



Australian Energy Market Commission (AEMC)

Consumer Research on Retailer Price Variations in Market Retail Contracts

Final Qualitative and Quantitative Research Report

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Table of Contents

EXECUTIVE SUMMARY	3
BACKGROUND AND OBJECTIVES	4
METHODOLOGY	5
QUALITATIVE RESEARCH: FORUMS	5
QUANTITATIVE RESEARCH: TELEPHONE AND ONLINE SURVEYS	6
NOTE TO THE READER	9
KEY FINDINGS	10
CONTEXT	10
PARTICIPANT EXPERIENCES WITH CONTRACTS OF A SPECIFIED DURATION	11
INTERPRETATIONS OF CONTRACT TERMINOLOGY	12
PARTICIPANT EXPERIENCES WITH PRICE VARIATIONS	15
CONTRACT PREFERENCES: 9% VERSUS 1% DISCOUNT	18
CHOICE OF CONTRACT TYPES	21
RELATIVE IMPORTANCE OF THIS ISSUE	22
APPENDIX 1: QUALITATIVE RESEARCH DISCUSSION GUIDE	24
APPENDIX 2: QUANTITATIVE QUESTIONNAIRE	25

Executive Summary

This report sets out the findings of market research conducted by Newgate Research between February and April 2014 on behalf of the Australian Energy Market Commission (AEMC) to explore community reactions to issues related to retailer price variations in market retail contracts.

The research, conducted in southeast Queensland, Victoria, South Australia, New South Wales and the Australian Capital Territory (ACT) comprised seven three and a half hour qualitative forums with a total sample of n= 162 participants and a quantitative study with a sample of n= 2,213 conducted via telephone and online surveys. The research on this issue was conducted towards the end of broader research program to inform the AEMC's review of retail market competition across National Electricity Market (NEM) jurisdictions.

Snapshot of Findings

- The qualitative research suggests retailer price variations in market retail contracts is not an issue that many people have thought much about before and it is not an issue of great importance to most – rather, it is seen as another example of the complexity of energy offers that could be addressed through clearer marketing.
- There was confusion about what is actually fixed in an energy contract - the rate per unit of energy used, discounts off the price paid, both or neither, with one in five (21%) unsure. In the qualitative research many said they hoped the rate per unit was fixed but did not expect it was.
- Both the qualitative and quantitative research suggests many consumers were not aware whether or not they were actually on a contract. Across the NEM, just over half of the residential and small business consumers surveyed (53% and 52% respectively) said they had previously signed up for a contract for a specific period of time, such as one, two or three years.
- Among those who had previously signed up for a contract for a specified period of time, there was mixed awareness of whether the rate per unit of energy used had changed during that contract with half (49%) of residential consumers and around three in five (59%) small business consumers reporting that the rate had changed.
- Amongst those who had noticed a change in the rate per unit of energy used once signed up to a contract for a specified period of time, the most common response was to do nothing. Around 37% of residential customers and 25% of business customers said they did nothing and just paid their account with others saying they just accepted that prices were rising, felt they were locked into a contract or were aware that price rises were within the terms of the contract. The second most common response was to contact their energy company and query the amount (20% residential, 24% business). Around 6% of residential consumers and 1% of business consumers said they had looked at switching to other energy companies, with around 8% of residential and 7% of business consumers actually changing. Around 4% of residential consumers and 5% of business consumers expressed negative emotion over this issue, saying they were angry, disgruntled or shocked.
- There were mixed responses when respondents were presented with the option of a contract with a *fixed rate per unit consumed with an estimated 1% saving from the regulated price* or a contract with a *variable rate per unit of energy consumed with an estimated 9% saving*. Participants expressed preference for the option that met the needs of their specific household situation, with the majority of low-income households expressing a preference for the fixed rate. Most participants felt a range of different contract options with both fixed and variable rates per unit of energy should be available for consumers to choose from.

Background and Objectives

The Australian Energy Market Commission (AEMC) commissioned Newgate Research to conduct qualitative and quantitative research amongst the community to explore issues related to retailer price variations in market retail contracts.

More specifically, it was designed to explore:

- How consumers interpret different terminology around market contracts;
- Consumers' awareness of price changes during market contracts and how they react to this;
- Consumers' preferences in relation to contracts with a higher fixed price per unit of energy consumed versus a lower variable price per unit of energy consumed; and
- Consumers' preferences for addressing this issue going forward.

We understand this research will be used by the AEMC to inform a rule change request that was jointly proposed by the Consumer Law Action Centre (CALC) and the Consumer Utilities Advocacy Centre (CUAC).

This research project was an extension of an existing brief to conduct research on small electricity and gas consumers' experiences of retail energy markets in southeast Queensland, Victoria, South Australia, New South Wales and the Australian Capital Territory (ACT). This research was to be used by the AEMC to inform the first simultaneous annual review of the state of competition in electricity and natural gas retail markets across all National Electricity Market (NEM) jurisdictions.

When interpreting the qualitative results it is important to keep in mind that questions in relation to this issue were covered towards the end of each forum following discussion on participants' knowledge and perceptions of energy companies, and their ability to change energy company or plan, as well as the barriers and drivers to switching. There were some revisions to the qualitative question line during the course of the research to allow us to probe issues in greater detail and include a recently published media article that set out issues in relation to the rule change request¹.

We note that this report sets out the results of the research on retailer price variations in market retail contracts only. These results are presented in the context of findings from the AEMC's annual review of the state of competition in retail markets but the full results of that study will not be released until September 2014.

A copy of the relevant sections of the qualitative research discussion guide and the quantitative questionnaire can be found in the Appendix.

¹ Bainbridge, Amy. "Consultation opens into energy pricing overhaul request," *ABC News*, February 13, 2014, <http://www.abc.net.au/news/2014-02-13/calls-to-overhaul-energy-contract-pricing/5255646>.

Methodology

This research comprised qualitative and quantitative components, outlined in detail below.

Qualitative Research: Forums

Between 10 and 27 February 2014, Newgate Research conducted seven qualitative forums in four jurisdictions across Australia. In southeast Queensland, South Australia and Victoria two forums were held – one in the capital city and one in a large regional centre. In the ACT one forum was held in Canberra. No forums were held in NSW as similar qualitative research was conducted by Newgate Research in mid 2013 as part of research to inform development of the Communications Blueprint associated with the Review of Competition of Retail and Electricity and Gas Markets in NSW.

Each forum comprised between n=14 and n=32 participants and a total of n=162 people participated in the qualitative research. Each lasted around 3.5 hours and was held in a hotel conference room.

Recruitment of participants was undertaken by specialist recruiter Australian Fieldwork Solutions (AFS) using a recruitment script and screening questionnaire designed by Newgate Research. Key elements of the approach follow:

- **Residential Consumers:** A mix of general community segmented by household income with a mix of ages and life stages. All participants had to be the main or joint decision maker regarding their household's energy retailer. Quotas were set to capture participants who had looked into switching energy plans or companies in the past twelve months, with some who had actually switched and others who had not. Quotas were also set for electricity retailers to ensure a good mix of companies was represented. In some states quotas were set for participants with gas. All quotas were set to broadly reflect the actual demographic profile of each location.
- **Small Business Consumers:** Defined by the average amount of their quarterly electricity and gas bills, with different criteria in each jurisdiction. All participants had to be business owners or managers in charge of making decisions around their business' energy retailer. As with the residential consumers, quotas were set for switching behaviour and electricity retailers. A mix of industries was represented including retail, education, construction, automotive, agriculture, manufacturing and hospitality.

In line with standard market research practices all participants received an incentive for their time. Residential consumers received \$150 and, reflecting the challenges in recruiting SME participants, SME participants received \$250.

Forum facilitation was led by Newgate Research CEO Sue Vercoe (Canberra, Brisbane, Maroochydore and Melbourne) or Senior Research Director Jasmine Hoye (Adelaide, Murray Bridge and Ballarat). Table facilitators were Sue Vercoe, Jasmine Hoye, Irene Andreadakis, Tanya Ploen, Julie Sheather and Lauren Campbell.

Quantitative data was also collected at the forums via IML Worldwide wireless handheld audience voting devices. Questions were typically asked at both the beginning and end of the sessions to allow results to be compared. The results were collated and were used to inform qualitative reporting.

Outlined below are forum and recruitment details by location:

Location	Date	Participants	Gas Penetration	Table Segmentation
Canberra, ACT	10 February	14 residential 3 SMEs	Approx. 6	Above and below \$100,000 including SMEs
Brisbane, QLD	12 February	24 residential 6 SMEs	Approx. 8	Above and below \$72,000, gas, SMEs
Maroochydore, QLD	13 February	16 residential 5 SMEs	Approx. 5	Above and below \$62,000; SMEs
Adelaide, SA	17 February	25 residential 7 SMEs	Approx. 8	Above and below \$58,000; gas; SMEs
Murray Bridge, SA	18 February	13 residential 4 SMEs	Approx. 3	Above and below \$40,000 including SMEs
Ballarat, VIC	26 February	13 residential 1 SMEs	Approx. 10	Above and below \$50,000 including SMEs
Melbourne, VIC	27 February	24 residential 7 SMEs	As it fell out, approx. 31	Below \$42,000; between \$42,000-\$100,000; above \$100,000; SMEs

The questions used in the qualitative research are attached in Appendix 1. Note that forum participants' understanding of these issues was relatively low and so the qualitative questions evolved and were fine-tuned as the forums progressed to ensure they were understood.

Quantitative Research: Telephone and Online Surveys

A quantitative research survey was conducted with n=1,833 residential and n=380 small business consumers across five NEM jurisdictions as follows.

State	TOTAL	Residential	Small Business	Margin of Error (95% confidence level) +/-
Victoria	403	327	76	4%
New South Wales	401	325	76	4%
Australian Capital Territory	199	152	47	7%
South Australia	407	327	80	4%
Southeast Queensland	803	702	101	3%
Total	2,213	1,833	380	2%

The AEMC requested a larger sample be used in southeast Queensland because the Queensland Government is currently considering deregulating the market subject to the AEMC finding competition to be effective.

Prior to conducting the surveys, the questionnaire was thoroughly tested through n=4 cognitive interviews with residential consumers. The surveys were conducted by Irene Andreadakis and Tanya Ploen of Newgate Research. The aim of these interviews was to ensure that the questions were being understood as intended and that the language being used in the survey was appropriate. Using the quantitative survey as a guide, each interview lasted for about 30-45 minutes and participants were given a \$50 Coles Myer voucher to thank them for their time. The interviews confirmed that the survey questions were generally well understood by participants, with some minor adjustments to wording made in response to participant feedback.

In addition to the cognitive interviews, a pilot study of n=50 interviews was conducted to ensure that the questions were programmed correctly and that the interview length was within the budgeted time. Fieldwork was undertaken by Australian Fieldwork Solutions (AFS) between 20 February 2014 and 7 April 2014. The average survey completion time was 20 minutes.

Respondents were aged 18 and over and had to be the person in the household or business who was the main or joint decision maker when it came to choosing their energy retailer. Businesses qualified for the survey if their quarterly electricity bill was below the ranges specified in the table below. Businesses were only asked the series of questions about gas if their quarterly gas bill was below the amount specified below.

	Electricity		Gas	
	Metro	Regional	Metro	Regional
SA	13,000	13,000	3,750	3,500
ACT	6,000		3,750	
NSW	7,250	7,750	4,000	6,250
VIC	2,750	3,500	2,300	2,500
SE/QLD	4,750	4,750	6,000	4,500

Quotas were also set for both residential and business consumers as follows:

Location	VIC	NSW	ACT	SA	S/E QLD	Total
Capital city	300	254	200	308	533	1,595
Rest of region	100	146		92	267	605
Total	400	400	200	400	800	2,200

Has mains gas	VIC	NSW	ACT	SA	S/E QLD	Total
Residential	Min 100	Min 100	Min 100	Min 100	Min 100	Min 100
Business	Min 30	Min 30	Min 30	Min 30	Min 30	Min 30

Age / Gender (Res only)	Males	Females	Total
18-34	274	274	548
35-54	324	338	662
55+	291	324	615
Total	889	936	1,825

Business size (SME only)	Total
Less than 20	275
20-99	50
100-199	50
Total	375

Business Type (SME only)	Total
Construction	60
Professional, Scientific and Technical Services	44
Rental, Hiring and Real Estate Services	40
Agriculture, Forestry and Fishing	33
Financial and Insurance Services	29
Retail Trade	25
Transport, Postal and Warehousing	23
Health Care and Social Assistance	19
Manufacturing	15
Accommodation and Food Services	15
Administrative and Support Services	15
Wholesale Trade	14
Other	43
Total	375

Surveys were completed using a mixed mode approach in order to reach a broad range of consumers across each jurisdiction. Half the residential surveys were done via telephone using a White Pages random sample, and half were done online using sample from an online panel (Survey Sampling International). The business surveys were predominantly done via telephone using White Pages business sample, however, respondents were given the option of doing the survey online if they preferred.

The final data was weighted to reflect the actual population by state, according to 2011 ABS Census data. The relevant sections of the quantitative questionnaire are attached in Appendix 2.

Note to the Reader

This report presents the findings of the qualitative and quantitative research.

As previously noted, when interpreting the qualitative results it is important to keep in mind that questions in relation to this issue were raised towards the end of each forum following discussion on participants' knowledge and perceptions of energy companies, and their ability to change energy company or plan, as well as the barriers and drivers to switching. Similarly, questions on this issue were asked towards the end of the quantitative study. As such, by the time they answered the questions on this issue forum participants were better informed about energy markets than the average consumer.

The quantitative results have been presented to show results by jurisdiction and also include a NEM average. We note however, that this NEM average has limited meaning because all jurisdictions are at various stages of the deregulation journey.

This research was conducted in accordance with the international quality standard for market and social research (ISO 20252).

In preparing this report we have presented and interpreted information that we believe to be relevant to achieve the objectives of this research project. 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 the research have been included in the report to further support the findings. Verbatim quotes are included in italicized font and include the jurisdiction and the consumer type e.g. residential or small business and the segment e.g. low, medium or high income.

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. For multiple response questions, the results may add up to more than 100% as respondents may have given more than one answer. Results are only shown when the sample sizes are more than n=30. Some results when sample sizes are less than n=30 have been shown, indicated by a "!" these results should only be treated as indicative and should be interpreted with caution.

Any statistically significant differences reporting are at the 95% confidence level. These differences have been indicated using arrows. An arrow on the state total means that it is significantly higher or lower than the NEM average. An arrow on a capital city or regional area means that it is significantly higher or lower than the other region.

Key Findings

Context

The research undertaken for the AEMC's Review of Retail Competition found that while consumers in most jurisdictions were aware that they could choose their energy company and that each energy company offered a range of plans with different features, their level of knowledge of these plans was relatively low.

In the qualitative research, when prompted to discuss the ways in which the plans offered by different energy companies varied, few participants outside Victoria mentioned that energy companies offer contracts of various lengths. Most knew that they paid a fixed supply fee and a variable fee based on how much energy they use but it was not something they had thought about much. Note that while quantitative research indicated that most consumers were very or fairly confident that they could source the right information to choose an energy plan to suit their needs, the qualitative research results suggested that many were overly confident in their knowledge and understanding of energy plans.

Generally speaking, the questions asked on this issue were typically things participants had not previously given any serious consideration.

Other findings from the broader study that are relevant to this project are as follows:

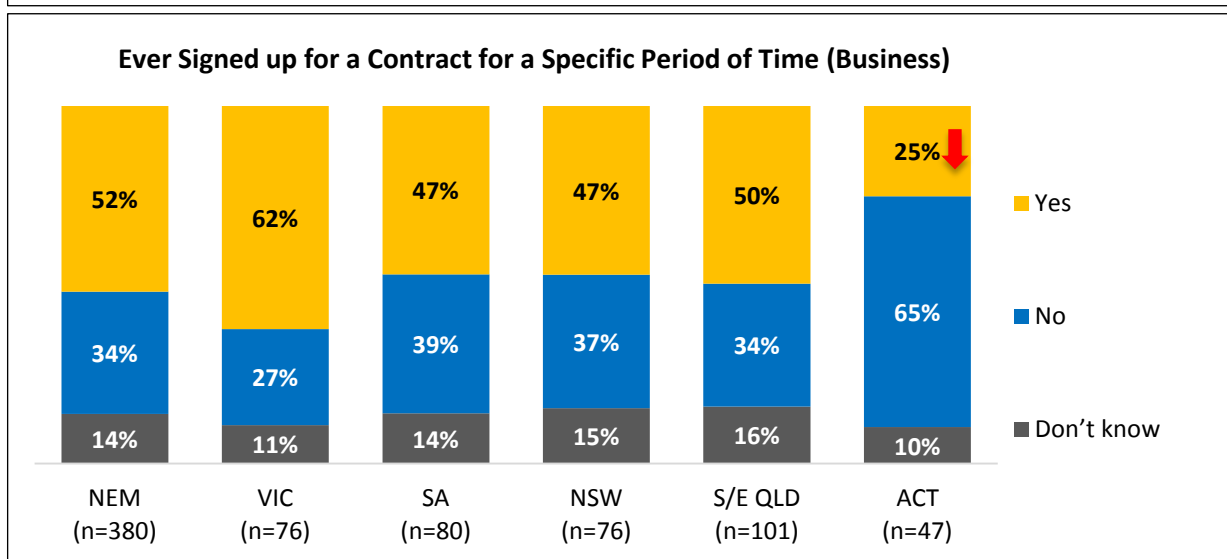
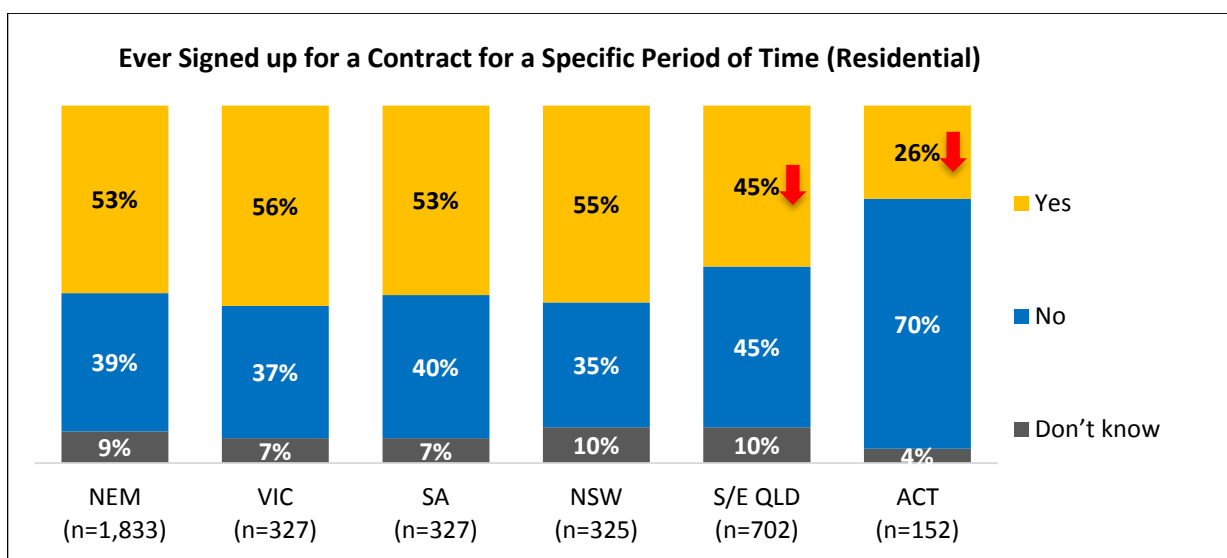
- Most consumers surveyed were satisfied with their electricity and gas retailers.
- The main driver for consumers to switch is the potential to save money, while the main barriers are satisfaction with their current retailer, inertia, and disengagement.
- Many consumers thought that all energy companies offer virtually the same price and that comparing options is too confusing. Qualitative research results suggest that consumer satisfaction with the options available would increase if consumers had improved communication about the potential to save money, the range of options available to them and clearer information from retailers.
- The majority of consumers had changed their electricity retailer or plan at least once in the last five years in most jurisdictions, although lower levels of switching had occurred in the ACT. The proportion of consumers who had switched their gas retailer or plan in the last five years was lower than those who had switched their electricity retailer or plan.
- Only a very small proportion of customers that investigated options for changing their energy retailer or plan did not end up switching.
- The internet was the most common source of information used by consumers when switching or investigating options, with door-to-door sales people, and calls from their retailer also used. Awareness of independent jurisdictional price comparison websites was fairly low.
- Most consumers who had switched their electricity or gas retailer or plan were satisfied with the switching process. Those who were dissatisfied felt it took longer than expected, didn't see any savings, or were surprised by cancellation fees.

Participant Experiences with Contracts of a Specified Duration

The research sought to understand the experiences of participants who had signed up to a contract for a specific duration of time, say two or three years, and then found that the price had changed. It sought to understand whether or not they had known in advance that this would happen, and to explore their reactions, including the likely impact on their preparedness to engage with energy markets in the future.

The qualitative research suggested that awareness that energy companies offer contracts of different lengths was low, particularly outside Victoria, and many were not aware whether or not they were currently on a contract.

In the quantitative study just over half of quantitative residential consumers and small business consumers (53% and 52% respectively) said they recalled previously signing up for a contract for a specific period of time such as one, two or three years. The proportion who had done this were significantly lower among residential consumers in southeast Queensland (45%) and the ACT (26%) as well as amongst business consumers in the ACT (25%). This may reflect the various stages of competition in each of these jurisdictions.



Base: All Respondents

Q41. To your knowledge, have you ever signed up for a contract for a specific period of time, such as one, two or three years?

Interpretations of Contract Terminology

Both the qualitative and quantitative results suggest some confusion about what elements of an energy contract are fixed or not fixed. Note the questions asked on contract terminology were asked of all participants including those who were not sure whether or not they were on an energy contract.

In the quantitative study, participants were asked which elements of price are fixed while on an energy contract – the rate per unit of energy used, discounts off the price paid, both or neither. The results were mixed and, seen in the context of the qualitative results, it is likely that many were just taking a guess when they gave their response.

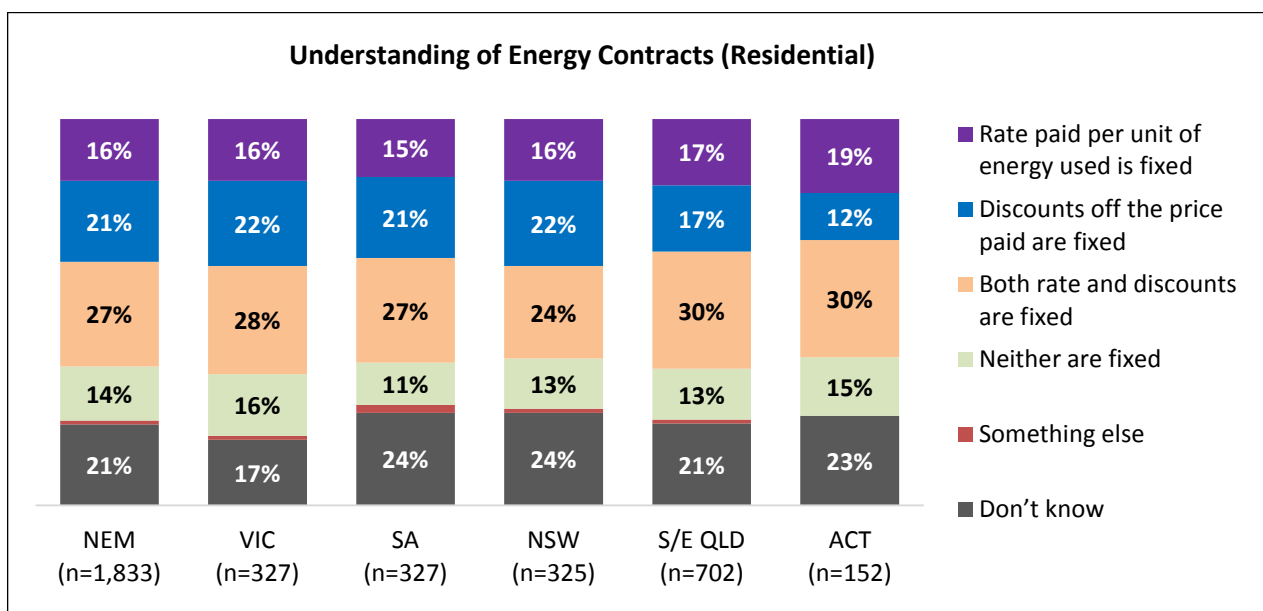
Overall around 21% of residential consumers and 15% of business consumers were unsure what was fixed. Just over one quarter (27%) of residents and just over a third (34%) of business consumers thought both the rate and discount were fixed, with Victorian business consumers (46%) far more likely to take this view.

One in five (21%) residents and one in five (22%) business consumers thought discounts off the price paid were fixed. Only 16% residents and 19% business consumers thought the rate paid per unit of energy used is fixed with 14% of residents and 10% of businesses believing that neither were fixed.

In the qualitative forums, participants were asked some open-ended questions about what they understood to be the implications of:

- Signing up to a contract for specific period of time, such as one, two or three years; and
- The term 'fixed'

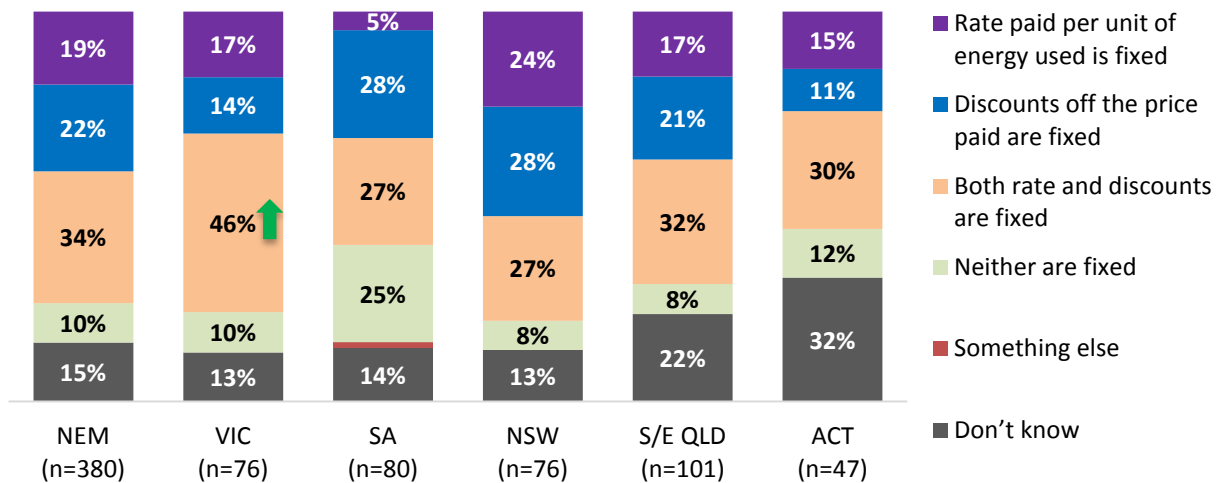
There were notable differences in responses to the use of different terminology, as outlined over the page.



Base: All Respondents

Q42. While on an energy contract, which of the following do you think applies?

Understanding of Energy Contracts (Business)



Base: All Respondents

Q42. While on an energy contract, which of the following do you think applies?

- **Signing up to a contract for a specific period of time**

Most participants assumed that signing up to a contract for a specific period of time meant they would be offered a better price or a better deal in exchange for their loyalty in staying with their provider for this period.

The word 'contract' suggests that you've locked in the same deal as any commercial business. (Maroochydore, Lower Income)

Most participants had not given much thought as to what elements of the contract might remain fixed during this period and which might vary.

Many assumed that the terms and conditions, and any discounts they were offered (such as a percentage discount off the overall price) would remain unchanged for its duration and that an exit fee would apply if they wanted to terminate the contract early.

They initially found it hard to articulate whether the price they would expect to pay per unit of energy they consumed would remain the same. Initially the majority said they thought it would be fixed. However, upon further discussion, the majority clarified that actually they had **hoped** it would be fixed (because it would shield them from rising energy prices) but they assumed that, realistically, it would probably not be fixed in practice. While some attributed this to factors like fluctuations in wholesale energy prices, others saw it as in line with what they saw as typical behaviour from energy companies in terms of inserting lots of conditions into the small print of their contracts.

If the retailer is offering a contract then they shouldn't be able to do it [change the price per unit paid] at that point – make a definite contract or don't offer it at all. It is not really a contract if they can change the price. (Melbourne, Medium Income)

It's like having a phone bill - it should all be fixed. It should continue on unless either party wants to change it. (Adelaide, SME)

I don't think it's ever going to be like your mobile phone. But it would be great. (Canberra, Higher Income)

Contracts are always one sided. Signing a contract isn't to our advantage with exit fees and things like that. We can't change it, only retailers can. (Adelaide, Gas User)

Note that there was a difference in the way that participants interpreted this issue based on whether they had recently signed up to a fixed duration contract, as well as differences among those with different income and education levels.

- Those who were aware they had signed up to a contract for a specified duration were typically aware that the price they paid per unit of energy they consumed could vary. Most said the retailer advised them of this when they switched.
- Lower income participants were more likely to believe that the rate they would pay per unit of energy they consumed would be fixed. Note that a fixed price was also a feature that was of more interest to lower income participants. Some of these participants assumed that the situation would be similar to that of fixed rate home loans where the bank assumed the risk if there was any price movement.
- Others participants, primarily those who came from a higher income household, who were better educated or who were owners or managers of small or medium sized enterprises, said they did not think it was realistic for energy companies to fix the price per unit in this way. Some of them commented that wholesale energy prices move around a lot and that retail energy companies do not have a high level of control over end pricing. Others readily accepted the logic of this.

- ***Implications of the word 'fixed'***

The word 'fixed' was generally seen as having clearer implications than signing up to a contract for a specified period of time. While participants were initially asked what they saw as the implications of the words 'fixed term' or 'fixed benefit', these terms were not readily understood and seen as jargon so in many forums discussion instead turned to the implications of the term 'fixed' in relation to energy deals.

Participants generally interpreted this to mean they were locking in a price for the duration of a contract. When questioned as to what elements they thought would be fixed, the majority expected the overall price would be fixed and would vary only on the basis of their consumption, meaning both the price they would pay per unit of energy they consumed would be fixed, along with any discount.

I wouldn't call it a fixed contract if it were going to vary. I wouldn't sign it. It's misleading. (Maroochydore, Higher Income)

What's the point in signing a contract if you don't know what the price is going to be? (Melbourne, Lower Income)

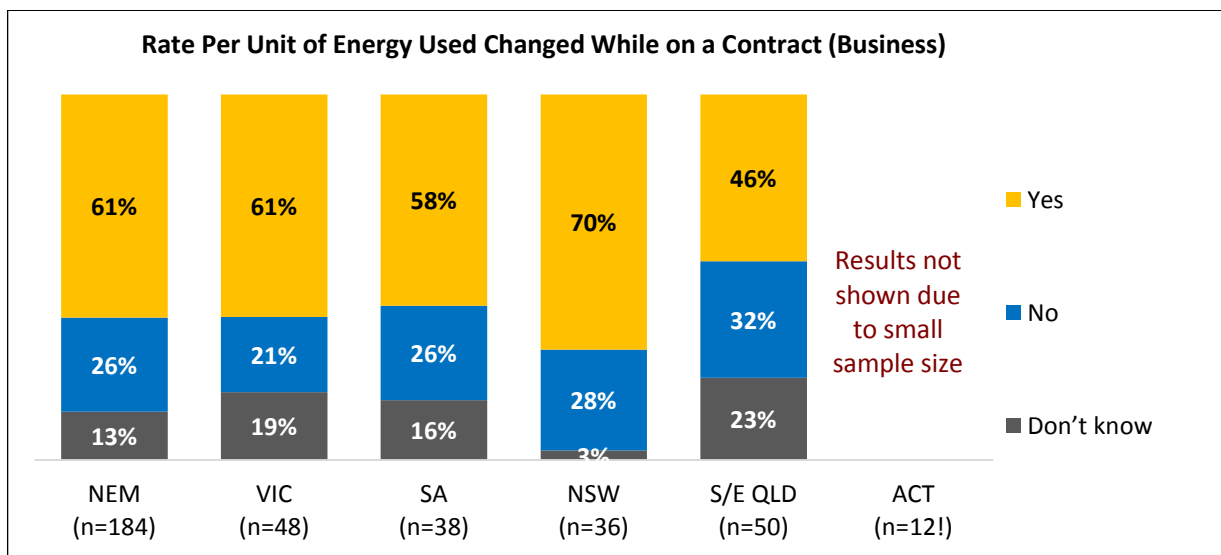
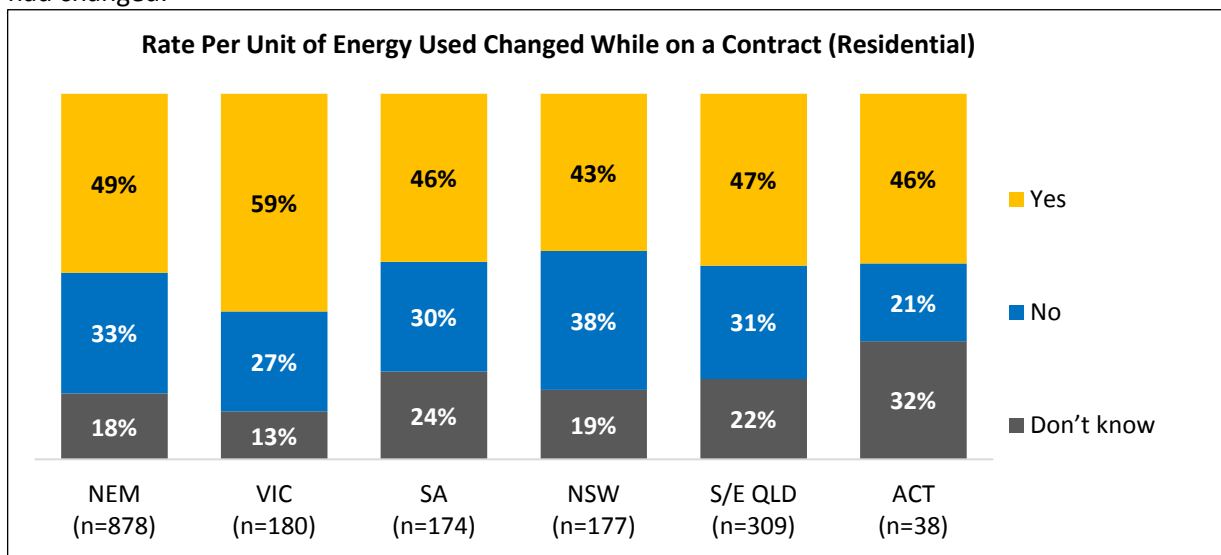
At the conclusion of this part of the discussion, many participants did acknowledge that use of the word 'fixed' could be interpreted in a number of different ways and that additional clarification should be given whenever this term was used so that it was clear whether it referred to the price per unit or the discount.

I feel like I might need to look up 'fixed' in the dictionary. (Brisbane, SME)

Participant Experiences with Price Variations

The quantitative survey asked those who had ever signed up for a contract for a specific period of time whether, while on the contract, they had ever found that the rate per unit of energy they used changed.

Among respondents who had signed up for a contract, half (49%) residential consumers and three in five (59%) of business consumers reported finding the rate per unit of energy had changed during the period of the contract. The incidence of this occurrence was highest among NSW small business consumers with 70% reporting a rate change. Only one in five (21%) ACT residential consumers reported finding their rate had changed.



Base: Respondents who have ever signed up for a contract

Q43. While on a contract, have you ever found that the rate per unit of energy you used changed?

Those who had signed up for a contract for a specific period of time in the past and had noticed that the rate per unit of energy they paid had changed during the contact period were asked an open-ended question about what they did in response to that rate rise. Participants responded in their own words and their answers were coded. The sample size for this question was n=427 residential consumers or 23% of the total sample and n=124 business consumers or 33% of the total sample.

In response to the rate change, the majority of residential consumers and approximately one third of business consumers appeared to take no action. The responses that were relevant are as follows:

- Took no action and paid the account (37% residential, 26% business);
- Accepted that prices are rising (8% residential, 2% business);
- Locked into a contract so can't do anything (6% residential, 1% business);
- Had been notified of an increase in prices (4% residential, 2% business);
- The price rise was within terms of the contract (2% of both residential and business consumers); and
- Prices are mandated by or set by Government (2% residential, 1% business).

To some degree these results reflect participants' limited levels of understanding of their contracts and retailers' ability to increase prices.

Less than half of the residential and business consumers who had noticed a change in their rate took some kind of action as follows:

- Contacted their energy company (20% residential, 24% business);
- Looked at switching to other energy companies (6% of residential, 1% of business consumers, with far higher proportions of residential consumers in Victoria (13%) taking this action);
- Changed their energy company (8% residential, 7% business); and
- Felt angry, disgruntled or shocked (4% residential, 5% business). Note that this equates to roughly 1% of respondents overall.

Just over one in ten business consumers took other measures (13%) such as trying to reduce their usage, doing some research about the increases and requesting a further discount from their company.

Actions taken in response to rate change	NEM (n=124) Business	NEM (n=427) Residential	VIC (n=108) Residential	SA (n=81) Residential	NSW (n=76) Residential	S/E QLD (n=145) Residential	ACT (n=17!) Residential
Nothing / no action taken / paid account	26%	37%	37%	41%	36%	38%	Results not shown due to small sample size
Rang / contacted my provider / queried	24%	20%	24%	24%	15%	23%	
Changed my company	7%	8%	7%	4%	11%	9%	
Accepted that prices are rising	2%	8%	9%	10%	8%	3%	
Looked at other providers	1%	6%	13% ↑	3%	0%	4%	
I am locked into contract / can't do anything	1%	6%	6%	4%	7%	3%	
I was angry / disgruntled / shocked	5%	4%	2%	1%	6%	7%	
Had been notified of increase in prices	2%	4%	4%	4%	4%	6%	
Price change was within terms of contract	2%	2%	1%	5%	2%	4%	
Prices / rises are mandated / set by Government	1%	2%	1%	3%	4%	3%	
Thought about changing providers	0%	1%	1%	0%	1%	2%	

Tried to change but fees were involved	0%	0%	1%	0%	0%	0%	
Other mentions	13%	6%	5%	7%	5%	7%	

Base: Respondents who noticed the rate per unit of energy they used changed while they were on a contract
 Q44. What did you do in response to that price change? Anything else?

As the majority of qualitative research participants did not know if they were on a contract, some research questions about retailer price variations were specifically directed to participants who had changed their energy company or plan in the last year or two as these people were likely to have been on a market contract, even if they were unaware of this fact. These respondents spent part of the forum in a separate breakout group.

The qualitative research indicated that those participants who knew that the price they paid per unit of energy they consumed could vary while the discount, terms and conditions were fixed, generally got this information from either reading the terms of the contract or being told by their retailer upon signing up, although in some cases only after they asked the question.

Amongst those who had not previously been aware that their rate could increase but then noticed it happened, most said they didn't do anything about it and just accepted that prices would increase even though some felt disappointed. A few said it prompted them to look for a better price – especially after they had found it so easy to switch the first time.

There was particular negativity about this issue in Victoria and it appears to be leading to a loss of faith in energy offers.

I've switched in the past but it's only a short-term thing. They offer you a good deal and then three to six months later they put the price up. They're not fixing the price. I don't really have faith that what they're offering will last. (Melbourne, Non-Switcher, Open Forum Discussion)

I got a letter to say the price is increasing and I was disappointed because I had just changed. I felt misled even though I was not under contract – it was under the fine print, so I am looking again. (Melbourne, Switcher, Open Forum Discussion)

To me the contracts aren't worth the paper they're written on. (Melbourne, Lower Income)

You ring up for a contract and then they put the price up. What is the point of a contract? You have all the risk. (Melbourne, Middle Income)

Most other participants who were on a contract (even if they were not aware of this) had either not noticed that their prices had increased or accepted it was the usual course of business. Some said they were not really surprised to find out that the price per unit consumed would not be fixed because it was in keeping with their experience of the energy market overall. They were not confident they knew much about their bills or how prices were set, and this was seen as just one more example of detail they felt they must have missed or that energy companies had not clearly communicated. A few commented that this information would probably have been in their contract but that they may not have noticed it.

I don't look at the bills close enough to know. (Brisbane, Lower Income)

With Red Energy they only change the price once a year and I get a warning letter well in advance – at least a month ahead so it gives me plenty of time to do something if I wanted to. (Murray Bridge, Lower Income)

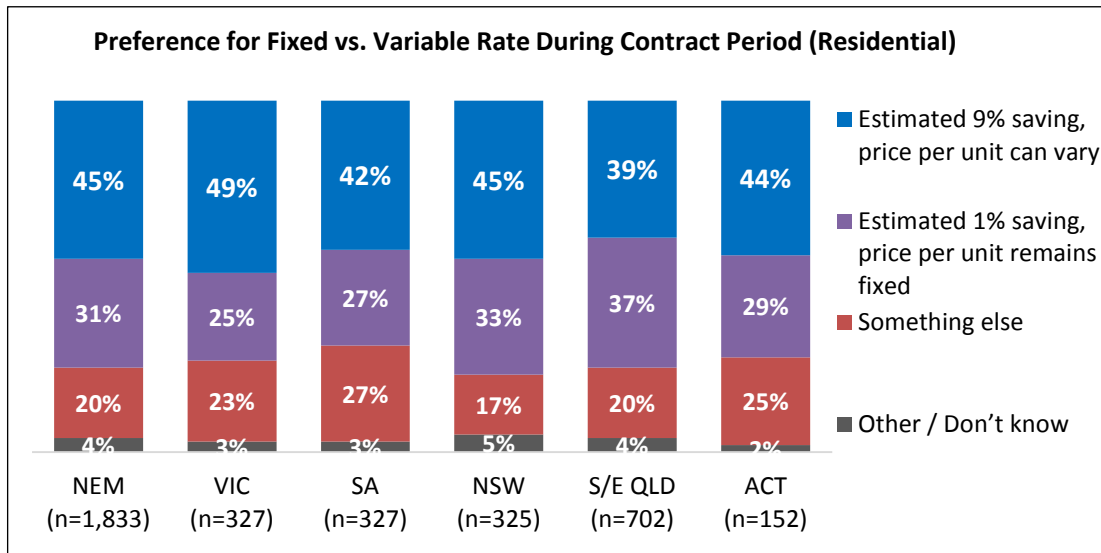
Contract Preferences: 9% Versus 1% Discount

In the qualitative forums participants were asked, in principle, whether they would prefer a contract with a duration of a specific period of time with no fixed unit price that resulted in a relatively large discount from the regulated price or a contract of a specific period of time with a fixed unit price that resulted in a relatively small discount from the regulated price.

As this was somewhat difficult to absorb, a concrete example was given to prompt discussion in the forums and this was also used in the quantitative survey. Respondents were presented with the option of having a fixed versus variable rate during the contract period. With the fixed rate, consumers would receive an estimated 1% saving while the price per unit remained fixed. Conversely on the variable rate, consumers would receive an estimated 9% saving while the price per unit could vary.

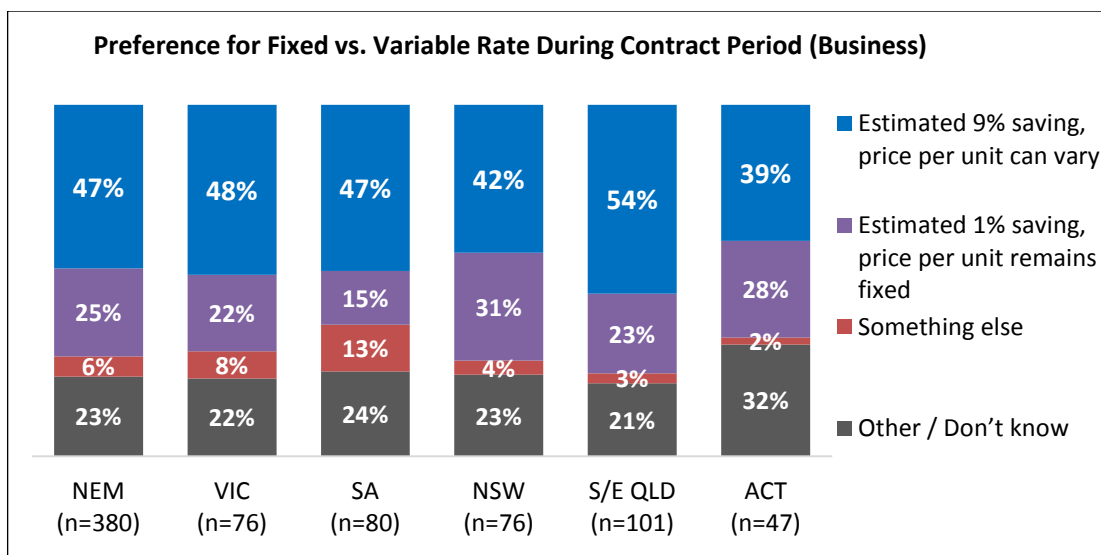
The quantitative survey results showed a mix of preferences with almost half of residential and business consumers (45% and 47% respectively) preferring a variable rate while a third (31%) of residential consumers and a quarter (25%) of business consumers preferred a fixed rate.

Further analysis shows that residents who had been on a contract of specified duration in the past were more likely to support a variable rate (53% of respondents) than those who had never been on a contract (36%). This was particularly apparent in NSW (56% of residents preferring a variable rate compared to 29% who had not been on a contract).



Base: All Respondents

Q45. In principle, which of the following options would you prefer for a fixed term contract of say, two years?



Base: All Respondents

Q45. In principle, which of the following options would you prefer for a fixed term contract of say, two years?

The graphic on the next page was used to prompt discussion in the qualitative forums. In these discussions it was clear that those who preferred a fixed price were typically participants from lower income households who felt it would act as a hedge against rising prices and would help them to avoid “bill shock” and manage their household costs better.

Other consumers who preferred a fixed price were older participants who were less interested in taking risks, some who were gambling on energy prices continuing to rise steeply, and people who were in periods of their lives where a fixed cost would be beneficial, such as those undertaking home renovations or those on limited and fixed incomes.

These consumers felt that knowing the price of their energy bills would allow them to budget more accurately and that, given recent significant energy price rises, would give them confidence that they had locked in a ‘better’ rate. They were willing to take a smaller discount for a higher level of security. Some saw parallels to this approach with mortgages and phone plans.

It's like having a fixed versus variable bank mortgage. The price is usually higher if you want it fixed. (Adelaide, Gas User)

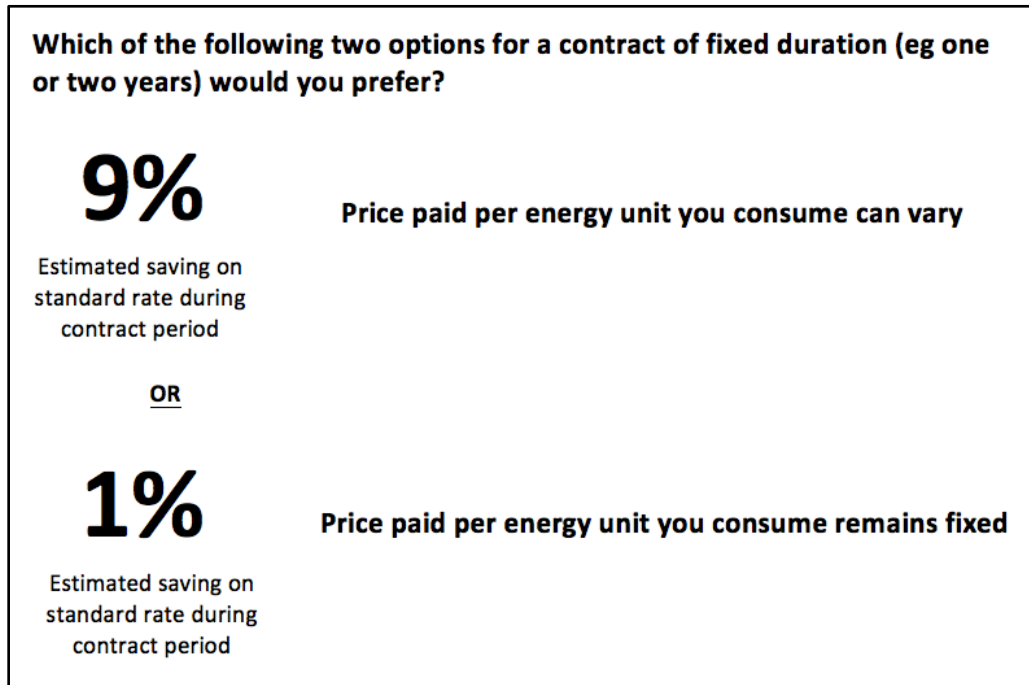
All charges locked in. I'd prefer just as with my phone. If they want to offer a contract and bind me up for two years, yes I think that's realistic. Phone companies do it. (Maroochydore, Higher Income)

I would take the 1% because fixed charges have been going up at more than 9%. Historically you would be better off, but if they do start to taper off maybe 9% is worthwhile. (Melbourne, Small Business)

You need to know what your costs are to make projections. Yours, theirs, everyone's, so the customer knows what they're dealing with. (Adelaide, Small Business)

Figure 1: Fixed Duration Contract Preferences

During the AEMC presentation they explained the different parts of the electricity supply chain such as buying wholesale energy, distribution and retailing. Some of these costs are outside the control of the energy retailers. [Show graphic below]



For this reason, retailers say that if they were unable to vary prices during the term of a contract, they would have to charge consumers more to cover the risk that these costs might rise. This is sometimes called a risk premium. Some others take a different view and claim it is unfair.

- The statistics show that, on average, consumers can get a 9% discount off a retailer's standard rate under a contract of a fixed duration. However, if both duration and price were fixed the discount would be approximately 1%. You can think of it as similar to a fixed or variable mortgage where it is usually cheaper to have a variable mortgage.
- In this context, would you prefer to keep the contracts as they are now, where rates can vary during a fixed term contract, or change them so that both duration and price are fixed?
- Would you prefer a fixed price over two years or a contract where prices were 8% cheaper over that period?

In most of the forums, these participants also tended to be somewhat sceptical that energy companies would actually pass on any savings to the consumer if energy prices dropped as forecast, unless they were somehow forced to do so.

They'd just change the base rate so your 9% is nothing. (Adelaide, Small Business)

And if it does [go down], it never gets back to you. (Murray Bridge, Higher Income)

How can they increase prices at will? That sounds a bit scary. (Melbourne, Lower Income)

The qualitative research suggested the main motivation for preferring a variable rate was a hope that they would save money.

I would take a risk. (Melbourne, Small Business)

It's a gamble. How much will the price change over two years? (Adelaide, Gas User)

Nine per cent just sounds like a lot more than one per cent... it has to sound attractive. (Murray Bridge, Higher Income)

I prefer the ability to have prices change. Then you get the opportunity to get the price falls. (Canberra, Lower Income)

I'd rather have no contract at all. (Brisbane, Small Business)

Notably, some people who preferred this option commented that they would be unlikely to sign a long-term contract under these variable terms. Although they were willing to take a chance on this option to save money, they said they would feel more comfortable if they knew they were not locked in for too long.

In discussing their preferences, most participants said they believe consumers should have the choice of both options so they can choose the one that best suits their household's situation.

Choice of Contract Types

Generally forum participants felt that a range of different contract types and options should be available to consumers and that these should include the option of a contract that offers fixed prices, including a fixed price per unit of energy they consume, as well as the option of a contract with just the term fixed but not the price per unit.

Is there an option to have both? That would be my answer. (Ballarat, Higher Income)

I would like at least to have the choice... like in a home loan you could fix a proportion. But now the risk is all on you – you pay a bit of premium on the risk. (Melbourne, Medium Income)

The variability should be allowed but not enforced. (Maroochydore, Small Business)

They should be allowed to do it but it's up to the consumers to decide. (Maroochydore, Small Business)

It's good for the companies because it hedges their bets – to have both options on offer. (Adelaide, Small Business)

Participants felt that all the different types of contracts should be marketed and explained very clearly and that some improvements could be made to ensure that consumers were more likely to understand whether the price per unit of energy consumed would be fixed or could vary.

In general, participants understood that the word 'fixed' could be interpreted in different ways and suggested that whatever words were used had to ensure that consumers readily understood what they are signing up to.

'Fixed' is open to interpretation. They need to treat us like we know nothing and make the language really plain. (Canberra, Lower Income)

In the context of considering the factors most likely to encourage participants to investigate switching energy provider it is also important to note that providing the option of a contract with a fixed price per unit of energy is unlikely to trigger a significant number of people to switch energy companies or plans unless it is accompanied by a strong marketing effort. Providing improved understanding of how the energy supply chain works and the level of control that retailers have over the energy prices paid by consumers does tend to enhance people's understanding of why it is difficult to provide fixed energy contracts in the same way that banks provide fixed mortgages.

Relative Importance of this Issue

It is important to note that, in the context of the other energy issues discussed at the forums, this was not an issue that most people felt strongly about. In the forums, the majority of participants were more focussed on broader issues such as ensuring the community is better informed about the energy contract options available to them, it is easier to compare different energy offers and that the availability of independent price comparison websites is better communicated.

Many found this issue just too complex to bother thinking too much about and ultimately believed that information about variable pricing was probably available in their contract if only they asked or had made the effort to look closely.

Providers have the responsibility to give you all the information. (Canberra, Lower Income)

*It's something you've got no control over either. What do you do – sit in the dark?
(Maroochydore, Lower Income)*

Forum participants' overall feelings about this issue were in line with the key themes about perceptions of energy companies that emerged earlier in the research in that the information they provide is usually hard to understand with a lot of detail hidden in fine print that ultimately means they don't save as much money as they expected to, and that it is difficult to compare different companies and plans.

This is an extraordinarily complex issue. Consumers are not equipped to do this themselves. Where you've got a market where people try to differentiate themselves through movie tickets and lycra, it's a weird market. Having 19 different retailers is really odd because we're all buying the same product. In the supermarket I can buy different products and make a judgement about the quality. With electricity and gas, it's exactly the same product. (Melbourne, Small Business)

Contracts aren't worth the paper they are written on because they are only a discount contract, not a 'contract' contract. (Canberra, Lower Income)

With electricity I never feel like I can ever win; it's the only place where you can't have a win, compared with telephone providers etc. (Brisbane, Small Business)

At the forums, while some participants found this issue a source of frustration, it did not appear to greatly exacerbate negativity towards energy retailers. Rather it appeared to be yet another factor contributing to overall consumer frustration and distrust of the energy industry. Participants tended to see this as a situation where improved communication would be helpful. Most who had not experienced this issue indicated they would see it as just another example of unclear communication from their energy company, with a small number potentially seeing it in the context of a billing dispute.

*They know better than us. I'm sure they've crunched the numbers and know what's best.
(Melbourne, Middle Income)*

Definitely will think a little more when I consider my options but it won't change anything drastic – I appreciate knowing more. (Melbourne, Middle Income)

Doesn't change my opinion at all I need to crunch some numbers and work out over 2 years of bills. (Murray Bridge, Lower Income)

The quantitative study did identify slightly higher levels of concern than in the forums. Looking at residential customers only, around 20% of residential customers who had noticed the change contacted their energy company over this issue and this equates to approximately 5% of all consumers surveyed. Similarly, the 8% who changed their energy company over this issue equates to 2% of all consumers surveyed and the 4% who said they felt angry, disgruntled or shocked equates to less than 1% of all consumers surveyed. .

Appendix 1: Qualitative Research Discussion Guide

The questions asked in the forums in relation to this issue were as follows:

- In principle, if an energy company offered you a contract for a specific period of time, say one or two years, what aspects of the price and other terms and conditions would you expect to be fixed and which would you expect to vary?
 - And if the term ‘fixed term’ or ‘fixed benefit’ was used, what would you expect to be fixed and what would you expect to vary? *(In many forums this was later amended to a discussion about the implications of the word ‘fixed’ when used in relation to energy deals)*
- True or False: If an energy company offered you a contract for a specific period of time, say one or two years, the rate you pay for each unit of energy you use is fixed.
- True or False: on a one or two year contract with a 5% discount from the retailers’ standard rate for paying on time, the discount is fixed.
- *[The following question was asked of everyone but also during an earlier break-out group where all those who switched energy company or plan discussed the reasons why]* Has anyone here signed up for a contract that has fixed duration, of say one, two or three years, and noticed that the rate they paid changed during the course of that contract?
 - If so:
 - Did you know this could happen at the time you had signed up? Had you read about it in your contract?
 - Did you do anything about it? Eg call your retailer?
 - Does this experience have any impact on whether or not you would switch company or plan in future?
- *[Table facilitator to show the pie graphic and explain]* During the AEMC presentation Elisabeth Ross explained the different parts of the electricity supply chain such as buying wholesale energy, distribution and retailing. Some of these costs are outside the control of the energy retailers. For this reason, retailers say that if they are unable to vary prices during the term of a contract, they would have to charge consumers more to cover the risk that these costs might rise. This is sometimes called a risk premium. Some others take a different view and claim it is unfair.
 - The statistics show that, on average, consumers can get a 9% discount off a retailer’s standard rate under a contract of a fixed duration. However, if both duration and price were fixed the discount would be approximately 1%. You can think of it as similar to a fixed or variable mortgage where it is usually cheaper to have a variable mortgage.
 - In this context, would you prefer to keep the contracts as they are now, where rates can vary during a fixed term contract, or change them so that that both duration and price are fixed?
 - *(or another way to say it)* Would you prefer a fixed price over two years or a contract where prices were 8% cheaper over that period? *[Show 8% / 1% graphic for further clarity]*
- *[Table facilitator to pass out ABC News article²]* This article was published by the ABC on February 13. I’d like you to take moment to read through it.
 - What is your reaction to the article? What stands out?

² Bainbridge, Amy. “Consultation opens into energy pricing overhaul request,” *ABC News*, February 13, 2014, <http://www.abc.net.au/news/2014-02-13/calls-to-overhaul-energy-contract-pricing/5255646>.

Appendix 2: Quantitative Questionnaire

AEMC Retail Competition Review CATI Version (Residential Survey)

Quotas (Res and Bus shown here)

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

Methodology	Res	Bus	Total
CATI	913	375	1,288
Online	912	-	912
Total	1,825	375	2,200

NB: Please aim for the quotas below within each type of method e.g. 72% of online respondents to be capital city, 28% regional etc.

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

Res/bus	VIC	NSW	ACT	SA	S/E QLD	Total
Residential	325	325	150	325	700	1,825
Small Business	75	75	50	75	100	375
Total	400	400	200	400	800	2,200

Location	VIC	NSW	ACT	SA	S/E QLD	Total
Capital city	300	254	200	308	533	1,595
Rest of region	100	146		92	267	605
Total	400	400	200	400	800	2,200

	VIC	NSW	ACT	SA	S/E QLD	Total
Has mains gas	Min 100	Min 100	Min 100	Min 100	Min 100	Min 100

Age / Gender (Res only)	Males	Females	Total
18-34	274	274	548
35-54	324	338	662
55+	291	324	615
Total	889	936	1,825

Business size (SME only)	Total
Less than 20	275
20-99	50
100-199	50
Total	375

Business Type (SME only)	Total
Construction	60
Professional, Scientific and Technical Services	44
Rental, Hiring and Real Estate Services	40
Agriculture, Forestry and Fishing	33
Financial and Insurance Services	29
Retail Trade	25
Transport, Postal and Warehousing	23
Health Care and Social Assistance	19
Manufacturing	15
Accommodation and Food Services	15
Administrative and Support Services	15
Wholesale Trade	14
Other	43
Total	375

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 or 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 about 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 across Australia, 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 and ask to speak to Elisabeth Ross.]

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?	<ol style="list-style-type: none"> 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? CHECK QUOTAS	<ol style="list-style-type: none"> 1. ____ ENTER POSTCODE AUTOCODE LOCATION,
---	--

S3. RECORD GENDER, CHECK QUOTAS	<ol style="list-style-type: none"> 1. Male 2. Female
--	--

S4. Are you aged under or over 40 years? And would that be...? ASK RELEVANT RANGES CHECK QUOTAS	<ol style="list-style-type: none"> 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
--	--

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.

[The bulk of this questionnaire has been deleted as it relates to the AEMC's Annual Retail Competition Review and will not be published until September 2014]

CALC/ CUAC Rule Change Project

These next few questions are about types of energy contracts.

Q1. To your knowledge, have you ever signed up for a contract for a specific period of time, such as one, two or three years? SINGLE RESPONSE, DO NOT READ	<ol style="list-style-type: none"> 1. Yes 2. No 3. Don't know
---	--

<p>Q2. While on an energy contract, which of the following do you think applies? SINGLE RESPONSE, READ OUT</p>	<ol style="list-style-type: none"> 1. The rate you pay per unit of energy you use is fixed 2. Any discounts off the price you pay are fixed 3. Both the rate you pay per unit of energy and any discounts are fixed 4. Neither the rate you pay per unit of energy nor any discounts are fixed 5. Something else _____ DO NOT READ OUT 6. Don't know SINGLE RESPONSE DO NOT READ OUT
---	--

ASK IF Q41=1

<p>Q3. While on a contract, have you ever found that the rate per unit of energy you used changed? SINGLE RESPONSE, DO NOT READ</p>	<ol style="list-style-type: none"> 1. Yes 2. No 3. Don't know
--	--

ASK IF YES (Q43=1)

<p>Q4. What did you do in response to that price change? Anything else? RECORD VERBATIM</p>	<p>OPEN ENDED RESPONSE</p>
--	-----------------------------------

ASK ALL

DISPLAY SCREEN: I'm now going to read out some information for you to help answer the next question. It will just take me moment.

So to explain, a contract for a fixed duration, such as one or two years, doesn't necessarily mean that the price you pay for each unit of energy is fixed. Whether or not that price is fixed would be set out in the terms of your contract.

Energy retailers have only moderate control over the prices they charge consumers. Some of the factors that are outside their control include the cost of transporting it over the 'poles and wires' and the impact of solar schemes in each state.

If a retailer was to fix the price you pay for each unit of energy used, then it would need to be fixed at a higher rate to cover any rising costs that are out of their control. This is called a risk premium. However, if they can vary the price you pay for each unit of energy used when the costs charged to them increase then they can offer a higher discount off the standard rate. Even though the discount is higher, consumers could potentially pay more than those on a fixed rate if prices were to increase during the contract period.

You can think of it like a home loan where those on a fixed mortgage pay a slightly higher interest rate than those on a variable loan.

<p>Q5. In principle, which of the following options would you prefer for a fixed term contract of say, two years? SINGLE RESPONSE</p>	<ol style="list-style-type: none"> 1. An estimated 9% saving on the standard rate during the contract period, but the price paid per energy unit you use can <u>vary</u> 2. An estimated 1% saving on the standard rate during the contract period, but the price paid per energy unit you use remains <u>fixed</u> 3. Something else (specify) _____ DNRO 4. Too complicated to understand DNRO 5. I need more information before deciding DNRO
--	--

	6. Don't know DNRO
--	---------------------------

Demographics

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

<p>D1. Do you own or rent the home where you live? SINGLE RESPONSE</p> <p>IF OWN, ASK IF OUTRIGHT OR PAYING A MORTGAGE.</p>	<ol style="list-style-type: none"> 1. Paying off a mortgage 2. Own outright 3. Renting 4. Other (please specify) _____
---	--

<p>D2. Including you, how many people live in your household? ALLOW TWO DIGIT RESPONSE. DO NOT ALLOW 0</p>	<p>--</p>
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<p>D3. How much was your most recent <u>quarterly</u> electricity bill?</p> <p>IF NECESSARY: Your best estimation of the cost is fine.</p> <p>IF BILLED MONTHLY: refer to relevant bracket</p> <p>SINGLE RESPONSE, DO NOT READ OUT</p>	<ol style="list-style-type: none"> 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
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IF HAS GAS CONNECTED (Q8=1)

<p>D4. How much was your most recent <u>quarterly</u> gas bill?</p> <p>IF NECESSARY: Your best estimation of the cost is fine.</p> <p>IF BILLED MONTHLY: refer to relevant bracket</p> <p>SINGLE RESPONSE, DO NOT READ OUT</p>	<ol style="list-style-type: none"> 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

<p>D5. Does your household have solar panels? SINGLE RESPONSE</p>	<ol style="list-style-type: none"> 1. Yes 2. No
--	---

	3. Don't know
--	---------------

D6. Does your household have a time of use meter which is also known as a smart meter or interval meter? SINGLE RESPONSE	<ol style="list-style-type: none"> 1. Yes 2. No 3. Don't know
--	--

D7. In the last five years, how many times have you <u>changed</u> any of the following providers or companies with which you have products and services? RANDOMISE 1-7, READ OUT FOR EACH ITEM, ALLOW NUMERIC RESPONSE BETWEEN 0 AND 99, INCLUDE N/A and D/K	<ol style="list-style-type: none"> 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
---	---

D8. Do you have access to the internet...? READ OUT, MULTIPLE RESPONSE FOR CODES 1-4	<ol style="list-style-type: none"> 1. At home 2. At work / school 3. Mobile phone or device e.g. iPad, tablet etc. 4. Elsewhere (specify)_____ 5. None of the above 6. Don't know
--	---

D9. 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			
<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10	<input type="checkbox"/> 11

D10. What is your current employment status? ONLY READ OUT IF NECESSARY MULTIPLE RESPONSE OK	<ol style="list-style-type: none"> 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)_____
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D11. What is your highest level of education? ONLY READ OUT IF NECESSARY SINGLE RESPONSE	<ol style="list-style-type: none"> 1. Primary school 2. Secondary school 3. College / TAFE 4. Undergraduate degree 5. Postgraduate degree 6. Other (specify)_____
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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 assess the effectiveness of retail competition in your state **[if ACT]** or territory.

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.