NSW Consumer and Stakeholder Research Report

Prepared for the Australian Energy Market Commission to inform the Communications Blueprint associated with a Review of Competition in the Retail Electricity and Natural Gas Markets in NSW

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Final Report

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1 Executive Summary

This report sets out the findings of market research conducted by Newgate Research on behalf of the Australian Energy Market Commission (AEMC). This research was designed to inform the development of a consumer engagement blueprint for the New South Wales energy market.

The research was conducted in July and August 2013 and included desk research, 20 in-depth interviews with key stakeholders, a focus group, two deliberative forums and a state-wide survey of n=1,200 residential customers.

Key Findings

- Despite strong awareness that consumers can choose an energy company and plan, most have minimal knowledge of what their options are and how to go about finding credible information.
- Many don't believe there is an incentive for them to look into alternative plans. They are generally satisfied with their current provider, think all energy companies are roughly the same and are not aware they could save money by investigating an alternative plan. Other barriers include lack of trust in the information provided by energy companies, complexity and concerns about consumer protection.
- Saving money is far and away the strongest driver to switch.
- There is strong consumer support for an information campaign on this issue and the research suggests the messages tested are likely to be effective.
- Attitudes and opinion are widespread across the community and not driven by demographics. As such the research findings point to a plain English mass media and advertising campaign raising awareness of a refined version of the Australian Energy Regulator (AER)'s *energymadeeasy* website and 1800 service supported by more targeted initiatives.

Fair interest in energy issues with strong focus on price

The research suggests NSW consumers are quite engaged on energy issues at present. They have a fair overall level of interest in energy issues (with an average rating of 6.8 out of 10) and high levels of concern about future energy prices (average rating of 8.1 out of 10). Interest is lower amongst younger consumers aged under 35 years.

Strong awareness that consumers can choose but low level knowledge of how it all works

There is apparent high awareness of the choices available to consumers, with 95% of respondents aware they can choose their energy company and 83% aware that each energy company offers a range of different types of energy plans, each with different price structures, contract lengths and terms and conditions.

However, the qualitative research suggests that most consumers have low levels of knowledge about how they are billed for their energy usage and the type of plan they are on and are confused about what the options actually are and how to get credible information about them. This was reinforced by mixed levels of confidence that they understand the various options and offers available to them, with an average rating of 5.9 out of 10.

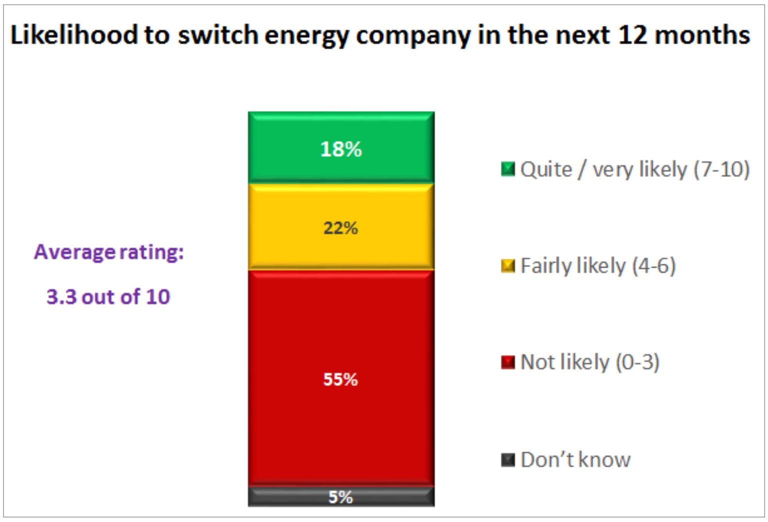
Switching behaviours and intentions

In the last two years a significant 52% of respondents said they had changed their energy company or plan. Of these, 19% said they had changed their electricity company, 18% their electricity plan (this included negotiating with their current provider or receiving a better price or deal) and 15% had changed both their company and their plan. When it comes to gas, 5% had changed their company, 7% had changed their plan and 5% had changed both (17% in total).

When asked about the likelihood of them switching their energy company or plan in the next 12 months, intentions were divided. Around half (55%) said they were not likely to switch while 40% said they were likely (18% quite or very likely and 22% fairly likely). The overall average likelihood of switching was 3.3 out of 10, suggesting most consumers are unlikely to switch in the near future.

Those more open to switching included people who are younger, have children in the household, have higher bills and higher levels of education.

Further, just 7% of respondents were currently looking for a better deal, while 48% would be interested but are not currently looking and 38% are not interested in switching provider or plan.



There is a significant latent interest in switching

Interestingly, just over a quarter of respondents who said they would be unlikely to switch (rating of 0 to 3 out of 10 for likelihood) were interested in seeking out a better deal even though they weren't currently looking (27%). This suggests that a significant proportion who aren't thinking about switching at the moment could be persuaded to do so if they knew they might be able to find a better deal.

Cost is overwhelmingly the main driver to switch

Amongst those who switched energy company or plan in the last two years, most (78%) said the decision was driven by price. The main trigger was a proactive approach by an energy company door-to-door salesperson or telemarketer. Other low level triggers included moving house or business premises, dissatisfaction with their current energy provider or a word-of-mouth recommendation.

Despite their concern about rising energy bills, they were generally not enough themselves to prompt action.

Many see no real incentive to change their energy company or plan

There is widespread inertia and disengagement when it comes to investigating options for switching energy plans or providers, which is largely the result of no perceived incentive.

When asked why they had not changed energy company or plan in the last two years, more than a third (37%) said they were satisfied with their existing energy company. A quarter said 'no particular reason' or (23%) or didn't know (2%). A further one in five (19%) said it was either 'too much hassle / can't be bothered (12%) or they were 'too busy / don't have time' (7%).

There is very little understanding of the cost savings to be made, with 76% agreeing with the statement 'I would switch my energy provider or plan if I knew I could save money' and 75% saying they would be likely to seek out a better energy deal if they heard they could save up to 15% on their current energy bill just by switching to a new plan or company.

This situation is compounded by other barriers including:

- Low levels of literacy about energy plans;
- A lack of trust in the information provided by retailers' door-to-door salespeople and telemarketers;
- The complexity of the different options available;
- A lack of knowledge about where to find easy-to-understand and independent comparative information; and
- Lack of knowledge about consumer rights.

Strong support for a communications campaign

Qualitative research participants strongly endorsed the concept of a public education campaign informing consumers they can save money by choosing an energy plan that meets the needs of their household.

In order to switch, the research suggests that consumers need to know:

- They have a choice of energy plan and energy company;
- They may be able to save money by choosing an energy plan that suits the needs of their household;
- They can go to the *energymadeeasy* website for independent information about how different plans compare; and
- Their consumer rights will be protected if they switch.

They also need to have information to hand on the energy plan they are currently on and past consumption and billing information.

There was a consensus that the core of this campaign should be an independent website that allows them to compare energy plans on an 'apples with apples' basis. When shown the AER's *energymadeeasy* website, participants felt this met the brief but they did have a number of suggestions on how it could be improved, including refinement of the design and search functionality.

In summary, participants felt the key features of such a campaign should be:

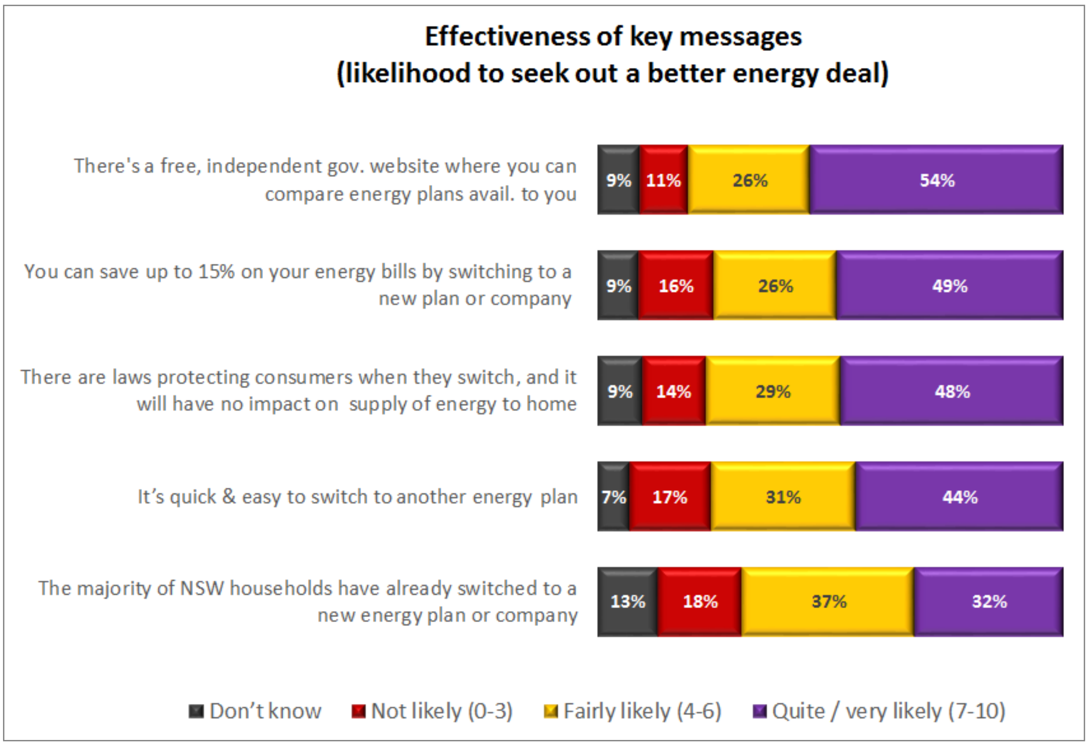
- A mass media advertising and public relations campaign designed to capture attention and direct people to the *energymadeeasy* service;
- The *energymadeeasy* website fine-tuned and supplemented by an option to speak to a person by telephone or face-to-face, because not everyone is online and many are likely to have questions;
- Targeted communications to some audience segments (including those with a non-English speaking background, people with a disability and those living in regional areas); and
- Very simple messaging and materials, with no complicated jargon.

The quantitative research results suggest that a communications campaign is likely to have a powerful impact.

Many messages made participants far more likely to seek out a better energy deal including:

- There is a free government website where you can compare energy plans available to you
- You can save up to 15% on your current energy bills just by switching to a new plan or company
- There are laws protecting consumers when they switch to a new deal and switching will have no impact on the supply of energy to their home.

Despite this, some segments of the community are simply not interested in switching and will be very difficult to engage.



Segmentation

There were few significant demographic differences in the quantitative results, such as age, gender, level of education and metro/regional location. This suggests attitudes and opinions are fairly widespread across the community and are not driven by demographics.

Using data from the quantitative survey, Newgate Research conducted a segmentation analysis to further understand the differing confidence levels and switching behaviours among consumers and to determine how each segment may be targeted and influenced.

The segmentation analysis identified six segments that are largely based on consumers' level of engagement with energy – i.e. their likelihood of switching, interest in energy issues, confidence in understanding the various options and offers available to consumers, level of concern about future energy prices, and their response to key messages and various initiatives proposed to help inform consumers. The six segments and their key characteristics are shown overleaf.

The segmentation research suggests 53% of consumers (*Confident switchers, Cautious switchers* and *Show me the savings* segments) would be interested in looking into other energy plans with a view of switching if they know they can save money, are reassured that there are consumer protections in place and they know where to go to get independent comparative information. A quarter of consumers (*Leave me alone* and *The stickers* segments) are unlikely to respond to a campaign.

Figure 1: Consumer Segments – A snapshot






	Confident switchers (17%)	Cautious switchers (18%)	Sceptics (22%)	Show me the savings (18%)	Leave me alone (17%)	The stickers (8%)
	Confident they know the options available, likely to have switched, be currently looking for a better deal or intend to switch.	Fairly interested in switching and but lack confidence and need reassurance about consumer protection.	Confident they know the options and concerned about prices but unlikely to switch. They lack trust and find it too complicated to compare offers.	Fairly confident and concerned about prices but unlikely to switch. Can be swayed if they can save money. Looking for credible information.	Very low interest and confidence and highly unlikely to switch despite moderate concern about prices.	Highly confident with moderate interest and concern but extremely unlikely to switch. Happy with current provider
Confidence in understanding offers/options	Very High	Fair	High	Fair	Very low	Very High
Interested in energy issues	Very High	Very High	Moderate	High	Very low	Moderate
Concern re: future prices	Extremely	Extremely	Very High	Very High	Moderate	Moderate
Likelihood to switch	High	Moderate	Low	Low	Low	Very low
Preferred communication	Internet, direct contact from retailer	Internet, comparison sites, no retailer contact	Online (general)	Internet including retailer websites	Online (general)	Direct contact from retailer, word of mouth
Effective messages	All messages esp. independent website	There are laws protecting consumers	Any that dispel misconceptions re trust/hidden fees	You can save money by switching	Prefer to 'opt in', may respond to a campaign about finding better value	After reducing energy usage, consider switching

2 Introduction

2.1 Background

The Australian Energy Market Commission (AEMC) released its draft report into the Review of Competition in the Retail Electricity and Natural Gas Markets in New South Wales to the Standing Council on Energy and Resources (SCER) on 23 May 2013.

This report determined that competition in the electricity and gas market for small customers is effective and recommended that price regulation be removed. The findings in the draft report have since been confirmed in a final report released by the AEMC on 3 October 2013.

One of the report's key recommendations was that measures to increase consumer engagement in the market should be implemented to ensure consumers are able to better compare the choices they receive and thereby chose an offer that best suits them. In this context, the AEMC agreed with the New South Wales Energy Minister, Chris Hartcher to prepare a blueprint for increasing consumer engagement.

Newgate Research was commissioned to undertake community and stakeholder research to help inform this communications blueprint.

Newgate Research (www.newgateresearch.com.au) is a leading social and market research firm that specialises in issues, corporate, financial and sustainability research. It is a member of the Association of Market and Social Research Organisations (AMSRO), its researchers are members of the Australian Market and Social Research Society (AMSRS) and its senior team members have Qualified Practicing Market Researcher (QPMR) certification.

2.2 Research Objectives

The overall objective of this research was to inform the AEMC's development of a consumer engagement blueprint for the NSW Energy Market which addresses the concerns and expectations of key stakeholders.

More specifically, the objectives of the research were to:

- Measure awareness and identify information gaps and misconceptions about energy markets;
- Identify current levels of engagement with the energy market;
- Understand the drivers and barriers to consumer participation in the NSW energy market;
- Identify information needs and preferred communication channels;
- Identify the key messages that will be effective in addressing the information needs of customers; and
- Understand the differing information needs and preferences of key customer segments.

2.3 Methodology Overview

The research program employed both qualitative and quantitative research methodologies with stakeholders and consumers. The four broad research stages are summarised in the diagram below and a detailed methodology is provided in Appendix 4.1.

Figure 2: Methodology Overview

Desktop Research

- Over 20 documents reviewed
- Documents sourced by the AEMC, members of the AEMC's Retail & Consumer Working Groups, Mandarin Media and Newgate Research
- Building on existing knowledge
- Avoiding re-inventing wheel
- Ruling out ineffective strategies
- Informing research question lines

Stakeholder Engagement

- The AEMC facilitated Retailer & Consumer Working Groups whose members provided feedback to assist the research approach
- n=20 in-depth interviews with key stakeholders representing community segments of interest e.g. non English speaking backgrounds (NESBs), disability, low income, older people, regional, SMEs) to identify and understand specific needs conducted in July & August 2013

Qualitative Research

- Preparatory focus group in Sydney (3 hours) to test key materials on 9 July 2013 (n=9)
- Two four-hour deliberative forums in Parramatta (n=40) & Wagga Wagga (n=16) on 15 and 16 July 2013
- Good mix of residents & SMEs
- Mix of round table discussions, group exercises and open forum discussions, presentations, individual voting (IML)

Quantitative Research

- State-wide survey of n=1,200 residential customers (main / joint decision maker for choosing energy company)
- Mixed mode to reach a broad range of customers: 50% telephone, 50% online
- 20 min. survey, quotas by age, gender, region, conducted in July and August 2013
- Final data weighted to reflect population
- Segmentation analysis to identify differing information needs and preferences

2.4 Notes to the Reader

This report presents the findings from both the qualitative (in-depth interviews, customer focus group and deliberative forums) and the quantitative research stages of the project. The findings are presented under the following broad topic areas to clearly address the research objectives:

- Consumer Segmentation;
- Existing Knowledge and Perceptions;
- Engagement with the Energy Market;
- Blueprint Campaign Information Needs and Communications Preferences; and
- Respondent Profile.

In preparing this report we have presented and interpreted information that we believe to be relevant to inform preparation of the AEMC's customer engagement blueprint.

Where assumptions are made as a part of interpreting the results or where our professional opinion is expressed rather than merely describing the findings, this is noted. Please ensure that you take these assumptions into account when using this report as the basis for any decision-making.

Please note that qualitative findings included throughout this report should not be considered statistically representative and cannot be extrapolated to the general population.

Quotes from both the qualitative and quantitative research have been included in the report to further support the findings. Verbatim quotes are included in a *purple font* and the source of the quote is also provided.

For quantitative survey results, the base (number and type of respondents) and the actual survey questions are shown underneath the relevant charts and tables. Weighted results are shown throughout the report, unless otherwise specified. Results may not always total 100% due to rounding.

Any statistically significant differences reported between different groups of respondents are at the 95% confidence level. Figures in the tables have been colour coded to show significant differences. Those in blue are significantly higher than other groups or segments. Those in red are significantly lower.

3 Consumer and Stakeholder Research Findings

3.1 Consumer Segmentation

A key objective of this project was to identify whether any particular segments of the community have specific information needs and preferences that should be reflected in the design of the communications blueprint.

Analysis suggests there are actually few significant differences in the quantitative results by demographic variables. This suggests attitudes and opinions are widespread across the community. The key significant differences by demographics are summarised in the table below.

Table 1: Summary of key demographic differences

Segment	Significant Difference
Household income	• Strong relationship between household income and awareness that you can choose your energy company or plan, with higher awareness among higher income households.
Size of energy bill	• There was a strong relationship between the amount of the quarterly energy bill and likelihood to switch, with a higher likelihood to switch among households with higher energy bills.
Age	• Younger consumers were less likely to know that there were different plans to choose from compared to older consumers. • Younger consumers were less likely to have switched either electricity or gas providers or plans compared to those aged 35 and over. • Younger consumers were more open to switching in the near future. • Consumers with children aged under 18 in the household were also more likely to switch in the next 12 months.
Renters vs. homeowners	• Renters were less likely to know that there were different plans to choose from than homeowners. • Those who owned their home were more likely to have switched their electricity or gas company or plan.
Urban vs. regional	• Consumers who lived in metropolitan NSW were less likely to have changed their electricity company or plan but were more likely to have changed their gas company or plan. This may be a reflection of the number of gas providers available to choose from in regional areas compared to urban areas.
Education levels	• Those with higher levels of education (undergraduate degree or higher level of education) were more likely to switch than those with a primary / secondary school / TAFE level of education.
Aboriginal and Torres Strait Islander	• Lower level of awareness that you could choose your energy company or plan.

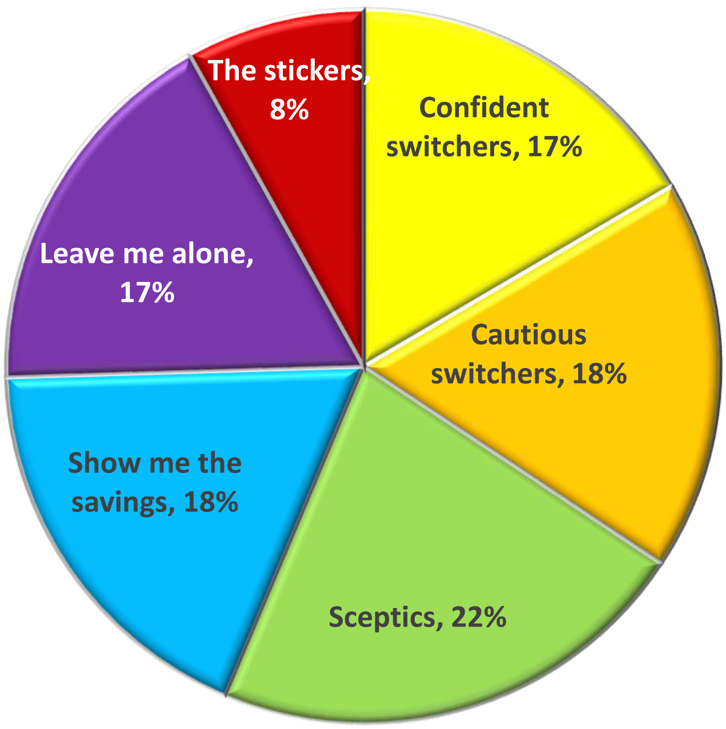
Using data from the quantitative survey, Newgate Research conducted a market segmentation to understand switching behaviours and how different segments can be targeted and influenced. Further details about the analysis techniques used are outlined in Appendix 4.1.

As shown in Figure 3 below, the segmentation analysis identified six segments that are largely based on consumers':

- Likelihood to switch in the next twelve months;
- Interest in energy issues;
- Confidence in understanding the various options and offers available to consumers;
- Level of concern about future energy prices;
- Responses to key messages; and
- Responses to the various initiatives proposed to help inform consumers.

The segments are named to reflect their dominant characteristics. A summary of the key features of each segment follows:

Figure 3: Consumer Segments



The key characteristics of each segment are summarised overleaf, based on statistically significant and meaningful differences. Further details of the segments are included in the relevant sections throughout the report.

Confident switchers (17%)

Confident they know what offers and options are available to consumers. Highly likely to have switched in the last two years, and be looking for a better deal or intending to switch company or plan in the next year. They tend to use the Internet for information on energy plans and find company sales efforts helpful

Demographics

- They are the youngest segment with 42% aged between 18 to 34 and they are the most likely to be working
- They tend to live in larger households of three or more people and they are the most likely to have at least one child in the household
- They are least likely to be receiving a concession on their bill
- They are the most comfortable using the Internet

Energy Issues

- They give the highest ratings of the service and value for money provided by their energy company
- They are the most interested in issues associated with energy and are extremely concerned about future energy prices
- They are the most confident they understand the various options and offers available

Switching

- They are the most likely to switch energy company or plan in the next 12 months
- The last time they switched they were most likely to have found sales efforts from retailers helpful
- They are very interested to switching to a better deal

Communications Sources, Messages and Materials

- They respond very positively to all key messages tested in this survey. In particular, knowing 'there is a free, independent government website where you can compare energy plans available to you' would make them extremely likely to seek out a better deal
- Their most preferred information sources are the Internet and direct contact from retailers – they are more likely to be aware of comparison sites
- They would find a range of information sources useful, especially an independent government website and fact sheets about energy plans

Cautious switchers (18%)

They are fairly interested in switching and seeking out a better deal but are not as confident they know what offers and options are available to consumers. Knowing there are laws in place to protect consumers would make them more likely to seek out a better deal. They tend to rely on online information sources and are looking for transparency about fees and charges

Demographics

- They are significantly more likely to live in regional areas
- They are the second oldest segment; 44% are aged 55 or over
- They have higher energy bills
- Most likely to have solar panels or a smart meter
- Most likely of all the segments to have a disability
- Fairly average household profile otherwise

Energy issues

- They are very interested in issues associated with energy and are the most concerned about future energy prices
- They are less confident they understand the options and offers available

Switching

- They are the second most likely to switch energy company or plan in the next 12 months. They are most likely to have switched another provider e.g. car or home insurance
- They are very interested in switching to a better deal

Communications Sources, Messages and Materials

- They respond very positively to all key messages tested in this survey, in particular knowing 'there is a free, independent government website' and 'there are laws protecting consumers'
- They are the most likely to agree that they would switch if they could save money
- The last time they switched they were most likely to have found Internet searches helpful
- Their most preferred information sources are the Internet (general) and comparison sites - they are very likely to be aware of these sites
- They would find a number of information sources helpful but do not want a phone call or a visit from an energy company
- They would like more of an explanation of pricing and fees

Sceptics (22%)

Confident they understand the various offers and options available but are unlikely to switch. They don't trust energy companies and are concerned about hidden fees and charges, and inevitable price increases. They feel it is too complicated to try and compare energy offers

Demographics

- The largest segment, making up more than one in five consumers
- A higher than average proportion are living in regional areas
- Average age profile
- Fairly average energy bills
- Fairly comfortable using the Internet

Energy issues

- Fairly interested in issues associated with energy, and very concerned about future energy prices
- Fairly confident they understand the various options and offers available

Switching

- Very unlikely to switch energy company or plan in the next 12 months
- Most are not interested in switching, but some would be interested in seeking out a better deal

Communications Sources, Messages and Materials

- They are most likely to quote 'happy with price at current retailer' as a barrier for switching
- They would switch if they could save money but are concerned that if they switch there will be hidden fees and charges and companies will eventually increase the prices anyway
- They are most likely to agree that it is too complicated to try and compare offers
- They are fairly resistant to key messages tested (average of ~ 5); in particular, knowing it's quick and easy and that the majority of NSW have already switched will not sway them
- The last time they switched they were likely to have found sales efforts from retailers helpful
- Their most preferred information source is a general online search
- Most helpful to them would be fact sheets about energy plans, an independent government comparison site or 1800 number, and an annual statement from their retailer

Show me the savings (18%)

They are fairly confident they understand the options and offers available to consumers. They are quite unlikely to switch in the next year, but can be swayed to do so if they know they can save money. They are looking for credible and unbiased information

Demographics

- Most likely to be middle aged (35 to 54) and paying off a mortgage
- They tend to live in larger households of three or more people and they are likely to have at least one child in the household
- Their bills are generally medium to high
- They are unlikely to be receiving a concession on their bill
- They are generally internet savvy
- They are highly educated and most likely to be in a high income household

Energy issues

- Least impressed with the value for money provided by their energy company
- They are most likely to have gas in the home and most likely to bundle
- Fairly average interest in issues associated with energy
- Fairly confident they understand the options and offers available

Switching

- Very unlikely to switch in the next 12 months
- Most interested in switching to a better deal but not currently looking

Communications Sources, Messages and Materials

- Most likely to say they 'wouldn't know where to get credible information' was a barrier to switching
- They are fairly responsive to key messages. In particular, knowing there is a free independent government website would make them very likely to seek out a better deal
- Most likely to agree that they would switch if they knew they could save money
- Last time they switched they were most likely to have used a retailer website
- They are most likely to use the Internet if they wanted to look for information about different retailers and plans. They are also most likely to visit a retailer website. They are least likely to be aware of *energymadeeasy*
- They would find an independent government website with a price comparator tool most helpful. They would also benefit from an annual statement from their retailer and fact sheets about energy plans. They are not interested in most other options.
- When asked to give advice to the AEMC regarding a communications campaign, they were most likely to suggest 'unbiased comparisons sites that included all of the energy companies'

Leave me alone (17%)

They are not at all confident they understand the options and offers available to consumers. However, they are not really interested in energy issues and are highly unlikely to switch provider or plan in the next year or so

Demographic

- Most likely to live in greater Sydney
- Average age
- Most likely to be renting
- They have medium energy bills
- Fairly average household characteristics otherwise

Energy issues

- Give the lowest ratings of the overall quality of service by their energy company and very low ratings of value for money
- They are least interested in energy issues and least concerned about future energy prices
- They are least confident they understand the options and product offers available to consumers

Switching

- They are very unlikely to have switched company or plan in the last two years and unlikely to do so in the next 12 months. They are also unlikely to have switched any other service provider
- Most are not interested in switching but some would be interested in seeking out a better plan even though they're not currently looking

Communications Sources, Messages and Materials

- No standout barriers to switching apart from a general lack of interest
- They do not respond to the key messages tested
- Least responsive to the argument that they could save money or that they are confident they have access to the right information to choose an energy plan
- They are highly unlikely to be aware of any comparison sites
- They generally wouldn't find the information sources tested helpful but are mildly interested in an independent government website with a price comparison tool, an annual statement from their retailer and fact sheets about energy plans

The stickers (9%)

They are highly confident they understand the options and offers available to consumers but are extremely unlikely to switch provider or plan in the next year or so. They are happy with their current arrangements, but could benefit from information on how to reduce their energy usage

Demographics

- The smallest segment, making up just one in ten consumers
- The oldest segment; 60% aged 55 or over, most likely to be retired
- Most likely to own their home outright
- Most likely to be smaller households (1-2 people), least likely to have children in the home
- Least likely to have piped natural gas, but if they do they tend to NOT bundle electricity and gas with the same supplier
- They are mostly likely to be receiving a concession on their bill and have the lowest incomes, most likely due to retirement
- Least likely to have Internet access and least comfortable using it

Energy issues

- Fairly low levels of interest in energy issues compared to other segments
- Highly confident they understand the various options and offers available and the least concerned about future energy prices

Switching

- By far, the least likely to switch in the next 12 months (90% giving a rating of 3 or less) and the least likely to have switched energy provider or plan in the last two years. Least likely to have switched other service providers
- They are by far the least interested in seeking out a better deal

Communications Sources, Messages and Materials

- No stand-out barriers to switching; they tend to be happy with their current arrangements
- The key messages are least effective among this segment (average likelihood to seek out a better deal in response was about 1 out of 10 for all messages)
- Most likely to disagree that they would switch if they knew they could save money
- Most likely to agree that they would rather try to save energy to reduce the bill than to seek out a better deal, but are also most likely to agree that they don't think they could reduce their energy usage
- If they have switched, they are most likely to have relied on information from a friend or family member or to not use any information at all
- If they were to seek out information they would call the energy retailer directly or look to family and friends for advice

The following table shows a detailed demographic profile of each of the six segments. For example 71% of Confident Switchers live in greater Sydney while the remaining 29% live in regional NSW. As discussed in the 'Notes to the Reader' figures in blue are significantly higher than other segments, while those in red are significantly lower (95% confidence level).

Table 2: Demographics - segment comparisons

Segment profile differences	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
Greater Sydney	71%	54%	59%	67%	72%	63%
Regional	29%	46%	41%	33%	28%	37%
Age 18 to 34	42%	19%	30%	24%	33%	11%
Age 35 to 54	38%	37%	32%	42%	36%	29%
Age 55 and over	20%	44%	38%	34%	32%	60%
Paying off a mortgage	37%	24%	29%	34%	30%	15%
Own outright	30%	42%	40%	40%	32%	50%
Renting	31%	31%	28%	24%	33%	29%
Single person household	12%	19%	14%	13%	17%	26%
2 in household	27%	34%	36%	34%	35%	40%
3 - 4 in household	45%	37%	34%	42%	38%	20%
5 or more in household	16%	11%	16%	11%	10%	13%
No children < 18 in home	48%	66%	64%	58%	67%	73%
At least one child < 18	52%	34%	36%	42%	33%	27%
Natural gas?	44%	36%	35%	51%	36%	Yes
Same retailer for elec/gas	34%	28%	24%	36%	20%	15%
Concession for electricity	20%	32%	31%	23%	24%	44%
Internet access at home	94%	96%	94%	98%	90%	76%
No Internet access (at all)	3%	2%	5%	1%	4%	15%
Comfort using the Internet (% rating 7+)	95%	88%	79%	91%	80%	71%
Completed undergrad. degree or higher	42%	35%	31%	48%	38%	22%
Working	71%	55%	56%	64%	61%	37%
Retired	11%	29%	27%	21%	23%	47%
Unemployed / student	22%	20%	20%	17%	23%	18%
HH income < $35K	14%	19%	21%	14%	21%	32%
HH income $35k - <$75k	29%	28%	24%	15%	24%	21%
HH income $75k - <$120k	29%	24%	25%	30%	22%	12%
HH income $120k +	17%	17%	14%	25%	20%	13%

3.2 Existing Knowledge and Perceptions

This section of the report examines:

- Perceived energy issues and levels of interest in these issues;
- Knowledge of billing structures and the consumer choices available; and
- Perceptions of energy companies.

3.2.1 Energy Issues and Level of Interest

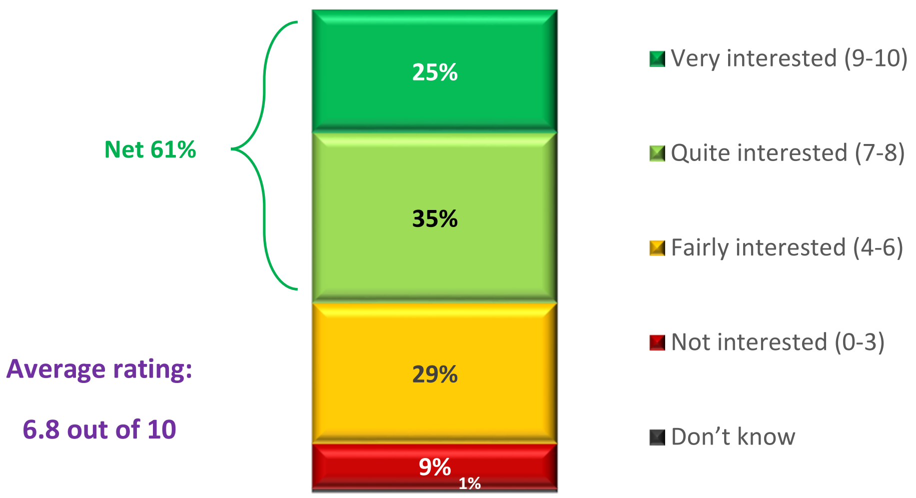
Fair levels of interest in energy issues

Issues associated with energy were of interest to NSW consumers, driven primarily by rising energy costs. Figure 4 shows the community's high level of interest in energy issues, with 61% rating their level of interest between 7 and 10 out of 10 and an overall average rating of 6.8 out of 10. Younger consumers indicated they were significantly less interested in energy issues (average of 6.3 among 18 to 34 year olds compared to 7.0 among those aged 35 or over). The lower level of interest among younger consumers was also apparent in the qualitative research.

Consumers who were more confident they understood the various options and offers available in New South Wales were significantly more interested in energy issues (average of 7.7 among those giving a confidence rating of 7 or more compared to 6.1 among those giving a lower confidence rating of 6 or less). This suggests that improving consumer's confidence in understanding the choices that are available can help improve their level of engagement with the industry.

As will be discussed in greater detail later in this report, there was a strong relationship between consumers' interest in energy issues and their likelihood to switch or seek out a better deal.

Figure 4: Level of interest in energy issues



Base: All respondents (n=1,203)
Q13. How interested would you say you are in issues associated with energy, and by that I mean electricity and gas? Please use a scale where 0 means not at all, 5 is fairly and 10 is extremely interested.

A comparison of the segments shows that the *Confident switchers* (average of 7.7) and *Cautious switchers* (average of 7.4) were significantly more interested in energy issues. By contrast, the *Leave me alone* segment were significantly less interested (average of 5.1).

Table 3: Level of interest in energy issues – segment comparison

Interest in energy issues	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
% Quite / very interested (7-10)	81%	71%	59%	64%	31%	56%
Average rating	7.7	7.4	6.7	7.0	5.1	6.4

The key issue is the rising cost of electricity, followed by doorknockers

In the qualitative research participants were asked about the main issues they were aware of that related to energy. This evoked an immediate discussion on the rising cost of electricity and the high costs of recent bills. This was also the number one issue raised by virtually all in-depth interview respondents.

> *The cost of electricity is a big issue in the region. The average wage is half the average wage for NSW. (In-depth, regional)*

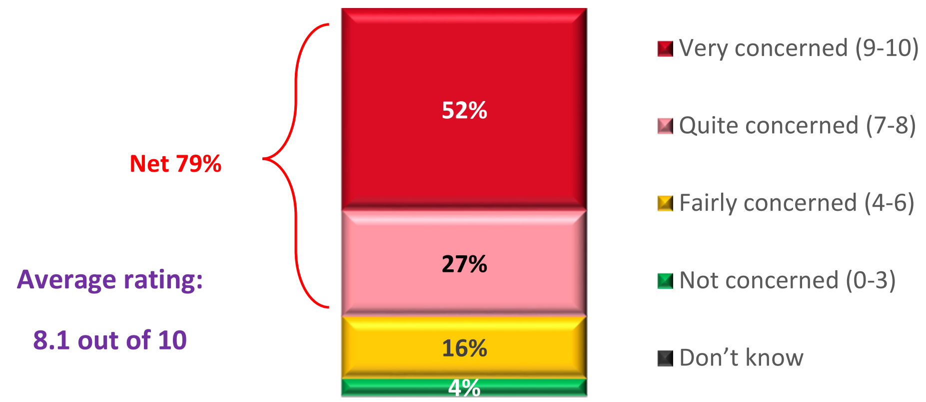
> *The biggest issue is high bills and accumulation of debt, not being able to pay bills off and it climbs from there. They get a huge winter bill and that kick starts the unraveling in the community. (In-depth, indigenous)*

> *Our communities just know they have huge bills but don't know anything about what is happening in the energy area. (In-depth, NESB)*

Figure 5 reflects the community's high level of concern about future energy prices with most consumers (79%) rating their level of concern as 7 or more out 10 (overall average rating of 8.1 out of 10). Four in ten consumers surveyed were extremely concerned about future energy prices with 40% giving the highest rating of 10 out of 10.

There was a strong link between concern about future energy prices and consumers' interest in seeking out a better deal. Those who were currently looking for a better deal (average score of 8.5 out of 10) or interested in looking (8.4) were significantly more concerned about prices than customers who were not interested in seeking out a better deal (7.6). These results suggest that recent price increases underpin interest in seeking out better deals despite not appearing to be a trigger to taking action in and of itself.

Figure 5: Concern about future energy prices



Base: All respondents (n=1,203)
Q16. How concerned are you about future energy prices? Please use a scale where 0 means not at all, 5 is fairly and 10 is extremely concerned.

While concern about future energy prices was fairly high across all segments, *Confident switchers* and *Cautious switchers* were particularly concerned (with average ratings of 8.6 and 9.2 out of 10 respectively). *The Leave me alone* segment and *The stickers* were significantly less concerned compared with other segments, however with an average score of 7.0 for both, they were still quite concerned overall.

Table 4: Concern about future energy prices – segment comparison

Concern about future energy prices	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
% Quite / Very concerned (7-10)	90%	92%	79%	81%	62%	61%
Average rating	8.6	9.2	8.0	8.0	7.0	7.0

Another significant issue raised in the qualitative research related to the perceived high-pressure tactics used by retail door-to-door salespeople (usually referred to by participants as doorknockers) and allegations that vulnerable people were being targeted. While many of the qualitative research participants said they were able to deal with these approaches, they expressed genuine concern about how others would respond to door-to-door salespeople, including their elderly parents or members of their family with a disability.

> *I have no information about how the plan is worked out, or even what it is. I do not like people knocking on the door, asking me to change to a different company, without having the opportunity to study all the conditions. (Quantitative survey)*

Again, this concern was echoed by in-depth interview respondents, many of whom told stories of people they had dealt with who had signed up to plans offered by retail doorknockers, either because they lacked the confidence to tell them to go away or because they had simply taken their word that they were getting a discount. When their next bill came in they had realised they had locked themselves into a contract that left them worse off, by which time the cooling-off period had lapsed. Many of these were people who had low levels of English proficiency, had a disability or were older.

> *I'm pleased to see the big providers have stopped door-to-door sales as it was really, really disturbing for people – they were definitely bullied. There were sales people out there who were targeting vulnerable people who lived in state housing. A particular couple were harassed and salespeople spent quite some time in their building and he would not leave when asked, and he also told them they were stupid for not doing what he said. Really, really shameful stuff. (In-depth, disabilities)*

Other energy issues raised by participants included the impact of the carbon tax and electricity transmission and distribution infrastructure on power prices, the environmental impact of different energy sources and the availability of gas in participants' local area.

The first response to high energy bills is typically behaviour change

Most participants in the qualitative research were aware that energy costs had risen substantially over recent years and nearly all had actively made efforts to change their behaviour and reduce their usage in order to bring down their bill. While participants had progressed down this path to varying degrees, several noted that their efforts appeared to have had a very limited impact on their bill.

Small to medium business (SME) participants were less likely to have attempted to change their energy usage because they said peak prices are typically aligned with their business hours and they often have specific needs such as automated air conditioning, temperatures to maintain in cool rooms or strong lighting. As a consequence, many SME participants were relatively disengaged with energy issues and somewhat resigned to energy being a rising line item in their business.

More interest in electricity than gas

Despite seeking to explore opinions in relation to both energy and gas, qualitative discussions were generally more focused on electricity. When asked about this, participants indicated that their gas bills were usually far less than their electricity bills and that it was harder to reduce gas usage as it was typically for more essential things like cooking. Several also said they had their gas and energy bundled together so effectively they saw them as one.

3.2.2 Knowledge of Billing Structures and Consumer Choices

Low levels of knowledge, high levels of confusion

Despite fairly high levels of interest in energy issues, the qualitative research found that most participants had a fairly low level of knowledge about how they are billed for their energy usage and the type of plan they are on, with many commenting that they find it very confusing.

> *Most people I see have confusion over energy matters. Every client I see has concerns over energy and how it works. They are all struggling with this. (In-depth, low income)*

> *It's a nightmare trying to read an electricity bill. All of them are different, and different retailers use different terms. It's very confusing…The bills are designed for accountants running a database, not for people to understand their consumption and how they are being charged. They are not accessible and they are not readable. On the bill it says 'residential control load 2' but who would know that is actually their off-peak hot water cost? (In-depth, regional)*

Energy usage is monitored by the proxy of the cost of the bill, not kWh used

While many participants were familiar with the term 'kilowatt' as a measurement for energy, few had any real understanding of what a kilowatt-hour (kWh) of electricity represents or knew how many kWh they consume during a billing period (let alone per day). This suggests that although people have tried to reduce their energy usage, efforts have not been particularly concerted or 'scientific'.

Monitoring of consumption levels between billing periods tends to be undertaken through reference to comparison graphs on bills, or to the bill total, as opposed to being through any sense that the cited kWhs used are high or low.

> *They are not understanding consumption and what they are actually using and how it converts back to money value. A lot of people don't know how much they're paying for energy – they read the huge number and nothing else. (In-depth, indigenous)*

> *When I called up [my electricity company] they started talking about kilowatts and I had no idea what they were talking about. They should explain that to customers and what it all means so that we can compare prices. I had no idea. (Parramatta)*

Few were aware they paid a fixed and variable charge

When asked about the structure of their bill, only a very small number spontaneously mentioned a fixed supply charge and a variable usage charge. When prompted, some recognised this as similar to their phone bill where they pay a 'line rental' charge. A few described the fixed charge as the price for connection and 'having someone come and read your meter' which led to some discussion about the frequency with which meter reading actually happens.

Most did not know what kind of electricity plan they were on

It was apparent that many participants did not know what kind of energy plan they were on, with many making hesitant guesses.

- Many thought they paid a flat rate per kWh consumed.
- Some thought they were charged on the basis of peak and off-peak rates. A few associated this with their hot water system.
- A few said they paid a certain amount per kWh for a particular amount of electricity and then more for what they used after that. Some thought they paid less after that point was reached. A couple referred to this as a block tariff.
- A small number said they were charged according to the time of day, with some adding that there were peak, off-peak and shoulder periods. Some described them as time of use or smart meters. Note that other participants at their table generally expressed an interest in how they could get a smart meter as they were attracted to the idea of being able to monitor their electricity usage more closely.
- A small number mentioned they paid a Greenpower tariff, often describing this as paying more for renewable sources of energy.
- Some had installed solar panels to save money but didn't know enough to talk about the specifics of their plan.
- SME participants generally could not say how business tariffs compared to domestic tariffs.

Some participants reported that they received discounts for paying by direct debit or paying early or on time. There was very little proactive discussion of contract lengths. Only a few participants knew that it was actually possible to negotiate a rate with an energy company.

Amongst switchers, knowledge of their plan was framed in terms of their discount

For those who had recently switched provider or plan, knowledge of the plan they were on was primarily framed in terms of the percentage discount they had been offered. Note that, when probed, virtually all admitted they were not clear on what was being discounted.

> *Fixed variable? That sounds like bank loans! (Wagga Wagga)*

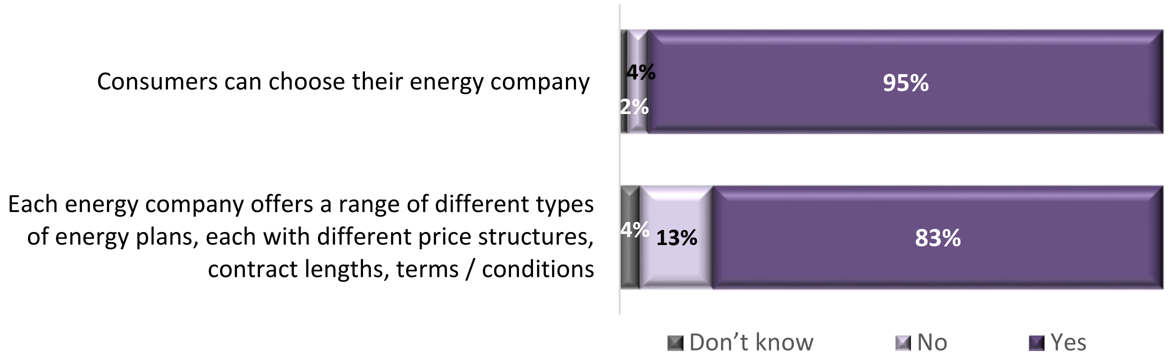
Most assume both government and industry play a role in setting energy prices

Most research participants were unsure how electricity prices are set but tended to believe the NSW Government plays some kind of role, perhaps setting a maximum price. At the same time, many assume there must be some degree of competition because they know that energy companies are out there offering discount deals. There was no real knowledge of the existence of a regulated price.

Most consumers know they can choose their energy company and an energy plan

As shown in Figure 6, in the quantitative study 95% of respondents indicated they were aware that consumers can choose their energy company, with just 4% unaware and 2% not sure. Awareness that each energy company offers a range of different energy plans was somewhat lower, but still high at 83%, with just 13% saying they were unaware of this and a further 4% not sure. Awareness levels were consistent across the six segments.

Figure 6: Awareness of consumer choices



Base: All respondents (n=1,203)
Q17. Before today, were you aware that…? And did you know that…?

Younger consumers were significantly less likely to know that there were different plans to choose from (77% vs. 85% among older respondents) as were renters (78% vs. 85% among home owners). There was also a strong relationship between household income and awareness. As shown in the table below, awareness levels were higher among higher income households.

Awareness levels were also significantly lower among consumers who identified as Aboriginal or Torres Strait Islander (84% aware you could choose your energy company, 66% aware there were a range of different plans).

These results suggest that extra effort will be required to educate lower income, young people and Aboriginal and Torres Strait Islander consumers on the choices that are available to them.

Table 5: Awareness of consumer choices – household income comparison

Awareness (% yes)	Household income		
	Less than $35k	$35k - $75k	More than $75k
Consumers can choose their energy company	91%	92%	97%
Each company offers a range of different plans	77%	82%	86%

For comparison purposes, a similar question was asked in a NSW Roy Morgan study with a slightly different methodology in November and December 2012 and found similar responses. It suggested that 90% of electricity customer respondents were aware they could choose the company they purchase energy from and 86% of gas customer respondents said they were aware they could choose the company they purchase energy from.

In the qualitative research most participants said they knew they could choose their energy company, primarily because door-to-door salespeople and telemarketers keep contacting them and offering discounts. Note that Parramatta participants reported far more approaches than those living in inner city suburbs or in Wagga Wagga.

The qualitative results also suggest that participants' knowledge about different plans offered by each energy company is very limited, with some simply aware that they offer Greenpower plans, a discount for direct debit or similar. In their experience dealing with doorknockers or telemarketers, most participants said they were typically given information about one plan only.

Mixed level of consumer confidence in understanding the options and offers available

Figure 7 shows that consumers had mixed levels of confidence in understanding the various options and offers available to them, with an average rating of 5.9 out of 10.

Reflecting the confusion found in the qualitative research, around 17% rated their confidence between 0 and 3 and a further 39% rating it between 4 and 6. Around one in four consumers were quite or very confident; 43% gave a rating of 7 or more.

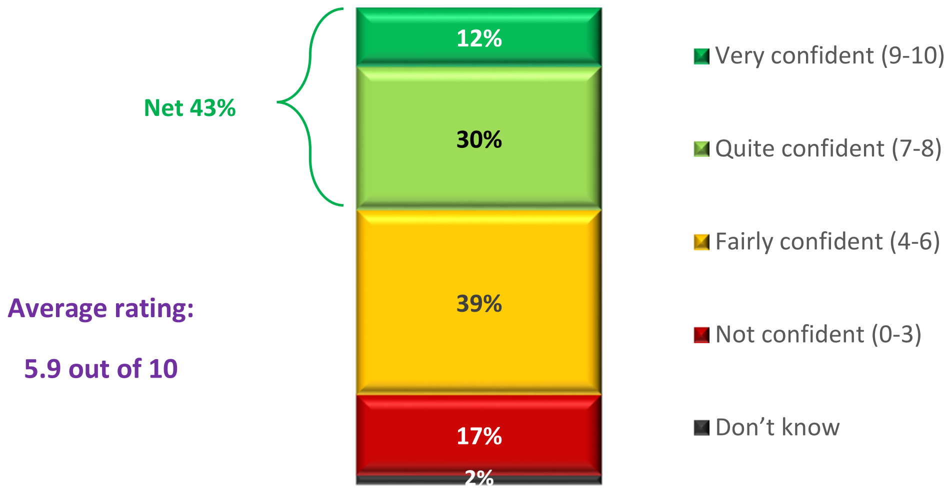
Consumers who were more interested in energy issues were significantly more confident in their understanding of the options and offers available (average of 6.5 among those who interest levels were 7 or higher vs. 4.9 among those with lower interest levels).

Those who were aware that consumers could choose their energy company (average of 5.9 vs. 5.3 among those not aware) and those who aware that there were different plans to choose from (6.1 vs. 4.8) were significantly more confident in their understanding of the options and offers available to them.

Those reporting high levels of confidence are unlikely to have high levels of knowledge

Keeping the qualitative findings in mind where few could talk knowledgably about the plan they are on and how they are billed for their energy usage, it is likely that a significant proportion of the 43% who rated their confidence between 7 and 10 actually have fairly low levels of knowledge. This will have implications for messaging in any campaign targeting this segment.

Figure 7: Confidence in understanding the options and offers available to consumers



Base: All respondents (n=1,203)
Q14. And how confident are you that you understand the various options and offers that are available to energy customers in New South Wales, where 0 is not at all and 10 is extremely confident?

There was quite a bit of variation between the segments in terms of their understanding of the options and offers available to consumers. The *Confident switchers* and *The stickers* were the most confident (average of 6.9 and 6.7 respectively). By comparison, the *Leave me alone* segment was significantly less confident (4.6).

Table 6: Confidence in understanding the options and offers available to consumers – segment comparison

Understanding options and offers available	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
% Quite / Very confident (7-10)	63%	41%	43%	39%	22%	57%
Average rating	6.9	5.7	6.0	5.7	4.6	6.7

Most could only name the more established energy companies

Despite high levels of knowledge that they can choose a provider, the qualitative research participants suggested their consideration set is quite limited. Most were familiar with the names of the larger, more established providers, which generally included Energy Australia, AGL, Country Energy and Origin Energy, and were surprised when they saw the longer list of energy companies offering plans in their area.

They tended to equate these established names with a guarantee of continuity of supply as well as better customer service. A few thought the bigger companies were vertically integrated and owned the power lines or power stations and, as such, were able to offer better value.

There was some confusion about the status of some of the smaller energy companies like Dodo, with some questioning whether they were actually resellers who bought power from the major brands on a wholesale basis. Amongst those who were aware of the smaller players, some said they would be reluctant to use them because of concern about reliability of supply or a higher possibility of hidden charges.

> *Some are suppliers and some are on-sellers. I get really confused. I don't know the names of the on-sellers. (Parramatta)*

Note that there was considerable confusion about the recent name changes of the energy retailers following their privatisation. This was most evident in Wagga Wagga where Origin Energy is still using the old Country Energy brand as well as its own, leading to many participants thinking they are actually two separate companies.

3.2.3 Perceptions of Energy Companies

Fairly High Satisfaction with Quality of Service

As Figures 8 and 9 show, consumers rated the overall quality of service provided by their electricity company fairly highly at an average of 7.4 out of 10 (where 10 represented excellent service). The 39% of participants who had mains connected gas rated the overall quality of service slightly lower at 7.1.

Qualitative research findings suggest that most people don't have any real contact with their energy company unless they have an interruption to supply or a billing issue. As such, as long as the power is running, they generally feel satisfied with the level of service.

This has implications for any communications campaign as responses to other questions in this study suggest satisfaction with the current supplier is a key barrier to switching.

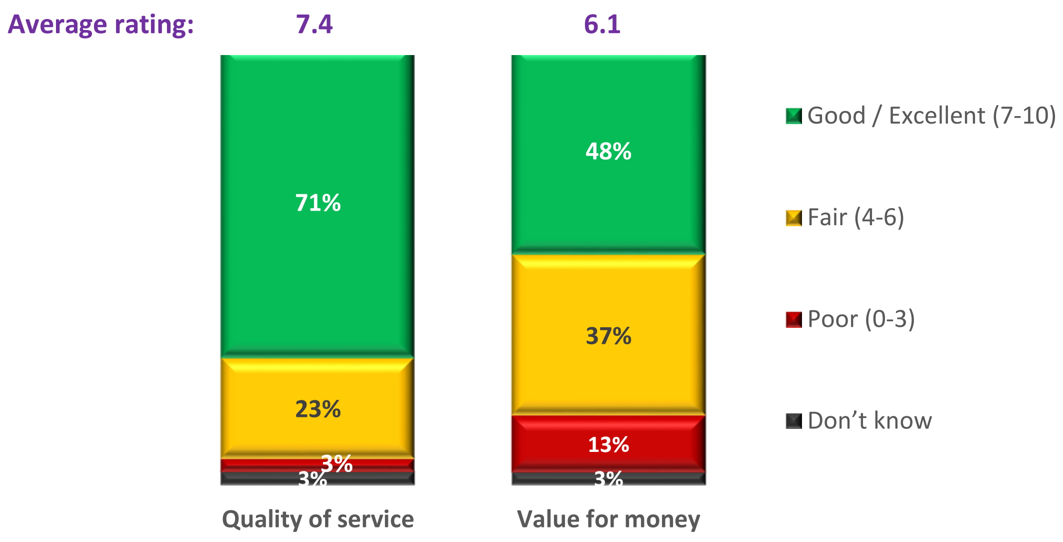
Fair Value for Money Ratings

Ratings of the overall value for money of the products and services provided by the various energy companies were significantly lower, with an average rating of 6.1 for electricity companies and 6.4 for gas companies.

Not surprisingly, the higher the respondents' quarterly bills were, the lower their value for money ratings. Consumers who were currently looking for a better energy deal or at least interested in doing so gave significantly lower value for money ratings than those who were not interested in seeking out a better deal. This further supports the finding that price is a major driver of people seeking out a better deal.

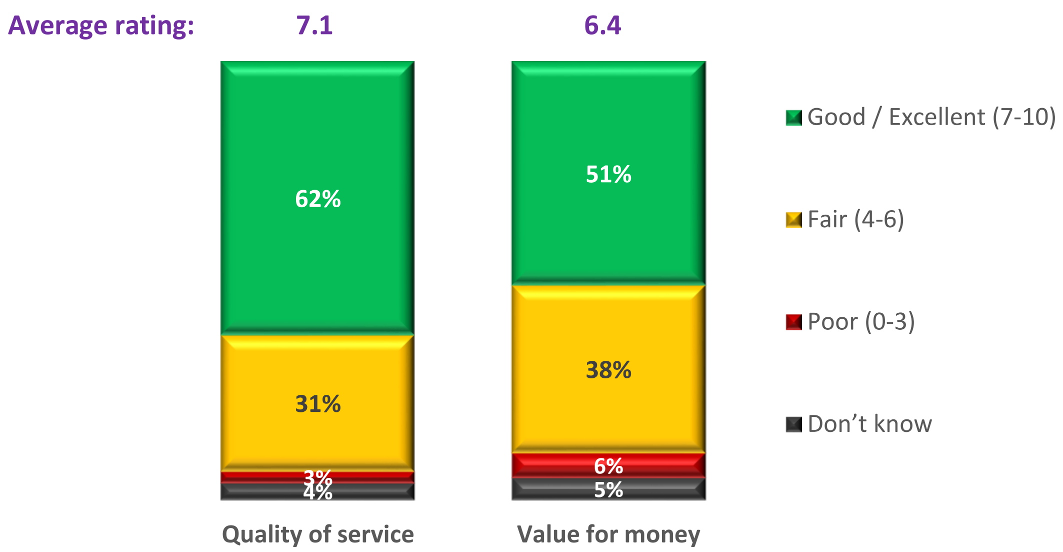
The disparity in scores between electricity and gas was also reflected in the qualitative findings with some suggesting that gas bills are generally a much lower sum in total and that gas is often used for more 'essential' things like cooking and heating.

Figure 8: Rating of Electricity Company



Base: All respondents (n=1,203)
Q6. How would you rate the overall quality of service provided by your electricity company? Please use a scale where 0 means very poor, 5 is fair and 10 is excellent. / Q7. And using that same scale again, how would you rate the overall value for money of the products and services provided by your electricity company?

Figure 9: Rating of Gas Company



Base: Respondents who have mains connected gas with a different provider to their electricity company (n=146) Q11. How would you rate the overall quality of service provided by your gas company? Please use a scale where 0 means very poor, 5 is fair and 10 is excellent. / Q12. And using that same scale again, how would you rate the overall value for money of the products and services provided by your gas company?

When it came to their electricity company, *Confident switchers* gave the highest overall quality ratings (average of 7.8) and value for money ratings overall (6.8) – given their high propensity to switch company, it is likely that they would switch if they were not happy with the service or value they were receiving. *Sceptics* also gave significantly higher ratings of value for money (6.5).

Those in the *Leave me alone* segment were significantly less satisfied with the quality of service (6.9) and value for money (5.8) provided by their electricity company. This is a concern, given their low levels of interest in energy issues and their low likelihood of switching their company or plan. While the propensity of this group to switch means they should be a low priority target, it is likely that messages around finding a 'better service' or 'better value' would be most effective with this segment. Consumers in the *Show me the savings* segment also gave significantly lower ratings for value for money (5.5).

Table 7: Rating of Electricity Company – segment comparison

Rating of electricity company (average / 10)	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
Quality of service	7.8	7.3	7.5	7.1	6.9	7.7
Value for money	6.8	5.9	6.5	5.5	5.8	6.3

Many consumers say they don't trust the information provided by energy companies

The qualitative research suggested that many consumers find it difficult to trust a lot of the information being provided by energy companies. This was supported by the quantitative survey (See Figure 13), in which two thirds of consumers (66%) agreed that they 'don't trust companies that offer a better deal because they will end up charging more later on' and three in five consumers (59%) agreed that they 'don't trust the information energy companies gave me about how prices compare'.

This lack of trust appears to be fuelled by recent electricity price rises and what some participants describe as the constant barrage of contact they receive from energy company telemarketers and door-to-door salespeople and the high-pressure tactics they employ. In particular participants said they resented being told an offer was only available for a short time or that they had to sign on the spot to receive the discount. They also commented that it was hard to get anything in writing.

> *They were really hassling. (City)*
>
> *It's annoying to keep getting calls when you've told them you've just signed another contract. (Parramatta)*
>
> *They always want an answer right there and then. They insist 'do it now'. (In-depth interview, low income)*
>
> *Some of the cold calls are very aggressive. (Wagga Wagga)*

Furthermore, half of the participants in the quantitative survey (50%) agreed that they felt pressured by energy sales people trying to offer them a better deal.

This situation is underpinned by a lack of knowledge of how they can check the information they are given and compare it with offers from other companies.

Note that once participants were told that each energy company actually offers a range of plans, some felt this was a further example of retailers deliberately withholding information. Also, many realised during the forums that they may have put undue focus on the percentage discount they had been offered, not knowing they should have asked what they were actually getting a discount on. Others said they had not realised they could negotiate with energy companies.

Despite participant complaints about energy company door-to-door salespeople and telemarketers, it is important to note that such approaches currently appear to be the most effective trigger in consumer switching behaviour.

At the conclusion of the quantitative survey, when respondents were asked whether they had any other comments or advice they would like to give the AEMC to help inform consumers about their choices, three of the four most common themes in responses were transparency related, including:

- Less complexity, more simplicity (6%)
- Tell the truth, don't mislead customers (5%)
- More explanation of pricing and fees (4%).

3.3 Engagement with the Energy Market

This section of the report examines:

- Switching behaviours over the last two years;
- Drivers and triggers to investigating other energy plans and switching;
- Barriers to investigating other energy plans and switching;
- Key sources of information; and
- Future switching intentions.

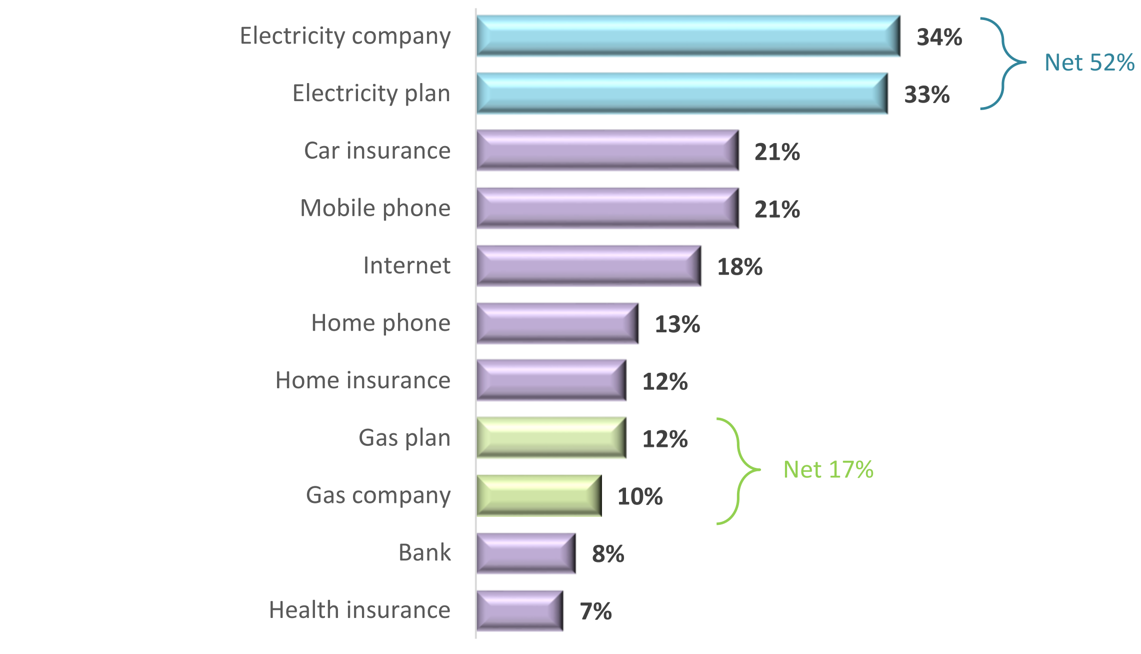
3.3.1 Previous Switching Behaviours

The quantitative research suggests that rates of switching electricity companies and plans are far greater than for comparable services like insurance, mobile phones and the Internet. This may be a reflection of more aggressive marketing efforts made by energy companies compared with other industries.

Figure 10 shows that in the last two years 52% of respondents said they had changed their energy company or plan, with 34% having changed electricity company and 33% saying they had changed electricity plan (this included negotiating or receiving a better price or deal). There was significantly less change amongst gas companies and plans with 17% saying they had changed in the last year (12% gas plan, 10% gas company).

By comparison, one in five consumers had changed their car insurance or mobile phone provider (21%). One in five had not changed any of their providers in the last two years (25%).

Figure 10: Previous switching behaviours (% yes)



Base: All respondents (n=1,203). NB: Multiple response question, hence nets are not the sum of individual percentages Q18. Have you changed your energy company in the last two years? / Q19. Have you changed the plan you are on with your existing energy company in the last two years? This includes negotiating or receiving a better price or deal. / D6. In the last two years have you changed any of the following providers or companies with which you have products and services?

Those who owned their home were significantly more likely to have switched their electricity (55% vs. 47% of renters) or gas company or plan (19% vs. 13%). Younger consumers were less likely to have switched either electricity or gas providers or plans (47% of those aged under 40 vs. 57% among those aged 40 and over).

Consumers who lived in metropolitan NSW were significantly less likely to have changed their electricity company or plan (49% vs. 57% in regional NSW), but by contrast were significantly more likely to have changed their gas company or plan (19% vs. 12%). This may be a reflection of the number of gas providers available to choose from in regional areas.

By segment, the *Cautious switchers* were significantly more likely than most other segments to have switched their electricity company or plan (62%) in the last two years. This group was also more likely to have switched another provider such as their car or home insurance. By contrast, *Leave me alone* and *The stickers* were the least likely to have switched their energy company or plan and were also least likely to have switched any other provider. This suggests that their reluctance to switch is not specific to energy and is perhaps more reflective of their personality.

Table 8: Previous switching behaviours – segment comparison

Switched company of plan in last two years	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
Electricity	50%	62%	52%	58%	42%	41%
Gas	18%	20%	15%	23%	11%	9%
Other provider	56%	59%	51%	53%	44%	31%

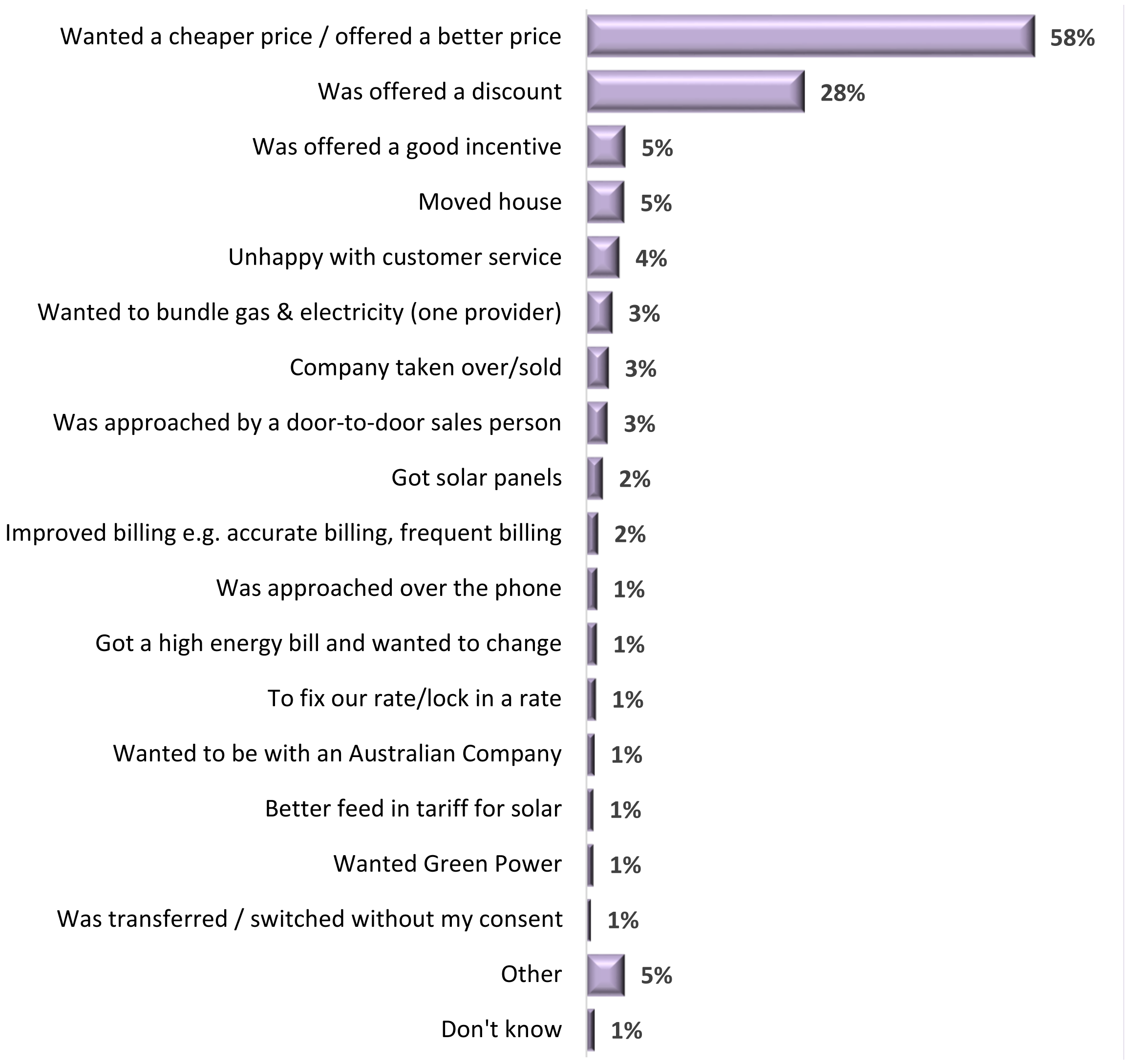
3.3.2 Drivers of Investigating Energy Plans and Switching

Cost is overwhelmingly the current key driver to switching

Respondents who had switched energy company or plan in the last two years were asked to give the reason in their own words. As Figure 11 shows, a large majority of those who switched energy company or plan said the decision was driven by price (80% of switchers mentioned cheaper or better prices, discounts or incentives). The motivations for switching were fairly consistent across the segments.

The results in the qualitative research were similar. The amount of money needed to make it worthwhile to switch was not explored specifically but some participants suggested it would be worth doing if they could save $10 to $50 a quarter while others with larger bills of around $1,500 were looking to save around $250 per quarter. Generally SMEs and those on higher incomes said they would need to know they could save a significant amount of money to warrant the effort involved.

Figure 11: Reasons for switching (most recent switch)



Base: Respondents who changed their energy company or plan (n=647)
Q20. The last time you switched, what was the main reason you changed your energy company or plan?

Limited Range of Triggers

These results also reflect the qualitative findings on the limited number of triggers that appear to initiate the process of investigating energy plans. Far and away the main trigger was a proactive approach by an energy company door-to-door sales person or telemarketer with details about the savings that could be made by switching.

Other low-level triggers identified in the qualitative research included:

- **Moving house or business premises.** While moving house or business premises was a trigger for some to investigate alternative offers, many said they had simply chosen the same provider they had been with in the past. Younger people moving out of home typically contacted their parents to ask which provider they used. Around 5% mentioned this as the main reason for changing in the quantitative survey.
- **Dissatisfaction with service from current supplier.** This was more likely to apply to SMEs than residential consumers, with some saying they had switched after persistent blackouts or an isolated billing dispute. Most participants said they had actually had little contact with their supplier. In quantitative survey 4% said the main reason they had changed was because they were unhappy with the customer service provided.

- **Receiving a series of higher than expected electricity bills** and eventually being prompted to proactively investigate other options. One high bill is generally not enough in itself to prompt action and most participants' first reaction is to change their energy consumption behaviour rather than investigating alternative plans. Note that only 1% of those who had changed energy company or plan in the last two years cited this as a specific reason despite their concern about energy prices and desire for a better price.
- **Word of mouth recommendation** from a friend, family member or work colleague. Some said they had switched on the advice of someone else they knew well that had done the necessary research.
- **For SMEs, part of a broader cost review program.** A few SMEs said they had proactively checked to make sure they were on the best possible energy plan as part of a broader process of reviewing key business costs.

Later in the qualitative research, while discussing a potential communications campaign on this issue, participants suggested it would help if there were more triggers to prompt consumers to investigate their options. For example, they discussed ideas such as having a letter mailed to consumers before their contract ends and distribution of an annual statement summarising individual consumers' contract details. These would be sent with information on the choices available to consumers and the *energymadeeasy* website.

3.3.3 Barriers to Investigating Energy Plans and Switching

The research shows there is widespread inertia and disengagement when it comes to investigating energy plans with a view to switching provider, and that that is largely the result of no perceived incentive to do so.

This situation is compounded by:

- Low levels of literacy about energy plans;
- A lack of trust in the information provided by retailers through a sales approach which many participants inherently dislike;
- The complexity of the different options available;
- A lack of knowledge about where they can go to seek easy-to-understand and independent comparative information; and
- Lack of knowledge about their consumer rights.

While the research suggests a significant proportion of the community would be very keen to look into other energy plans if these barriers are addressed, some will inevitably remain disengaged.

> *It's taking the time to compare… Across the board people can't be bothered. They don't have time.*
> *(In-depth interview, low income)*

The table below summarises the main barriers to investigating different energy companies and plans with a view to switching, which were identified through both the qualitative and quantitative research. Note that many overlap. Each of these barriers is addressed in detail later within this section.

Table 9: Barriers to investigating companies and plans

Barriers	What People Say
A. No Compelling Value Proposition to Investigate Options with a View to Switching	• I am happy with my existing energy company/service/price • It's not possible to make significant savings • Energy companies are all the same/it would make no difference to price

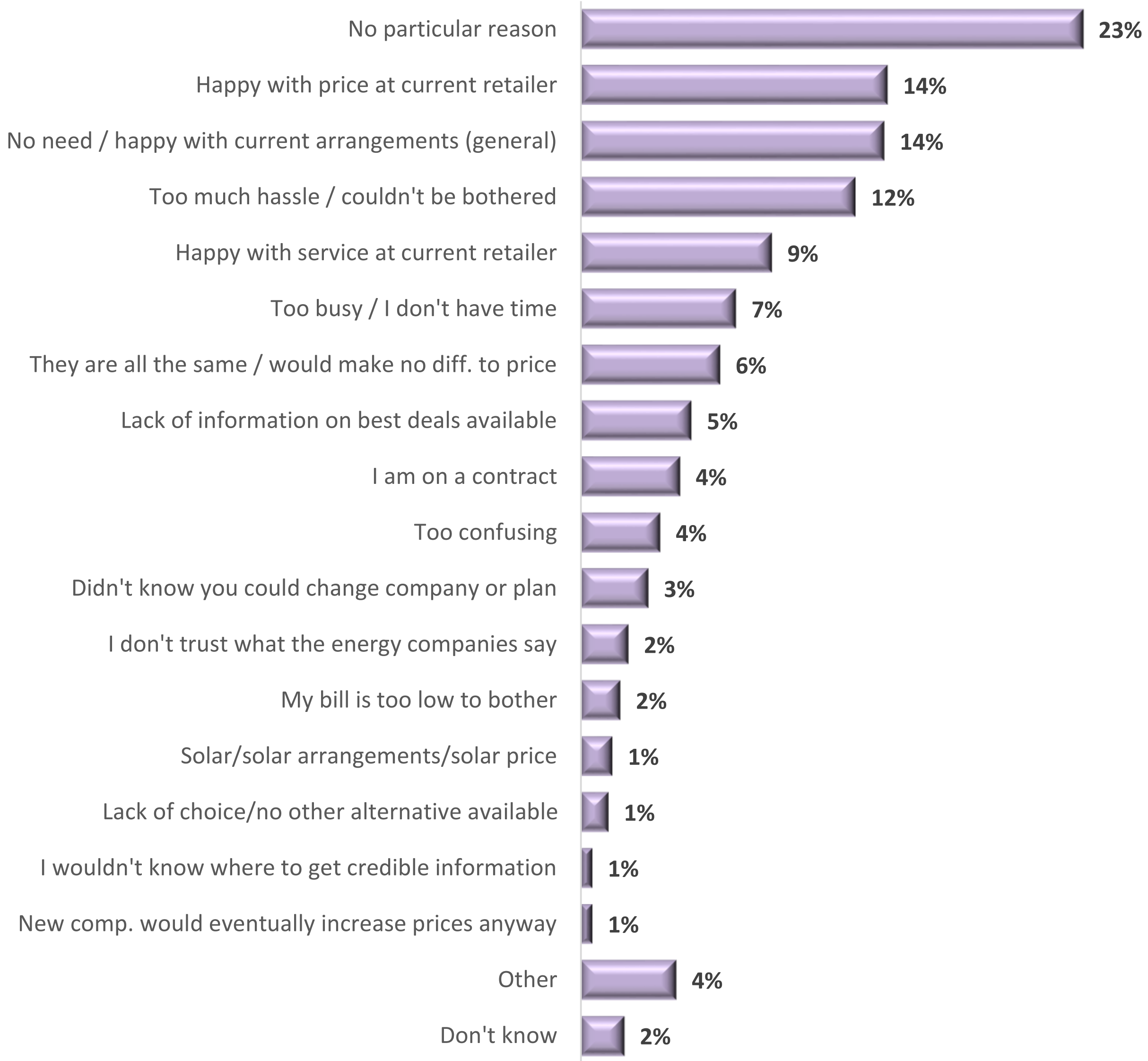
Barriers	What People Say
	• I would prefer to save money by reducing my energy consumption than switching company or plan/cost savings will only come through behaviour change • The new company would eventually lift prices anyway • Hidden fees and charges would probably negate any savings made • My bill is too low to bother • I have a long-standing relationship with my energy company so they will look after me
B. Lack of electricity-plan literacy	• I don't really know what plan I am on at the moment/ I don't have my bill information readily to hand • I didn't know you could change energy company or plan • There are only a small number of energy companies to choose from/the smaller ones are not reliable • I can't switch as I'm locked into a contract
C. Mistrust of What Energy Companies Say	• I don't trust what the energy companies say about how prices compare • I feel pressured by energy sales people trying to offer me a deal • Hidden fees and charges would probably negate any savings made/ the new company would eventually lift prices anyway • I would not trust a smaller energy company
D. The Options are Too Complex	• It's too complicated to try and compare the various deals and options available
E. Need for Independent Credible Source of Information	• I wouldn't know where to get credible information about other energy deals • It is too confusing/too much hassle/will take too much time and effort
F. Disengagement	• Despite knowing I could save money, I can't be bothered looking into switching
G. Consumer Rights	• I need reassurance about my consumer rights
H. Other	• The process of switching itself may be time consuming • I don't want to get locked into a two year contract (SMEs) • I don't know if I can switch if I'm in an office building/complex (SMEs)

Figure 12 overleaf shows the coded responses given by respondents who were asked why they had not changed their energy company or plan in the last two years. As can be seen, 25% either could not give a reason (23%) or didn't know (2%). A further 37% were happy with their current retailer's price, service or arrangements. Those who said it was too much hassle, they couldn't be bothered, they were too busy or didn't have time made up a significant 19%.

By segment, *Sceptics* were twice as likely to mention 'happy with price at current retailer' (23%) compared to any other segment (11% among remaining segments). This suggests that this segment will be unlikely to change unless they can save more money – they may also need to have an indication of the likely dollar amounts they could save rather than just a percentage.

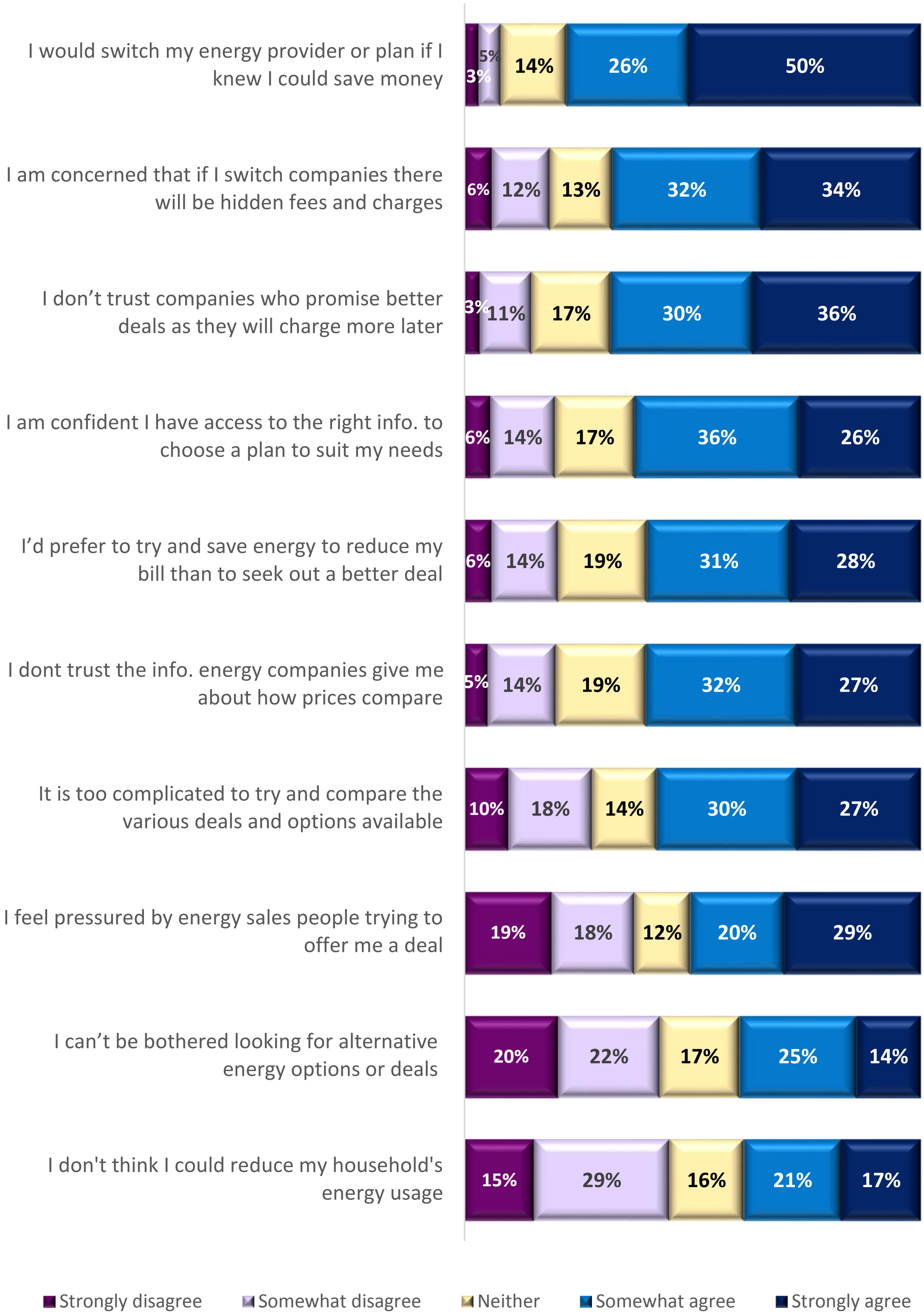
Some of the key barriers to switching identified in the qualitative research were tested in the quantitative study by asking respondents whether they agreed or disagreed with a series of attitudinal statements (and to what extent). The results (shown in Figure 13) suggest there is significant potential to increase the likelihood of individuals looking into alternative energy companies or plans. The most effective message was 'I would switch my energy provider or plan if I knew I would save money', with 76% agreeing (50% strongly agree, 26% somewhat agree).

Figure 12: Reasons for not switching



Base: Respondents who had not changed their energy company or plan in the past two years (n=556)
Q22.Are there any reasons you haven't changed your energy company or plan in the last two years?

Figure 13: Attitudes towards switching



Base: All respondents (n=1,203). Don't know not shown in charts, very low incidence at 3% or less for each statement Q23. Do you agree or disagree with the following things some people have said?

The next section of this report provides more detail on each of the barrier categories identified earlier, with analysis based on both qualitative and quantitative results.

Barrier A. No Compelling Value Proposition

Figure 12 shows that the majority of reasons given by respondents for not changing their energy company or plan in the last two years reflect the lack of any compelling value proposition. Analysis of the various types of statements participants made that relate to this barrier follow:

- **I am happy with my existing energy company/service/price**

  A third of customers (32%) said they were happy with their existing energy company – either the current arrangements (14%), the price (14%) or the service (7%).

  I've never had any problems. (Wagga Wagga)

  Yes, I am happy with my current provider and plan. (Quantitative survey)

  Far as I am concerned I am happy with Country Energy so why change! If it isn't broke, why try to fix it? (Quantitative survey)

- **Energy companies are all the same - it is not possible to make significant savings**

  The qualitative research showed that many consumers who had never switched felt it was not possible to make significant savings changing energy company or plan and that the price would be the same regardless of the one they use. They rationalised this by saying that all retailers are essentially selling the same thing and there isn't any real product differentiation when it comes to service.

  Despite only 6% citing this as a reason why they hadn't switched, it is clearly the number one barrier, because 76% of respondents agreed with the statement 'I would switch my energy provider or plan if I knew I could save money'. Of these, 50% strongly agreed and 26% somewhat agreed. As previously identified, saving money is also the main driver for changing energy company or plan.

  It's basic. There are not different qualities like with a telco…there's no benefit to pay more for electricity. (City)

  I think if you see discounts it's only a dollar or two for all your time sitting there. (City)

  It doesn't matter what I do, they will keep their prices fairly similar and screw me at the end of the day. (Parramatta forum, low income)

  I do not think it makes any difference to prices - all companies prices are much the same. (Quantitative survey)

- **Cost savings will come through behaviour change**

  The various energy efficiency campaigns run in recent years have clearly had cut-through and so most participants' response to increasing energy bills is to change their behaviour.

  In the quantitative study a substantial three in five respondents (59%) agreed they would 'prefer to try and save energy to reduce their bill than seek out a better deal', with 28% agreeing strongly and 31% somewhat agreeing.

  In the qualitative research many people spoke of their efforts to reduce their bills by doing a range of things like switching appliances off at the wall, limiting use of air conditioning and clothes dryers, and to a lesser degree, turning off hot water heaters when they are not in use. A few had bought or considered buying more energy-efficient appliances. Several had installed solar panels while some others said they were looking into them, including a few who lived in apartment blocks and were involved with the body corporate.

  We knew we could change providers but don't trust anyone. It just depends on how you use your electricity. We found if you turn it off at the wall it really helps. (City)

Electricity is expensive so you'd rather change your behaviour than your provider. I work on the theory that whether it's Energy Australia or AGL it's going to be about the same. (City)

As noted, some who have made considerable efforts to change their behaviour were starting to question whether it really does have as much impact on their bill as they had anticipated.

We haven't turned on the heater this year. We reduced our usage a lot. We turn things off at the power point. Some appliances we never use. It's still not that much cheaper and I think it's inflated. It's gone down a little bit but not that much. (City)

- **The new company would eventually lift prices anyway**

  Some participants thought that while they may potentially experience a short-term benefit from switching, this would inevitably be negated in the longer term as all companies increased their prices. As such, they felt it was not worth the effort.

  I don't trust the options. You change because of it and the price still goes up. So I've never changed for that reason. I can't trust what they're going to bill me. (City)

  When the price is good you lock in and after that if it goes up, they won't tell you. (Parramatta)

  In the quantitative study two thirds of respondents (66%) agreed that 'I don't trust companies who promise better deals as they will charge more later', with 36% agreeing strongly and 30% agreeing somewhat.

- **Hidden fees and charges would probably negate any savings made**

  Many people felt that hidden fees and charges would probably negate any discount offered. In the quantitative study two thirds of respondents (66%) agreed with the statement 'I am concerned that if I switch companies there will be hidden fees and charges', with 34% agreeing strongly and 32% agreeing somewhat.

  I have no interest in looking at a different provider… If I go with someone else I'd have to question every charge. (City)

  People are disinclined to take up offers because they are concerned about being taken advantage of. (In-depth, disabilities)

  I don't trust other retailers and I see lots of clients (as a lawyer) who get locked in without knowing and having billing problems so I'm very cautious about signing anything. (Wagga Wagga)

  I'd prefer the devil I know… If you go with someone else you will just get tricked. People change but they don't get a better deal. My uncle got switched without knowing because he had poor English and just kept saying yes on the phone. (Wagga Wagga)

  There have been a lot of marketers coming to my house, trying to give the wrong information, not showing the prices after GST, hidden fees etc. There needs to be avenues to report misleading information. (Quantitative survey)

  Note that this barrier also reflects mistrust of what energy companies say.

- **My bill is too low to bother**
  This is the reason given by just 2% of respondents who had not switched in the last two years but also reflects the opinion of some in the qualitative research who said they simply couldn't be bothered looking into the matter.

- **I have a long-standing relationship with my energy company so they will look after me**
  A few older participants in the qualitative research felt that their long-term relationship with one provider should be working in their favour. While they hoped they were getting a better deal as a result, none really knew if this was the case. Some felt a sense of loyalty to their energy company, particularly if the company was Australian.

My husband is patriotic and he wants to stay with AGL. We've been with them a long time. (City)

Barrier B. Lack of electricity-plan literacy

Participants' lack of literacy when it comes to the plan they are on, the options available to them and their consumer rights is a significant barrier to their ability to understand the alternatives offered to them.

- **I don't really know what plan I am on at the moment/I don't have my bill information readily to hand**

  As noted earlier in the report, many participants do not know the basis on which they are being billed or the type of plan they are on. Not knowing this information or having a recent bill readily to hand when approached by an energy sales person means individuals don't have confidence that what they are being offered is actually better than the plan they are on. It also acts as a significant barrier to individuals proactively investigating alternative options of their own accord.

  Further, a number of participants pointed out that they would ideally like their annual bill information to hand because they were aware that their energy consumption changes considerably according to season..

  You'd have to take the reading over a year because every quarter is going to be different. How do you know if one's better than another. (City)

  In this light, if a communications campaign driving the community to the *energymadeeasy* services is undertaken then it will be important to ensure that people have ready access to information about the plan they are on. Ways of doing this were explored during the qualitative research and included clear articulation of the names of plans on energy bills, the provision of an annual statement, or a letter prior to the end of an energy contract that outlines the plan they are on.

- **I didn't know you could change energy company or plan**

  This was mentioned as a barrier for 4% of consumers who had not switched their energy plan or provider. As previously noted 6% did not know consumers can choose their energy company or were unsure and 17% didn't know energy companies offer a range of different types of energy plan. This sentiment appeared stronger in the qualitative research, particularly in Wagga Wagga.

  In the country we're used to Country Energy and Telstra and having no choices. Suddenly we're having to choose. (In-depth, regional)

  The perception here is that people have to go to Country Energy. That's how it used to be and most people will go with whoever the local supplier is. (In-depth, regional)

  I didn't know you can negotiate a plan to suit your needs. I thought it was a standard service offering for all consumers of that company. (Quantitative survey)

- **There are only a small number of energy companies to choose from.**

  While the majority of respondents knew they could choose their energy company, the qualitative research suggests their initial consideration set is limited to the companies they are aware of and these generally included AGL, Energy Australia, Origin and Country Energy. In the quantitative survey 1% of those who hadn't switched indicated there was a lack of alternative options to choose from.

  Communications aimed at raising awareness of the full range of energy companies in the market would therefore help address this barrier.

- **I can't switch as I'm locked into a contract.**

  Some participants said they were not open to switching at the moment because they were currently on a contract. This was mentioned by 4% of participants as the reason for not switching. The fact that they were on a contract means these people were generally more engaged with energy issues but still not aware that a new company may offer to cover their exit fees.

Barrier C. Mistrust of What Energy Companies Say

Comments by many participants suggest a significant lack of trust in the information provided by energy companies during door-to-door marketing and telemarketing. It appears much of this stems from what participants describe as 'high pressure' tactics used by door-to-door salespeople and telemarketers, but the underlying issue is that the lack of energy-plan literacy means they don't feel they have any easy way of verifying what they are told. This mistrust serves to heighten the need for reassurance about their consumer rights; another key barrier.

> *I don't have good enough of an understanding to have a view. I've just heard bad stories about door-to-door salespeople. (Parramatta SME)*

> *They get door-knocked and when they hear the word 'discount' they sign the contract but they don't understand it. (In-depth, NESB)*

- **I don't trust what the energy companies say about how prices compare**
  This statement emerged strongly in the qualitative research and was tested in the quantitative study where 59% agreed that 'I don't trust the information that energy companies give me about how their prices compare' (27% strongly agreed and 32% somewhat agreed).
- **I feel pressured by energy sales people trying to offer me a deal**
  Again this sentiment was strong in the qualitative research and in the quantitative study nearly half (49%) of the respondents agreed with the statement 'I feel pressured by energy sales people trying to offer me a deal', with 29% strongly agreeing and 20% somewhat agreeing.
- **Hidden fees and charges would probably negate any savings made/the new company would eventually lift its prices anyway**
  These barriers have been addressed earlier under 'No compelling value proposition' but also fit under mistrust.
- **I would not trust a smaller energy company**
  This opinion was expressed in the qualitative research and was related to lack of understanding about the range of energy companies operating in the market and their reliability when it comes to supply and customer service issues.

Barrier D. The Options Are Too Complex

For those participants who had managed to get to the point of looking into their options, the time and effort required to work their way through the complexity became a significant barrier.

- **It's too complicated to try and compare the various deals and options available.**
  In the quantitative research, the majority of respondents (57%) agreed with the statement 'It's too complicated to try and compare the various deals and options available', with 27% strongly agreeing and 30% somewhat agreeing. A further 17% neither agreed nor disagreed.
- In the qualitative research, many who had some prior contact with door-to-door salespeople or telemarketers reported they had felt bamboozled by the complexity of the options and lacked confidence in their ability to select the best plan. At this point, even if their interest in switching had been aroused, many admitted they had given up.

> *I think the plans and options are far too complex to compare. I signed with Origin because my parents use them. I don't bother shopping around. (City)*

There are at least half-a-dozen different electricity companies operating in the area. They're not entirely honest and it's very hard for people here to understand what they are paying. (In-depth, regional)

A large number of our clients have financial problems…Salespeople knock on the door and they say 'it is very cheap' and they sign the paper and they don't know what they have agreed to. (In-depth, NESB)

Most believed it would take a long time to look through all the information thoroughly and come up with a plan that would be better for them. This was therefore something to put off for 'another time'.

I'm too lazy to have changed. I'll retire soon and I intend to look at my energy bill more then. (Parramatta)

It's quite onerous to dig down into the contract to see what they say. (Parramatta SME)

Lack of information about the plan they are currently on combined with the way in which options tend to be presented in terms of percentage discounts on the price they are currently paying appears to make it even harder for participants to compare 'apples with apples'. It reinforces the current situation where participants think of their energy plan in terms of their discount rather than the price they are actually paying per kWh.

I'm curious how everyone talks about how they want a discount. What are you getting a discount on? Are you comparing apples to apples? (Parramatta)

Some participants with high education levels spoke of having spent hours looking into the options and still remaining confused. There was a general sense that if it is too hard for these people then it's not surprising that so many give up.

My home electricity bill is $1,300 per quarter and I would need to save around $300 per quarter for it to be worthwhile as it would probably take around three hours to switch. (Wagga Wagga)

Many felt it would be easier if there were fewer options to choose from or it was easier to compare the various offers. Many in-depth interview participants echoed this opinion saying this complexity was a major issue amongst people with limited English, those with low education and some who have a disability.

Barrier E. Need for Independent, Credible Source of Information

In discussing their lack of trust in the information that energy companies provide and the complexity of the options presented to them, the majority of qualitative research participants were keen to see an independent, credible source of information that would allow them to easily compare 'apples with apples' to give them confidence in making a decision.

- **I wouldn't know where to get credible information about other energy deals**

  In the qualitative research many participants said they simply didn't know how to find out about other energy deals.

  In the quantitative study one in five (20%) disagreed with the statement 'I am confident I have access to the right information to choose a plan to suit my needs', with 6% strongly disagreeing and 14% disagreeing somewhat.

  We get calls all the time but I'm not sure how to find out about other deals. (Parramatta)

  I don't have enough information on other companies' price and policy. (Quantitative survey)

- **It is too confusing/too much hassle/will take too much time and effort**

  The quantitative research showed that around a quarter of respondents had 'no particular reason' (23%) for not switching or didn't know (2%). Some thought it was 'too much hassle or couldn't be bothered (12%) or they were 'too busy or didn't have the time' (7%). Further, 39% agreed with the statement 'I can't be bothered looking for alternative energy options or deals'.

  I'm too lazy to change. I know I should look into it to make sure I'm getting the best deal. (Parramatta forum, low income)

  The research suggests some of these participants are likely to be more interested once they have a clear motivation to save money and know how much they are actually likely to save, as well as where to go for credible information. However, others are likely to remain disengaged.

Barrier F. Disengagement

As noted above, there are certain groups who simply can't be bothered to look at alternative energy companies or plans despite knowing they have the option to do so and could save money. The segmentation analysis suggests this is particularly true of the *Leave me alone* segment and to a lesser degree *The stickers* segment. Together, these two segments represent around one in four consumers (25%).

Barrier G. Consumer Rights

Lack of knowledge or confidence about their consumer rights is currently preventing some participants from investigating alternatives and switching. Their concern is heighted by their mistrust of the information provided by energy companies.

In the quantitative research knowing 'there are laws protecting consumers when they switch to a new deal and switching will have no impact on the supply of energy to their home' made a significant 48% very likely to seek out a better deal. The segmentation analysis also shows that this is the main barrier to switching for the *Cautious switcher* segment.

The qualitative research suggested that for many people with low education levels, limited English or some who have disabilities, lack of confidence to tell retail salespeople to go away and give them time to consider their options is a significant issue. Many in-depth interview participants reported that some of their constituents are signing up to get discounts from door-to-door salespeople despite not really understanding what they are being offered, simply to make them go away and leave them alone.

We are getting examples of aggressive sales. Many people are too afraid to open their doors at night. (In-depth, disabilities)

Many low-income people don't feel confident or empowered enough to tell door-to-door salespeople to go away and often end up signing. By the time they get a bill and realise it's much higher the cooling off period has passed and they are stuck with the new arrangement. (In-depth, low income)

[Older people] fear they can't navigate the new system. They also feel targeted and bombarded by salespeople…Many people are feeling intimidated by people rocking up to their homes and refusing to leave. They make them feel obligated…They worry about hidden costs – late fees and so on. (In-depth, older people)

Other consumer rights issues include a lack of awareness of cooling off periods, not knowing where to go if they have a problem with their retailer and lacking reassurance about reliability of supply after switching.

Lack of understanding of consumer rights is likely to rise up the list of barriers once any communication campaign is underway and it will be important to ensure consumers are well-educated on these.

Barrier H. Other Barriers

The research identified other lower level barriers including:

- **Ease of the actual switching process.** Some participants were concerned that the process of actually switching plan provider may be time-consuming or difficult. Note however that this was not raised as an issue by those who had actually switched.

  Red came to the door and offered a 5% discount. That contract ended and I noticed a high reading and though it was odd. I called them and they said it was an average reading and then they offered me a 10% discount. I was turned off by having to sign another contract and giving all my details. (Parramatta)

  It has to be made easy for them to switch, not like the banks. Switching banks when you're a small business is a nightmare. (In-depth, SMEs)

- **I don't want to get locked into a two-year contract (SMEs).**
  Most SME participants thought that locking themselves into two-year contracts in the current business environment was too risky and could impact any opportunities to move premises if required.

  It needs to be simple to move. Two years is a long time when prices go up. (Parramatta, SME)

  If you want to create a churning market, the best thing to do from a small business perspective is to ban those two year contracts…What we're hearing from small businesses who've looked at switching is that the benefit is marginal and the conditions are prohibitive, especially contract length. (In-depth, SMEs)

- **I don't know if I can switch if I'm in an office building/complex (SME)**

  Some SMEs thought that all owners or tenants in their building might need to agree to a change in provider and that any effort to secure this would not be worth the time involved.

Attitudes to switching by segment

The table overleaf shows how attitudes towards switching differ by segment. It is apparent that the level of distrust consumers feel towards energy companies and the information they provide, as well as the level of pressure they feel when companies try and offer them a better deal is consistent across all the segments. The perceived complexity of trying to compare deals is fairly consistent across the segments.

As shown in the following table, some key segment differences include:

- *Cautious switchers* (90%) and *Show me the savings* (84%) were most likely to agree that they would switch if they knew they could save money. *Leave me alone* (64%) and *Stickers* (46%) were least likely to do so.
- *Sceptics* were most concerned about hidden fees and charges (74%).
- *Stickers* were most confident they had access to the right information to help them choose an energy plan to suit their needs (73%) and *Leave me alone* were least confident (51%).
- *Stickers* were significantly more likely to try and reduce their usage rather than seek out a better deal (73%). Note however that this segment was also significantly more likely to agree that they couldn't reduce their energy usage any more (53%). This means this segment would probably respond to messaging about 'hidden ways / the secrets to genuinely reducing your household's energy use' and about what they can do after having done all they can to reduce usage.

- *Cautious switchers* were significantly less likely to agree that they couldn't be bothered looking for alternative energy plans (30%).

Table 10: Attitudes towards switching – segment comparison

Attitudes (% strongly / somewhat agree)	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
I would switch energy provider or plan if I knew I could save money	81%	90%	75%	84%	64%	46%
I am concerned that if I switch companies there will be hidden fees and charges	65%	68%	74%	63%	62%	62%
I don't trust energy companies who promise a better deal as they all end up charging more later on	61%	65%	69%	69%	63%	71%
I am confident I have access to the right information to choose an energy plan that suits my needs	63%	57%	66%	65%	51%	73%
I'd prefer to try & save energy to reduce my bill than to seek out a better deal	66%	53%	62%	55%	54%	73%
I don't trust the information that energy companies give me about how their prices compare	57%	60%	59%	62%	52%	66%
It is too complicated to try and compare the various deals and options available	59%	57%	61%	57%	52%	53%
I feel pressured by energy sales people trying to offer me a deal	55%	53%	52%	47%	42%	52%
I can't be bothered looking for alternative energy options or deals	41%	30%	43%	36%	40%	47%
I don't think I could reduce my households energy usage	37%	40%	40%	36%	33%	53%

Base: All respondents (n=1,203)
Q23. Do you agree or disagree with the following things some people have said?

3.3.4 Information Sources

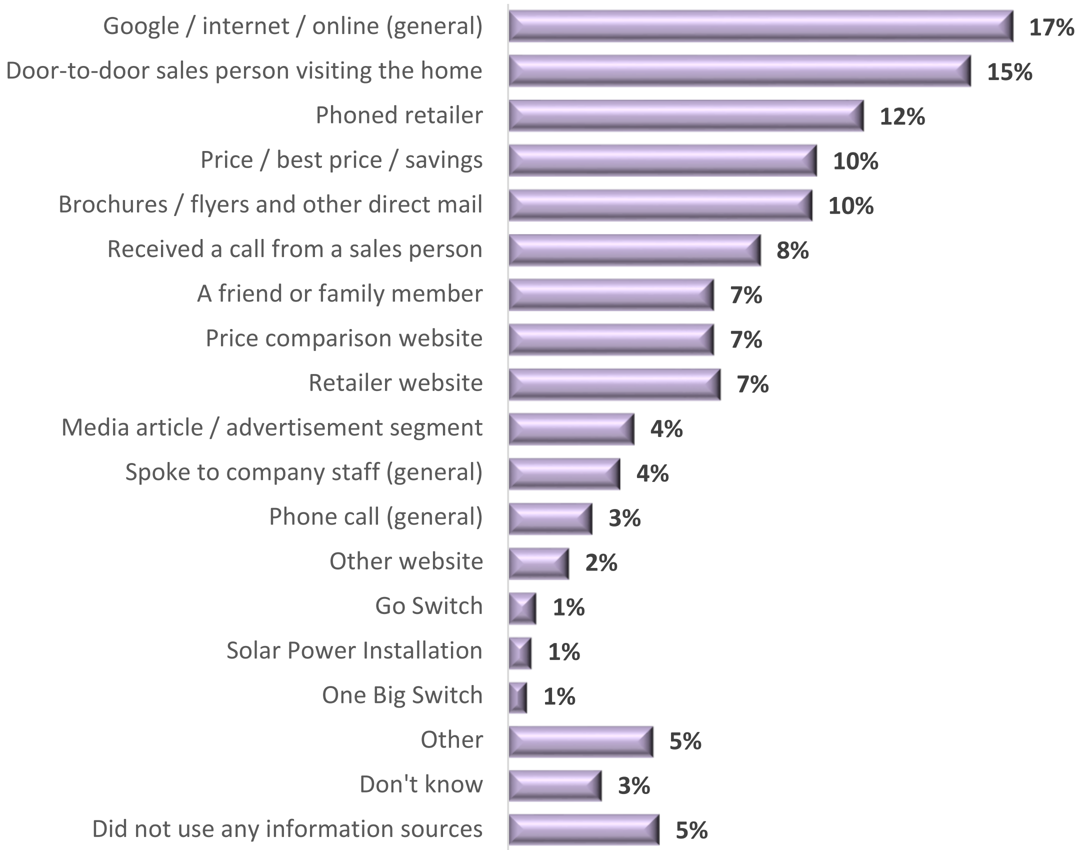
Consumers who switched energy company or plan were asked to say which information sources helped them with their decision to change.

Figure 14 below shows that consumers rely on a variety of different sources when making their decision. The most common information sources used are general searches on the Internet e.g. Google (17%). Visits (15%) or calls from retailers (8%), direct calls to retailers (12%) or brochures, flyers and other direct mail (10%). One in ten switchers specifically mentioned that they look at the price or savings to help with their decision to switch (10%).

Of note, only 5% of switchers indicated that they did not use any information sources when making their decision. This highlights the importance of providing consumers with the necessary information (and via a range of different channels) to help them with their decision to change provider or plan.

Results were fairly consistent across the segments. *Show me the savings* were most likely to have found a retailer website helpful when switching (15% vs. 5% among other segments). *Stickers* were far more likely to rely on advice or information from family or friends when making the decision to switch (21% vs. 6% among other segments).

Figure 14: Information sources used when last switched



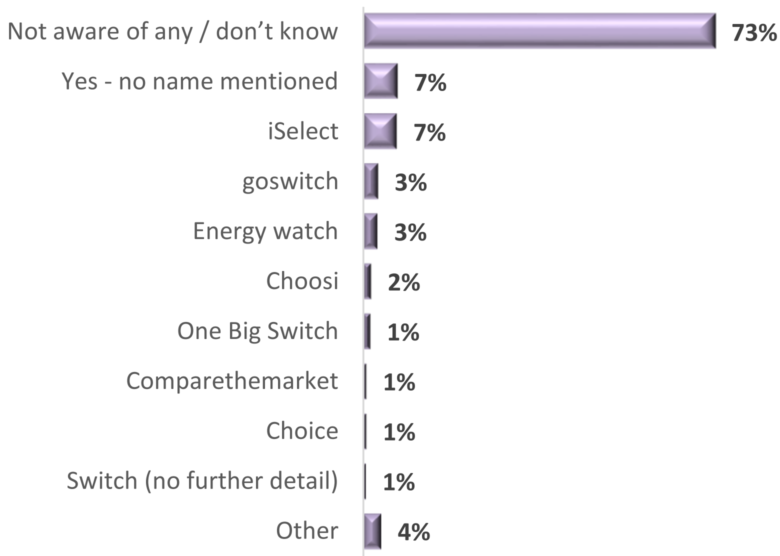
Base: Respondents who changed their energy company or plan (n=647)
Q21. The last time you changed your energy company or plan, what information sources helped with your decision to change?

Survey respondents were asked if they were aware of any comparison websites that can help customers choose a good energy deal for their home. Figure 15 overleaf shows that awareness of comparisons sites is very low. Almost three quarters were not aware of any sites (73%). A further 7% were aware that such sites existed but could not name any. A small proportion of consumers were able to name iSelect (7%), goswitch (3%), Energy watch (3%) or Choosi (2%) with 1% also mentioning each of One Big Switch, Comparethemarket and Choice.

Confident switchers and *Cautious switchers* were significantly more likely to be aware of comparison sites (34% and 35% respectively were able to name a site). *Leave me alone* and *Stickers* were least likely to be aware of any sites (79% and 86% respectively were not aware of any).

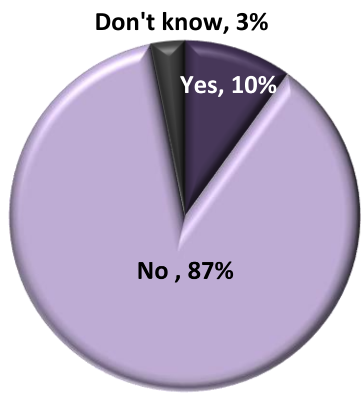
None of the survey respondents mentioned the *energymadeeasy* website, but when prompted, 10% of respondents said they had heard of it. This will be an important benchmark to track over time.

Figure 15: Comparison websites aware of (unprompted)



Base: All respondents (n=1,203)
Q26. Are you aware of any comparison websites that can help customers choose a good energy deal for their home?

Figure 16: Awareness of '*energymadeeasy*' Base: All respondents (n=1,203)



Base: All respondents (n=1,203)
Q27. Have you heard of the independent government comparator website called energymadeeasy?

These quantitative results are explored in more detail below, with additional commentary from the qualitative research reflecting where participants got their knowledge of energy issues from more broadly.

Energy Company

Around a third of those who switched company or plan (32%) said a direct approach from a door-to-door sales person (15%), direct mail (10%) or via telephone (8%) were useful in helping them with their decision to switch.

In the qualitative research most participants said they got the majority of their knowledge about the options available to them from retailers from doorknockers or telemarketers. However, many participants who had been contacted in this way did not actually go on to change company or plan because of the barriers previously outlined.

> *People ring us at inconvenient times but it made us think about it more. (Wagga Wagga)*

Online

Around three in ten (29%) respondents who had switched mentioned using websites for information, with around 17% saying 'online', 'Internet' or 'Google' and a further 7% citing a price comparison website, 7% a retailer website and 2% another website. When prompted, 27% said they were aware that comparison websites were available and 23% were able to name one without prompting; most commonly iSelect (7% of all respondents), goswitch (3%) and Energy watch (3%).

The qualitative research suggests that most people initially go directly to the websites of the companies they are familiar with rather than look at price comparison websites. Many who had taken this approach reported they had not actually changed their plan as they had not found any information that gave them confidence they would be getting a better deal.

> *I've done a few Google searches but never really compared anything. AGL, Origin, EA, all came up. I haven't actually compared anything myself. (City)*

Many who were initially contacted by an energy company said they later went online to get more information or check out alternate offers. Younger people in particular said they would do their initial research online to narrow down their options before they made any telephone calls to get further information and actually switch.

Some participants said they Googled something like 'energy company price comparison'. They had then gone on to look at websites such as iSelect, One Big Switch and goswitch. While some were aware that these websites were set up by companies who were paid a commission and were comfortable with the idea of paying a fee for this service, many were not aware of this fact. Most were also unaware that these sites did not necessarily include all the options available to them.

> *I personally wouldn't use it. There's a motivation to sell something. (City)*

> *I don't think I'd trust this website. It seems like they're actively trying to hide something. It seems like there will be lots of terms and conditions. (City)*

The small number of participants who used these sites to switch reported positive experiences.

> *Our last bill was $550 so I went onto the web and went to iSelect. It came up on Google. Their bill was the cheapest. I didn't know there were daytime and nighttime rates. I spent about two minutes on the website. (City)*

No qualitative participants mentioned having visited an independent or government comparison website.

Telephone approach from customer

Around 12% of respondents who had switched said they had telephoned a retailer directly to ask questions. This high rate is supported by anecdotal comments from retail stakeholders about the increasing numbers of inbound calls they are receiving.

In the qualitative research many had made contact with retailers by telephone after being approached by an energy company door-to-door salesperson or telemarketer while some had made the call after hearing by word-of-mouth that they could get a better deal by simply telephoning and asking or to inquire about the reason for recent high bills. Some customers indicated they had telephoned retailers after having narrowed down the choices using online search tools.

Word of mouth

Around 7% of those who had changed plan in the last two years mentioned they had got information from a friend or family member.

This was also raised as a key information source in the qualitative research with results suggesting it will rise up the list of information sources as word of the potential to save money and the *energymadeeasy* website spreads.

> *My colleague… had done some homework. After that she told me about the price at AGL and compared to Origin I saw it was better. It takes time to compare to different companies and you can't be bothered. (City)*

3.3.5 Future Switching Intentions

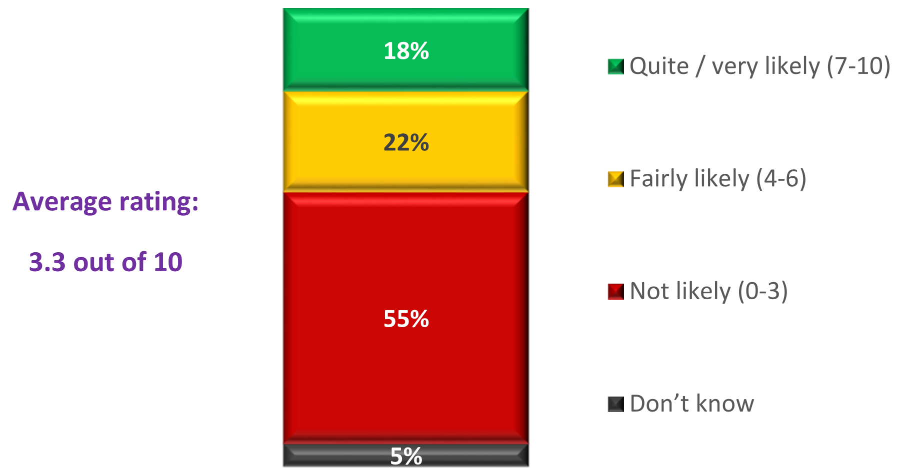
Quantitative research respondents were asked about the likelihood of them switching their energy company or plan in the next 12 months. Figure 17 shows that more than half were not likely to switch (55% rating 3 or less out of 10) while a significant four in ten said they were fairly (22% rating 4 to 6) or quite likely to switch (18% rating 7 or more). The overall average rating out of 10 (where 10 meant 'extremely likely') was 3.3, suggesting that the majority of consumers are unlikely to switch in the near future.

Younger consumers were more open to switching in the near future (average of 4.1 among 18 to 34 year olds vs. 2.9 among older consumers). Consumers with children aged under 18 in the household were also significantly more likely to switch in the next 12 months (3.9 vs. 2.9).

There was also a strong relationship between the amount of the quarterly energy bill and likelihood to switch – the higher the bill, the more likely people were to switch in the next 12 months.

Education levels also had an influence on consumers' likelihood to switch. Those with a primary / secondary school / TAFE level of education (3.0) were significantly less likely to switch compared to those with an undergraduate degree or higher level of education (3.8).

Figure 17: Likelihood to switch energy company in the next 12 months



Base: All respondents (n=1,203)
Q15. How likely are you to switch your energy company or plan in the next 12 months, where zero means not at all and 10 is extremely likely?

Across the segments, *Confident switchers* and *Cautious switchers* were significantly more likely to say they would switch in the next 12 months compared to other segments, but overall they were still only 'fairly' likely, suggesting that switching is not something that most consumers think about doing unless they have some sort of incentive or prompt. While the *Sceptics* and *The stickers* were both significantly less likely to switch, *Stickers* were by far the least likely to say they would switch in the next 12 months (average of 0.7 out of 10).

Table 11: Likelihood to switch energy company in the next 12 months – segment comparison

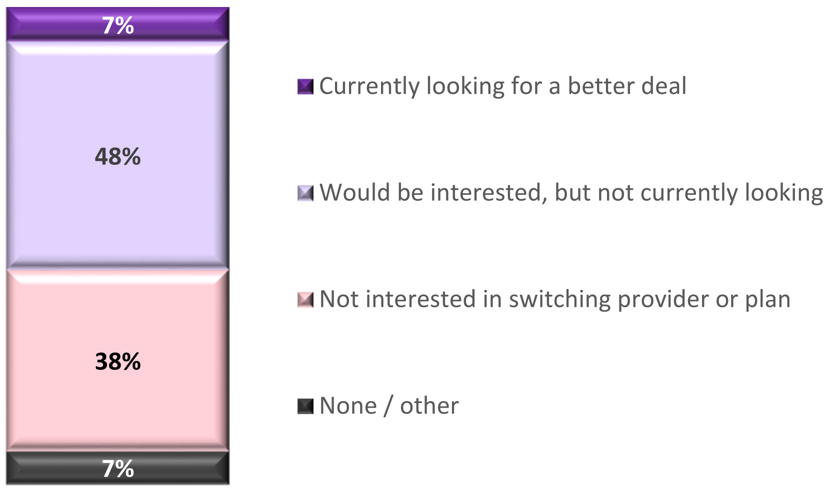
Likelihood to switch energy company in the next 12 months	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
% Quite / very likely (7-10)	45%	25%	15%	11%	7%	0%
Average rating	5.6	3.9	2.9	2.7	2.5	0.7

Figure 18 below shows that just 7% are currently looking for a better deal, 48% would be interested but are not currently looking and 38% are not interested in switching provider or plan.

Interestingly, more than a third of respondents who previously indicated they would be unlikely to switch energy company or plan in the next 12 months went on to say they would be interested in seeking out a better deal (37%). This suggests that while consumers aren't thinking about switching, they could be swayed if they knew they could find a better deal. As will be shown in Figure 19 later in this report, the majority of participants were willing to seek out a better energy deal upon hearing some of the key messages.

Note that these are important benchmark results that can be tracked over time.

Figure 18: Intention to seek out a better deal



Base: All respondents (n=1,203)
Q24. When it comes to your household's energy company, which of the following statements is most applicable to your household?

Table 12 shows the differences by segment, with *Confident switchers* significantly more likely to be currently looking for a better deal (16%) or interested in switching to a better deal (57%). *Cautious switchers* and *Show me the savings* were also highly interested in switching but not currently looking (57% and 59% respectively).

Sceptics, Leave me alone and *Stickers* were significantly more likely to say they were not interested in switching.

Table 12: Intention to seek out a better deal – segment comparison

Intention to seek out a better deal	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
Currently looking	16%	10%	8%	3%	3%	0%
Would be interested, not currently looking	57%	57%	41%	59%	42%	17%
Not interested in switching	21%	26%	46%	33%	46%	72%

High level of interest in this project

In this context it is important to note that participants generally demonstrated relatively high levels of engagement during the qualitative research, with the main exception being young people who just didn't appear to care as much.

Many participants saw it as a relevant topic that had an impact on their daily lives. The potential to save money in a way that is independent of their individual energy behaviour was very appealing, and by the end of the forums the majority had noted the *energymadeeasy* website and said they intended to seek a better deal. Many commented that they would also tell their family and friends about what they had learnt.

> *Makes me think I should start looking! (Parramatta)*

> *It's not every day you get paid to learn how to save money. (Parramatta)*

> *I think my attitudes have changed a lot. Now I know where to find different retailers and I could make a much more informed decision after sitting in on this. I know exactly where to go, what websites to use and how to figure it out. (City)*

> *There's a lot of information from the website which I never knew before. Energymadeeasy is really good. It cuts down a lot of time. (City)*

> *It opened my eyes to the options. I'll go away and look. (Wagga Wagga)*

> *I'll be less complacent. I'll go on the website and look. (Wagga Wagga)*

> *They should push that independent website you mentioned as I didn't know that existed. (Quantitative survey)*

3.4 Blueprint Campaign Information Needs and Preferences

This section outlines what qualitative research participants believe should be the key components of any communications campaign aimed at ensuring consumers are confident they could access the information they needed to make a decision on an energy plan to suit the needs of their household. Where possible, some elements have been verified in the quantitative research. This section covers:

- Key campaign elements
- Key messages
- Campaign channels
- Information needs of specific segments
- Preferred sources of information
- Improvements to existing communications materials
- Other initiatives for consideration

3.4.1 Key Campaign Elements

In summary, qualitative research participants strongly endorsed the concept of a public education campaign informing consumers they could save money by choosing an energy plan that meets the needs of their household.

> *The objective is terrific. It's so confusing now that people decide better the devil you know than the devil you don't. The level of confidence in the electricity market right now is very low…I think it's very important that we try to make it easier for people to understand what they can do, and give them an alternative to having those salespeople jumping all over them…I'd love something to happen. It's become so very complicated people just throw their hands in the air. (In-depth, regional)*

There was a consensus that the core of the campaign should be an independent website that allows them to compare energy plans on an 'apples with apples' basis. When shown the AER's *energymadeeasy* website, participants felt this met the brief but they did have a number of suggestions on how it could be improved. (See section 3.4.6).

> *I'd like a tailored independent website where you can put in your circumstances and get the best deal for you. (Wagga Wagga)*

> *It would be great if people could get all the company's information at once in a form that shows apples and apples comparisons and then they can contact the companies themselves…We need standardized information with the basics – the kilowatt hour cost, what you'll pay to change plans, whether there is a pensioner discount, etc… less jargon, big, clear print. (In-depth, older people)*

> *It'd be nice to know the person isn't making money out of it. (City)*

> *I think a government website would be better because there wouldn't be an underlying agenda. (City)*

> *It should not be delivered by an individual company because there's too much bias. If Origin said they're offering the best price you'd question it. It should be done by government, an NGO or uni - anyone who's independent. (City)*

In summary, participants felt the key features of this campaign should be:

Mass media advertising and public relations

Aimed at residential and SME consumers across the state and designed to capture attention and direct them to the *energymadeeasy* website or 1800 number. The need for this broad approach is reinforced by the quantitative findings that show that attitudes and opinions are widespread across the community and not limited to any particular demographic segment which can be targeted more directly.

> *TV and radio is good. Keep it simple. They will reach a lot of people. (In-depth, disabilities)*

Website to be supplemented by the option to speak to a person by telephone or face-to-face

Because not everyone has Internet access or is comfortable using the Internet and many are likely to have questions.

> *The government website is great but a lot of the people I deal with, especially the older people and people with disabilities, are not online. I tell them about it but I don't think they follow up on it. (In-depth, low income)*

> *Some groups have said 'information, information, information'. I totally agree but without some face-to-face support that is not from a provider they have very little chance of working through issues around finding a provider or a plan that is overall going to look good on their budget and work for them. (In-depth, disabilities)*

Targeted communications to some audience segments

To ensure they are reached and are able to access the information.

> *Keep it simple and get different ethnic groups to understand it. Aim for them… Simple. Different languages. And people with a disability. And the elderly. (City)*

Simple messaging with no complicated jargon

> *I think a one-pager to householders would help. The main four steps to help you compare what's on offer. People need to be able to compare apples with apples and take their time and consult their family and friends. (In-depth, low income)*

> *If they can be given more information that would be good. Remember that when they get up in the morning they already have more things to do so it has to be easy to use. (In-depth, disability)*

> *A very honest, comparison with no charges. The terms and conditions to be written very clearly and easy to see and understand. (Quantitative survey)*

Leverage word-of-mouth

News of the potential cost saving and the comparison website will travel fast.

> *Word of mouth is very important in the bush. If you provide people with something that's very user-friendly, they'll start telling their neighbours about it. (In-depth, regional)*

> *People in non-English speaking communities mostly act on word of mouth. (In-depth, NESB)*

3.4.2 Key Messages

Key campaign messages suggested by qualitative participants were refined and tested in the quantitative study to verify their effectiveness and the results are shown in Figure 19 overleaf. These results demonstrate that a communications campaign is likely to have a powerful impact.

They confirm that simply knowing there is a free independent government website where they can compare energy plans is very effective in terms of making respondents likely to seek out a better deal. More than half (54%) of consumers surveyed indicated they would be quite / very likely to do so (rating of 7 of more out of 10) and 26% were fairly likely (rating of 4 to 6 out of 10).

Other effective messages included:

- **Cost savings:** You can save up to 15% on your current energy bill just by switching to a new plan or company (49% quite / very likely to seek out a better deal)
- **Consumer protections:** There are laws protecting consumers when they switch to a new deal and switching will have no impact on the supply of energy to their home (48%)
- **Ease of switching:** It's quick and easy to switch to another energy plan (44%)

In the qualitative research participants suggested the messages should revolve around the concept of 'empowerment' – that it is worth consumers' time to shop around and find a deal that suits their household or business.

> *The tagline could be 'The power is in your hands'. (Parramatta, SME)*

Other important messages suggested by qualitative participants included:

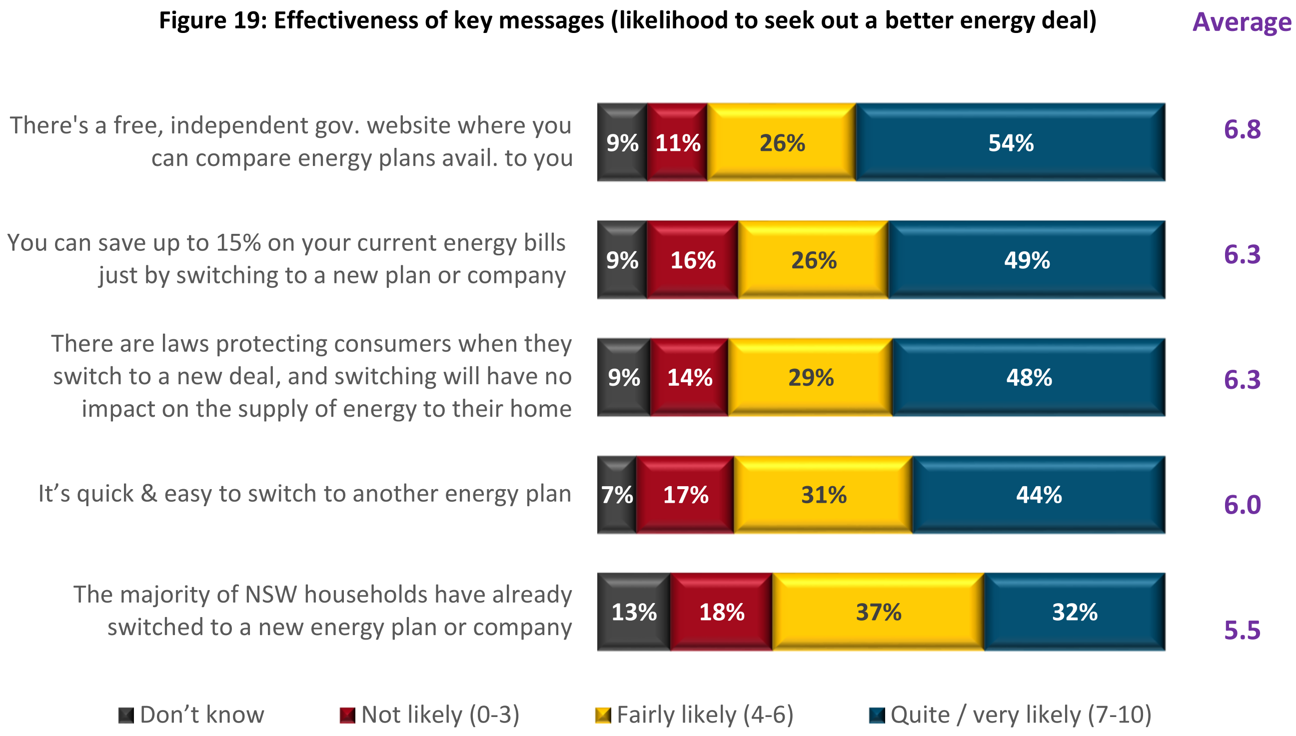
- Consumers can choose from a range of different energy companies and plans that will suit different household situations.
- You can now get Energy Price Factsheets in a consistent format from retailers or the *energymadeeasy* website that make it easy for you to compare different plans.

> *We mainly deal with low-income people so if they can save $10 they will move [to another provider]. It would be good to put it all on the table in a way they can compare their choices more easily. (In-depth, Older people)*

Some people suggested that other messages should cover the following areas:

- How energy bills are structured;
- Why energy prices are going up;
- Where the money from their energy bills goes;
- How to save energy, including which appliances use the most energy and why;
- A clarification that commercial switching websites are paid a commission by the energy retailers and do not necessarily list all available plans;
- Context to the campaign, explaining that NSW will/may be following other states in deregulated energy prices (if applicable) and how this has worked (or not worked) – this will also entail explaining what deregulation means in simple terms;
- How to minimise a household's carbon footprint and various green energy options (of particular interest to young people); and
- How to get a smart meter so they can monitor their energy usage more closely.

Figure 19: Effectiveness of key messages (likelihood to seek out a better energy deal)



Base: All respondents (n=1,203)
Q28. I will now read out a series of statements. For each one please tell me how likely it would be to make you seek out a better energy deal after hearing this information. Please use a scale of 0 to 10 where 0 means not at all, 5 is fairly and 10 is extremely likely.

A comparison of segments is shown in the table below. *Confident switchers, Cautious Switchers* and *Show me the savings* segments found the messages most compelling. In particular, *Confident switchers* found four out of the five messages appealing (giving an average rating of seven or more). *Sceptics, Leave me alone* and *The stickers* were least likely to respond to the messages, and in particular *The stickers*, who on average, did not give an average rating above 7 for any of the messages.

Table 13: Effectiveness of key messages (likelihood to seek out a better energy deal) – segment comparisons

Likelihood to seek out a better deal (average / 10)	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
It's quick and easy to switch to another energy plan	8.2	8.3	5.0	7.1	4.3	1.0
You can save up to 15% on energy bills by switching to a new plan or company	8.3	8.4	5.2	7.3	4.9	1.0
There is a free, independent government website where you can compare energy plans available to you	8.5	8.9	6.0	8.2	5.0	1.1
There are laws protecting consumers, switching will have no impact on supply	8.3	8.5	5.5	7.4	4.6	1.1

Likelihood to seek out a better deal (average / 10)	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
The majority of NSW households have already switched	8.0	7.2	4.8	5.9	3.9	0.9
Average number of messages that appealed (rating 7 or more)	**4.0**	**3.5**	**1.3**	**3.2**	**0.5**	**0.1**

3.4.3 Preferred Sources of Information

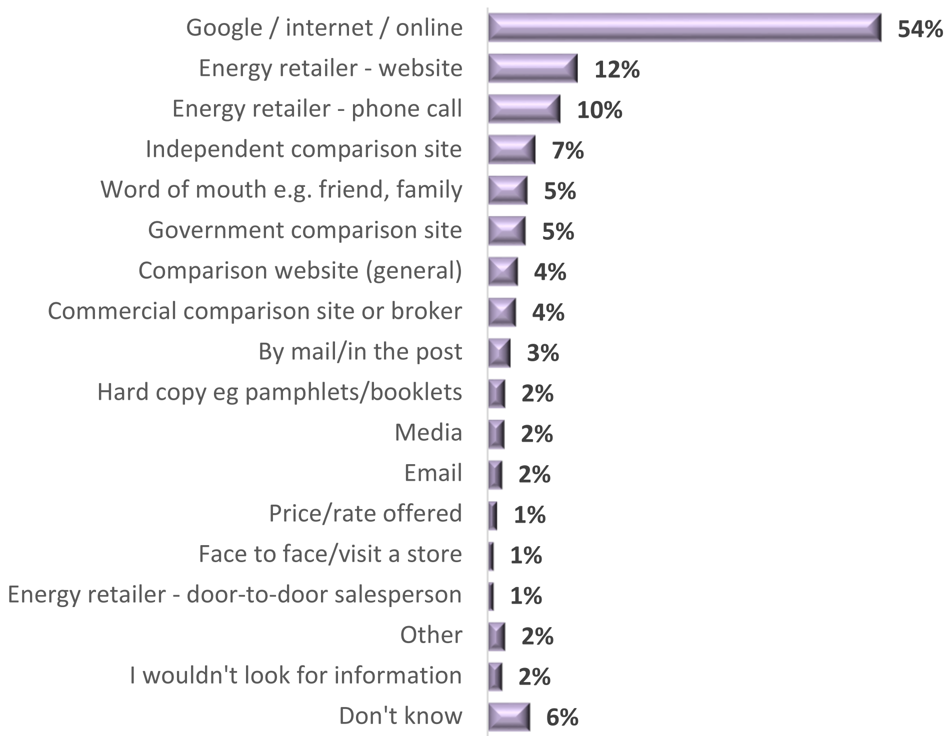
High degree of willingness to use online sources

Figure 20 shows how respondents would prefer to look for information about different energy retailers or plans. More than half (54%) said they would look online or do a Google search with a further 32% mentioning a specific type of website.

Note that only 17% of those who had switched energy company or plan in the last two years mentioned going online or using a Google search – in the context of the qualitative research findings this suggests that many people are willing to go online, but generally don't know where to go to find useful information.

The next most popular source of information was a telephone call to an energy company (10%).

Figure 20: Preferred information sources when looking for information on energy deals



Base: All respondents (n=1,203)
Q25. If you wanted to look for information about different energy retailers or plans, what would be your MOST preferred method?

By segment, *Cautious switchers* were significantly more likely to prefer a comparison site when looking for information on energy deals (21%), while *Leave me alone* were significantly less likely to opt for this method (7%).

Show me the savings were significantly more likely to use the Internet i.e. Google or energy retailer websites (76%) to look for information.

Stickers were significantly more likely to prefer direct contact from a retailer e.g. phone call, mail, brochures, door knocks etc. (30%) or word of mouth (13%). They were significantly less likely to go online (41%).

Strong demand for an independent information source

In the qualitative research participants were asked about the types of organisations they believe should provide various types of information in the context of any campaign.

There was a very strong view that the legitimacy of the campaign will be highly dependent on the information being provided through an independent source to ensure it is not biased in any way. In view of this, most felt this should come from either an independent energy regulator or a similar type of organisation or the NSW Government. Note that some felt that governments were not necessarily neutral and that a bipartisan approach would be appropriate on an issue of this nature. A couple of participants suggested a respected consumer group or charity funded by government as another alternative.

While sales approaches by energy companies are seen to have their place, they are not seen as a credible source of comparative information. However, there was some support for energy companies mailing a brochure prepared by an independent organisation.

Many felt that a broad range of organisations including community groups, consumer groups, charities, local councils and chambers of commerce had a role to play in assisting to raise awareness amongst vulnerable customers and their specific constituencies.

Some also felt that commercial switching websites had a legitimate role to play but that it needed to be made clearer that these sites made a commission and did not necessarily show all energy plans that were available.

It is important to note that discussions suggested that word-of-mouth will be very important in this campaign, with many saying they are likely to tell family and friends about it and that they would be likely to take action based on the advice of family and friends without further investigation.

3.4.4 Communications Channels

Participants' suggestions in relation to the campaign channels fell into two categories:

- The first were all about **increasing awareness** that consumers have a choice, have the potential to save money and advising them where to go to get independent comparative information.
    - There was a strong view that a mass media advertising campaign would be important in capturing the attention of the majority of the community who are complacent yet interested in energy issues and delivering the key messages.
    - They suggested this could be backed up by a targeted public relations campaign with a focus on local and regional newspapers and radio.
    - Brochures could be made available in places where target segments of the community regularly visit.
    - Community groups could also be used to distribute information to target segments.
    - Some felt that retailers could also provide information that would help in raising awareness.
    - Generally, many felt that information about the issue would ultimately spread by word-of-mouth.

- The second set of suggestions were all about how participants would actually **access the information** they need to choose a deal that is best for their household.
    - The *Energymadeeasy* website was seen as the core place to go for information although there were suggestions for improving this prior to any campaign.
    - The *Energymadeeasy* 1800 service was seen as an important alternative for those not comfortable online or without Internet access or those who would prefer to speak to someone and be able to ask questions.
    - Many suggested opportunities for face-to-face assistance be provided through information booths in shopping centres, at agricultural trade shows or other community events where people are already gathered.
    - It was expected that community groups would be able to assist some community segments including people with a non-English speaking background and people with a disability.

A summary of qualitative research participants' suggestions about the best ways to increase awareness and facilitate access to independent comparative information about different energy plans is provided in the following tables.

Table 14: Suggestions to increase awareness among specific groups of consumers

INCREASING AWARENESS		
Channel	**Segment**	**Comment**
Mass Media Advertising Primarily TV and radio, supported by print, online and outdoor advertising (e.g. bus shelters, on the sides of buses, billboards).	Broad community, including the 30-40% who are currently on a regulated tariff Possible tailored advertising for: • Those from a non-English speaking background • Young people • Older people	Many participants felt the main task of the campaign was to capture attention with the prospect of saving money and deliver a simple message and call to action. Specific suggestions for tailored advertising included: • Print and radio advertising in language aimed at those with low English proficiency • Tailored concepts aimed at younger and older people (this emerged after seeing the TVC used in NZ which many felt would only appeal to young people) • Use of online advertising including short video ads on YouTube and outdoor advertising on buses to appeal to young people Many felt that tailored advertising could also be used to advise the community of dates on which a manned information booth would be in a local shopping centre or agricultural fair.

INCREASING AWARENESS		
Channel	**Segment**	**Comment**
Targeted Media Relations Campaign Many felt this was an issue that media would be interested in covering because they would be helping assist with 'cost of living' pressures.	Broad community, including: • Those from a non-English speaking background • Older people • People living in regional areas • People with a disability • SMEs	Many in-depth interview participants felt that stories in local print media would be an effective way of reaching the general community but particularly those living in regional areas, older people, people with a disability and SMEs. They suggested that translated media releases be provided to ethnic newspapers and radio stations and bilingual spokespeople be made available for talkback radio segments.
Brochures Simple well-designed brochure that delivers the key messages and outlines the various ways of accessing information. Some suggested that complementary posters could also be used.	• People on a low income • Older people • People who have recently moved to Australia • People with low English proficiency • Young people moving out of home • People moving house	Participants thought brochures could be used to reach specific customer segments in places they typically go. While one brochure could be used for most applications, there was a sense that targeted brochures would be more effective. At minimum it was felt that versions should be prepared in key languages. Examples of places where brochures could be distributed included: • Centrelink and Housing Assistance offices • Local councils • Universities • In real estate agent moving packs • In information packs provided to new arrivals to Australia • At a range of community centres that cater to different segments of the community, including migrant resource centres, seniors centres, people with disabilities Some participants suggested a letter or brochure could be letterboxed across NSW or mailed by retailers with a bill. Note however that many commented that they do not read the information that comes with their bill, so any bill inserts will need to be designed to counter this behaviour. Complementary posters to be displayed in community centres were also suggested.

<table>
<tr><th colspan="3">INCREASING AWARENESS</th></tr>
<tr><th>Channel</th><th>Segment</th><th>Comment</th></tr>
<tr><td>Community Organisations, Peak Bodies and Local Council

Many suggested piggybacking on existing communications programs focusing on energy efficiency.</td><td>• Those from a non-English speaking background
• People with a disability
• Lower income
• Older people
• SMEs</td><td>Community organisations and peak bodies are seen as important ways of reaching specific segments of the community - both in terms of raising awareness of the options for consumers and, in many instances, providing assistance in understanding the issues and accessing the website.

All of the organisations interviewed as part of this study expressed interest in this campaign and offered assistance in getting the messages out. However, several said they would need additional funding in order to hold workshops and provide one-on-one assistance.</td></tr>
<tr><td>Information from Retailers:
• Annual letter
• Letter at end of contract
• Brochure with energy bill

Many were keen to see another trigger for investigating plans added to the mix and liked the idea of providing people with details of their current plan for comparison purposes.</td><td>Broad community

Possibly tailored communication for:
• Those still on a regulated tariff
• Those nearing the end of their contract</td><td>Participants were shown examples of communications tools used in other countries. Many liked the annual letter used in the UK that summarises the key details of the plan each consumer is on in the same format as the information sheets on each energy plan. Others suggested they be sent a similar letter prior to the end of their contract. A few suggested a letter be sent to everyone still on a regulated tariff.

If letters like these were accompanied by a mandatory message directing people to access energymadeeasy to see if they are on a plan suitable for their household or were accompanied by a campaign brochure, many felt it would effectively act as a trigger to prompt them to investigate their options.

Some participants suggested that retailers send a brochure with energy bills directing people to the new website.</td></tr>
<tr><td>Word of Mouth</td><td>• All segments</td><td>While not a paid channel, it is important to keep in mind that the research suggested a high likelihood that the key messages and the website address would be shared via word of mouth.</td></tr>
</table>

Table 15: Suggestions to facilitate access among specific groups of consumers

ACCESSING INFORMATION		
Channel	**Segment**	**Comment**
***energymadeeasy* Website**	Broad community	This website was seen as the core method that consumers should use to access the information they need to make a quick decision on which energy plan would suit their household's needs. Participants liked the inclusion of options for assistance in different languages. Participants had a number of suggestions for improving this website (outlined in Section 3.4.6).
***energymadeeasy* 1800 number**	• Those without Internet access or not comfortable using the Internet • Those who prefer to speak to a person, including older people and those in regional areas • Those with low English proficiency • Those with low levels of education • Some with a disability	Participants liked the inclusion of an option on the website for telephone contact both for those who don't have Internet access and those who prefer to speak to a person. There was a strong feeling that many in the community would need to ask questions to help them understand the options available to them. Participants' suggestions for improving this service are included in Section 3.4.6.
***energymadeeasy* Roadshow using booths in shopping centres and at agricultural shows**	• Those who prefer to speak to a person, including those living in regional areas • Those without Internet access or not comfortable using the Internet • Those who have low English proficiency • Some people with a disability • People with low education levels	Some participants, particularly those in regional areas, said they would like the opportunity to take their bill somewhere and have someone talk them through the options on the website face-to-face. Participants suggested that this could be advertised in advance and a shopping centre booth set up for a few days. This approach could also be used in regional agricultural shows. The need for this type of service was strongly endorsed by in-depth interview participants as something that would be very effective for people with low English proficiency, with a disability, low incomes and low education levels.
Community organisations	• Those from a non-English speaking background • People with a disability • Lower income • Older people	As noted, community organisations are seen as important ways of reaching specific segments of the community - both in terms of raising awareness and providing assistance in accessing the website. Many suggested these community organisations could offer workshops as well as one-on-one assistance to talk their constituents through the process and access the website.

In the quantitative study we asked how helpful a range of different methods of engagement and communications would be in making a decision when looking for a good energy plan.

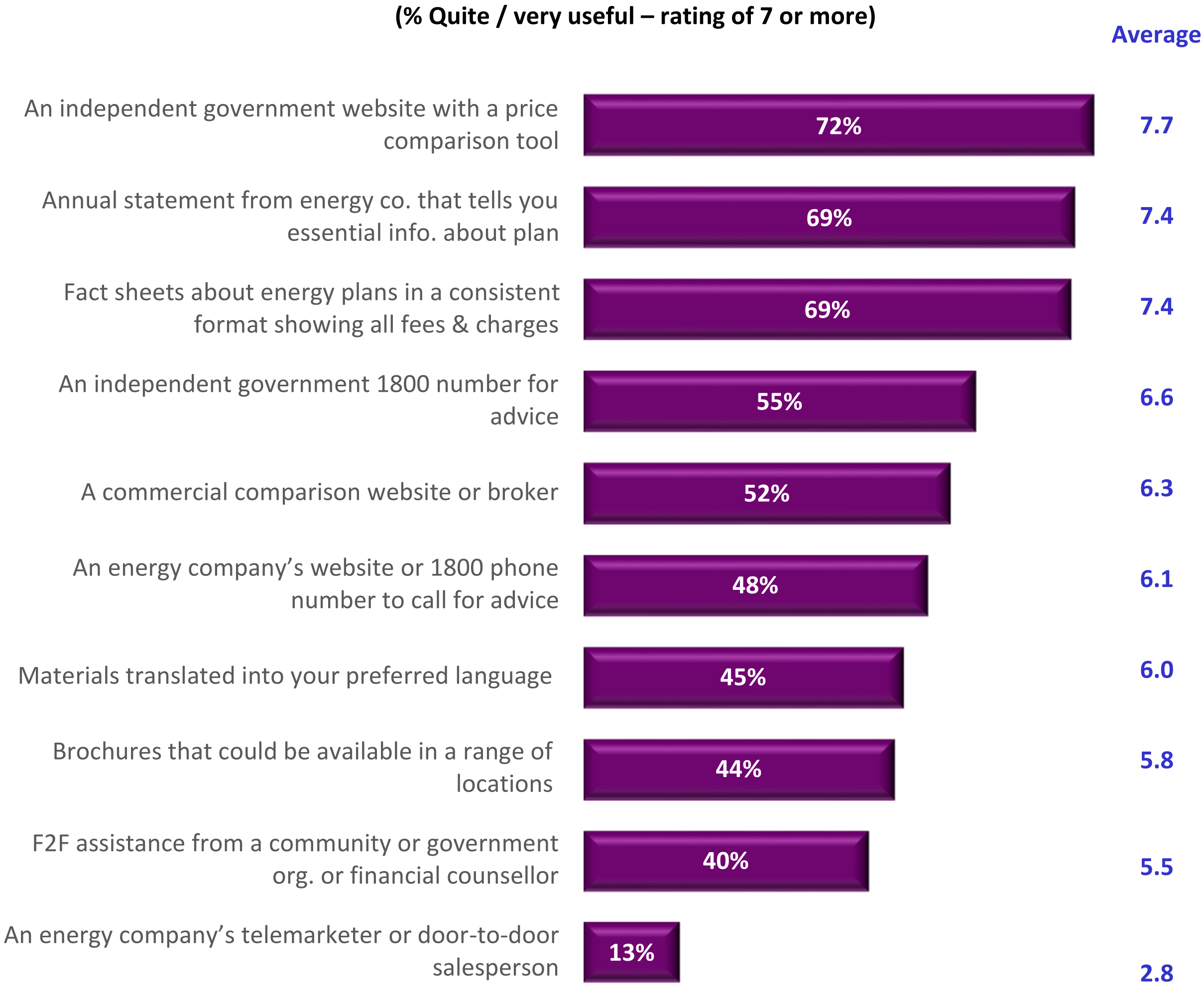
Figure 21 shows that the most helpful initiatives were:

- An independent website with price comparison tool (72% quite or very useful)
- Annual statement from one's energy company that provides essential information about your plan (69%);
- Fact sheets about energy plans in a consistent format showing all fees and charges (69%);
- An independent 1800 government number for advice (55%); and
- A commercial comparison website or broker (52%).

These results further demonstrate that consumers are open to being informed via a range of different channels and formats.

Figure 21: Usefulness of information sources when looking for an energy plan

(% Quite / very useful – rating of 7 or more)



Base: All respondents (n=1,203)
Q29. When looking for a good energy plan, how helpful do you think the following things would be in helping you to make your decision? Please use a scale where 0 means not at all, 5 is fairly and 10 is extremely helpful.

By segment, *Confident switchers, Cautious switchers* and the *Sceptics* generally found the various information sources helpful while *Leave me alone* and The *stickers* were least likely to find the various information sources helpful. Those in the *Show me the savings* segment thought the independent government website and the fact sheets would be useful, but otherwise were significantly less likely to find the various sources helpful. This demonstrates how this segment would potentially be interested in seeking out better deals, but would prefer to see the facts first.

Table 16: Usefulness of information sources when looking for an energy plan – segment comparisons

Usefulness of information sources (% quite / very useful)	Confident switchers	Cautious switchers	Sceptics	Show me savings	Leave me alone	Stickers
An independent government website with a price comparison tool	88%	94%	77%	88%	36%	18%
An independent government 1800 number for advice	79%	90%	74%	33%	15%	17%
An energy company's website or 1800 phone number to call for advice	78%	73%	63%	33%	8%	15%
An energy company's telemarketer or door-to-door salesperson	60%	0%	14%	1%	2%	1%
A commercial comparison website or broker	78%	78%	59%	48%	13%	9%
Face-to-face assistance from a community / gov. organisation / financial counsellor	82%	51%	55%	14%	11%	8%
Brochures that could be available in a range of locations	74%	69%	61%	18%	10%	6%
Annual statement from energy company that tells you essential information about your plan including when contract ends	90%	91%	76%	75%	30%	30%
Fact sheets about energy plans in a consistent format showing all fees and charges	87%	93%	77%	75%	31%	20%

3.4.5 Information Needs and Preferences of Specific Segments

Qualitative research and in-depth interview participants believed that certain community segments have particular communications needs. These are summarised in the table below and additional details and more specific suggestions in relation to communications channels from the in-depth interview participants are outlined in Appendix 4.2.

Segment	Characteristics	Information Needs
Non-English speaking background	• Wide range of different information needs based on factors including level of English proficiency, the culture they came from and how long they have lived in Australia • Some correlation with low income • Some will be unfamiliar with having choices or even the concept paying for an energy utility	• Easy-to-understand information • Provide translated information • Provide information to new migrants through settlement officers and migrant resource centres and train these people to help them • Leverage existing communications channels through ethno-specific community groups and provide relevant training • Provide telephone or face-to-face alternatives to website in appropriate languages. Booths in local shopping centres to be staffed appropriately
People with a disability	• Wide range of different disabilities with different types of impacts which means it is not possible to make generalisations about the needs of this segment • Many people with disabilities expect the same rights and responsibilities as others and want to make their own decision, not delegate it to a carer – yet most will need extra assistance to do this • Correlation with low income • May not have Internet access • Less likely to be able to change their consumption patterns	• Easy-to-understand information • Leverage existing communications channels through community groups • Educate carers • Telephone or face-to-face alternatives to website including booths in local shopping centres where they already go regularly –staff may need specialised training • Need to reinforce consumer protections
Low income	• Could benefit significantly from changing to a better plan • Correlation with limited education, low English proficiency, or a disability • May not have Internet access • Quantitative research suggests they have lower awareness they can choose an energy company or plan	• Easy-to-understand information • Provide information in places they already go e.g. Centrelink, Medicare, Housing Assistance Offices • Telephone or face-to-face alternatives to website • Need to reinforce consumer protections

Segment	Characteristics	Information Needs
Older people	• Likely to be more resistant to change • May not have Internet access to be uncomfortable using the Internet • Prefer to speak to someone • Quantitative research suggests they are more likely to be aware they have a choice of energy company or plan than younger people, are more likely to have switched in the past but are less open to switching in the future	• Easy-to-understand information • Telephone or face-to-face alternatives to website • Need to reinforce consumer protections •
Young people	• Moving out of home • Not familiar with choices available to them • Focussed on saving money • Prefer attention-grabbing formats with more images than dense text • Interested in environmental issues as well as price • Quantitative research suggests they are less likely to be aware they have a choice of energy company or plan than younger people, are less likely to have switched in the past but are more open to switching in the future	• Targeted advertising (e.g. YouTube clips) to capture their attention • Provide information in places they already go e.g. university • Include brochure in real estate agent information pack
Regional areas	• Less likely to have Internet access • Prefer to speak to someone • May be more resistant to change • Quantitative research suggests that overall those living in regional areas are more likely to have changed energy company or plan in the last two years. However, this knowledge may be patchy as qualitative research participants in Wagga Wagga were generally less likely to be aware they have a choice as Country Energy used to be the default option.	• Telephone or face-to-face alternatives to website including booths in local shopping centre or agricultural shows • Leverage regional media • Need to reinforce consumer protections

Segment	Characteristics	Information Needs
No Internet access	• No easy access to Internet • May be uncomfortable using the Internet • Correlation with low income, low English proficiency and regional areas	• Telephone or face-to-face alternatives to website
Small and medium enterprises (SMEs)	• Difficult to generalise as there is a wide range of different needs and situations • No easy way of communicating with SMEs • Typically time poor so need a clear value proposition communicated at the right time • Less likely to be able to change energy consumption behaviour due to business hours and needs • Reluctance to sign up for two year contract due to need to retain flexibility • Lack of knowledge about ability to change provider if they are in an office complex	• Use local/regional media • Leverage existing communications channels through Chambers of Commerce • Also consider small business and industry-specific trade media
People moving house	• These people are ideally placed to be considering their options	• Include brochure in real estate agent information pack
Those on a regulated tariff	• Focus on the 30-40% of the community who are currently on a regulated tariff – acknowledgement that only retailers would know who these people are	• Mass media advertising to attract their attention • Target directly through a letter from retailers with brochure about the choices available to them
Those whose contracts are about to end	• These customers are ideally placed to be considering their options – acknowledgement that only retailers would know who these people are	• Target directly through a letter from retailers with brochure about the choices available to them

3.4.6 Improvements to Existing Communications Materials

In the qualitative research, participants were given a demonstration of the *energymadeeasy* website and shown a copy of an AER Energy Price Fact sheet. Their immediate reactions were assessed and they were invited to make suggestions on how these and the 1800 service could be improved prior to any campaign.

***Energymadeeasy* website**

While participants were generally satisfied with the *energymadeeasy* website and very pleased to find out that the service was available, many felt it looked too complex and that there was too much information displayed. As such, they worried that it may be off-putting for all but the most dedicated of consumers.

- **Filtering offers through more tailored searches**

  Most participants felt that there were too many variables to consider and that the initial results page of the website showed too many choices when it comes to offers in their area. They suggested that there should be options to select plans best suited to the needs of their particular household with additional questions asking about household size and approximate energy consumption in terms of whether they are a low, medium or high user or have certain appliances in their household (such as a pool or second fridge). Being able to filter offers by contract term, retailer and level of Greenpower were of far lower interest.

  You said 49 different options. Would it be better if there were five options? (City)

  It should show different family situation, like an old couple or share house, a young family vs. single…and involve things like houses and units-differentiate for individual circumstances. (City)

  I'm surprised about the number of choice. (Wagga Wagga)

- **Display high-level summaries with options for more detail**

  Some participants added that it would be helpful if the search results displayed just a high-level summary of the bottom-line costs for each plan offered with the ability to click on a button to see expanded details of those of interest in a similar way to how the commercial comparison websites look.

  When it comes to the crunch, who is going to read all that? (Wagga Wagga)

  Note that the main information participants were looking for when considering a plan on the website in descending order of importance was the total price they would pay for the year, including and not including discounts. Others were interested in the contract length and fee for early termination. A smaller proportion, primarily those with a finance or technical background, was interested in looking at the price per kWh.

- **Improve the design**

  Many participants commented that this website looked far more complex than the commercial comparison websites and that the font was too small. Some participants with design experience said the website design could be improved significantly without actually losing the amount of content provided.

- **Provide guidance on how to use the website**

  After at least two to three hours of discussion about energy issues and the key components of energy bills and plans, most participants felt the *energymadeeasy* website had the necessary amount of information about each plan. However, it is likely that many people going directly to the site without the benefit of this discussion and without having someone talking them through the website would find it more complex.

  Some participants suggested the website could be made more user-friendly through inclusion of short one to two minute videos that explain how to use the comparison tool and potentially also offering assistance through live web-chat.

***Energymadeeasy* 1800 number**

This 1800 service currently receives a relatively small number of telephone calls. Those who telephone are asked the same questions that are asked on the website and printed copies of the Energy Price Fact Sheets of the offers that come up are mailed to them.

If this service is to be promoted via an advertising campaign then it will require additional resources to deal with the likely significant spike in enquiries.

Options for provision of assistance in other languages will need to be provided. Funding an organisation such as the NSW Ethnic Communities Council to offer this service could be considered.

Note that some in-depth interview participants pointed out that people on low incomes using pre-paid mobile phones have to pay a fee to call a 1800 number and this will prevent them from using the service. Others suggested that efforts should be made to avoid unnecessary barriers for people with disabilities; for example by limiting the number of buttons that need to be pressed before callers get to speak to a human.

AER Energy Price Factsheets

Participants strongly supported the availability of Energy Price Factsheets that lay out all the various fees and conditions that they felt were often not articulated clearly enough in a consistent format. Again, this is reflected in the quantitative study where 69% rated the availability of 'fact sheets about energy plans in a consistent format showing all fees and charges' between 7 and 10 on a 0 to 10 scale of usefulness.

Most participants, including many younger or less engaged people, felt there was too much information on the factsheets while some older and more engaged people tended to feel the level of detail was about right.

> *I'd never look at this. It's too much information. (City)*

Once again, several suggested there was potential to significantly improve the design, even if the same content was retained.

> *It's not easy to read. There is tiny text and info everywhere, particularly compared with the UK example. (Wagga Wagga)*

Some SME participants said it would be great to be able to access these sheets in a format that could be imported into a spreadsheet to allow someone to more easily conduct their own analysis.

3.4.7 Other Initiatives

In considering this campaign, participants suggested some additional initiatives they felt would be important to improve the effectiveness of the campaign and allay consumer concerns.

Consumer Protections

Many qualitative research participants questioned whether adequate consumer protections were in place or whether they were sufficiently communicated. The importance of communicating consumer protections was strongly reinforced in the quantitative study which found that 77% of respondents said the message 'there are laws protecting consumers when they switch to a new deal and switching will have no impact on the supply of energy to their home' would make them more likely to seek out an better energy deal (48% quite or very likely, 29% fairly likely).

- **Cooling off periods**

  Lack of awareness of cooling off periods was a particular area of concern. This research suggests that some consumers don't realise they have signed a deal that will make them worse off until they have actually received their first bill, by which time the cooling-off period has passed.

Some questioned whether changes could be introduced to make it easier for consumers to break contacts after the cooling off period has finished while others felt this could be addressed through better communication of consumer rights. Some wanted to see longer cooling off periods.

People don't know their rights…the cooling off period is not being explained to people. They get sign up just to get some sales pests out of their homes and then think they are locked in. (In-depth interview, low income)

- **Predatory behaviour by doorknockers**

  Many participants felt that the issue of high-pressure tactics used by door-knockers needed to be addressed in terms of both better communicating to consumers what their rights are and ensuring that regulation of these activities is enforced.

  Clearly some of the practices currently in use have contributed to a significant mistrust of energy companies but, as noted, direct approaches by retailers is also the main trigger to consider switching.

  There were low levels of awareness that some of the major energy companies have voluntarily stopped this practice. There are mixed reports about the impact of 'do not knock' stickers with some saying it has helped but other saying it is ignored and simply acts as a magnet for disreputable salespeople.

- **Commercial switching websites**

  There was general support for commercial switching websites, with some seeing them as a quick way of getting a better deal and others seeing them as a way of scoping the options.

  However, in the context of a discussion about the need for an independent comparison site, many felt it would be important to make users of commercial websites aware that they operate on a commission basis which means that prominence may be given to selected deals and not all plans are necessarily shown.

- **How to get help**

  In-depth interview participants expressed some concern about how difficult it is for consumers who have low levels of education or low English proficiency to get help if they have signed up with an inappropriate plan or are facing other issues such as getting two bills – one from their old energy company and one from their new energy company.

  We intervene in cases one to two times per month where someone with limited understanding of what they are agreeing to has been signed up to a less advantageous power supply contract by a retailer… When people get into these situations they have few means of undoing the situation as their limited communication skills and street smarts can mean they are 'brushed off' when trying to sort out the issue…Sometimes by the time they come to us they have accumulated a debt of $1,000 plus. That is huge for a family to deal with. Unless companies engage properly with these consumers there is a risk of people end up with a lot of debt…They often require a person to write to them in English saying they want to break their contract. We had to help them with this. (In-depth, NESB)

- **Other areas of concern**

  Other areas of concern raised by participants included:

  - Ensuring consumers know their rights when approached by telemarketers or door-to-door salespeople;
  - Ensuring vulnerable customers know if they were eligible for rebates;
  - Ensuring this essential service is not cut off if people are genuinely unable to pay their energy bill; and
  - Monitoring price rises if deregulation proceeds and reintroduce some level of regulation if required.

Provision of Additional Triggers

As noted previously, many participants were keen to see the introduction of additional triggers that would provide consumers with information about their current plan and encourage them to investigate alternatives. Ideally they felt this plan information should be provided in the same format as the AER Energy Price Fact Sheets to allow for easy comparison.

Two triggers suggested by qualitative research participants included:

- **Introduction of a letter prior to the contract finishing**

  Some participants said they would like to receive a letter from their energy company a month or two prior to their contract finishing to advise them they need to take action if they do not wish for it to be automatically renewed. They suggested this letter contain information about the *energymadeeasy* website and 1800 service and that it should ideally be sent with a copy of a brochure containing the key messages discussed.

- **Introduction of an annual statement**

  Other participants liked the idea of receiving an annual statement with key details of their energy contract as is used in the UK. Some SMEs felt this would also be helpful for accounting purposes.

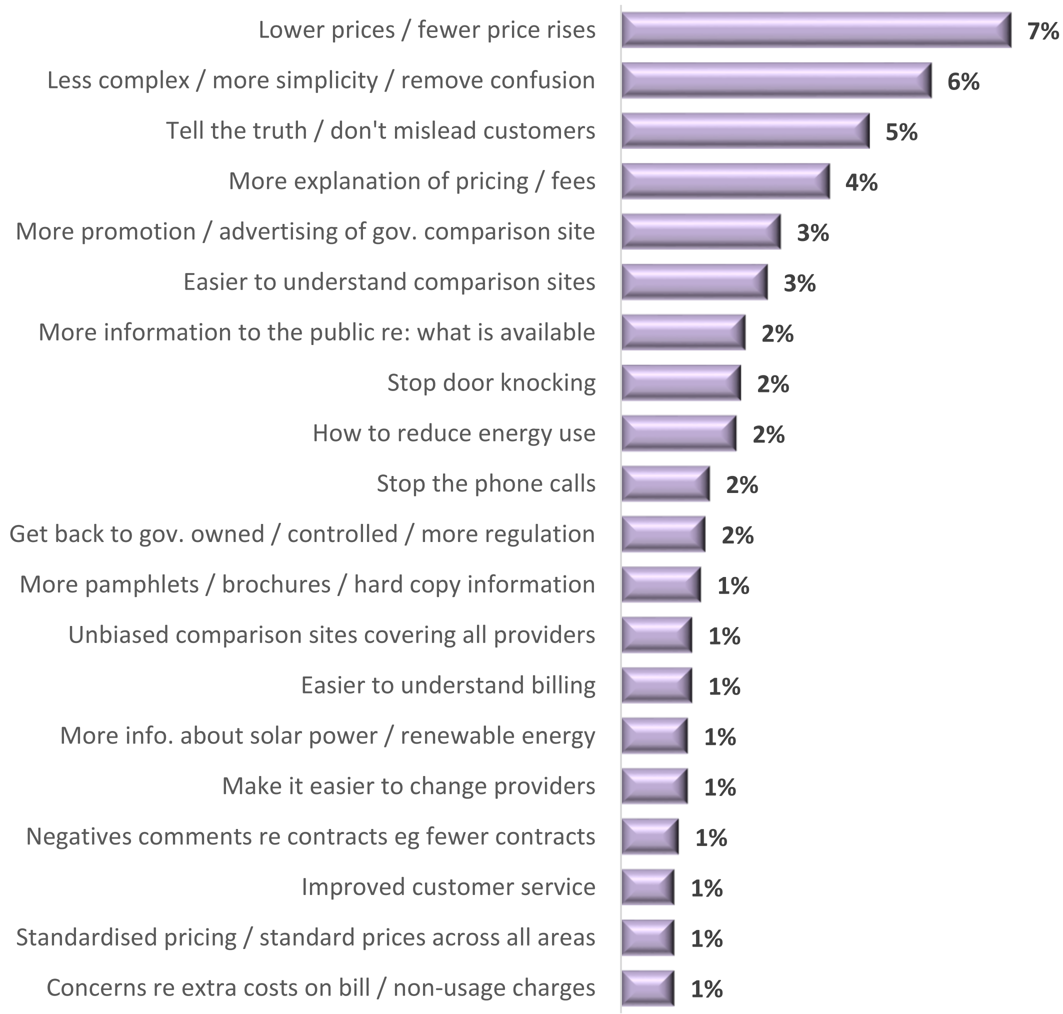
  This initiative was strongly supported by the quantitative research with 69% of participants rating 'An annual statement from your energy company that tells you essential information about your plan including when the contract ends' between 7 and 10 on a 0 to 10 scale on helpfulness (where 0 means not at all helpful, 5 means fairly helpful and 10 means extremely helpful).

Other Suggestions to the AEMC

At the conclusion of the quantitative survey, respondents were asked whether they had any other comments or advice they would like to give the AEMC to help inform consumers about their choices. The suggestions from the 44% who responded to this question are outlined in figure 22 overleaf. The key themes were consistent with the qualitative findings and included:

- Lower energy prices or fewer price prices (7%)
- Less complexity, more simplicity, remove confusion (6%)
- Tell the truth, don't mislead customers (5%)
- More explanation of pricing and fees (4%).

Figure 22: Other suggestions for AEMC (Top mentions)



Base: All respondents (n=1,203) NB: Responses < 1% not shown
Q30. Do you have any other comments or advice you would like to give the Australian Energy Market Commission to help inform consumers about their choices?

3.5 Respondent Profile

The individual profile below shows that there was an excellent mix of demographics within the quantitative survey sample.

Table 17: Individual profile

Individual profile	Sub-group	%
Gender	Male	49%
	Female	51%
Age group	18 – 29	16%
	30 – 34	12%
	35 – 44	17%
	45 – 54	19%
	55 -64	16%
	65 and over	20%
Country of birth	Australia	77%
	Overseas	23%
Preferred language (if born o/s, n=278)	Language other than English	20%
ATSI (if born in Aus, n=925)	Yes	4%
Internet Access	Yes	96%
Comfort with using the Internet (if have access, n=1,151)	Not comfortable (0-3)	3%
	Fairly comfortable (4-6)	11%
	Quite / very comfortable (7-10)	85%
Employment	Working full time	35%
	Working part-time / casual	20%
	Retired	25%
	Unemployed, home duties, other	11%
	Self-employed	7%
	Student	6%
Highest level of education	Secondary school	33%
	College / TAFE	28%
	Undergraduate	22%
	Postgraduate	17%
Disability	Yes - personally	17%
	Yes – someone else in the house	14%

The household profile below shows that there was an excellent mix of households included in the quantitative survey sample.

Table 18: Household profile

Household profile	Sub-group	%
Location	Greater Sydney	64%
	Regional NSW	36%
Own or rent?	Own outright	38%
	Mortgage	29%
	Rent	29%
	Other	4%
Tenure	Less than 2 years	19%
	3 – 5 years	19%
	6 – 10 years	17%
	More than 10 years	45%
Number of people in household	1	16%
	2	34%
	3 – 4	38%
	5 or more	13%
Children in household (under 18)	Yes	38%
	No	62%
Concession on electricity bill	Yes	29%
	No	66%
	Don’t know	5%
Electricity company	Origin Energy	28%
	Energy Australia	27%
	AGL	26%
	Other	16%
	Don’t know	3%
Quarterly electricity bill amount	Less than $200	12%
	$200 - $299	16%
	$300 - $399	19%
	$400 - $599	24%
	$600 or more	20%
	Don’t know / refused	8%

Household profile	Sub-group	%
Mains connected gas	Yes	39%
	No	57%
	Don't know	4%
Gas company (if has mains connected gas n=471)	AGL	54%
	Energy Australia	16%
	Origin Energy	15%
	Other	9%
	Don't know	5%
Quarterly gas bill amount (if has mains connected gas n=471)	Less than $100	13%
	$100 - $199	30%
	$200 - $299	24%
	$300 - $399	11%
	$400 or more	11%
	Don't know / refused	12%
Household income	Less than $35,000	19%
	Between $35,000 and $49,999	11%
	Between $50,000 and $74,999	13%
	Between $75,000 and $99,999	16%
	Between $100,000 and $149,999	15%
	$150,000 or more	11%
Features	Smart meter	14%
	Solar panels	18%

4 Appendices

4.1 Detailed Methodology

This section provides a detailed description of the methodology used in the research.

Desktop research

The first stage of the research involved desk research designed to ensure that both the customer research and the engagement blueprint benefited from prior work done in this area and did not 're-invent the wheel'.

It included a review of over 20 documents including previous academic papers, publicly available market research reports undertaken in Australia and internationally and programs initiated in other states and internationally. Where possible we examined the communications materials they used and any available information on their effectiveness.

These documents were primarily sourced by the AEMC with the assistance of members of the Consumer and Retailer Working Groups as well as by Mandarin Media and Newgate Research.

The materials reviewed during this phase are referenced in the bibliography in section 5.

Stakeholder Engagement

The research approach used in this project was also informed by participants in the Retailer and Consumer Working Groups that were convened by the AEMC as part of its process of consulting around development of the Communications Blueprint. Participants gave input into design of the qualitative and quantitative research and received updates on findings as they became available.

The Consumer Working Group included representatives from Choice Australia, St Vincent de Paul Society, One Big Switch, Public Interest Advocacy Centre (PIAC), Ethnic Communities Council of NSW, the Energy and Water Ombudsman NSW (EWON) and a representative from the NSW Government.

The Retailer Working Group included representatives from Energy Australia, Origin Energy, AGL, Australian Power and Gas, Lumo Energy, the Energy Retailer's Association of Australia (ERAA) and a representative of the NSW Government.

Qualitative Research

The qualitative research phase of the project involved a preparatory focus group, two deliberative forums and a series of twenty unattributable in-depth interviews.

Focus group

A preparatory focus group was held in Sydney on 9 July 2013 to test the approach and key materials to be used in the deliberative forums, including the presentations by AEMC. This allowed by refinement prior to the forums.

Key details are as follows:

- In total n=9 people attended the focus group which included a good mix of participants based on a range of factors including age, gender, income level and energy provider. All were the main or joint decision maker in their household when it comes to choosing an energy provider.
- The group ran for three hours and participants received an incentive of $120 for their attendance.
- The group held at City Group Rooms in Sydney and was moderated by Sue Vercoe of Newgate Research. Richard Owens and Elizabeth Ross of the AEMC gave presentations during the group.
- Participants were recruited by Australian Fieldwork Solutions (AFS).

Deliberative-style forums

Two four-hour deliberative-style forums were held in Parramatta on 15 July and Wagga Wagga on 16 July. This methodology was chosen to ensure there was sufficient time to explore a complex topic that most people had not thought much about before.

Participants were recruited by AFS. Detailed recruitment specifications were developed to ensure an excellent mix of participants at both forums including:

- Location;
- Mix of energy providers (both electricity and gas);
- Gender;
- Age and life stage;
- Household income;
- Home owners and renters;
- Mix of participants who had or hadn't switched provider or plan or who had at least looked into doing so;
- Those with a disability;
- Those from a non-English speaking background; and
- Owners or managers of a small business.

In Parramatta 40 people attended the forum and participants were allocated to one of five tables as follows:

Table	Segment	Table Facilitator
1	Younger consumers aged 18 to 27	Irene Andreadakis
2	Consumers aged 28+, low household income	Tanya Ploen
3	Consumers aged 28+, medium household income	Sue Vercoe
4	Consumers aged 28+, high household income	Jodie Brough
5	Small business owners or managers	Kate Snow

In Wagga Wagga 16 people attended and participants were allocated to one of two tables as follows:

Table	Segment	Table Facilitator
1	Higher income	Sue Vercoe (Newgate Research)
2	Lower income	Tanya Ploen (Newgate Research)

The forums, which were chaired by Sue Vercoe, involved a mix of round table discussions, group exercises, open forum discussions, presentations and individual voting using IML technology. The deliberative forum agenda and discussion guide is included overleaf.

During the forums Richard Owens from the AEMC gave a presentation that explained how energy prices are set in NSW, the choices consumers have available, and the need for a communications blueprint - including key considerations for the blueprint. Elisabeth Ross from the AEMC gave a further presentation later in the evening and showed participants the various communications options available, both in Australia and in other countries. Both presentations were followed by questions in open forums. Other representatives from AEMC attended to observe and assist with note taking.

Residential participants received an incentive of $150 and small business owners and managers received an incentive of $200 as part of ensuring a good mix of participants attended each forum.

AEMC Deliberative Forum

Discussion Guide

Session Introduction and Initial Voting	**6.00 – 6.20pm**
Chair *5 mins*	• Welcome and introduction
Chair *15 mins*	• Handset voting questions
Table Discussion on Energy Issues	**6.20 –7.20pm**
Table *10 mins*	• Participant introductions

Table
10 mins
	BIG ISSUES AND KNOWLEDGE
	
	• What people have heard about energy issues
	• Explore knowledge of energy issues including:
	    o The unit of measurement for energy usage
	    o On what basis are you billed for your energy usage
	    o Do individual households have any choices when it comes to their energy supplier?
	    o What different types of offers or plans are available?

Table *10 mins*	**DEREGULATION** • What organisations are responsible for setting energy prices in NSW? • Is the energy market in NSW regulated or deregulated? Who knows what that means? How do you know?
Table *20 mins*	**SWITCHING EXPERIENCES** • Assess previous switching behaviours and explore reasons for / against switching or investigating deals
Table *10 mins*	**INFORMATION SOURCES** • Explore awareness of information sources available for people who are interested in finding out whether they can get a better deal? • Which sources have the most credibility? Which ones are most / least trusted and why?
AEMC Presentation 1 and Q&A	**7.20 – 7.50pm**
Open Forum *15 - 20 mins*	**TABLE DISCUSSIONS** • Explore reactions to presentation • How do they feel about of the idea of a communications campaign?
Break	**7.50 – 8.00pm**

<table>
<tr><th colspan="2">Detailed Discussion on Information Needs 8.00 – 8.50pm</th></tr>
<tr><td>Table
35 mins</td><td><u>TABLE DISCUSSIONS</u>

• Work in small groups to fill in a worksheet that gives an outline of this campaign.
A. What information does the community need to be told?
B. Do some groups of people within the community have different information needs?
C. How should this information be communicated to people?
D. What organisation/s or types of organisation/s should deliver this information to the community?
E. Are there any other issues that should be taken into account?</td></tr>
<tr><td>Open Forum
15 mins</td><td><u>SHARING HIGHLIGHTS FROM TABLE DISCUSSIONS</u>

• Facilitator from each table to stand up and give an overview of what their table said in the previous session with a focus on their reaction to the idea of a communications campaign and the key elements to be included.</td></tr>
<tr><th colspan="2">AEMC Presentation 2 and Q&A 9.00 – 9.15pm</th></tr>
<tr><th colspan="2">Detailed Discussion on Communications Materials 9.15pm – 9.35pm</th></tr>
<tr><td>Table
20 mins</td><td><u>TABLE DISCUSSIONS</u>

• Assess most important materials / information sources
▪ Explore materials one by one and obtain feedback on each:
o Energymadeasy website.
o Commercial comparison website.
o AER Consumer Fact Sheet.
o Ofgem Consumer Fact Sheet.
o Peer education services
o Advertising campaign</td></tr>
<tr><th colspan="2">Final Voting, Thanks and Close 9.35 – 10.00pm</th></tr>
<tr><td>10-15 mins</td><td>• Handset voting questions</td></tr>
<tr><td>Open Forum
5 mins</td><td>• Final comments or observations from participants.</td></tr>
<tr><td>Chair
5 mins</td><td>• Closing comments and thanks</td></tr>
</table>

In-depth Interviews with Key Community Segments

Twenty unattributable in-depth interviews were conducted to supplement the deliberative forums and ensure the needs of specific community segments are addressed in the communications blueprint.

These segments comprised those from a non-English speaking background, people with a disability, people on low incomes, older Australians, those in living in regional areas of NSW and small and medium enterprises. Where possible we spoke to those on the front-line who are dealing directly with their constituents on energy issues.

Interview targets were identified by Newgate Research, AEMC and members of the Retailer and Consumer Working Groups with some targets suggesting others be included. Most interviews were conducted by telephone with done face-to-face. Each took between 20 and 45 minutes depending on how much time they had available.

These interviews focused on the current issues their constituents are facing in relation to energy issues and key considerations for any communications campaign that would ensure their segment were effectively engaged.

A list of organisations who participated in the in-depth interviews follows:

- Ethnic Communities Council of NSW
- Auburn Diversity Services
- Fairfield Migrant Resource Centre
- Metro Migrant Resource Centre
- Energy and Water Ombudsman NSW
- The Council of Social Service of NSW
- Physical Disability Australia
- Brain Injury Association of NSW
- NSW Council for Intellectual Disability
- Combined Pensioners & Superannuants Association of NSW (CPSA)
- Council on the Ageing (COTA)
- NSW Small Business Commissioner
- NSW Business Chamber
- Salvation Army Australia
- St Vincent de Paul Society
- Orana Regional Organisation of Councils
- Byron Shire Council
- Tweed Shire Council.

Newgate Research also spoke with the Australian Energy Regulator (AER) who run the *energymadeeasywebsite* and 1800 service to better understand the work they are undertaking or are planning to undertake in this area.

Quantitative Research

A state-wide quantitative survey of n=1,200 residential customers was conducted using a mixed-mode approach involving n=600 Computer Assisted Telephone Interviews (CATI) and n=600 online surveys. This mixed mode approach was used to reach a broad range of customers across New South Wales.

Prior to conducting the main survey, the questionnaire was tested by way of n=3 cognitive in-depth interviews with residential customers. The interviews were conducted over the phone by Irene Andreadakis and Tanya Ploen of Newgate Research. The aim of these interviews was to ensure that the questions in the survey were understood as intended and that the language used was appropriate. Using the quantitative survey as a guide, each interview lasted approximately 30 minutes and participants were given a $50 Coles Myer voucher to thank them for their participation.

In addition to the cognitive interviews, a pilot study of n=30 interviews was also conducted. This was to ensure that the questions were programmed correctly and that the length of the survey was within the budgeted range.

The main fieldwork was conducted between the 25th July and the 14th August 2013. The average survey completion time was 20 minutes for the telephone survey and 13 minutes for the online survey.

Respondents were aged 18 and over and were the main or join decision maker in their household for choosing the energy provider/s. Quotas were set by gender, age and location to ensure representativeness. Details of the quotas are included in the survey instrument included later in this section. The final data was weighted to reflect the actual population according to i) 2011 ABS Census data and ii) incidence rates of main or joint decision makers obtained in the online survey.

For the CATI component, respondents were sourced using White Pages sample and for the online component, respondents were sourced using leading panel provider Survey Sampling International (SSI). The same questionnaire was used for both components and fieldwork was managed and conducted by AFS.

The sample size of n=1,200 is representative of NSW residents (main or joint decision makers) and had a very robust maximum margin of error of +/-2.8% at the 95% confidence level. The respondent profile is further detailed in the research findings (section 3.5) and shows that the sample includes a good mix of respondents.

After completion of the quantitative survey a segmentation was conducted. The segmentation employed cluster analysis techniques, factor analysis, data reduction techniques and a K-means algorithm.

Australian Energy Market Commission - Project Blueprint
Final Quantitative Survey – CATI Version
Tuesday 6th August

Quotas

All respondents to be the main or joint decision maker in their household when it comes to choosing their energy retailer.

Methodology	Proportion	n=
CATI	50%	600
Online	50%	600
Total	100%	1,200

NB: Please aim for the quotas below within each type of method e.g. 67% of online respondents to be metro, 37% regional etc.

Please note: location, gender / age quotas based on 2011 ABS Census data

Location	Proportion	n=
Greater Sydney (metro)	63%	756
Regional NSW	37%	444
Total	100%	1,200

Gender	Age 18-34	Age 35-54	Age 55+	Total
Male	177	212	195	584
Female	177	221	218	616
Total	354	433	413	1,200

Introduction

Good morning / afternoon / evening, my name is [**SAY NAME**] and I'm calling on behalf of Australian Fieldwork Solutions and Newgate Research, a market and social research company.

We're conducting a confidential and important survey on behalf of the Australian Energy Market Commission which advises governments on important energy matters that can affect consumers. May I please speak with the person in the household who is 18 and over and who is mainly or jointly responsible for choosing the household's energy company?

REINTRODUCE IF NECESSARY

This survey is for research purposes only; we are not selling anything and it should only take 15-20 minutes. Are you happy to go ahead? **IF YES, PROCEED. IF NO, SEEK AN APPOINTMENT TIME TO CALL BACK.**

SAY ONLY IF NECESSARY: Your responses will be treated in complete confidence. This is a completely confidential survey and none of your responses will be linked to you in any way.We are conducting the survey with a random sample of people in New South Wales, in accordance with the Privacy Act, which means your responses must be kept strictly confidential. **IF NECESSARY**: **Read out the Privacy Act [AFS TO INSERT]**

[**IF NECESSARY:** If you would like to check the bona fides of our research company and ensure we are not selling anything, you can call Surveyline on 1300 364 830. Surveyline is a national phone line that allows members of the public to check the bona fides of research companies.]

[**IF NECESSARY:** If you would like to call the Australian Energy Market Commission to verify this research you can call (02) 8296 7800]

NEW SCREEN - SAY TO ALL: During the course of this interview, my supervisor may listen in to check the quality of my work.

Screening / qualifier questions

I just have a few questions about you to make sure we are speaking with a good mix of people.

S1. Firstly, do you or does anyone in your immediate family work in any of the following?	1. Market or social research **CLOSE** 2. Advertising or the media **CLOSE** 3. The energy sector (electricity or gas) **CLOSE** 4. **DNRO:** None of these

S2. What is your postcode at home?	1. _ _ _ _ ENTER POSTCODE

S3. **HIDDEN QUESTION:** AUTOCODE LOCATION	1. Greater Sydney 2. Regional NSW a. Central Coast b. Central Tablelands c. Hunter d. Murray e. North Coast f. North West g. Riverina h. South Coast i. Tamworth

S4. **RECORD GENDER**	1. Male 2. Female

S5. Are you aged under or over 40 years? And would that be…? **ASK RELEVANT RANGES**	1. Under 18 **CLOSE** 2. 18 to 24 3. 25 to 29 4. 30 to 34 5. 35 to 39 6. 40 to 44 7. 45 to 49 8. 50 to 54 9. 55 to 59 10. 60 to 64 11. 65 to 74 12. 75 or over 13. **DNRO:** REFUSED **CLOSE**

S6. Were you born in Australia or overseas? **IF OVERSEAS:** In which country were you born? **DO NOT READ OUT** **SINGLE RESPONSE**	1. Australia 2. China 3. Egypt 4. Greece 5. India 6. Ireland 7. Italy 8. Malaysia 9. Malta 10. New Zealand 11. Philippines 12. Sri Lanka 13. Sudan 14. United Kingdom 15. Vietnam 16. Other (specify)______

IF NOT BORN IN AUSTRALIA S6 ≠ 1

S7. What is your preferred language? **DO NOT READ OUT** **MULTIPLE RESPONSE OK**	1. English 2. Arabic 3. Cantonese 4. Chin 5. Croatian 6. Farsi 7. Greek 8. Hindi 9. Italian 10. Macedonian 11. Mandarin 12. Serbian 13. Sinhalese 14. Spanish 15. Sudanese 16. Turkish 17. Vietnamese 18. Other (specify)________

CLOSING SPIEL: Thank you for your time today. We have already surveyed enough people with your characteristics, so that is all of my questions. I hope you can participate in another survey in future. If you wish to contact us for any reason, please call (03) 8789 4444.

Main Survey – About the home

Q1. Do you own or rent the home where you live? **SINGLE RESPONSE** **IF OWN, ASK IF OUTRIGHT OR PAYING A MORTAGE.**	1. Paying off a mortgage 2. Own outright 3. Renting 4. Other (please specify)___________

Q2. And how long have you lived at your current address? **SINGLE RESPONSE, DO NOT READ OUT**	1. Less than a year 2. 1 – 2 years 3. 3 – 5 years 4. 6 – 10 years 5. More than 10 years 6. Don't know

Q3. Including you, how many people live in your household? **ALLOW TWO DIGIT RESPONSE. DO NOT ALLOW 0**	_ _

ASK IF Q3 > 1.

Q4. How many of those people are under the age of 18? **SINGLE RESPONSE, DO NOT READ OUT**	1. None 2. One 3. Two 4. Three 5. Four 6. Five or more

Q5. What is the name of the company that supplies you with electricity? **SINGLE RESPONSE, DO NOT READ OUT**	1. ActewAGL 2. AGL 3. Australian Power and Gas (APG) 4. Click Energy 5. Country Energy 6. Dodo Power and Gas 7. Energy Australia 8. Integral Energy 9. Lumo Energy 10. Momentum Energy 11. Origin Energy 12. Powerdirect 13. QEnergy 14. Red Energy 15. Sanctuary Energy 16. Simply Energy 17. TRUEnergy 18. Other (specify)___________ 19. Don't know

Q6. How would you rate the overall quality of service provided by your electricity company? Please use a scale where 0 means very poor, 5 is fair and 10 is excellent. **SINGLE RESPONSE**											
Very poor					Fair					Excellent	Don't Know
☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

Q7. And using that same scale again, how would you rate the overall value for money of the products and services provided by your electricity company? **REPEAT SCALE IF NECESSARY, SINGLE RESPONSE**											
Very poor					Fair					Excellent	Don't Know
☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

Q8. Does your home currently have piped natural gas? i.e. mains connected gas and not bottled gas? **SINGLE RESPONSE**	1. Yes 2. No 3. Don't know

IF HAS GAS CONNECTED (Q8=1)

Q9. What is the name of the company that supplies you with mains connected gas? **SINGLE RESPONSE**	1. ActewAGL 2. AGL 3. Australian Power and Gas (APG) 4. Energy Australia 5. Country Energy 6. Integral Energy 7. Lumo Energy 8. Origin Energy 9. TRUEnergy 10. Other (specify)_________________ 11. Don't know

Q10. **HIDDEN QUESTION – AUTOCODE USING Q5, Q8 and Q9**	1. Electricity only **[Q8=2 or 3]** 2. Electricity and gas - same retailer **[Q5 = Q9]** 3. Electricity and gas - different retailer **[Q5 ≠ Q9][INCLUDE OTHER, DK]**

IF HAS GAS CONNECTED BUT A DIFFERENT RETAILER (Q10=3)

Q11. How would you rate the overall quality of service provided by your gas company? Please use a scale where 0 means very poor, 5 is fair and 10 is excellent. **SINGLE RESPONSE**

Very poor					Fair					Excellent	Don't Know
☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

Q12. Using the same scale, how would you rate the overall value for money of the products and services provided by your gas company? **REPEAT SCALE IF NECESSARY.**

Very poor					Fair					Excellent	Don't Know
☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

Interest and Knowledge

ASK ALL

Q13. How interested would you say you are in issues associated with energy, and by that I mean electricity and gas? Please use a scale where 0 means not at all, 5 is fairly and 10 is extremely interested. **SINGLE RESPONSE**

IF NECESSARY: Gas refers to mains connected gas and not bottled gas

Not at all interested					Fairly Interested					Extremely interested	Don't Know
☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

Q14. And how confident are you that you understand the various options and product offers that are available to energy customers in New South Wales, where 0 is not at all and 10 is extremely confident? **REPEAT SCALE IF NECESSARY, SINGLE RESPONSE**

Not at all confident					Fairly Confident					Extremely confident	Don't Know
☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

Q15. How likely are you to switch your energy company or plan in the next 12 months, where zero means not at all and 10 is extremely likely?
SINGLE RESPONSE

Not at all likely					Fairly Likely					Extremely likely	Don't Know
☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

Q16. How concerned are you about future energy prices? Please use a scale where 0 means not at all, 5 is fairly and 10 is extremely concerned. **SINGLE RESPONSE**

Not at all concerned					Fairly Concerned					Extremely concerned	Don't Know

☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

Q17. Before today, were you aware that…? And did you know that…? **READ NEXT ITEM**			
RANDOMISE ITEMS. SINGLE RESPONSE PER ITEM	Yes	No	Don't know
a. Consumers can choose their energy company	1	2	3
b. Each energy company offers a range of different types of energy plans, each with different price structures, contract lengths, terms and other conditions	1	2	3

Switching behaviours

Q18. Have you changed your energy company in the last two years? **MULTIPLE RESPONSE FOR CODES 1 AND 2**	1. Yes – changed electricity company 2. Yes – changed gas company **[DO NOT SHOW FOR ELEC ONLY CUSTOMERS]** 3. No 4. Don't know

Q19. Have you changed the plan you are on with your existing energy company in the last two years? This includes negotiating or receiving a better price or deal. **MULTIPLE RESPONSE FOR CODES 1 AND 2**	1. Yes – changed electricity plan 2. Yes – changed gas plan **[DO NOT SHOW FOR ELEC ONLY CUSTOMERS]** 3. No 4. Don't know

ASK IF SWITCHED (Q18=1 or 2 or Q19 = 1 or 2)

Q20. The last time you switched, what was the main reason you changed your energy company or plan? Any other reasons? **DO NOT READ OUT, RECORD BEST FIT** **MULTIPLE RESPONSE OK**	1. Wanted a cheaper price / offered a better price 2. Was offered a discount 3. Was offered a good incentive 4. Was approached by a door-to-door sales person 5. Was approached over the phone 6. Got a high energy bill and wanted to change 7. Came to the end of my existing contract and wanted to change 8. Moved house 9. Moved out of home 10. Unhappy with customer service 11. Recommendation from a consumer organisation 12. Recommendation from family/friend 13. Wanted to bundle gas and electricity and get from the one provider 14. Heard of a good comparison website 15. Got a smart meter so moved to a time of use tariff 16. Got solar panels 17. Was transferred / switched without my consent 18. Wanted Green Power 19. Other (specify)_______ 20. Don't know

Q21. The last time you changed your energy company or plan, what information sources helped with your decision to change? Any others? **DO NOT READ OUT, RECORD BEST FIT** **MULTIPLE RESPONSE OK**	1. Did not use any information sources 2. Door-to-door sales person visiting the home (specify)_______ 3. Received a call from a sales person (specify)_______ 4. Phoned retailer (specify)_______ 5. Brochures / flyers and other direct mail; 6. Google 7. Retailer website (specify)_______ 8. Price comparison website (specify)_______ 9. Other website (specify)______ 10. A friend or family member 11. Media article/advertisement segment (specify)_______ 12. Financial counsellor 13. Community support organisation 14. Other (specify)_______ 15. Don't know

ASK IF NOT SWITCHED (Q18 ≠1 or 2 AND Q19 ≠ 1 or 2)

Q22. Are there any reasons you <u>haven't</u> changed your energy company or plan in the last two years? **DO NOT READ OUT, RECORD BEST FIT** **MULTIPLE RESPONSE OK**	1. No particular reason 2. Too busy / I don't have time 3. Too much hassle / couldn't be bothered 4. Too confusing 5. Lack of information on best deals available 6. They are all the same / it would make no difference to the price I pay 7. The new company would eventually increase their prices anyway 8. Didn't know you could change company or plan 9. I am on a contract 10. Happy with price at current retailer 11. Happy with service at current retailer 12. I wouldn't know where to get credible information 13. I don't trust what the energy companies say 14. My bill is too low to bother 15. Other (specify)_______ 16. Don't know

Attitudes and values

Q23. Do you agree or disagree with the following things some people have said? For each statement please tell me if you agree or disagree strongly or just somewhat. Firstly… **RANDOMISE ITEMS. SINGLE RESPONSE PER ITEM**						
	Disagree strongly	Disagree somewhat	Neither agree / disagree	Agree somewhat	Agree strongly	Don't know
a. I don't think I could reduce my household's energy usage	1	2	3	4	5	6
b. I can't be bothered looking for alternative energy options or deals	1	2	3	4	5	6
c. I am confident I have access to the right information to choose an energy plan that suits my needs	1	2	3	4	5	6
d. I'd prefer to try and save energy to reduce my bill than to seek out a better deal	1	2	3	4	5	6
e. It is too complicated to try and compare the various deals and options available	1	2	3	4	5	6
f. I don't trust energy companies who promise a better deal as they all end up charging more later on	1	2	3	4	5	6
g. I feel pressured by energy sales people trying to offer me a deal	1	2	3	4	5	6
h. I would switch my energy provider or plan if I knew I could save money	1	2	3	4	5	6
i. I don't trust the information that energy companies give me about how their prices compare	1	2	3	4	5	6
j. I am concerned that if I switch companies there will be hidden fees and charges	1	2	3	4	5	6

Future intentions

ASK ALL

Q24. When it comes to your household's energy company, which of the following statements is most applicable to your household? **SINGLE RESPONSE, READ OUT**	1. We are currently looking for a better deal 2. We would be interested in switching to a better deal but are not currently looking 3. We are not interested in switching our energy provider or the plan we are on 4. **DNRO:** Other (specify)______ 5. **DNRO:** None of the above

Q25. If you wanted to look for information about different energy retailers or plans, what would be your **MOST** preferred method? **DO NOT READ OUT, RECORD BEST FIT** **MULTIPLE RESPONSE OK**	1. I wouldn't look for information 2. Google 3. Energy retailer – phone call 4. Energy retailer – website 5. Energy retailer – door-to-door salesperson 6. Independent comparison site 7. Government comparison site 8. Commercial comparison site or broker 9. Media 10. Word of mouth e.g. friend, family 11. Financial counsellor 12. Community support organisation 13. Other (specify)_______ 14. Don't know

Q26. Are you aware of any comparison websites that can help customers choose a good energy deal for their home? Any others? **DO NOT READ OUT, RECORD BEST FIT** **MULTIPLE RESPONSE OK**	1. Energymadeeasy 2. Myenergyoffers 3. iSelect 4. One Big Switch 5. youcompare 6. goswitch 7. Switchwise 8. Choice 9. Energy watch 10. None of the above 11. Other (specify)_______ 12. Don't know

ASK IF NOT MENTIONED "energymadeeasy" (Q26 ≠ 1)

Q27. Have you heard of the independent government comparator website called energymadeeasy? **IF NECESSARY:** www.energymadeeasy.gov.au **SINGLE RESPONSE**	1. Yes 2. No 3. Don't know

Q28. I will now read out a series of statements. For each one please tell me how likely it would be to make you seek out a better energy deal after hearing this information. Please use a scale of 0 to 10 where 0 means not at all, 5 is fairly and 10 is extremely likely.

Firstly… **[READ OUT FIRST ITEM]**… how likely would you be to seek out a better deal after hearing that information? **[REPEAT SCALE AS NECESSARY]**

[READ OUT SECOND ITEM]... how likely would you be to seek out a better deal after hearing that information? **[REPEAT SCALE AND FOR REMAINING ITEMS AS NECESSARY]**

SINGLE RESPONSE FOR EACH ITEM, RANDOMISE ITEMS, INCLUDE CODE 12 = Not Applicable INCLUDE QUESTION WORDING ON EACH STATEMENT, READ OUT ONLY AS NECESSARY

a. It's quick and easy to switch to another energy plan.
b. You can save up to 15% on your current energy bills just by switching to a new plan or company. **NB:** For a household of **[INSERT FROM Q3]** people, the average quarterly electricity bill is **insert from 'Quarterly bill' below**, so the saving would be **insert from 'Saving' below**

If Greater Sydney (s3=1) and Q3=

# in Household	Quarterly bill	Saving
1	$270	$41
2	$320	$48
3	$380	$57
4	$430	$65
5	$490	$73
6 or more	$540	$81

If outside of greater Sydney (s3=2) and Q3=

# in Household	Quarterly bill	Saving
1	$490	$73
2	$600	$89
3	$700	$105
4	$810	$121
5	$910	$137
6 or more	$1,000	$151

c. There is a free, independent government website where you can compare energy plans available to you.
d. There are laws protecting consumers when they switch to a new deal, and switching will have no impact on the supply of energy to their home.
e. The majority of New South Wales households have already switched to a new energy plan or company.

Not at all likely					Fairly Likely					Extremely likely	Don't Know
☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

Q29.	When looking for a good energy plan, how helpful do you think the following things would be in helping you to make your decision? Please use a scale where 0 means not at all, 5 is fairly and 10 is extremely helpful Firstly… **[READ OUT FIRST ITEM]**… how helpful would this be in helping you to make your decision? **[REPEAT SCALE AS NECESSARY]** **[READ OUT SECOND ITEM]**... how helpful would this be in helping you to make your decision? **[REPEAT SCALE AND FOR REMAINING ITEMS AS NECESSARY]** **SINGLE RESPONSE FOR EACH ITEM, RANDOMISE ITEMS, INCLUDE CODE 12 = Not Applicable, INCLUDE QUESTION ON EVERY SCREEN** a) An independent government website with a price comparison tool b) An independent government 1800 number for advice c) An energy company's website or 1800 phone number to call for advice d) An energy company's telemarketer or door-to-door salesperson e) A commercial comparison website or broker like iSelect, One Big Switch, goswitch, or Energy watch f) Face-to-face assistance from a community or government organisation or financial counsellor g) **[ASK IF S7 IS NOT CODE 1]** Materials translated into your preferred language h) Brochures that could be available in a range of locations i) An annual statement from your energy company that tells you essential information about your plan including when the contract ends j) Fact sheets about energy plans in a consistent format showing all fees and charges

Not at all helpful					Fairly helpful					Extremely helpful	Don't Know
☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

Q30.	Do you have any other comments or advice you would like to give the Australian Energy Market Commission to help inform consumers about their choices?
	OPEN ENDED RESPONSE

Demographics

I just have some final questions about you and your household before we finish the survey. These are for analysis purposes only.

D1. How much was your most recent <u>quarterly</u> electricity bill? **IF NECESSARY:** Your best estimation of the cost is fine. **IF BILLED MONTHLY:** refer to relevant bracket **SINGLE RESPONSE, DO NOT READ OUT**	1. Less than $100 (< $33 per month) 2. $100 - $199 ($33 - <$67 per month) 3. $200 - $299 ($67 - <$100 per month) 4. $300 - $399 ($100 - <$133 per month) 5. $400 - $499 ($133- <$167 per month) 6. $500 - $599 ($167 - <$200 per month) 7. $600 - $699 ($200 - <$233 per month) 8. $700 - $799 ($233 - <$267 per month) 9. $800 - $999 ($267 - <$333 per month) 10. $1,000 or more ($333 or more per month) 11. Don't know 12. Refused

D2. Do you currently receive any kind of government concession on your electricity bill? **SINGLE RESPONSE**	1. Yes 2. No 3. Don’t know

IF HAS GAS CONNECTED (Q8=1)

D3. How much was your most recent <u>quarterly</u> gas bill? **IF NECESSARY:** Your best estimation of the cost is fine. **IFBILLED MONTHLY:** refer to relevant bracket **SINGLE RESPONSE, DO NOT READ OUT**	1. Less than $100 (< $33 per month) 2. $100 - $199 ($33 - <$67 per month) 3. $200 - $299 ($67 - <$100 per month) 4. $300 - $399 ($100 - <$133 per month) 5. $400 - $499 ($133- <$167 per month) 6. $500 - $599 ($167 - <$200 per month) 7. $600 - $699 ($200 - <$233 per month) 8. $700 - $799 ($233 - <$267 per month) 9. $800 - $999 ($267 - <$333 per month) 10. $1,000 or more ($333 or more per month) 11. Don’t know 12. Refused

ASK ALL

D4. Does your household have solar panels? **SINGLE RESPONSE**	1. Yes 2. No 3. Don’t know

D5. Does your household have a time of use meter which also known as a smart meter or interval meter? **SINGLE RESPONSE**	1. Yes 2. No 3. Don’t know

D6. In the last two years have you <u>changed</u> any of the following providers or companies with which you have products and services? **MULTIPLE RESPONSE, READ OUT**	1. Home phone 2. Mobile phone 3. Internet 4. Car insurance 5. Home insurance 6. Health insurance 7. Bank 8. **DNRO:** Other (specify)____ 9. **DNRO:** None of the above

D7. Do you have access to the internet…? **READ OUT, MULTIPLE RESPONSE FOR CODES 1-4**	1. At home 2. At work / school 3. Mobile phone or device 4. Elsewhere (specify)______ 5. None of the above 6. Don’t know

ASK IF D7=1-4

D8. Using a scale where zero means not at all and ten means extremely, how comfortable are you with using the internet? **SINGLE RESPONSE**											
Not at all comfortable					Fairly					Extremely comfortable	Don't Know
☐ 0	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6	☐ 7	☐ 8	☐ 9	☐ 10	☐ 11

ASK ALL

D9. What is your current employment status? **ONLY READ OUT IF NECESSARY** **MULTIPLE RESPONSE OK**	1. Working full time 2. Working part time 3. Working casually 4. Self-employed 5. Unemployed 6. Retired 7. Student (check if also working) 8. Home duties 9. Other (specify)__________

D10. What is your highest level of education? **ONLY READ OUT IF NECESSARY** **SINGLE RESPONSE**	1. Primary school 2. Secondary school 3. College / TAFE 4. Undergraduate degree 5. Postgraduate degree 6. Other (specify)__________

ASK ONLY IF BORN IN AUSTRALIA (S6=1):

D11. Do you identify as Aboriginal or Torres Strait Islander?	1. Yes 2. No 3. Refused

ASK ALL

D12. Which of these brackets best describes your household's total annual income, before tax? Stop me when I get there. **SINGLE RESPONSE** **IF NECESSARY:** This is for analysis purposes only and to ensure we survey a good mix of people in the community. Your responses will remain completely anonymous.	1. Less than $20,000 2. Between $20,000 to $34,999 3. Between $35,000 and $49,999 4. Between $50,000 and $74,999 5. Between $75,000 and $99,999 6. Between $100,000 and $119,999 7. Between $120,000 and $149,999 8. Between $150,000 and $199,999 9. $200,000 or more 10. Don't know 11. **DNRO:** REFUSED

D13. Do you or does anyone in your household have any long term or chronic health conditions, mental illness or physical or intellectual disability? **IF NECESSARY:** this is to help the Australian Energy Market Commission better understand the needs of the community **DO NOT READ OUT, MULTIPLE RESPONSE OK FOR 1 & 2**	1. Yes – I do 2. Yes – someone else does 3. No 4. Prefer not to say

Closing

That is all of my questions. Just to remind you, my name is **[INSERT INTERVIEWER NAME]** from Australian Fieldwork Solutions. Could I please have your first name so that we can re-contact you if necessary as part of our quality control to validate that this interview actually took place? **RECORD**

And can I confirm that I have dialed **INSERT PHONE NUMBER**? Please be assured that your name and contact details will be removed from your responses to this survey once the validation period is finished. As mentioned earlier, this study is being conducted on behalf of the Australian Energy Market Commission and the results will be used to better inform the community on energy issues, including the choices individuals can make and where they can find the information to help with those choices.

IF NECESSARY: Just to remind you, your responses in this survey will be kept completely confidential and will be used only for market research purposes. As a market research company, we comply with the requirements of the Privacy Act. By law, your responses will in no way be linked with your customer account details. Should you need to contact us again please call us on 8789 4444. Thank you again for your time.

4.2 Additional Specific Communications Suggestions from In-depth Interviews

The following table captures some of issues arising from in-depth interview respondents and suggestions on good ways to communicate with the segment they represent.

Segment	Summary of Suggestions
Low income	• Very simple communication that allows comparison on price and doesn't confuse people with terms and conditions. • Ensure people know their rights and that they can take time to consider their options and don't feel pressured into a decision. • Many people don't understand how their consumption converts back to money value. • In indigenous communities, many homes run by Land Councils are poorly maintained and insulated and equipped with cheap inefficient hot water systems and appliances – this makes it even harder to change behaviour. • Not everyone is online so need to ensure face-to-face help is available. • The Home Energy Savers Scheme appears to be effective – they go into people's homes and consult with them directly about how to manage energy offers. • Experience with smart meters in Victoria has shown that the flashing lights and beeps have heightened anxiety amongst some low-income people rather than give them confidence as many expect. • It may not suit to bundle electricity and gas as if one gets cut off they can still use the other.
Non-English Speaking Background (NESB)	• Wide range of different needs based on how they came to Australia, how long they have been here, their specific cultural background, what family or community support they have, numeracy and proficiency with the English language. • The main issues are paying their bills and understanding their contracts. Many find it difficult to understand what is using energy. • Many are particularly vulnerable to door-knockers as they hear the word 'discount' and sign without understanding. • Some are unfamiliar with the concepts of competition, why their provider changes when they move house, getting and paying bills based on usage, the way some meter readings are estimated or are used to cheaper energy or environments where they don't have as many electrical appliances. • Many are transient renters and move every six months – they often take the energy company who was already servicing the property and don't know who it is until they get their first bill. • The focus to date has been on educating people who to use less energy – note that some incorrect information is being given out (eg do your washing after 10pm) • Migrant Resource Centre have been having people 'undo' situations they find themselves in due to lack of language (eg having to write a letter in English to break a contract). • One discrete target group is those who came in the 1940s-1960s who are older, have lost their partner, are not online, own their own home so aren't getting low-income assistance and are finding it very hard to keep up with rising costs - many are going without food or

Segment	Summary of Suggestions
	heating to pay their bills. They don’t raise their difficulty due to shame. These people can be engaged through ethno-specific cultural groups and at booths in shopping centres using bilingual educators. • Those who came in the 1970s-1980s are mainly Arabic and Cantonese-speaking. The best way to reach them is through sending translated media releases to relevant newspapers and ratio stations and getting trained bilingual people to go on talkback radio on SBS and discuss it. They are usually online and quite savvy about seeking good deals. • Information on consumer issues is provided to refugees through Humanitarian Settlement Services (HSS) but it one of many pieces of information, most of which are more pressing. It is also discussed in HSS consumer rights workshops but while they tell people they are free to move from one utility to another, the ‘how’ is not discussed. By the time they raise an issue with their caseworker they may already be locked into an inappropriate plan. Caseworker education will be important. • Migrants, as opposed to refugees, rely on family, friends and community members for advice. They can also seek assistance from Migrant Resource Centres and their staffs require training. Note that they provide Energy Assistance Programs to assist marginalized clients with their utilities by providing $50 financial assistance vouchers (upped recently from $30) • Electricity supply is occasionally discussed in ad hoc community workshops run in Migrant Resource Centres by NSW Fair Trading but the hot issue is usually mobile phones • While online source of information are generally not on the radar for many, some in this segment will be able to use the *energymadeeasy* website in English if it has been explained to them in their language. • Word-of-mouth is very powerful. • Need for more translated materials. • Community radio stations (religious stations etc) are a very popular way of reaching people. Press releases should be provided in-language and bilingual educators made available for talkback radio. • Pamphlets are useful. • Provide information booths at Community Days and events as well as at local shopping centres. • Caution against relying on educating young people and having them teach their parents as it is often not culturally appropriate.
People with disabilities	• It is difficult to readily tick the ‘disability’ box due to the wide range of needs – for example those with an intellectual disability will need different messages from those in a wheelchair. • Considerable overlap with low income, low levels of education and poor reading skills. • Many find people knocking on their door very intimidating. • Some are unable to change their consumption behaviour due to reliance on equipment or carers’ schedules.

Segment	Summary of Suggestions
	• People with low to moderate support needs want the same rights and same responsibilities as others but may need assistance in terms of accessing or understanding information and in decision-making. Many will need to select from a relatively small set of options and share their issues to help ensure they make the right decision. Some may need support from a funded independent advisory service. • Carers will play an important role for people in high support situations. It must not be assumed that all people with disabilities should be reached via their carers. • It is a myth that most people with a disability are online. Many are low-income, have physical or intellectual issues that preclude this or have other reasons for not being tech-savvy such as poor education. • Many don't connect with society much for a range of reasons including limitations with mobility. As such, TV and radio is a good way to reach them. • As many can only navigate a very small geographic area, information booths in a place they already go regularly so a local shopping centre could be useful. It must be very clear that this is presented as an independent confidential service as many will worry a booth was a veiled sales tool. • An anonymous 1800 phone service would be valued but there should be minimal buttons to press. • Those providing assistance on the 1800 number or at shopping centres may need training in how to deal appropriately with people who have intellectual disabilities who may speak slowly or be disinhibited in some of their language or know the process of how to best refer people on. • Peak groups are happy to assist distribute information through newsletters and some could run campaigns if funded. • Some issues with lack of flexibility in payments through Centrelink and accessing accumulated funds.
Older people	• Significant overlap with low income and NESB. • Many fear the rising cost of electricity and high-pressure sales techniques. • Smart meters not as useful as people generally at home during peak times. Many older people are not in a position to change behavior. • Older people are more likely to be on the regulated price and probably would prefer to stay on it because it is predictable and that is reassuring. However they have time on their hands, are interested in saving money and may switch if they are confident they have the right information and are not pressured. • Need simple information with no jargon and big print. • Written information is preferred over online information. • TV and local newspapers would be important prompts to further action.

Segment	Summary of Suggestions
	• Local government would be an excellent partner for reaching older people as they have community networks where older people socialize e.g. RSLs and bowling clubs.
Regional	• Wide demographic spectrum, many unemployed or on low income alongside considerable wealth; higher proportion are indigenous; higher percentage of older people. • Strong environmental awareness with considerable interest in solar. • Regions more likely to stick with incumbent provider as choice option is more recent and not widely communicated through door-knocking. • Door-knocking not as prevalent as in urban areas. • Energy supply is a big issue for farmers and regional businesses. • Word-of-mouth is very important. • TV and local newspapers are particularly effective in regional communications. • Councils get quite involved in addressing the concerns of their communities and several expressed interest in assisting through their newsletters, events and workshops. Some run events through local RSLs or commercial clubs. • Community or neighbourhood centres will be important channels for those on low incomes.
SMEs	• Don't think of SMEs as a homogenous group. • The rising cost of doing business is a key concern for SMEs and electricity is part of that. • Many don't believe they can reduce prices by changing their consumption. • Many SMEs look at this issue in the same way that residential consumers do but are even harder to reach, overloaded with information, more time poor and very hesitant to lock into two-year contracts. As such, they are hard to reach and engage. • Engaging is an opportunity cost so SMEs need a clear value proposition - preferably the approximate amount they could save. If they know they are getting a reasonable deal they probably won't bother. • Suggested an Ofgem-style annual statement comparing their energy usage to the average other comparable businesses are paying, using ABS business categories as the starting point. • It will be important to provide reassurance about reliability of supply and consumer protections. • Timing of communication is critical. The potential benefits of switching and how to do it need to be communicated at the time they are receiving their bill. • They can be reached through trusted advisors such as the local business chamber network, accountants, lawyers, business advisors, business advisory centres, business enterprise centers etc. • Regional media are quite useful. • Small business and industry-specific trade media are mildly useful. • Attendance at small business workshops and networking events is limited by time constraints.

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