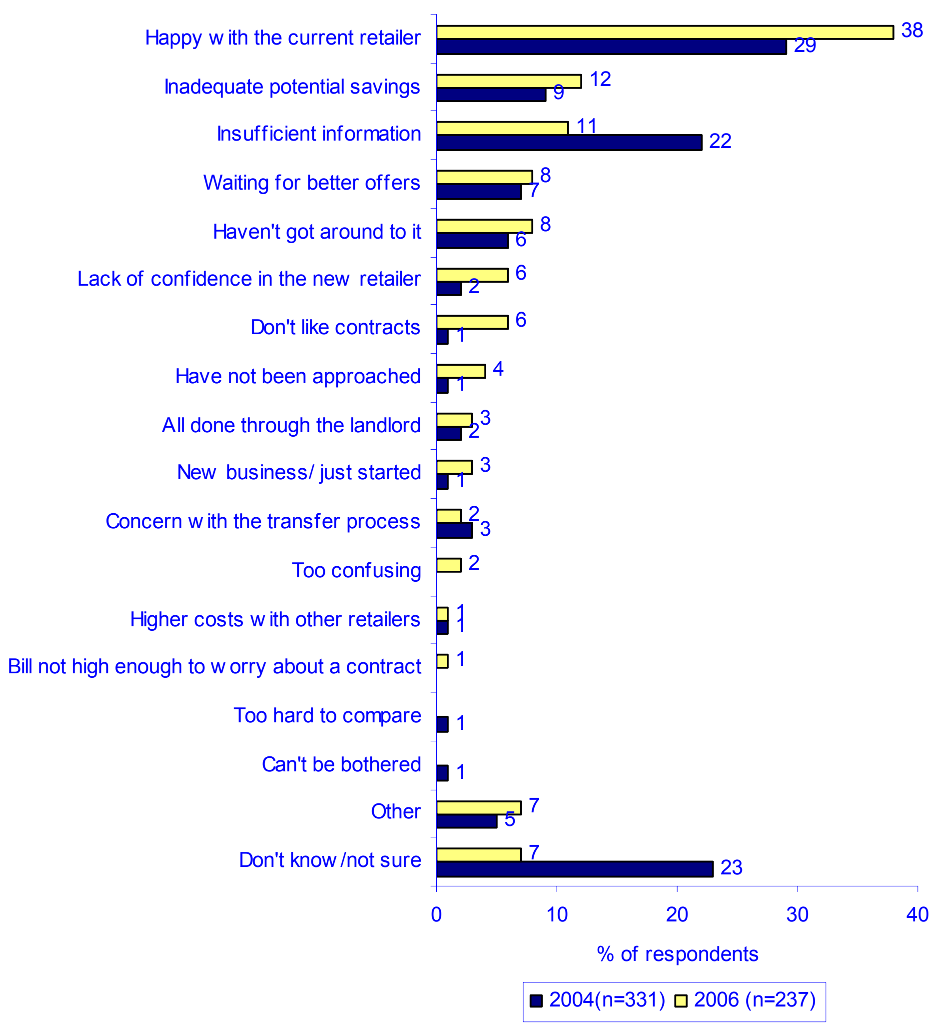
- Do not want to be locked into a contract/ do not like contracts (6%)

3.6.20 There were few variances to these responses among the groups surveyed, although:

- Happy with current retailer was more likely to be named by manufacturing wholesale businesses (50%).

- Inadequate potential savings was named by higher proportions of those living in metropolitan South Australia (16%).

WHY HAVEN'T YOU TAKEN OUT A CONTRACT?

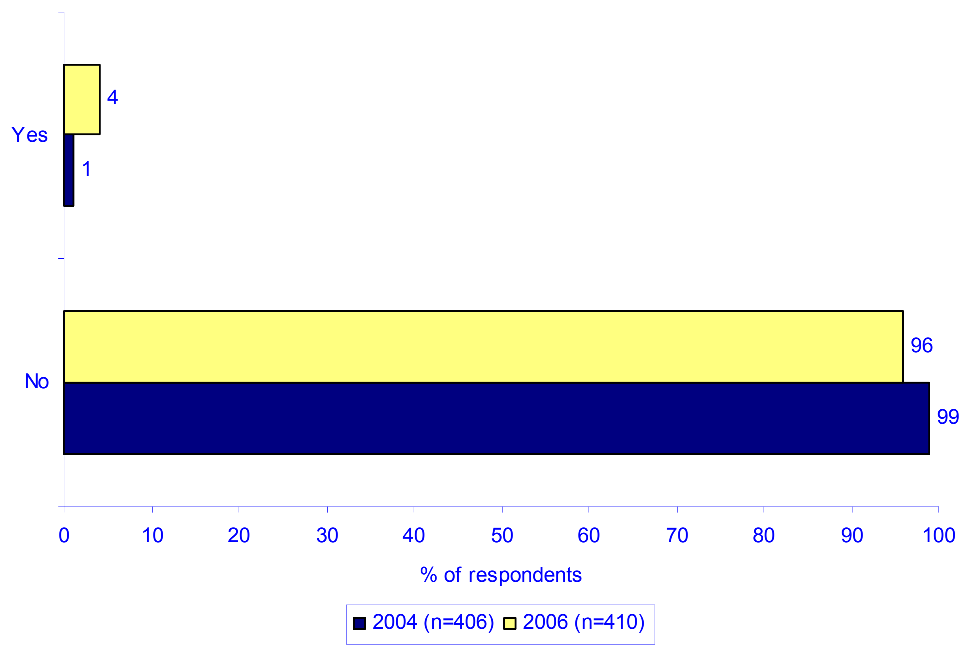


The Cooling Off Period

3.6.21 All respondents were asked if they, at any stage, had entered into a contract and used the cooling off period to cancel.

3.6.22 Just 4% of businesses (up from 1% in 2004) indicated that they had used the cooling off period to cancel a contract that they had entered into.

HAVE YOU, AT ANY STAGE, ENTERED INTO A CONTRACT AND USED THE COOLING OFF PERIOD TO CANCEL?



Likelihood of Taking Out a Contract in the Next Twelve Months

3.6.23 Those surveyed were then asked, in the next twelve months, how likely is it, that you will take out a contract with your current electricity supplier, or switch to another electricity retailer.

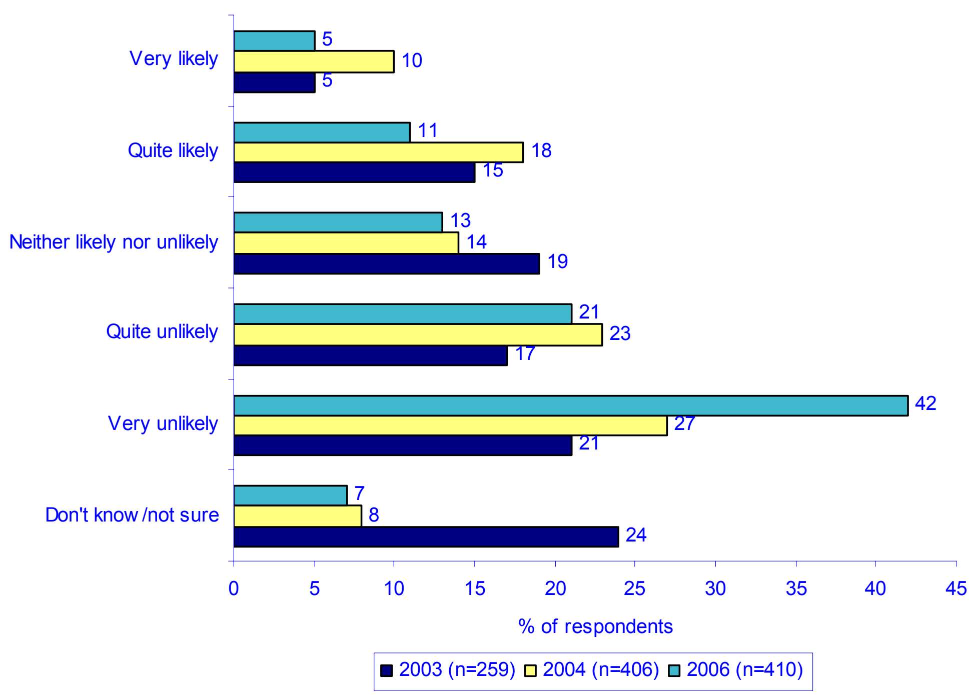
3.6.24 In relation to taking out a contract with an electricity retailer in the next twelve months, 17%, (down from 28% in 2004) indicated that they would be likely to do so. There was a corresponding increase in the proportion who indicated that they would be unlikely to do so – 64%, up from 49% in the 2004 Survey .

3.6.25 These changes occurred mainly as a result of the significant increase in the proportion of businesses who indicated they had taken out a contract from the previous survey. These results follow:

- Very likely (5%, down from 10% in 2004),
- Quite likely (11%, down from 18% in 2004)
- Neither likely nor unlikely (13%, down from 14% in 2004)
- Quite unlikely (21%, down from 23% in 2004)
- Very unlikely (42%, up from 27% in 2004)
- Do not know/not sure (7%, down from 8% in 2004)

3.6.26 There were few significant differences to these responses among the groups surveyed.

IN THE NEXT TWELVE MONTHS, HOW LIKELY IS IT THAT YOU WILL TAKE OUT A CONTRACT WITH YOUR CURRENT ELECTRICITY SUPPLIER OR SWITCH TO ANOTHER ELECTRICITY RETAILER?



3.7 Important Factors in Switching Retailers

3.7.1 Businesses were asked to rate, on a scale of 1 to 5, where 5 is very important and 1 is not at all important, the importance of a number of factors in relation to the decision to switch retailers. It is generally considered that an average rating of 3.5 is important, 4.0 is very important and 4.5 or above is extremely important.

3.7.2 Based on these parameters, there was an extremely high level of importance attributed to price, a very high level of importance attributed to supply, and a relatively low level of importance attributed to having both contracts with the one retailer. These responses were similar for both electricity and gas retailers, as outlined:

- Price - average rating (4.6, up from 4.7 in 2004)
- Supply - average rating (4.3 unchanged from 2004)
- The level of customer service – average rating (4.0 and gas 4.2 - not asked in 2004)
- Having both contracts with the one supplier - average rating (2.8, up from 2.4 in 2004)

3.8 Information

Incidence of Looking for Information

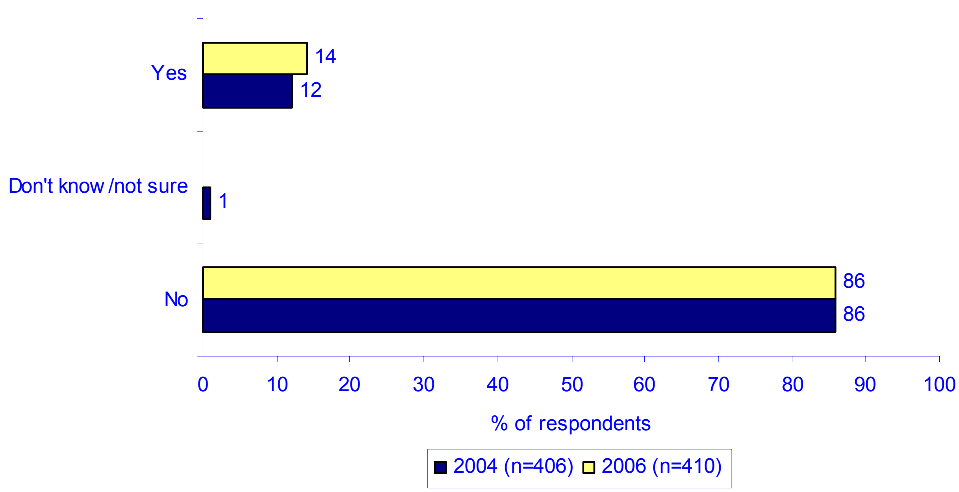
3.8.1 Those surveyed were asked if they had looked for any information to assist them in making a decision about moving to a market contract with an electricity supplier, whether they had taken out a contract or not.

3.8.2 A relatively small proportion (14%) of respondents indicated that they had looked for such information, compared to the overwhelming majority (86%) who had not. This was in line with the previous survey in 2004.

3.8.3 There were higher incidences of having looked for any information among the following groups:

- Those who had taken out a contract with an electricity retailer (21%), compared to those who had not (9%)
- Those who had received an offer of a contract from an electricity retailer (19%), compared to those who had not (8%)

HAVE YOU LOOKED FOR ANY INFORMATION TO ASSIST YOU IN MAKING A DECISION ABOUT MOVING TO A MARKET CONTRACT WITH AN ELECTRICITY SUPPLIER, WHETHER YOU HAVE TAKEN OUT A CONTRACT OR NOT?



Sources of Information

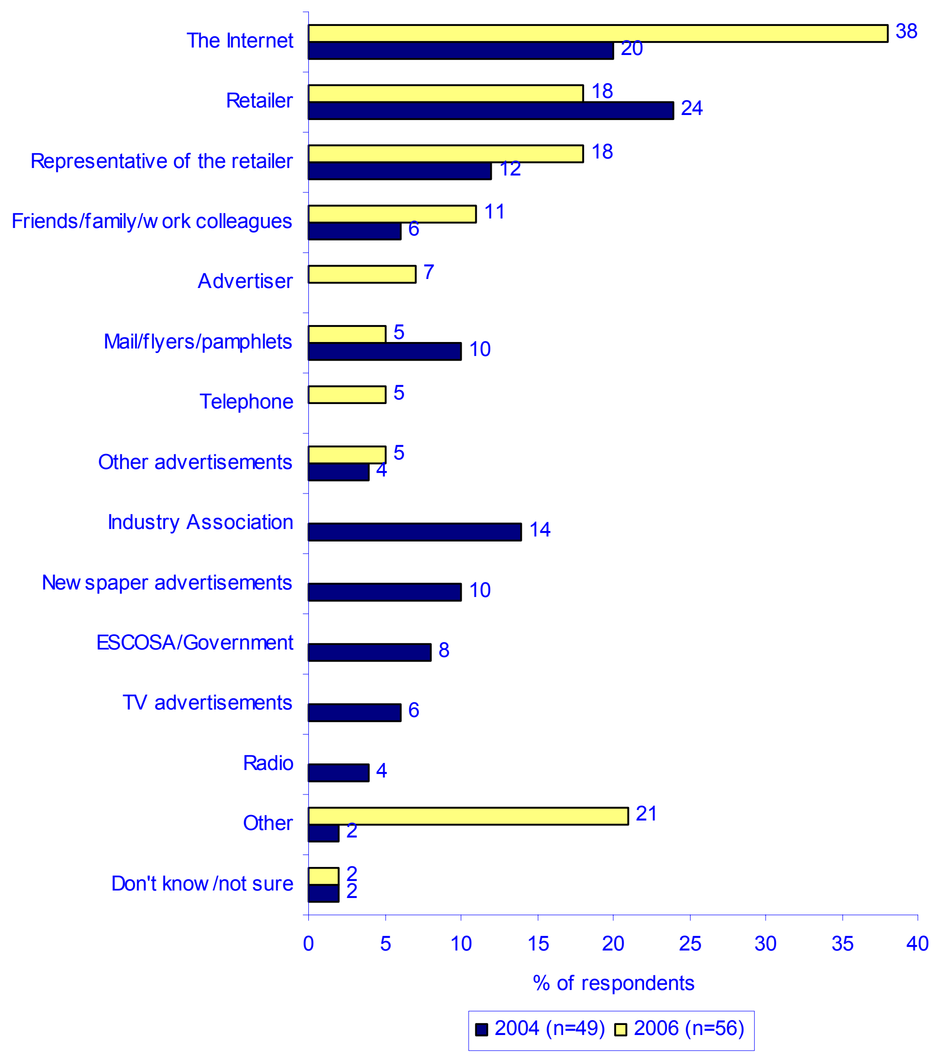
3.8.4 Those who had looked for information to assist the decision making process were asked what was the source of their information.

3.8.5 Among this relatively small group (56 respondents), the main sources of information named, included:

- The Internet (38%, up from 20% in 2004)
- Representative of the retailer (18%, up from 12% in 2004)
- The retailer (18%, up from 24% in 2004)
- Friends/family/work colleagues (11%, up from 6% in 2004)

3.8.6 There were no significant variances to these responses among the groups surveyed.

WHAT WAS THE SOURCE OF THIS INFORMATION?



Ease of Obtaining Information

3.8.7 Those who had looked for information to assist the decision making process were asked to rate, on a 5 point scale, where 1 is very easy and 5 is very difficult, how easy was it was to obtain the information.

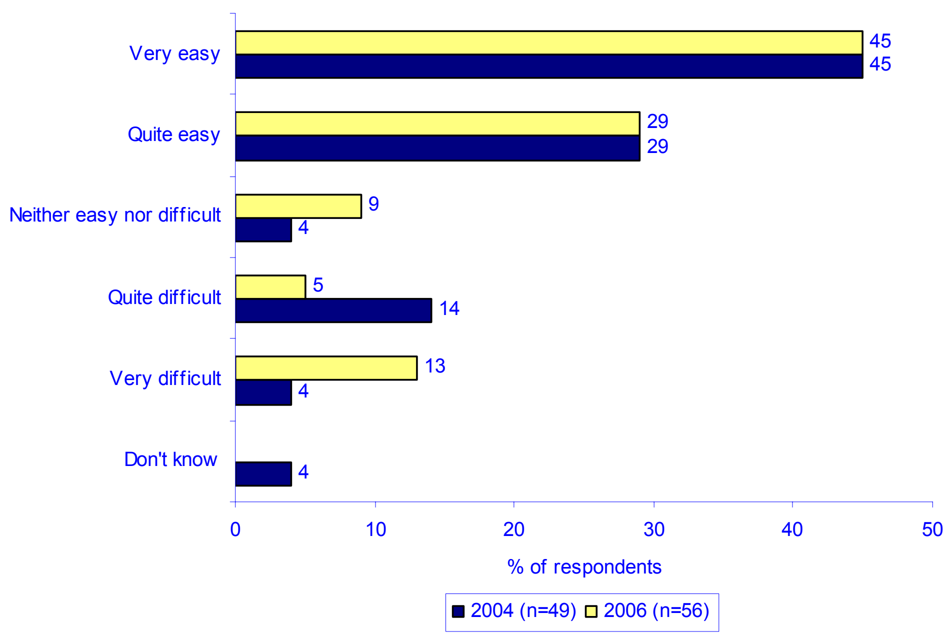
3.8.8 Almost three quarters (73%) of those that had sought information stated that the information was easy to obtain. This compares to 18% who indicated that this information was difficult to obtain. This result was in line with the previous Survey .

3.8.9 The scaled responses follow:

- Very easy (45%, unchanged from 2004)
- Quite easy (29%, unchanged from 2004)
- Neither easy nor difficult (9%, up from 4% in 2004)
- Quite difficult (5%, down from 14% in 2004)
- Very difficult (13%, up from 4% in 2004)

3.8.10 There were no significant variances to these responses among the groups surveyed.

HOW EASY WAS IT TO OBTAIN THE INFORMATION?



Ease of Understanding the Information and Comparing Offers

3.8.11 Those who had looked for information to assist the decision making process were asked to rate, on a 5 point scale, where 1 is very easy and 5 is very difficult, how easy was it to understand the information and compare offers.

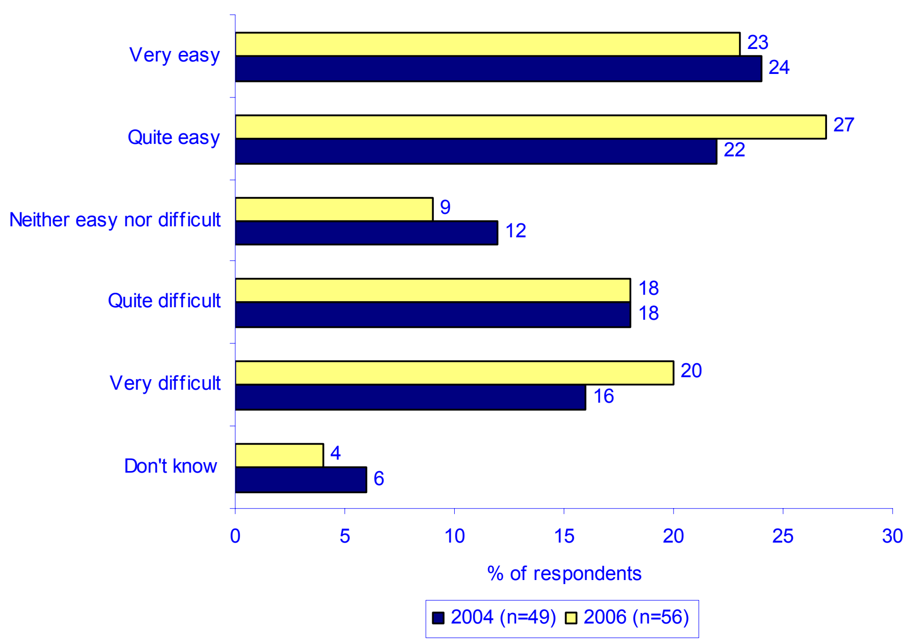
3.8.12 There was a mixed response to this question, with half (50%) indicating that it was easy to understand the information and compare offers, compared to over one third (38%) who indicated that it was not. This result was also similar to what was recorded in 2004.

3.8.13 The scaled responses are outlined below:

- Very easy (23%, down from 24% in 2004)
- Quite easy (27%, up from 22% in 2004)
- Neither easy nor difficult (9%, down from 12% in 2004)
- Quite difficult (18% unchanged from 2004)
- Very difficult (20%, up from 16% in 2004)

3.8.14 There were no significant variances to these responses among the groups surveyed.

HOW EASY WAS IT TO UNDERSTAND THE INFORMATION AND COMPARE OFFERS?



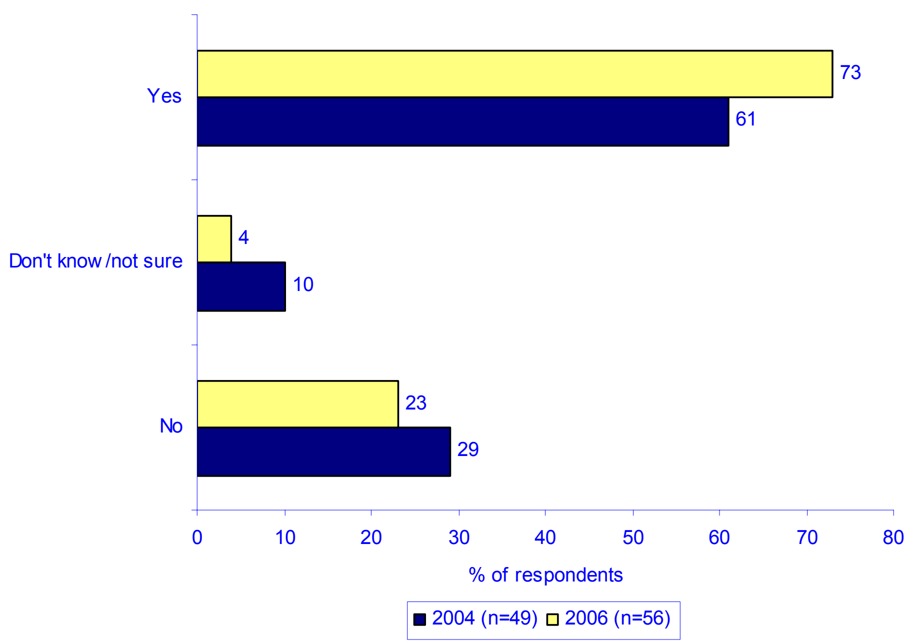
Ability to Make an Informed Choice

3.8.15 Those who had looked for information to assist the decision making process were asked if the were able to obtain sufficient information to make an informed choice.

3.8.16 Almost three quarters (73%) of this group indicated that they were able to obtain sufficient information to make an informed choice, compared to 23% who stated that were not. A further 4% indicated that they were unsure. This result shows a slight increase from the previous survey where 61% indicated they were able to obtain sufficient information, as outlined in the graph.

3.8.17 Again, there were no significant variances to these responses among the groups surveyed.

WERE YOU ABLE TO OBTAIN SUFFICIENT INFORMATION TO MAKE AN INFORMED CHOICE?

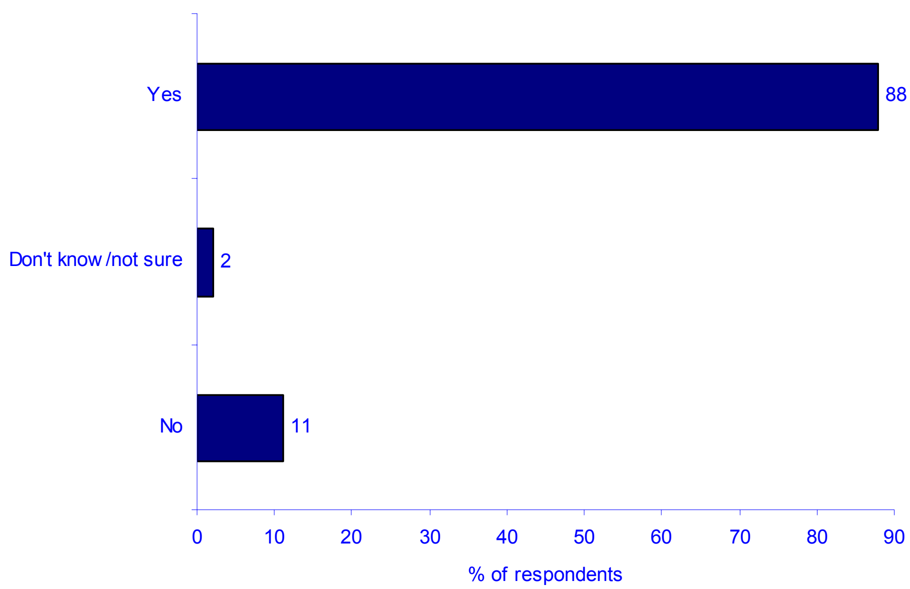


Importance of Information in making decision to switch retailers

3.8.18 Those who had sought information to assist the decision making process were then asked whether they considered the information they obtained important in regards to making their decision to switch retailers.

3.8.19 The vast majority of those surveyed indicated that the information was important (88%), while 11% did not.

WAS THE INFORMATION IMPORTANT TO YOU IN MAKING YOUR DECISION TO SWITCH RETAILERS? (n=56)



3.9 Understanding Bills

3.9.1 Those surveyed were read two statements relating to the format of electricity bills and asked to rate, on a scale of 1 to 5, where 5 is strongly agree and 1 is strongly disagree, their level of agreement with these statements. It is generally considered that an average rating of 3.5 represents a reasonably high level of agreement, 4.0 a very high level of agreement and 4.5 or above an extremely high level of agreement.

3.9.2 There was a very high level of agreement with the statement concerning electricity bills being easy to understand - average rating of 4.2.

3.9.3 There were reasonably high levels of agreement for the statement that the information contained in electricity bills enabling comparisons with other retailer's offers, with an average rating of 3.5.

Section 4
Gas

This Section outlines the key findings of the gas research.

Please note that these results reflect the findings from the relatively small sample of 58 businesses that used reticulated natural gas in their business.

As a result of this small sample size, no variations to the responses identified in this Section of the report have been identified as statistically significant.

For further analysis please refer to the Computer Tabulations.

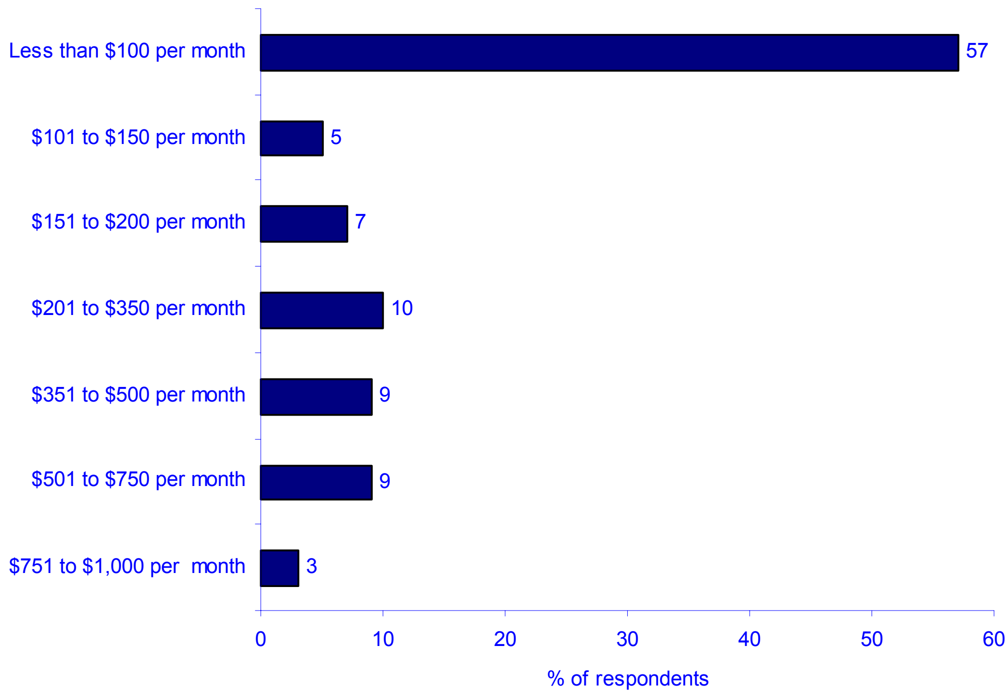
4.1 Gas Consumption

4.1.1 Those surveyed were asked what was their approximate average consumption of gas as represented by their average quarterly bill.

4.1.2 Over half (57%, up from 50% in 2004) of the businesses surveyed indicated that their approximate average consumption of gas was less than $100 per month. The other ranges of gas usage identified were:

- $101 to $150 per month (5%, down from 16% in 2004)
- $151 to $200 per month (7%, down from 8% in 2004)
- $201 to $350 per month (10% unchanged from 2004)
- $351 to $500 per month (9%, up from 2% in 2004)
- $501 to $750 per month (9%, up from 6% in 2004)
- $751 to $1,000 per month (3%, down from 8% in 2004)

WHAT IS YOUR APPROXIMATE AVERAGE CONSUMPTION OF GAS AS REPRESENTED BY YOUR AVERAGE QUARTERLY BILL? (n=58)



4.2 *Awareness of Choice of Gas Retailer*

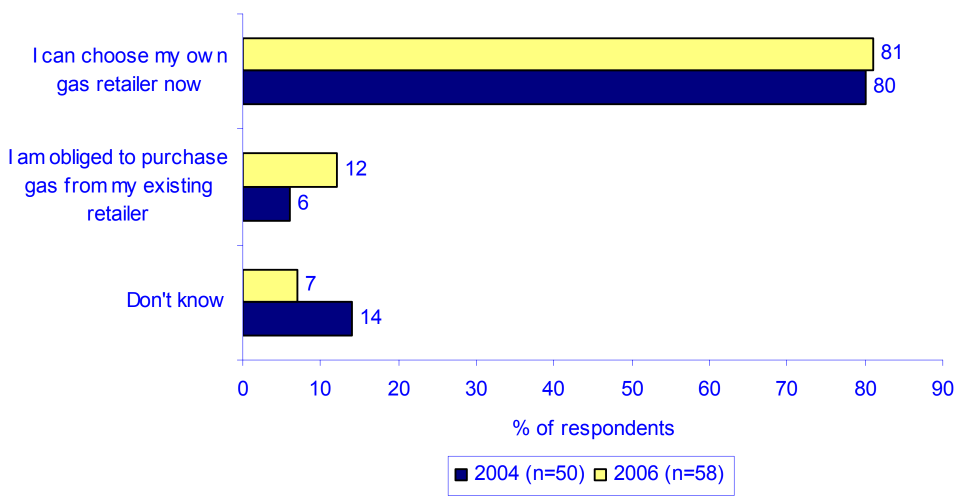
4.2.1 Respondents were initially read two statements and asked to indicate which they thought to be correct. These statements were:

- I can choose my own gas retailer now
- I am obliged to purchase gas from my existing retailer

4.2.2 Awareness of the ability to choose one's own retailer remained high, named by 81% of those surveyed (down from 80% in 2004).

4.2.3 Of the businesses surveyed 12% indicated that they were obliged to purchase gas from their existing retailer, this was an increase over the previous survey in 2004 where 6% was recorded. A further 7% (down from 14% in 2004) stated that they did not know.

AS FAR AS YOU ARE AWARE, WHICH OF THE FOLLOWING APPLIES?



4.3 Gas Retailers

Gas Retailers Currently Used

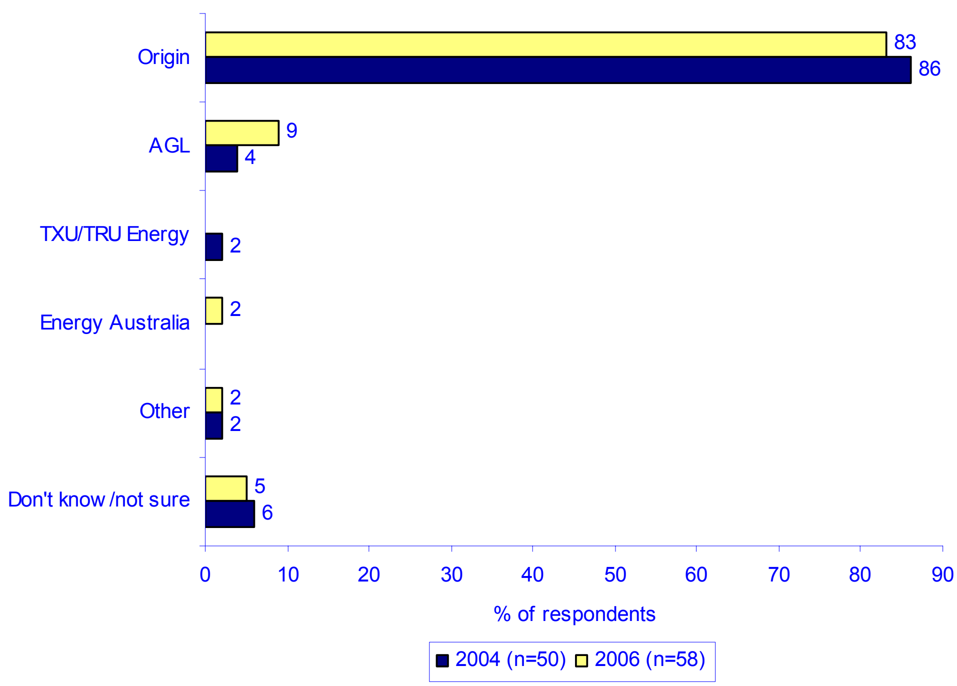
4.3.1 Those surveyed were asked from which company they currently purchased their gas.

4.3.2 Origin, again was named by the overwhelming majority (83%, down from 86% in 2004) of businesses as the company from which they currently purchased their gas.

4.3.3 The other responses were:

- AGL (9%, up from 4% in 2004)
- Energy Australia (2% not named in 2004)

WHICH COMPANY DO YOU CURRENTLY BUY GAS FROM?



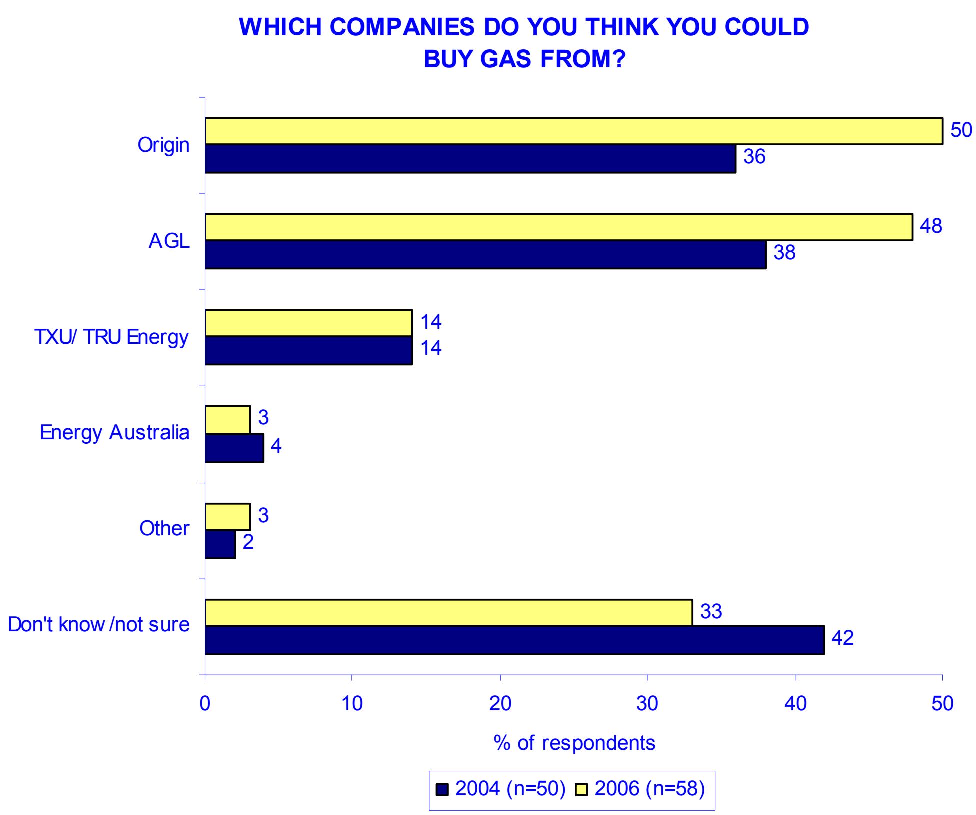
Gas Retailers Which Could be Used

4.3.4 Respondents were then asked to identify the gas companies from which they thought they could buy gas.

4.3.5 AGL and Origin were clearly the most common responses, as outlined:

- Origin (50%, up from 36% in 2004)
- AGL (48%, up from 38% in 2004)
- TXU (14%, unchanged from 2004)
- Energy Australia (3%, down from 4% in 2004)

However, a third of respondents (33%) were unsure who they could purchase gas from.



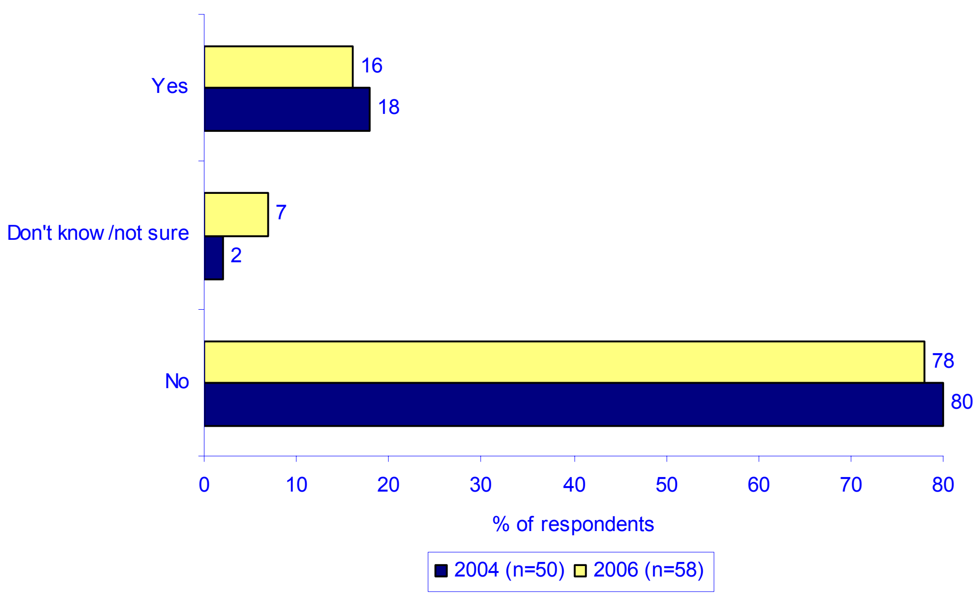
4.4 Offers of Contract

Incidence of Receiving an Offer of a Gas Contract

4.4.1 Those surveyed were asked if they had received an individual offer of a contract from any gas retailer, including their existing retailer, to sell them gas.

4.4.2 A relatively small proportion of (16%) businesses surveyed had received an individual offer of a contract from a gas retailer, compared to the overwhelming majority (78%) who had not. This result was in line with the previous survey.

HAVE YOU RECEIVED AN OFFER OF A CONTRACT FROM ANY GAS RETAILER, INCLUDING YOUR EXISTING RETAILER, FOR THEM TO SELL YOU GAS?

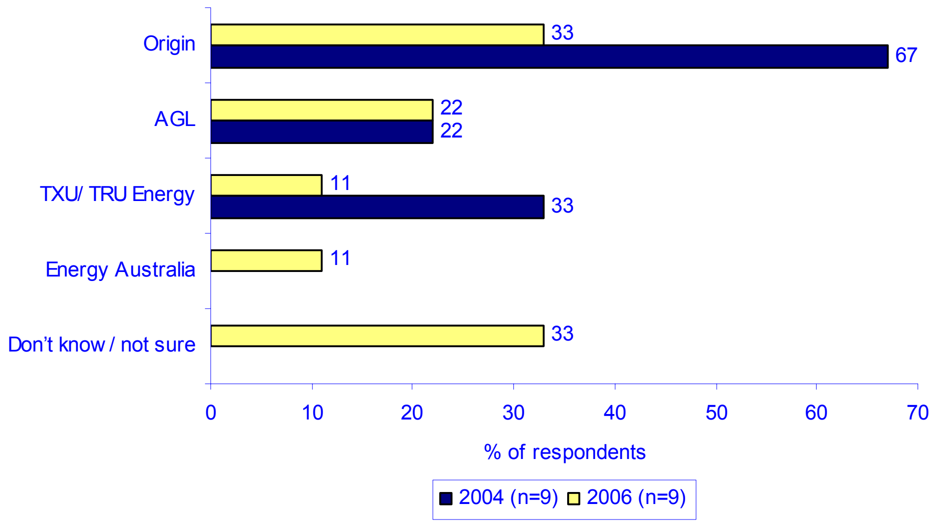


Gas Retailer from Whom the Offer was Received

4.4.3 Those who had received an offer of a contract were asked which retailer(s) they had received such an individual offer from.

4.4.4 Of this small number of respondents (n=9), one third (33%) named Origin, while AGL (22%), TXU (11%) and AGL (11%) were also named.

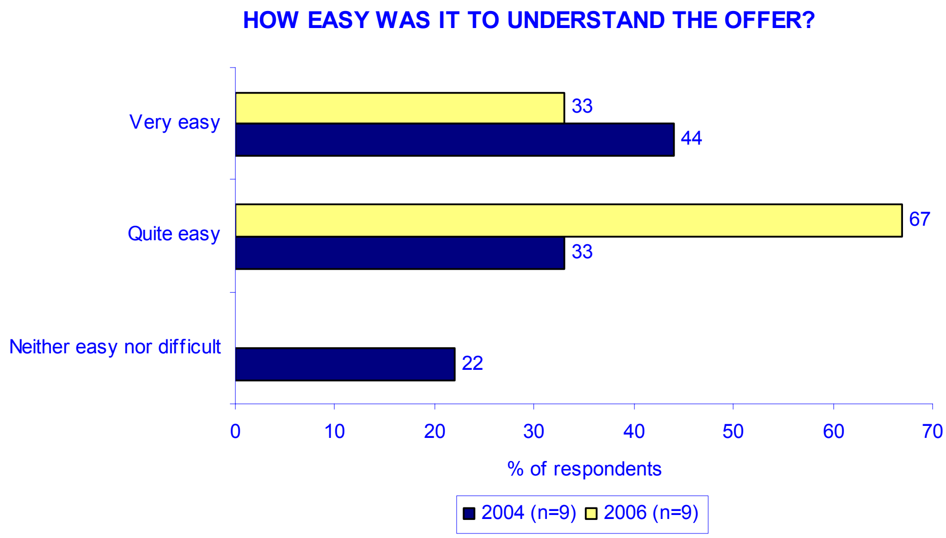
WHICH REATILER OF RETAILERS DID YOU RECEIVE SUCH AN OFFER FROM? ANY OTHERS?



Ease of Understanding the Offer

4.4.5 Those who had received an offer of a contract were asked how easy it was to understand the offer.

4.4.6 All (100%) of this small group indicated that it was easy to understand the offer they had received - 33% very easy and 67% quite easy.


HOW EASY WAS IT TO UNDERSTAND THE OFFER?
Very easy
33
44
Quite easy
67
33
Neither easy nor difficult
22
0
10
20
30
40
50
60
70
% of respondents
2004 (n=9)
2006 (n=9)

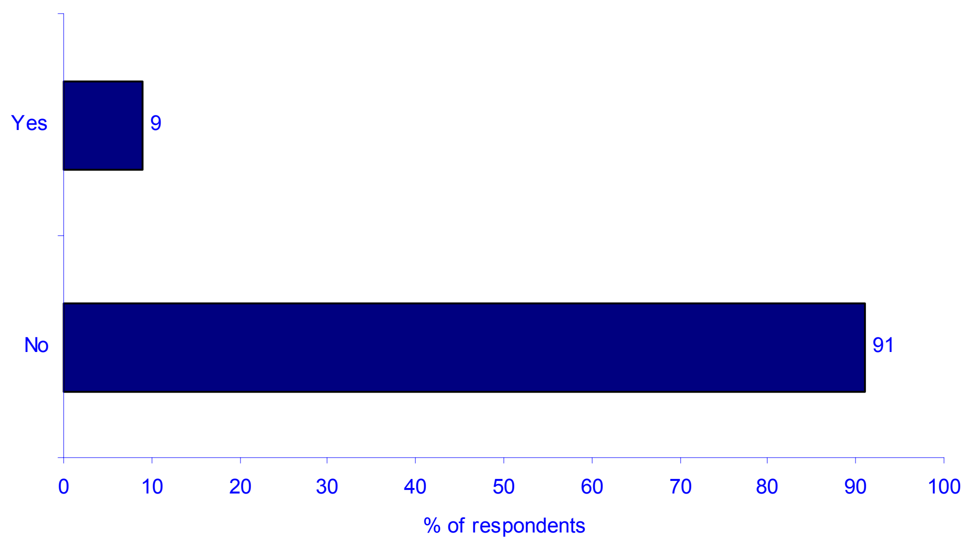
4.5 Approaching Gas Retailers

Incidence of Approaching Gas Retailers About Purchasing Gas

4.5.1 Respondents were asked if they had approached any gas retailer(s), including their existing retailer, to ask about buying gas from them.

4.5.2 Just 9% of businesses surveyed had approached any gas retailer(s).

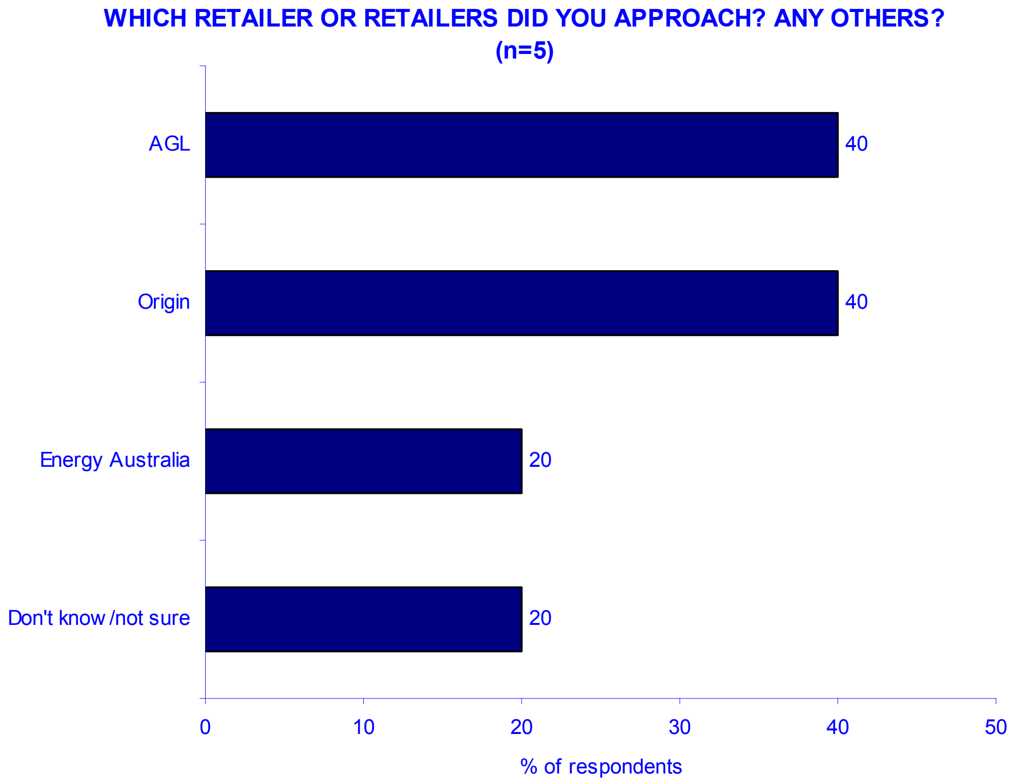
HAVE YOU APPROACHED A GAS RETAILER OR RETAILERS, INCLUDING YOUR EXISTING RETAILER, TO ASK ABOUT BUYING GAS FROM THEM? (n=58)



Retailers Approached

4.5.3 Those respondents who had approached a gas retailer(s) were then asked which gas retailer(s) had they approached, to ask about buying gas from them.

4.5.4 Of this small group, AGL (40%), Origin (40%) and Energy Australia (20%) were named.

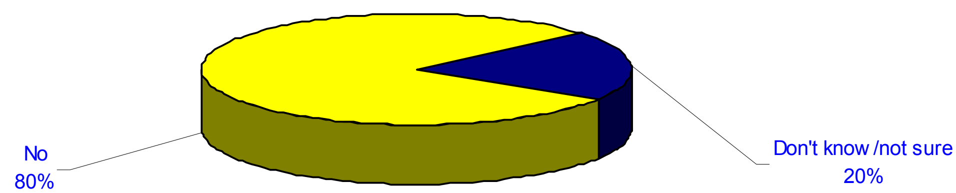


Incidence of Being Refused by the Gas Retailer

4.5.5 Those respondents who had approached a gas retailer(s) were then asked whether they had been refused by the retailer.

4.5.6 Of this small group, 80% were not refused by the retailer, while 20% (or 1 respondent) was unsure.

WERE YOU REFUSED BY THE RETAILER?
(n=5)



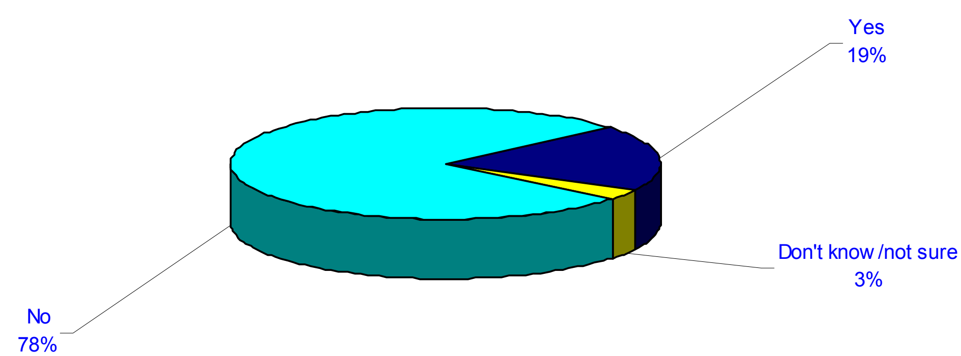
4.6 New Contracts

Incidence of Having Taken Out a Contract

4.6.1 Those surveyed were asked if they had taken out a contract with a gas retailer.

4.6.2 A fifth (19%, up from 10% in 2004) of respondents indicated that they had taken out such a contract. The great majority (78%, down from 88% in 2004), however, had not.

HAVE YOU TAKEN OUT A CONTRACT WITH A GAS RETAILER?
(n=58)

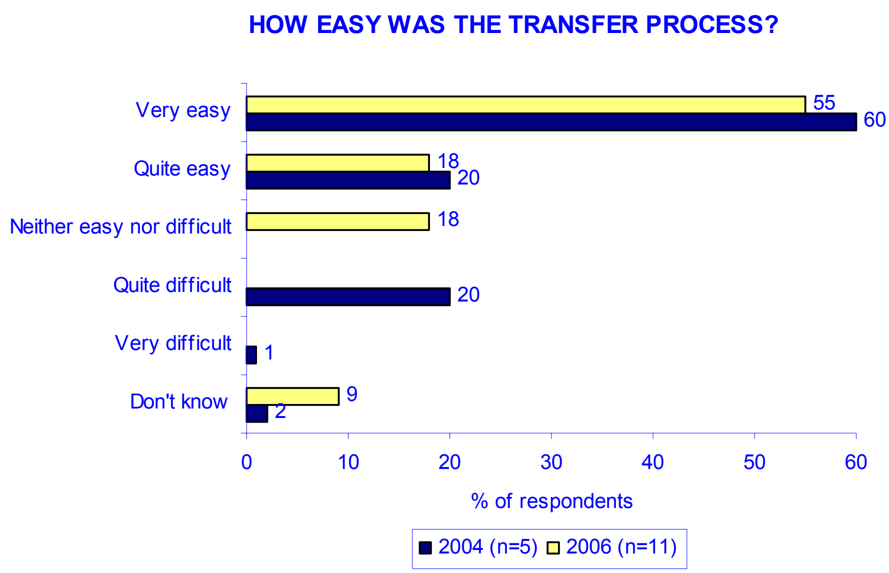


Ease of the Transfer Process

4.6.3 Those who had taken out a contract with a gas retailer were asked to rate, on a 5 point scale, where 1 is very easy and 5 is very difficult, how easy was the transfer process.

4.6.4 Three quarters (73%) of those surveyed who had taken out a gas contract with a retailer indicated that the transfer process was easy. The scaled responses were, as outlined:

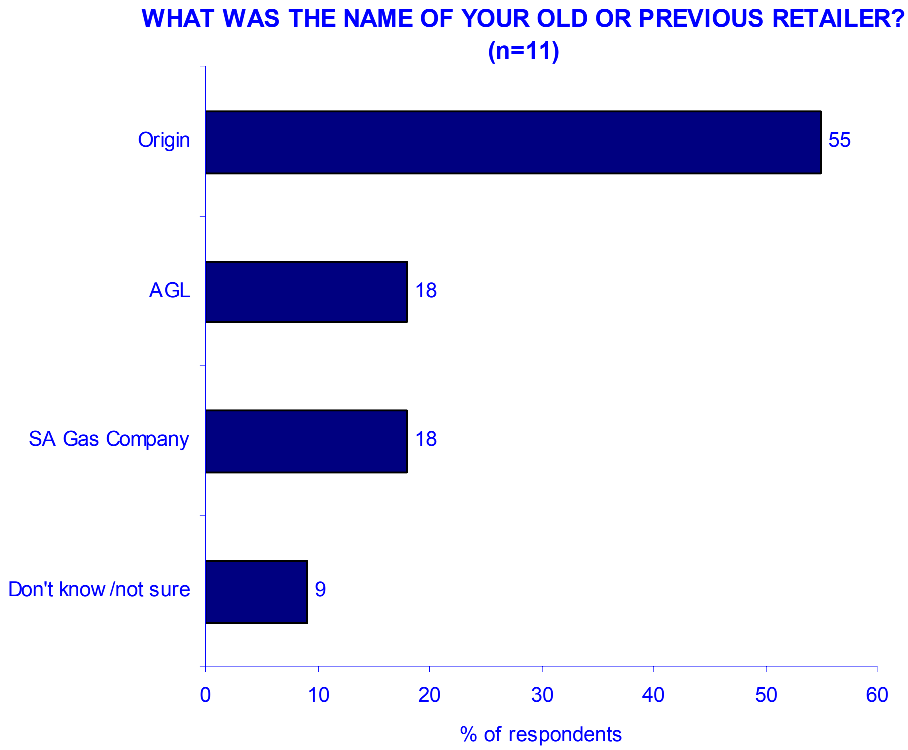
- Very easy (55%)
- Quite easy (18%)
- Neither easy nor difficult (18%)
- Unsure (9%)



Previous Retailer

4.6.5 Those who had taken out a contract with a gas retailer were asked to name their old or previous retailer.

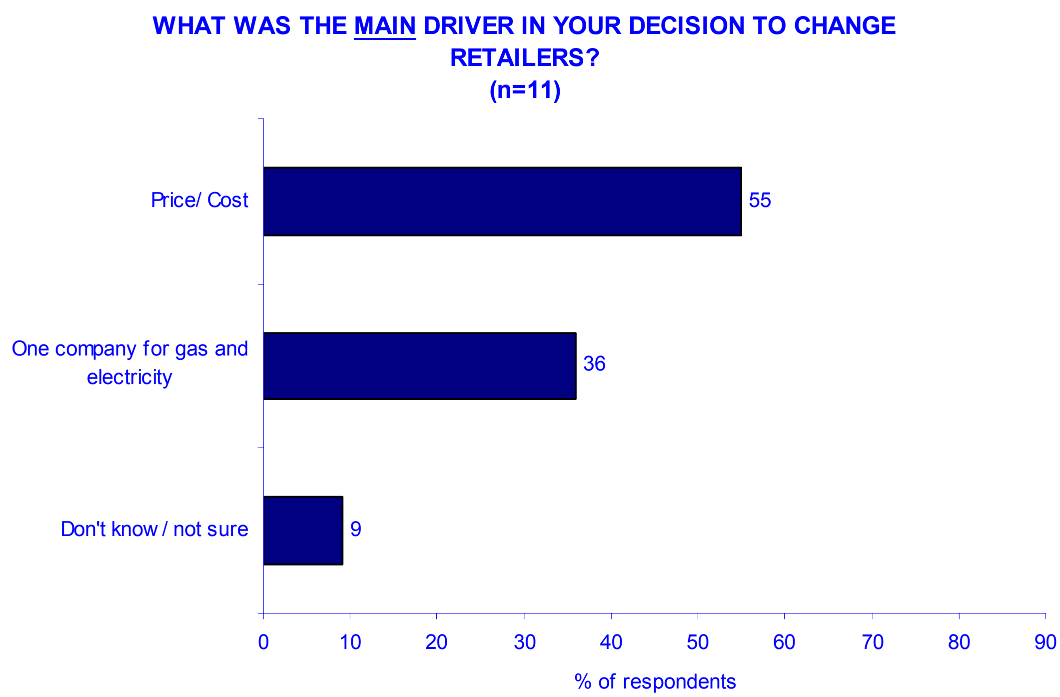
4.6.6 Of this small group, 55% indicated that their previous retailer was Origin, followed by (18%) AGL, and the SA Gas Company (18%).



Main driver in changing retailers

4.6.7 Those surveyed who had taken out a contract were then asked what was the main driver in their decision to change retailers.

4.6.8 Amongst this small group, price / cost was the main response (55%), while having one company for gas and electricity was also (36%) a consideration.



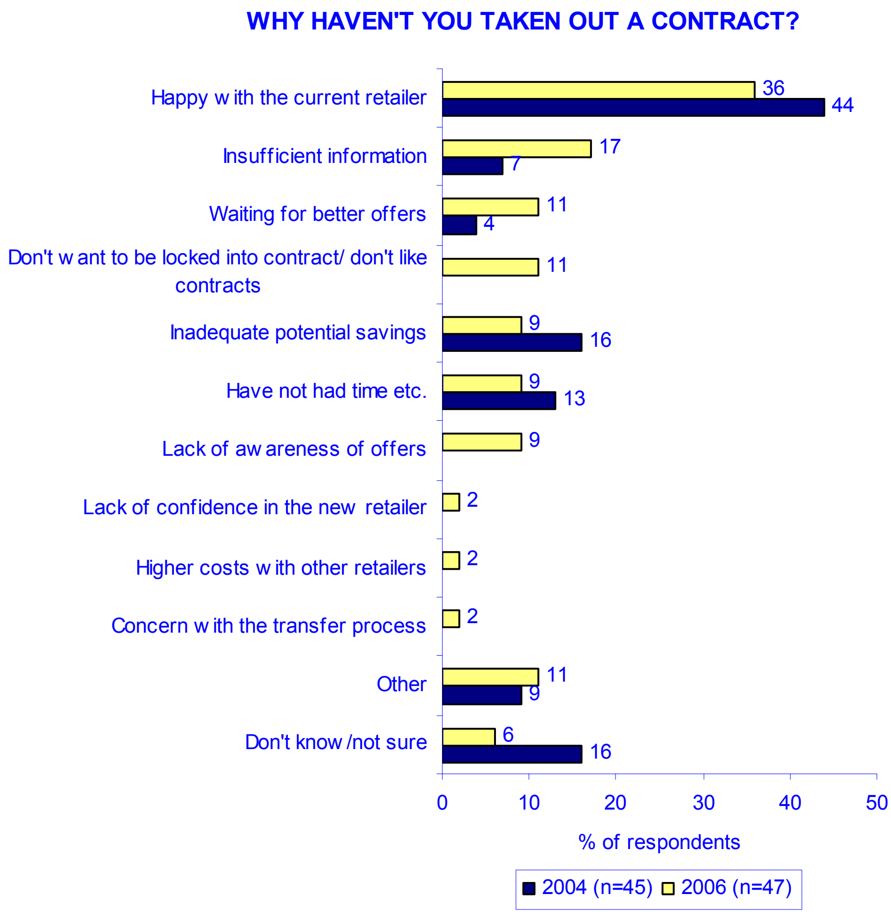
Reasons for Not Taking Out a Contract

4.6.9 Those who had not taken out a contract were asked why they had not done so.

4.6.10 Over a third (36%, down from 44% in 2004) of these respondents indicated that they were happy with their current retailer. Other reasons were:

- Insufficient information (17%, up from 7% in 2004)
- Waiting for better offers (11%, up from 4% in 2004)
- Do not want to be locked into a contract/ do not like contracts (11%, not mentioned in 2004)
- Inadequate potential savings (9%, down from 16% in 2004)
- Have not had time/ too busy/ had not thought about / not a priority (9%, down from 13% in 2004)

➢ Lack of awareness of offers (9%, not mentioned in 2004)



The Cooling Off Period

4.6.11 All respondents were asked if they, at any stage, had entered into a contract and used the cooling off period to cancel.

4.6.12 None of those surveyed had taken out a contract and used the cooling off period to cancel.

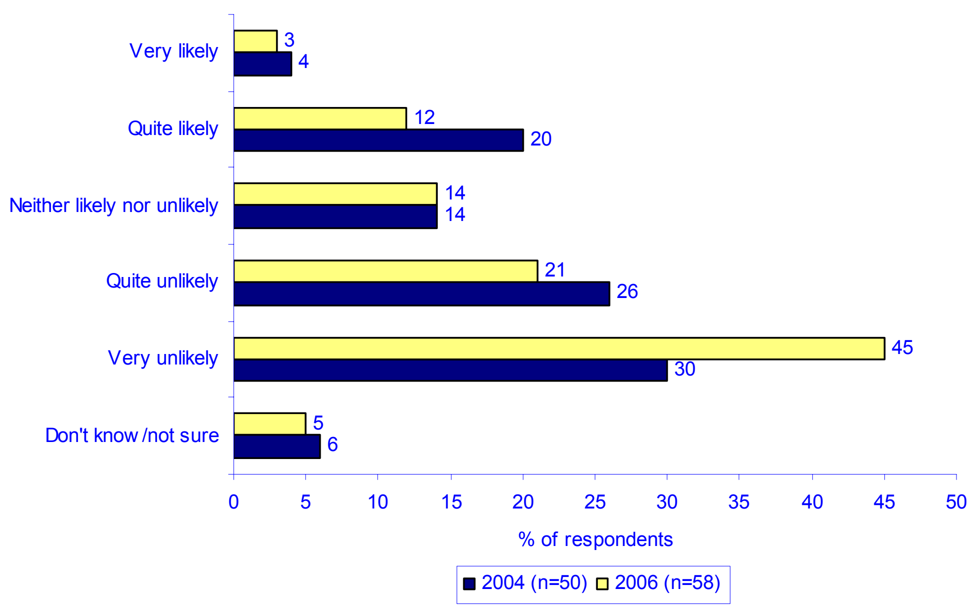
Likelihood of Taking Out a Contract in the Next Twelve Months

4.6.13 Those surveyed were then asked, in the next twelve months, how likely is it, that you will take out a contract with your current gas supplier, or switch to another gas retailer.

4.6.14 The proportion of respondents indicated that they would be likely to take out a contract dropped to 16%, from 24% in 2004. This compared to two thirds (66%, up from 56% in 2004) who indicated it would not be likely. The scaled responses were as follows:

- Very likely (3%, down from 4% in 2004)
- Quite likely (12%, down form 20% in 2004)
- Neither likely nor unlikely (14% unchanged from 2004)
- Quite unlikely (21%, down from 26% in 2004)
- Very unlikely (45%, up from 30% in 2004)

IN THE NEXT TWELVE MONTHS, HOW LIKELY IS IT THAT YOU WILL TAKE OUT A CONTRACT WITH YOUR CURRENT GAS SUPPLIER OR SWITCH TO ANOTHER GAS RETAILER?



4.7 Important Factors in Switching Retailers

Gas Retailers

4.7.1 Businesses were asked to rate, on a scale of 1 to 5, where 5 is very important and 1 is not at all important, the importance of a number of factors in relation to the decision to switch retailers. It is generally considered that an average rating of 3.5 is important, 4.0 is very important and 4.5 or above is extremely important.

4.7.2 Based on these parameters, there was an extremely high level of importance attributed to price, a very high level of importance attributed to supply as with the level of customer service. The importance attributed to having both contracts with the one retailer, showed mixed results. As outlined:

- Price - average rating (4.7, up from 4.5 in 2004)
- Supply - average rating (4.4 up from 4.3 in 2004)
- The level of customer service – average rating (4.2 - not asked in 2004)
- Having both contracts with the one supplier - average rating (3.0, down from 3.3 in 2004)

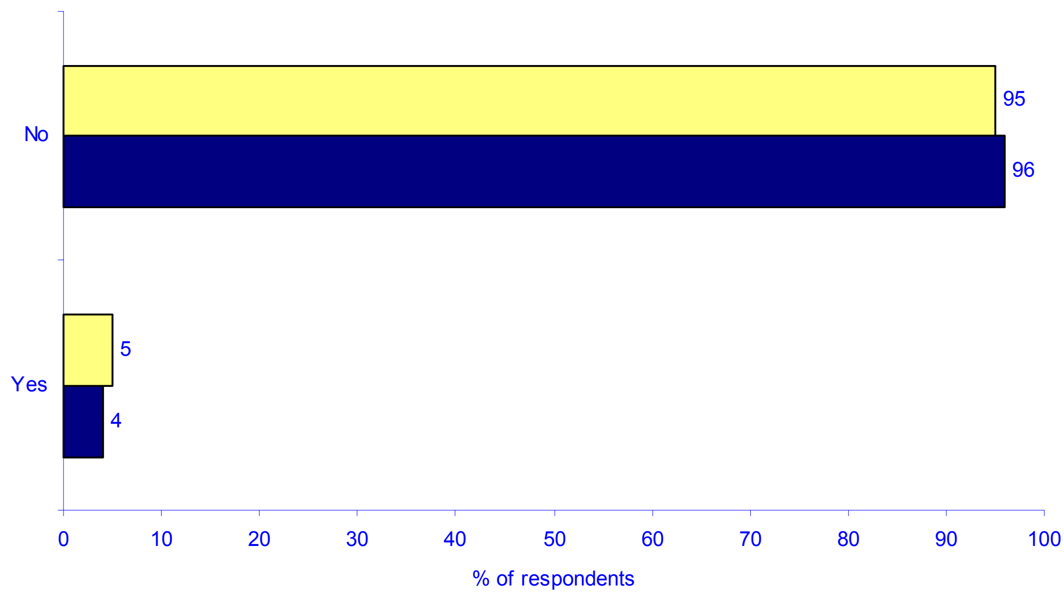
4.8 Information

Incidence of Looking for Information

4.8.1 Those surveyed were asked if they had looked for any information to assist them in making a decision about moving to a market contract with a gas supplier, whether they had taken out a contract or not.

4.8.2 Just 5%, or 3 respondents, indicated that they had looked for any such information, compared to the overwhelming majority (95%) who had not. This result was very similar to the previous survey as the graph displays.

HAVE YOU LOOKED FOR ANY INFORMATION TO ASSIST YOU IN MAKING A DECISION ABOUT MOVING TO A MARKET CONTRACT WITH A GAS SUPPLIER, WHETHER YOU HAVE TAKEN OUT A CONTRACT OR NOT?



Sources of Information

4.8.3 Those who had looked for information to assist the decision making process were asked what was the source of their information.

4.8.4 Of the three respondents who had looked for information, all went to the retailer (100%) and one also named the internet (33%).

Ease of Obtaining Information

4.8.5 Those who had looked for information to assist the decision making process were asked to rate, on a 5 point scale, where 1 is very easy and 5 is very difficult, how easy was it was to obtain the information.

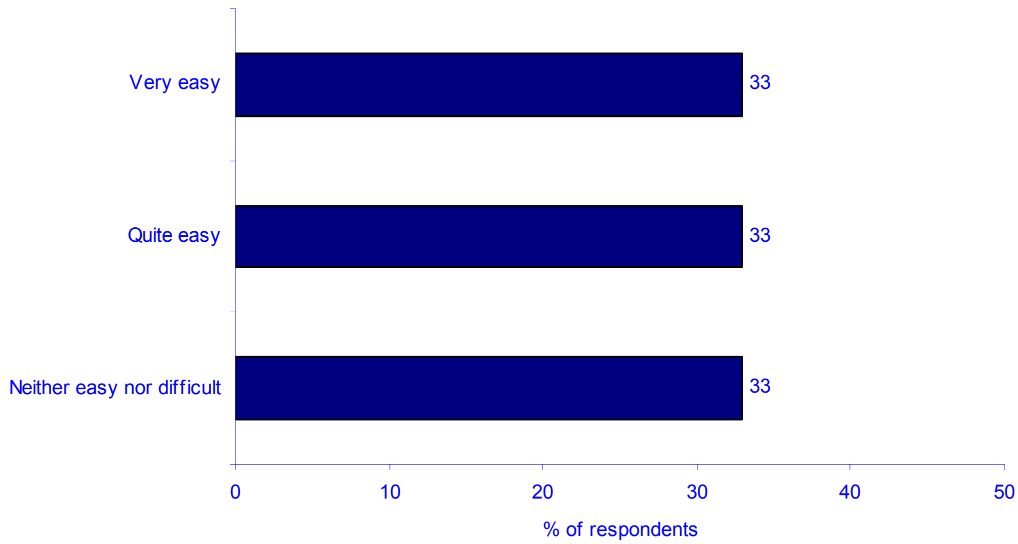
4.8.6 For all three of these businesses the information was very easy to obtain.

Ease of Understanding the Information and Comparing Offers

4.8.7 Those who had looked for information to assist the decision making process were asked to rate, on a 5 point scale, where 1 is very easy and 5 is very difficult, how easy was it to understand the information and compare offers.

4.8.8 One of these businesses considered the information was very easy to understand (33%), one stated quite easy (33%) while the other stated neither easy nor difficult (33%).

HOW EASY WAS IT TO UNDERSTAND THE INFORMATION AND COMPARE OFFERS? (n=3)



Ability to Make an Informed Choice

4.8.9 Those who had looked for information to assist the decision making process were asked if they were able to obtain sufficient information to make an informed choice.

4.8.10 All three businesses, considered the information obtained as sufficient to make an informed choice.

Importance of Information in Making Decision to Switch Retailers

4.8.11 Those who had looked for information to assist the decision making process were then asked if they considered the information obtained important in making an informed choice.

4.8.12 All three businesses, considered the information obtained, as important in making their decision to switch retailers.

4.9 Understanding Bills

4.9.1 Those surveyed were read two statements relating to the format of gas bills and asked to rate, on a scale of 1 to 5, where 5 is strongly agree and 1 is strongly disagree, their level of agreement with these statements. It is generally considered that an average rating of 3.5 represents a reasonably high level of agreement, 4.0 a very high level of agreement and 4.5 or above an extremely high level of agreement.

4.9.2 There was a very high level of agreement with the statement concerning gas bills being easy to understand - average rating of 4.4.

4.9.3 There were reasonably high levels of agreement for the statement that the information contained in gas bills enables comparisons with other retailer's offers, with an average rating of 3.8.

Section 5
Electricity & Gas

This Section outlines the key findings of the research. For further analysis by age, gender, occupation, household composition etc. please refer to the Computer Tabulations.

5.1 Misleading and Deceptive Behaviour

5.1.1 Those surveyed were read a number of responses relating to misleading or deceptive behaviour and asked if they had experienced any of this behaviour from an energy retailer or retailer's representative (electricity or gas) in the past twelve months.

5.1.2 The overwhelming majority (78%, down from 91% in 2004) of the businesses surveyed indicated that they had not experienced any of this behaviour in the past twelve months.

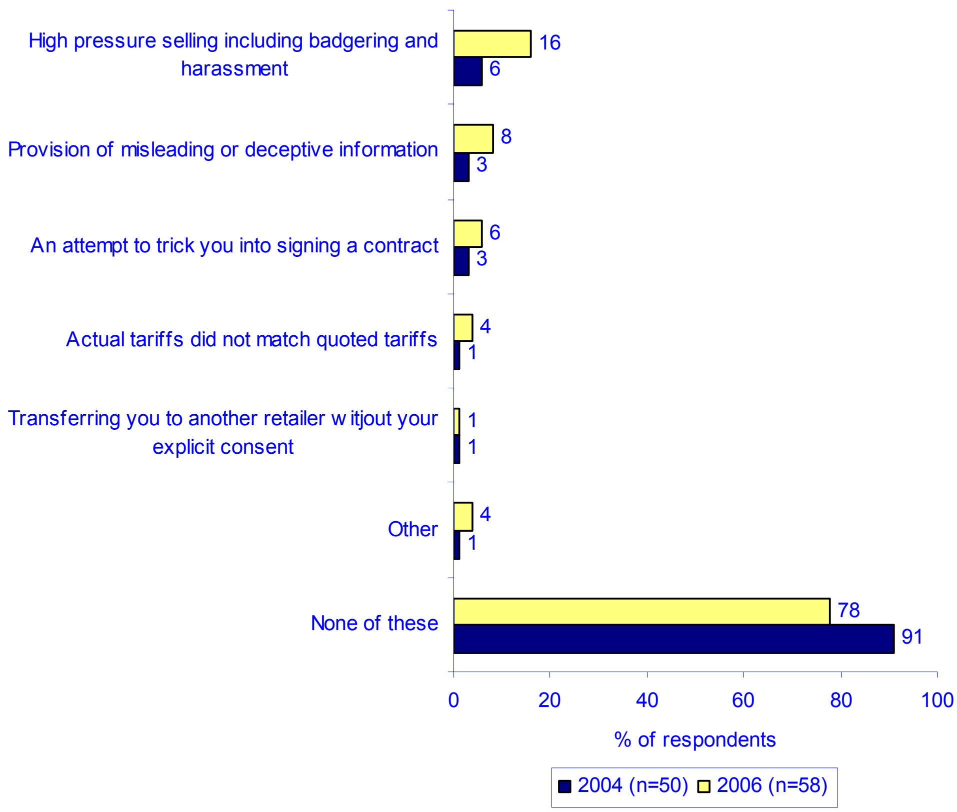
5.1.3 Small proportions of businesses named a number of these types of behaviour, as outlined:

- High pressure selling including badgering and harassment (16%, up from 6% in 2004)
- Provision of misleading or deceptive information (8%, up from 3% in 2004)
- An attempt to trick you into signing a contract (6%, up from 3% in 2004)
- Actual tariffs did not match quoted tariffs (4%, up from 1% in 2004)
- Transferring you to another retailer without your explicit consent (1% unchanged from 2004)

5.1.4 There were some variances to these responses among the groups surveyed, including:

- Not surprisingly, those who had received an offer of a contract from an electricity retailer were more likely to indicate that they had been exposed to these types of behaviour: high pressure selling including badgering and harassment (22%), provision of misleading or deceptive information (11%), attempt to trick them into signing a contract (9%), actual tariffs did not match quoted tariffs (6%) as well as transferring you to another retailer without your explicit consent (3%).

HAVE YOU EXPERIENCED ANY OF THE FOLLOWING BEHAVIOUR FROM AN ENERGY RETAILER OR RETAILER'S REPRESENTATIVE IN THE PAST TWELVE MONTHS?



5.2 Variety and Innovation of Offers

5.2.1 The businesses surveyed were read two statements relating to gas and electricity offers and asked to rate, on a scale of 1 to 5, where 5 is strongly agree and 1 is strongly disagree, their level of agreement with these statements. It is generally considered that an average rating of 3.5 represents a reasonably high level of agreement, 4.0 a very high level of agreement and 4.5 or above an extremely high level of agreement.

5.2.2 Based on these parameters, there was a reasonably high level of agreement that there is a greater variety of offers available compared to a year ago - average rating of 3.8, up from 3.5 in 2004.

5.2.3 In relation to the offers of a year ago being more innovative, there were mixed levels of agreement, recording an average rating of 3.3, up from 3.0 in 2004.

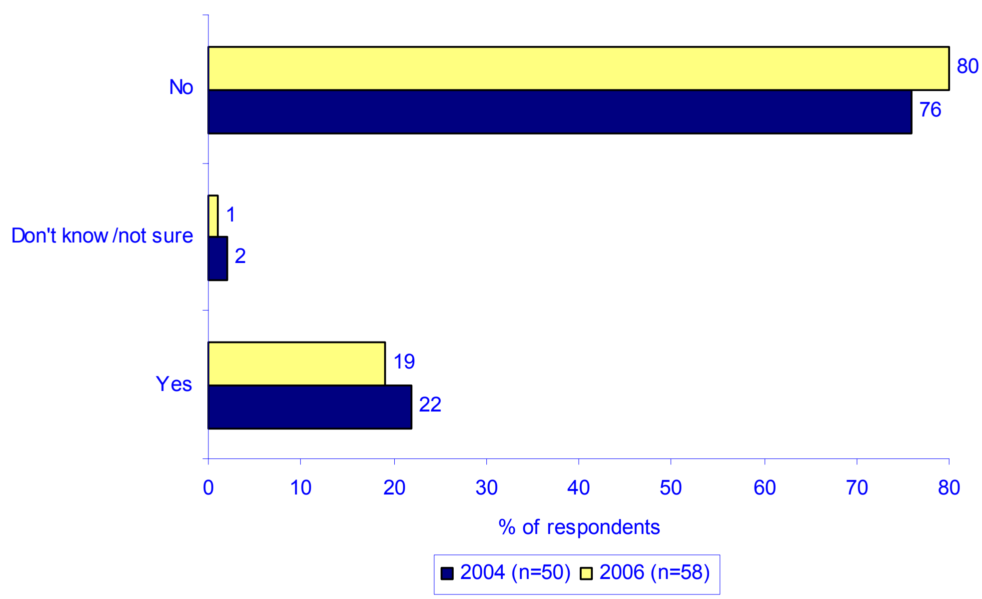
5.3 *Awareness of Independent Assistance*

5.3.1 Those surveyed were asked if they were aware of the availability of any independent assistance, to help in making energy decisions.

5.3.2 One in five (19%, down from 22% in 2004) businesses indicated that there were aware of such independent assistance to help in making energy decisions, compared to the vast majority (80%, up from 76% in 2004) who were not.

5.3.3 There were few variances to these responses among the groups surveyed, however there was a marginally higher proportion of metropolitan businesses aware (22%).

ARE YOU AWARE OF THE AVAILABILITY OF ANY INDEPENDENT ASSISTANCE TO HELP IN MAKING ENERGY DECISIONS?



5.4 Incidence of Contacting the Retailer

5.4.1 Those surveyed were asked whether they had contacted their electricity and/ or gas retailer in the past twelve months.

5.4.2 A quarter (26%) of those surveyed indicated they had made contact with a retailer, while three quarters (74%) had not.

5.5 Retailers Response

5.5.1 Those surveyed were read two statements relating to the customer service received from their retailer and asked to rate, on a scale of 1 to 5, where 5 is very satisfied and 1 is dissatisfied, their level of satisfaction with these statements. It is generally considered that an average rating of 3.5 represents a reasonably high level of satisfaction, 4.0 a very high level of satisfaction and 4.5 or above an extremely high level of satisfaction.

5.5.2 Based on these parameters, there was a mixed level of satisfaction about the timeliness of the response - average rating of 3.1.

5.5.3 In relation to the assistance provided, there was a reasonably high level of satisfaction, with an average rating of 3.5.

5.6 Business Energy Supply

Business Energy Combinations

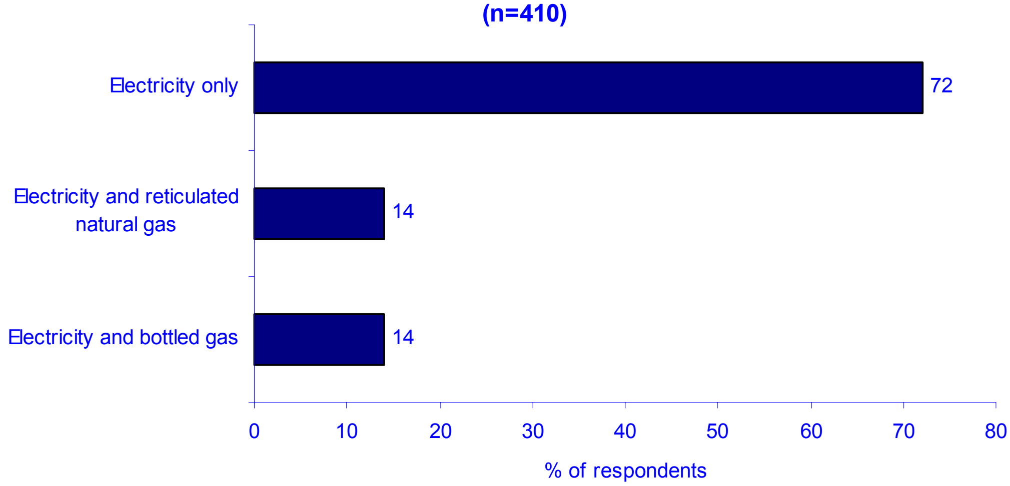
5.6.1 Those surveyed were asked what energy combinations they had in their business.

5.6.2 The energy combinations which were identified are outlined below:

- Electricity only (72%)
- Electricity and reticulated natural gas (14%)
- Electricity and bottled gas (14%)

5.6.3 The main variances to these responses related to location - the incidence of having both electricity and reticulated natural gas was higher in metropolitan Adelaide (19%, compared to 6% in regional South Australia). Conversely, those indicating that they had electricity and bottled gas were more likely to live in regional South Australia (26%, compared to metropolitan Adelaide, 6%).

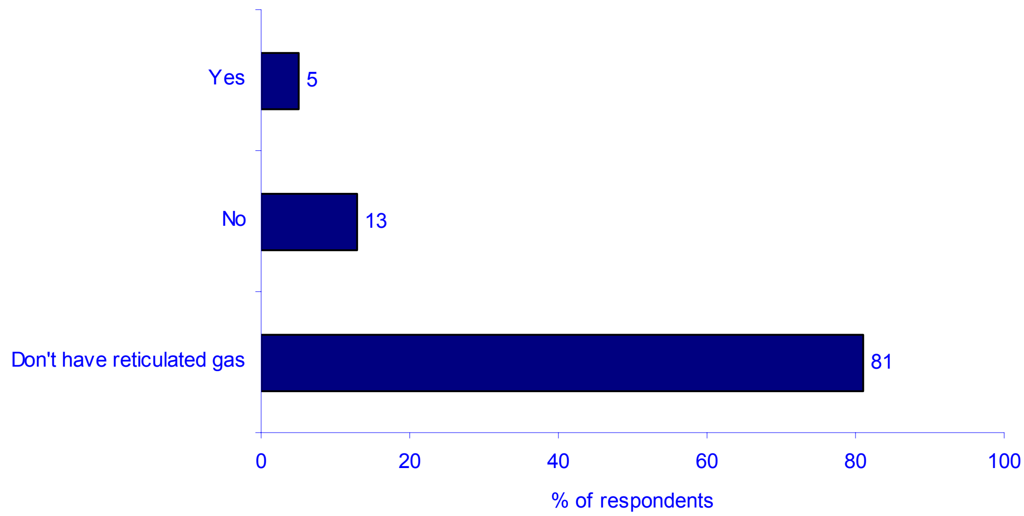
WHAT ENERGY COMBINATIONS DO YOU HAVE IN YOUR BUSINESS? (n=410)



Incidence of Having the Same Retailer for Both Electricity and Gas

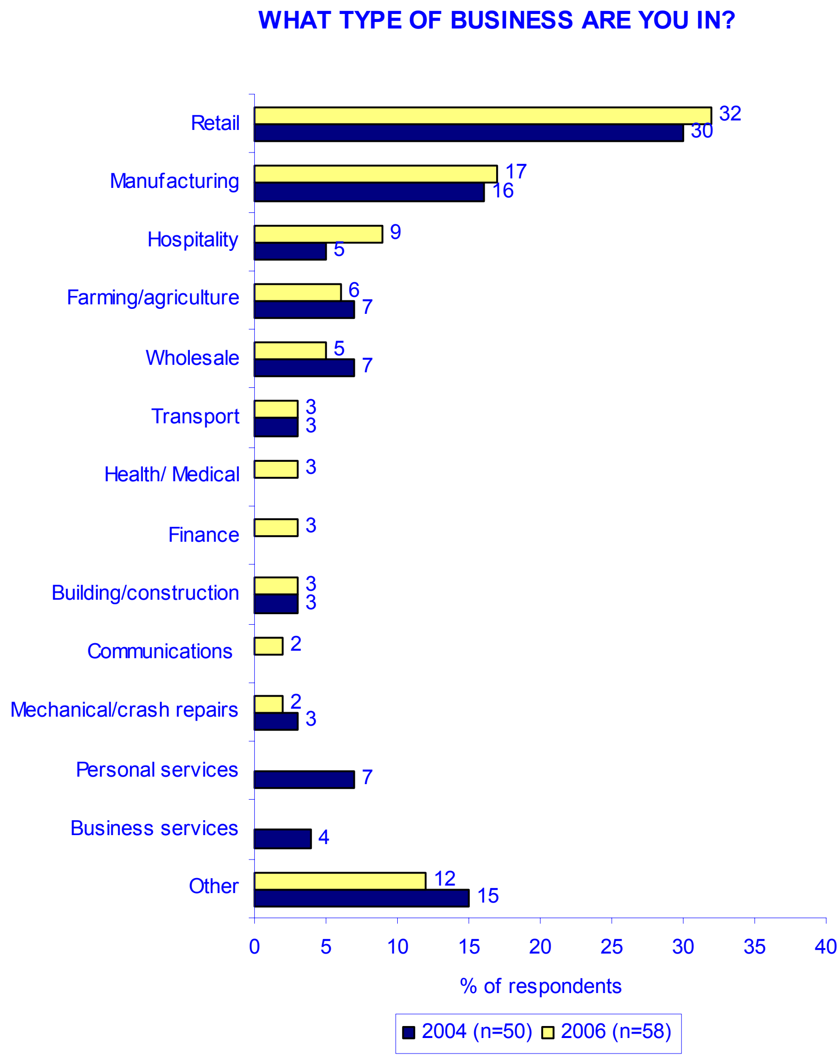
5.6.4 Just 5% of those surveyed currently purchase stated they have both electricity and gas from the same retailer. The vast majority (81%) did not buy gas and electricity from the same retailer.

DO YOU HAVE THE SAME RETAILER FOR ELECTRICY AND GAS?
(n=410)



5.7 Sample Characteristics

Type of Business



Appendix 1:
About The Research

How We Did The Research

McGregor Tan Research conducted 410 telephone interviews with small businesses in South Australia in the following areas:

- Adelaide metropolitan area - 253
- Regional South Australia - 157

These interviews were conducted from the 31st January to 13th of February 2006.

Who was Involved in the Research

What type of business are you in?	Number of businesses **Metro**	Number of businesses **Regional**	Total
Retail	75	55	130
Manufacturing	50	18	68
Hospitality	15	21	36
Wholesale	17	3	21
Finance	12	1	13
Transport	4	7	11
Communications	6	1	7
Other	34	16	50
Agriculture/ farming/ primary production	6	20	26
Building/ construction	11	0	11
Health/ medical	9	2	11
Automotive/ mechanical repair crash repair	6	4	10
Landscaping	1	4	5
Hairdressing	3	1	4

Appendix 2:
Additional Comments

This section lists the responses, made by individual interviewees, which did not fit within the coded responses. Each is a single response, except where specified by a number of respondents shown in brackets.

These comments are included for completeness, but always remember they are minor responses, negligible in relation to the main, coded data. *In other words, remember that these are generally isolated comments, providing flavour but not constituting the main ingredients.*

ESCOSA SMALL BUSINESS SURVEY - JANUARY 2006

Q4: Which company do you currently buy electricity from? Other - specify

Filter: Other (not coded)

ETSA
ETSA
green energy
Power Assist
Powercorp.
Roxby Downs Power

Q6: Which companies do you think you could buy electricity from? Any others? Other - specify

Filter: Other (not coded)

ETSA
ETSA
ETSA
ETSA
ETSA
ETSA
ETSA.
IXU.
New Energy.
NTX
Pay as you go.
Powecorp.
Primus
There is no other choice far as aware
TWU.

Q8: Which retailer or retailers did you receive such an individual offer from? Any others? Other - specify

Filter: Other (not coded)

Corporate Choice (broker ?)
Etsa.
New Energy.
nsw supplier
SA Dairy Farmers Assoc.
Sydney Energy

Q11: Which retailers or retailers did you approach? Any others? Other - specify

Filter: Other (not coded)

Corporate rate Group.

Q15: What was the name of your old or previous electricity retailer? Other - specify

Filter: Other (not coded)

ETSA
ETSA
ETSA
ETSA
ETSA

ETSA
ETSA
Etsa.
ETSA.
ETSA.

Q16: What was the main driver in your decision to change retailers? Other - specify

Filter: Other (not coded)

A group offer for IGA.

AGL was no longer a SA company.

Environment... we are now using green energy....renewable.

farmers support scheme

He actually visited me in the country.

Heard Pat Conlon on TV saying if you have not got a contract you are paying too much for electricity and I happened too run into a representative from my current company at my sons place.

I did not want to change, they tricked me into changing. I thought they were going to send me paper work to look at & sign if I wanted to change but they changed my retailer before I recieved the paper work which arived after the cooling off period, then I had to argue to get changed back without paying an exit fee.

I was intimidated by the very large black man who came to my business and he insisted that Origin is cheaper.

Incentive of $100 and also to stop annoyance phone calls

Marketing by the guy who knocked on the door.

paying someone eleses bills by mistakes for 6 months

Shake up of AGL, to be competitive, hate monopolies. Think we are being ripped off in South Australia for energy prices compared with interstate.

They are more into technology than the others, active in solar energy

They told me I had to have a 12mth contract for me to stay with them.

TRU had poor business ethics.

Q17: Why haven't you taken out a contract? Other - specify

Filter: Other (not coded)

Australian owned and run only

Cannot do it for taxation purposes.

did not know that such a thing existed.

Did not realize had to have a contract with them.

From current supplier incorrect info was given

I didn't know I could take out a contract.

I don't think it is cheaper to have a contract.

locked into current agreement/lease

none

none

Not enough savings to be tied up in a contract

Not happy with the company's procedure.

Not obliged.

shopping centre will be demolished

The energy companies are discriminating against customers who use bottled gas, I can't get discount for electricity & bottled gas.

Too complicated. Contracts do not offer off-peak discounts.

We have.

Q22: What was the source of this information? Advertisements - specify

Filter: Advertisements (not coded)

Brochure from provider

Government ads in the newspaper.

tv ,radio

Q22: What was the source of this information? Other - specify

Filter: Other (not coded)

A.H.A. supply info to hotels

Broker

Broker type source

Corporate Choice

ESCOSA

Local lobby group, local politician(state) info.

magazines

NASA of SA

old quotations

price determined

RAA's SA Motor Magazine.

Through our industry newsletter.

Q30: Which company do you currently buy gas from? Other - specify

Filter: Other (not coded)

SA Electricity

Q31: Which companies do you think you could buy gas from? Any others? Other - specify

Filter: Other (not coded)

Boral.

Corporate Rate Group. Power Direct.

Q42: Why haven't you taken out a contract? Other - specify

Filter: Other (not coded)

I can not be bothered to change.

none

Not been asked.

Our cost is so minimal it isn't a factor.

They have not offered me one.

Q53: Have you experienced any of the following behaviour from an energy (electricity or gas) retailer or retailer's representative in the past 12 months? Other - specify

Filter: Other (not coded)

Accounting fees and are very steep for small businesses.

Cold calling on the phone trying to get me to change on the spot without a chance to go away and consider it.

Experienced delay after delay and everyone made excuses, and both companies billed me for the same time frame and I threatened to sue both of them. It took 6 or 7 months to sort out. Very messy and very confusing.

GST confusion

GST was not included in the price.

I actually have a contract number with Energy Aust. from Dec. 2004 and they never ever implemented the contract and to this day I don't know why that happened. I have a letter welcoming me to Energy Aust and still don't know why . They were offering 10,000 frequent flyer points when you joined up and then they changed the rules on that half way through.

I have recieved many phone calls from electricity retailers, but when I have asked for written information to be sent to me, it is not followed through.

Inability to get assistance from supplier, even getting the phone call answered

Mild annoying behaviour not willing to accept if say no.

Not made very easy to change back once discrepcency was noted. Had to talk to them very strongly as tarriffs went up after contract was signed .Agl actually made it easy to come back

Offers were not transparent. We cannot get a very clear indication on what we would save and so don't want to get locked in.

Persistent phone calls from the company I'm with to convert to them which make me furious and irritated that they dont know my details.

Pricing misconception with on-off periods

The offer of a $40.00 sign -up on the spot discount before any other details were given of tariffs.

The papers were sent to me after the cooling off period but they were persuaded to let me out of the contract without paying any fees as I did not know I had been transfered.

They use Indians who I cannot understand and they are aggressive and in your face and I try not to be rude back

They were supposed to transfer me to another company... AGL to Energy Australia and there was a mixup with the NMI and that caused problems and hold ups with the transfer and billing.

They won't tell me the prices to compare & they don't want to send out information.

Q58: What type of business are you in? Other - specify

Filter: Other (not coded)

Advertising & Copywriting.

Art Gallery.

Artist.

Business assistance or business development (Not For Profit

Charity

Christian Mission

Commercial cleaning Business

Community services
Consultancy.
Conveyance (real estate)
Dating agency.
Eco- Tourism.
Education
Education
Electrical Contractor.
electrical contractors
Engineering
Golf Club.
Graphic & Printing Service
human resources
Interior Design Consultant
Laundry
Legal Services
Legal advice.
Maintenance of equipment.
Marketing
Marriage celebrations business
Personal Services
Personal Services
Plumbing Service.
Plumbing Service.
Primary production aqua culture
Private Education.
Private Investigators.
Professional Service.
real estate
Real Estate
Run hoilday camps for school children.
security
seed production and seed cleaning
Service
Service Industry.
Service providers (non profit)
Sport and Recreation Facility
Sporting club
Sporting club association
Tourism
Tourism
Waste removal monitoring.
Welfare.

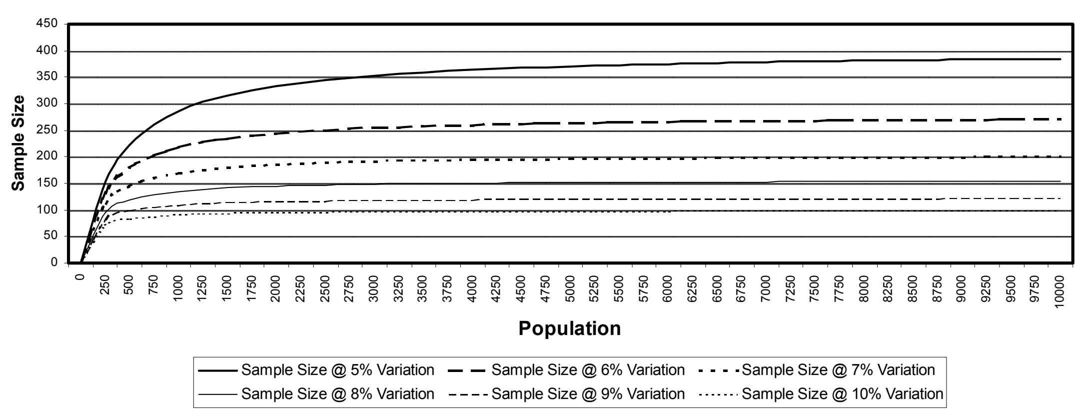
Appendix 3:
Sampling Tolerance

It should be borne in mind throughout this report that all data based on sample surveys are subject to a sampling tolerance. That is, where a sample is used to represent an entire population, the resulting figures should not be regarded as absolute values, but rather as the mid-point of a range plus or minus x% (see sampling tolerance table below). Only variations clearly designated as *significantly* different are statistically valid differences and these are clearly pointed out in the Key Findings section of this report. Other divergences are within the normal range of fluctuation at a 95% confidence level; they should be viewed with some caution and not treated as statistically reliable changes.

MARGIN OF ERROR TABLE (95% confidence level)

SAMPLE	Percentages giving a particular answer									
SIZE ↓	5% 95%	10% 90%	15% 85%	20% 80%	25% 75%	30% 70%	35% 65%	40% 60%	45% 55%	50% 50%
50	6	9	10	11	12	13	14	14	14	14
100	4	6	7	8	9	9	10	10	10	10
150	4	5	6	7	7	8	8	8	8	8
200	3	4	5	6	6	6	7	7	7	7
250	3	4	5	5	6	6	6	6	6	6
300	3	4	4	5	5	5	6	6	6	6
400	2	3	4	4	4	5	5	5	5	5
500	2	3	3	4	4	4	4	4	4	5
600	2	2	3	3	4	4	4	4	4	4
700	2	2	3	3	3	4	4	4	4	4
800	2	2	3	3	3	3	3	4	4	4
900	2	2	2	3	3	3	3	3	3	3
1000	1	2	2	3	3	3	3	3	3	3
1500	1	2	3	2	2	2	3	3	3	3
2000	1	1	2	2	2	2	2	2	2	2
3000	1	1	1	2	2	2	2	2	2	2

Optimum Sample Sizes to Ensure the Given Maximum Variation



Appendix 4:
Questionnaire

McGregor Tan Research

Project No: 7698-B

ESCOSA - SMALL BUSINESS SURVEY - 2006

Good .... my name is .... from McGregor Tan Research, the independent market research company. We are conducting a survey about competition in the electricity and gas market for the Essential Services Commission of South Australia and would like to speak to the main person in the **business** who makes decisions about the purchase of electricity and/or gas.

1. What energy combinations do you have in your business? **Read out single response**

1.........Electricity and reticulated natural gas	**Complete Sections 1, 2 & 3**
2.........Electricity and bottled gas	**Complete Sections 1 & 3 ONLY**
3.........Electricity only	**Complete Sections 1 & 3 ONLY**
4.........Reticulated natural gas only	**Complete Sections 2 & 3 ONLY**
5.........Bottled gas or reticulated LPG only	**Thank and terminate**
6.........Don't know/not sure	**Thank and terminate**

SECTION 1 - ELECTRICITY

2. What is your current approximate average consumption of electricity as represented by your average **monthly bill**?
Read out single response

01.......Less than $100 per month	
02.......$101 to $150 per month	
03.......$151 to $200 per month	
04.......$201 to $350 per month	
05.......$351 to $500 per month	
06.......$501 to $750 per month	
07.......$751 to $1,000 per month	
08.......$1,0001 to $1,250 per month	
09.......$1,251 to $1,500 per month	
10.......$1,501 to $2,000 per month	
11.......More than $2,000 per month	**Thank and terminate**
12.......Don't know/not sure	**Thank and terminate**

3. As far as you are aware, which of the following applies?
Read out, single response rotated
1.........I can choose my own electricity retailer now
2.........I am obliged to purchase electricity from my existing retailer
3.........Don't know

McGregor Tan Research

4. Which company do you currently buy electricity from?

Unprompted single response (Interviewers note - if the respondent is confused as to who is the current retailer, the retailer selected should be the one they have moved, or are moving to)

01.......AGL
02.......Aurora Energy
03.......Country Energy
04.......Energy Australia
05.......Jackgreen
06.......Momentum Energy
07.......Origin
08.......Powerdirect
09.......Red Energy
10.......South Australian Electricity
11.......TXU / TRUenergy
12.......Other - **specify**
13.......Don't know/not sure

5. Do you have the same retailer for both electricity and gas?

1.........Yes
2.........Don't know/not sure
3.........No
4.........Don't have reticulated gas

6. Which companies do you think you could buy electricity from? Any others?

Unprompted multiple response

01.......AGL
02.......Aurora Energy
03.......Country Energy
04.......Energy Australia
05.......Jackgreen
06.......Momentum Energy
07.......Origin
08.......Powerdirect
09.......Red Energy
10.......South Australian Electricity
11.......TXU / TRUenergy
12.......Other - **specify**
13.......Don't know/not sure

7. Have you received an individual **offer of a contract** from any electricity retailer, including your existing retailer, for them to sell you electricity?

(Interviewer note: an offer should have identified the electricity charges that would apply to the respondent, rather than general savings through advertising and/or general promotional literature)

1.........Yes	**Go to Q8**
2.........Don't know/not sure	**Go to Q10**
3.........No	**Go to Q10**

McGregor Tan Research

8. **Have received an offer (code 1 in Q7):** Which retailer or retailers did you receive such an individual offer from? Any others? **Unprompted multiple response**

01.......AGL
02.......Aurora Energy
03.......Country Energy
04.......Energy Australia
05.......Jackgreen
06.......Momentum Energy
07.......Origin
08.......Powerdirect
09.......Red Energy
10.......South Australian Electricity
11.......TXU / TRUenergy
12.......Other - **specify**
13.......Don't know/not sure

9. **Have received an offer (code 1 in Q7):** How easy was it to understand the offer?

1.........Very easy
2.........Quite easy
3.........Neither easy nor difficult
4.........Quite difficult
5.........Very difficult
6.........Don't know/not sure

10. **ASK ALL:** Have you approached any electricity retailer or retailers, including your existing retailer, to ask about buying your electricity from them?

1.........Yes	**Go to Q11**
2.........Don't know/not sure	**Go to Q13**
3.........No	**Go to Q13**

11. **Have approached a retailer (code 1 in Q10):** Which retailer or retailers did you approach? Any others? **Unprompted multiple response**

01.......AGL
02.......Aurora Energy
03.......Country Energy
04.......Energy Australia
05.......Jackgreen
06.......Momentum Energy
07.......Origin
08.......Powerdirect
09.......Red Energy
10.......South Australian Electricity
11.......TXU / TRUenergy
12.......Other - **specify**
13.......Don't know/not sure

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12. **Have approached a retailer (code 1 in Q10):** Were you refused by the retailer?
    1.........Yes
    2.........Don't know/not sure
    3.........No

13. **ASK ALL:** Have you taken out a contract with an electricity retailer?

1.........Yes	**Go to Q14**
2.........Don't know/not sure	**Go to Q17**
3.........No	**Go to Q17**

14. **Have taken out a contract (codes 1 in Q13):** How easy was the transfer process?
    1.........Very easy
    2.........Quite easy
    3.........Neither easy nor difficult
    4.........Quite difficult
    5.........Very difficult
    6.........Don't know/not sure/haven't taken out a contract

15. **Have taken out a contract (codes 1 in Q13):** What was the name of your old or previous electricity retailer?
    Unprompted single response
    (Interviewers notes: It is possible for the new and old retailer to be the same; if there is confusion as to who is their current retailer, ask who were they with prior to taking out this contract)
    01.......AGL
    02.......Aurora Energy
    03.......Country Energy
    04.......Energy Australia
    05.......Jackgreen
    06.......Momentum Energy
    07.......Origin
    08.......Powerdirect
    09.......Red Energy
    10.......South Australian Electricity
    11.......TXU / TRUenergy
    12.......Other - **specify**
    13.......Don't know/not sure

16. **Have taken out a contract (codes 1 in Q13):** What was the **main** driver in your decision to change retailers?
    Unprompted single response
    01.......Consistency of supply
    02.......Price/cost
    03.......Trust them more
    04.......Other – **specify**
    05.......Don't know/not sure

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17. **Have NOT taken out a contract (codes 2 - 3 in Q13):** Why haven't you taken out a contract?
Unprompted multiple response
01.......Concern with the transfer process
02.......Happy with current retailer
06.......Higher costs with other retailers
04.......Insufficient information
05.......Inadequate potential savings
06.......Lack of confidence in the new retailer
07.......Waiting for better offers
08.......Other - **specify**
09.......Don't know/not sure

18. **ASK ALL:** Have you, at any stage, entered into a contract and used the cooling off period to cancel?
1.........Yes
2.........Don't know/not sure
3.........No

19. In the next twelve months, how likely is it that you will take out a contract with your current electricity supplier or switch to another electricity retailer? **Read out single response**
1.........Very likely
2.........Quite likely
3.........Neither unlikely nor likely
4.........Quite unlikely
5.........Very unlikely
6.........Don't know/not sure

20. On a scale of 1 to 5, where 5 is very important and 1 is not at all important, please rate the importance of the following in relation to the decision to switch retailers? **Read out - rotate**

	Very important		**➔**		**Not at all important**	**Don't know**
Price	5	4	3	2	1	6
Supply	5	4	3	2	1	6
Having both contracts with the one retailer	5	4	3	2	1	6
The level of customer service	5	4	3	2	1	6

21. Have you looked for any information to assist you in making a decision about moving to a market contract with an electricity supplier, whether you have taken out a contract or not?
1.........Yes **Go to Q22**
2.........Don't know/not sure **Go to Q27**
3.........No **Go to Q27**

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22. **Looked for information (code 1 in Q21):** What was the source of this information? **Unprompted multiple response**
    - 01.......Advertisements - **specify where**
    - 02.......Friends/family/work colleagues
    - 03.......Internet
    - 04.......Representative of the retailer
    - 05.......Retailer
    - 06.......Other - **specify**
    - 07.......Don't know/not sure

23. **Looked for information (code 1 in Q21):** How easy was it to obtain the information?
    - 1.........Very easy
    - 2.........Quite easy
    - 3.........Neither easy nor difficult
    - 4.........Quite difficult
    - 5.........Very difficult
    - 6.........Don't know/not sure

24. **Looked for information (code 1 in Q21):** How easy was it to understand the information and compare offers?
    - 1.........Very easy
    - 2.........Quite easy
    - 3.........Neither easy nor difficult
    - 4.........Quite difficult
    - 5.........Very difficult
    - 6.........Don't know/not sure

25. **Looked for information (code 1 in Q21):** Were you able to obtain sufficient information to make an informed choice?
    - 1.........Yes
    - 2.........Don't know/not sure
    - 3.........No

26. **Looked for information (code 1 in Q21):** Was this information important to you in making your decision to switch retailers?
    - 1.........Yes
    - 2.........Don't know/not sure
    - 3.........No

27. **ASK ALL:** On a scale of 1 to 5, where 5 is strongly agree and 1 is strongly disagree, please rate the following in relation to the ease of understanding your current electricity bills. **Read out – rotate**

	Strongly agree		➔		**Strongly disagree**	**Don't know**
My electricity bill is easy to understand in its current format	5	4	3	2	1	6
The information contained in my electricity bill enables me to easily make comparisons with other electricity retailer's offers	5	4	3	2	1	6

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SECTION 2 - GAS

28. What is your current approximate average consumption of gas as represented by your average **monthly bill**?

Read out single response

01.......Less than $100 per month
02.......$101 to $150 per month
03.......$151 to $200 per month
04.......$201 to $350 per month
05.......$351 to $500 per month
06.......$501 to $750 per month
07.......$751 to $1,000 per month
08.......More than $1,000 per month **Thank and terminate**
09.......Don't know/not sure **Thank and terminate**

29. As far as you are aware, which of the following applies?

Read out, single response rotated

1.........I can choose my own gas retailer now
2.........I am obliged to purchase gas from my existing retailer
3.........Don't know

30. Which company do you currently buy gas from?

Unprompted single response (Interviewers note - if the respondent is confused as to who is the current retailer, the retailer selected should be the one they have moved, or are moving to)

01.......AGL
02.......Energy Australia
03.......Origin Energy
04.......TXU / TRUenergy
05.......Other - **specify**
06.......Don't know/not sure

31. Which companies do you think you could buy gas from? Any others?

Unprompted multiple response

01.......AGL
02.......Energy Australia
03.......Origin
04.......TXU / TRUenergy
05.......Other - **specify**
06.......Don't know/not sure

32. Have you received an individual **offer of a contract** from any gas retailer, including your existing retailer, for them to sell you gas?

(Interviewers note: an offer should have identified the gas charges that would apply to the respondent, rather than general savings through advertising and/or general promotional literature)

1.........Yes **Go to Q33**
2.........Don't know/not sure **Go to Q35**
3.........No **Go to Q35**

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33. **Have received an offer (code 1 in Q32):** Which retailer or retailers did you receive such an individual offer from? Any others? **Unprompted multiple response**

01.......AGL
02.......Energy Australia
03.......Origin
04.......TXU / TRUenergy
05.......Other - **specify**
06.......Don't know/not sure

34. **Have received an offer (code 1 in Q32):** How easy was it to understand the offer?

1.........Very easy
2.........Quite easy
3.........Neither easy nor difficult
4.........Quite difficult
5.........Very difficult
6.........Don't know/not sure

35. **ASK ALL:** Have you approached any gas retailer or retailers, including your existing retailer, to ask about buying your gas from them?

1.........Yes	**Go to Q36**
2.........Don't know/not sure	**Go to Q38**
3.........No	**Go to Q38**

36. **Have approached a retailer (code 1 in Q35):** Which retailer or retailers did you approach? Any others? **Unprompted multiple response**

01.......AGL
02.......Energy Australia
03.......Origin
04.......TXU / TRUenergy
05.......Other - **specify**
06.......Don't know/not sure

37. **Have approached a retailer (code 1 in Q35):** Were you refused by the retailer?

1.........Yes
2.........Don't know/not sure
3.........No

38. **ASK ALL:** Have you taken out a contract with a gas retailer?

1.........Yes	**Go to Q39**
2.........Don't know/not sure	**Go to Q42**
3.........No	**Go to Q42**

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39. **Have taken out a contract (codes 1 in Q38):** How easy was the transfer process?

1.........Very easy
2.........Quite easy
3.........Neither easy nor difficult
4.........Quite difficult
5.........Very difficult
6.........Don't know/not sure/haven't taken out a contract

40. **Have taken out a contract (codes 1 in Q38):**

What was the name of your old or previous gas retailer? **Unprompted single response**

(Interviewers notes: It is possible for the new and old retailer to be the same; if there is confusion as to who is their current retailer, ask who they were with prior to taking out this contract)

01.......AGL
02.......Energy Australia
03.......Origin
04.......TXU / TRUenergy
05.......Other - **specify**
06.......Don't know/not sure

41. **Have taken out a contract (codes 1 in Q38):** What was the **main** driver in your decision to change retailers? **Unprompted single response**

01.......Consistency of supply
02.......Price/cost
03.......Trust them more
04.......Other – **specify**
05.......Don't know/not sure

42. **Have <u>NOT</u> taken out a contract (codes 2-3 in Q38):**

Why haven't you taken out a contract? **Unprompted multiple response**

01.......Concern with the transfer process
02.......Happy with current retailer
03.......Higher costs with other retailers
04.......Inadequate potential savings
05.......Insufficient information
06.......Lack of confidence in the new retailer
07.......Waiting for better offers
08.......Other - **specify**
09.......Don't know/not sure

43. **ASK ALL:** Have you, at any stage, entered into a contract and used the cooling off period to cancel?

1.........Yes
2.........Don't know/not sure
3.........No

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44. In the next twelve months, how likely is it that you will take out a contract with your current gas supplier or switch to another gas retailer? **Read out single response**

1.........Very likely
2.........Quite likely
3.........Neither unlikely nor likely
4.........Quite unlikely
5.........Very unlikely
6.........Don't know/not sure

45. On a scale of 1 to 5, where 5 is very important and 1 is not at all important, please rate the importance of the following in relation to the decision to switch retailers?
Read out – rotate

	Very important		→		**Not at all important**	**Don't know**
Price	5	4	3	2	1	6
Supply	5	4	3	2	1	6
Having both contracts with the one retailer	5	4	3	2	1	6
Level of customer service	5	4	3	2	1	6

46. Have you looked for any information to assist you in making your decision about moving to a market contract with a gas supplier, whether you have taken out a contract or not?

1.........Yes **Go to Q47**
2.........Don't know/not sure **Go to Q52**
3.........No **Go to Q52**

47. **Looked for information (code 1 in Q46):** What was the source of this information? **Unprompted multiple response**

01.......Advertisements - **specify where**
02.......Friends/family/work colleagues
03.......Internet
04.......Representative of the retailer
05.......Retailer
06.......Other - **specify**
07.......Don't know/not sure

48. **Looked for information (code 1 in Q46):** How easy was it to obtain the information?

1.........Very easy
2.........Quite easy
3.........Neither easy nor difficult
4.........Quite difficult
5.........Very difficult
6.........Don't know/not sure

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49. **Looked for information (code 1 in Q46):** How easy was it to understand the information and compare offers?

1.........Very easy
2.........Quite easy
3.........Neither easy nor difficult
4.........Quite difficult
5.........Very difficult
6.........Don't know/not sure

50. **Looked for information (code 1 in Q46):** Were you able to obtain sufficient information to make an informed choice?

1.........Yes
2.........Don't know/not sure
3.........No

51. **Looked for information (code 1 in Q46):** Was this information important to you in making your decision to switch retailers?

1.........Yes
2.........Don't know/not sure
3.........No

52. **ASK ALL:** On a scale of 1 to 5, where 5 is strongly agree and 1 is strongly disagree, please rate the following in relation to the ease of understanding your current gas bills. **Read out – rotate**

	Strongly agree		**➔**		**Strongly disagree**	**Don't know**
My gas bill is easy to understand in its current format	5	4	3	2	1	6
The information contained in my gas bill enables me to easily make comparisons with other gas retailer's offers	5	4	3	2	1	6

SECTION 3 - ASK ALL

53. Have you experienced any of the following behaviour from an energy (electricity or gas) retailer or retailer's representative in the past 12 months?

Read out and rotate, multiple response

01.......Actual tariffs did not match quoted tariffs
02.......An attempt to trick you into signing a contract
03.......High pressure selling including badgering and harassment
04.......Not adhering to contract cooling off requirements
05.......Provision of misleading or deceptive information
06.......Transferring you to another retailer without your explicit consent
07.......Other - **specify**
08.......None of these

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54. On a scale of 1 to 5, where 5 is strongly agree and 1 is strongly disagree, please rate the following statements in relation to new offers, billing options, special offers, product promotions, rebates, etc. **Read out and rotate**

	Strongly agree		➔		**Strongly disagree**	**Don't know**
In comparison to a year ago, the offers are more innovative	5	4	3	2	1	6
There is a greater variety of offers available compared to a year ago	5	4	3	2	1	6

55. Are you aware of the availability of any independent assistance to help you in making energy decisions?
1.........Yes
2.........Don't know/not sure
3.........No

56. Have you contacted your electricity and/or gas retailer in the past twelve months?
1.........Yes
2.........Don't know/not sure
3.........No

57. **Have contacted a retailer in the past twelve months (code 1 in Q56):**
How satisfied were you with the following. Please rate on a scale of 1 to 5, where 5 is very satisfied and 1 is not at all satisfied.

	Very satisfied		➔		**Not at all satisfied**	**Don't know**
The timeliness of the response	5	4	3	2	1	6
The assistance provided	5	4	3	2	1	6

CLASSIFICATIONS

58. What type of business are you in? **Read out, single response**
01.......Retail
02.......Manufacturing
03.......Wholesale
04.......Finance
05.......Hospitality (accommodation, pubs, cafes & restaurants)
06.......Transport
07.......Communications
08.......Other - **specify**

59. Metro/ Regional
1.........Metro
2.........Regional

60. Postcode

Appendix 5:
How To Read The Computer Tabulations

The computer tabulations in the report show the comparisons between [1] the answers given by the total number of respondents and [2] those given by the various subgroups. This is done in the form of percentages. Under certain data, you may notice the presence of + or - signs. These indicate where there is a statistically significant difference between the responses of the subgroup (e.g. males, people over 65, etc) and the group as a whole. When the responses of the subgroup are significantly less than the group as a whole, this is shown by a minus (-) sign. If, on the other hand, there is a significantly higher response by the subgroup, then a plus (+) sign appears. The degree of significance of difference is also indicated. Where a single (- or +), double (-- or ++) or triple (--- or +++) sign occurs, you can be, respectively, 90%, 95% or 99% sure that the subgroup is in fact answering differently to the group as a whole, and that it is not just a random fluctuation in the data. (See example below)

Please note that, because of rounding, answers in single response questions will not always sum precisely to 100%.

In addition, as the base for percentages is the number of *respondents* answering a particular question (rather than the number of *responses*) multiple response questions sum to more than 100%.

Example: How would you describe yourself?

		GENDER		AGE GROUP				
	TOTAL	Male	Female	16-24	25-34	35-44	45-54	55+
Complete non-smoker	298	148	150	59	56	55	78	50
	72%	70%	74%	67%	63%	69%	76%	89%
					-			+++
No. of respondents	416	212	204	88	89	80	103	56
	100%	100%	100%	100%	100%	100%	100%	100%

89% of all 55+ year olds said that they are complete non-smokers. We are 99% sure that this age group's response is significantly higher than the total of 72% (triple plus (+++) sign)

72% of all respondents said that they were complete non-smokers

74% of all females surveyed said that they were complete non-smokers. This is not a significantly different proportion to the total of 72% (no plus or minus signs)

63% of all 25-34 year olds said that they were complete non-smokers. We are 90% sure that this age group's response is significantly fewer that the total of 72% (single minus (-) sign)