



AusNet Services.

Energy Research.

Study 2: Online Survey.

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Background and methodology.



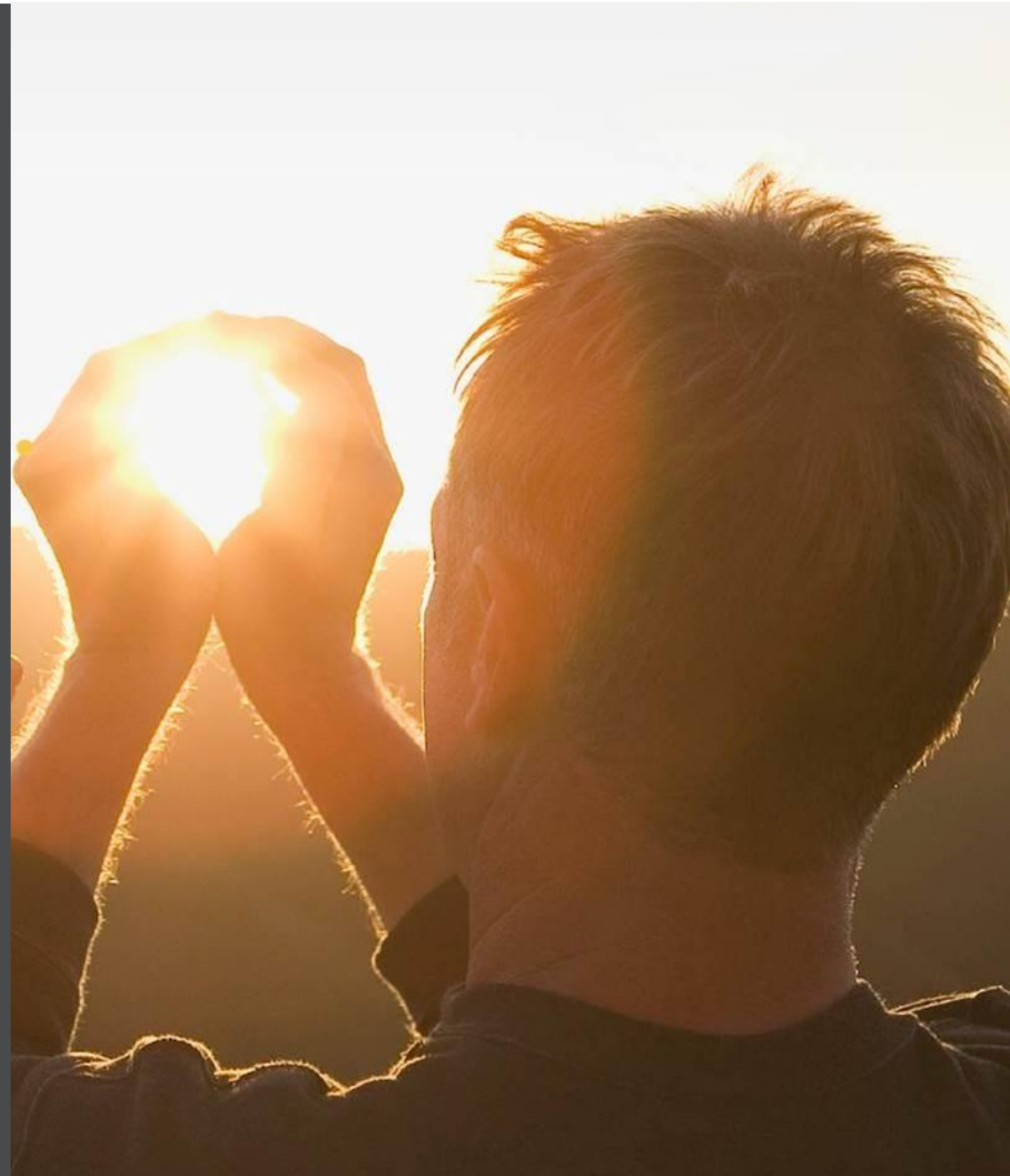
Background and context

There is limited existing research on the reference and views of existing gas customers in Victoria. To address this, a series of studies were planned to facilitate customer and other stakeholder engagement for the gas network. The purpose of this program of research is to:

- Provide a greater understanding of the attitudes and perceptions of customers towards the gas network services, as well as investigating customer preferences in relation to service delivery and communications;
- Understand customer and other stakeholder views on trade-offs that are most important to them in the context of gas network services.

In the short term, the information gleaned from this research will be used to inform the development of AusNet Services' upcoming GAAR proposal. In the long term, however, it is hoped that the findings inform network planning and the future vision of the gas network.

This report summarises the findings from the Customer Engagement Online Survey (Study 2), with a focus on empirically testing and verifying the findings from the Qualitative Focus Groups (Study 1).





Project flow.

This research program involves a 4 staged approach, with this report summarising the quantitative phase (Study 2).

Study 1. Customer Engagement Focus Groups

- »» Objective: Explore and understand the areas of key concern for customers.
- »» 5 x Focus Groups with existing and potential AusNet Services gas customers currently living within the AusNet Services gas network.

Study 2. Customer Engagement Online Survey

- »» Objective: Empirically test and verify the findings from Study 1 qualitative groups with gas customers.
- »» n=620 x completed 15 minute online surveys with a representative sample of AusNet Services' gas customers.

Study 3. Customer Advocate Workshop

- »» Objective: Verifying the findings from studies 1 & 2, with a key focus on understanding advocate perceptions of complex trade-offs involved in network decisions.
- »» 1 x Workshop with customer advocates.

Study 4 Stakeholder Focus Groups and In-Depth Interviews

- »» Objective: To engage with other stakeholders operating within the network to elicit their gas relates needs, wants and perceptions.
- »» 4 x Focus Groups with SMEs
- »» 1 x In-Depth Interviews with Large Businesses
- »» 8 x In-Depth Interviews with Land Developers
- »» 4 x In-Depth Interviews with Local Councils





Study 2: Customer Engagement Online Survey

Sample structure

We conducted 620 x 15 minute online surveys with a representative sample of AusNet Services' gas customers to empirically test and verify the findings from Study 1 qualitative groups.

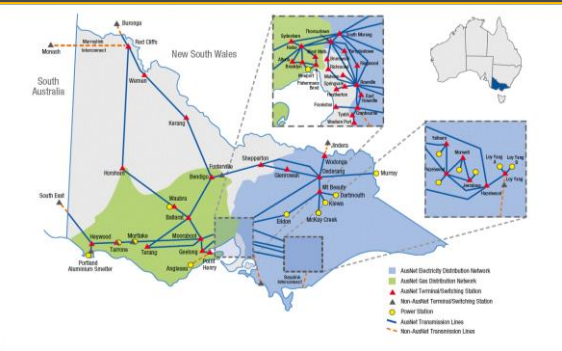
n=620
15 minute online surveys with a representative sample of AusNet Services' gas customers.



Sample structure	n=	%
Gender		
Male	259	42%
Female	361	58%
Age profile		
18-29 years	153	25%
30-49 years	221	36%
50+ years	246	40%
Role in gas		
Residential/ household	577	94%
Business	26	4%
Both business and residential	12	2%

Sample Specifications

- Must have gas connection and be a gas customer (around 95% of inner Melbourne households have gas connection and 65% of Non-Melbourne households have gas connection)
- Must be 18+ years
- Must be full or joint decision maker when it comes to gas bills
- Representative of age and gender
- Geographical location (i.e., metro vs. rural) within AusNet Services coverage area.





Report summary
and key themes.



Report summary and key themes

Background.

Given the limited existing research on the views of gas customers in Victoria, a series of four studies were planned to facilitate customer and stakeholder engagement for the gas network. **This report represents the findings of Study 2.**

The purpose of the overall program of research is to:

- Provide a greater understanding of the attitudes and perceptions of customers towards the gas network services, as well as investigating customer preferences in relation to service delivery and communications;
- Understand customer and other stakeholder views on trade-offs that are most important to them in the context of gas network services.

Methodology and objectives.

We conducted 620 x 15 minute online surveys with a representative sample of AusNet Services' gas customers to empirically test and verify the findings from the qualitative focus groups in Study 1.

Key topics.

The report is structured around the key topics of discussion:

- Gas network consumption: Customer Usage & Management
- Gas supply chain: Supply Familiarity & Provider Awareness
- Customer Attitudes & Sentiment Toward Gas Network
- AusNet Services Performance: Service Delivery
- Network Trade-Offs
- Customer Engagement & Communication

The report also contains a Customer Sample Profile at the conclusion of the document.



Report summary and key themes

Gas network consumption: Customer Usage & Management.

Approximately four in five customers use a gas-powered stove/ cook top, hot water system or heating system, with gas ovens being used by approximately two in five customers.

While two thirds of customers (66%) are expecting their gas consumption to remain about the same over the next five years a further 18% are expecting it to increase.

Customers generally have a healthy appetite for new or alternative energy technology, with expected future usage significantly higher for solar panels and home power storage.

Tracking bill spend over time is the most common method for monitoring gas consumption amongst customers, with three in five doing so. One in five customers compare their consumption with similar households (presented on the bill) and one in five compare their consumption with family and friends.

Almost one quarter (23%) of customers do not actively monitor their gas consumption at all through either their bill or meter.

Customers try to reduce their gas bills in a number of ways, for example almost two thirds (63%) of customers wear warmer clothes rather than run their heater in the house. The same proportion of customers turn off the heater while out of the house. **Only 9% of customers do not currently undertake any activity to better manage/ reduce gas consumption.**

Gas supply chain: Supply Familiarity & Provider Awareness.

While approximately two thirds (63%) of customers feel they have at least some idea about the types of organisations involved in the gas supply chain only one in five actually feel they know a moderate amount or a lot about the those involved. Familiarity with distribution companies is also low with only one in five feeling they know a moderate amount or a lot about these organisations. **Forty three percent of customers feel they know nothing at all about distribution companies.**



Report summary and key themes



Gas supply chain: Supply Familiarity & Provider Awareness. (cont.)

When prompted, one quarter (26%) of AusNet Services customers are aware of AusNet Services, yet when shown a list representing the different components of the gas supply chain approximately half (51%) of all customers correctly identified them as a gas distributor.

One third (35%) of customers currently feel they have at least some understanding of the role AusNet Services plays in the supply of gas to their household.

Once informed that AusNet Services is a distributor, one third (35%) of all customers felt they had at least some understanding of the role AusNet Services plays in the supply of gas to their household.

After being informed that AusNet Services is a distributor, respondents were then briefly guided through AusNet Services' specific role as a gas distributor. After this guided description the proportion of customers who felt they have some understanding of AusNet Services' role increased by 58%, representing a strong opportunity to bridge the familiarity gap in the wider market.

Customer Attitudes & Sentiment Toward Gas Network.

Customer sentiment towards gas and the gas network is generally positive with 79% believing the network is reliable, 72% believing it is safe and 69% believing it is well maintained.

Around two thirds (62%) of customers agree that the gas network is being managed effectively by AusNet Services, with very few disagreeing with this (2%). Yet when it comes to price, customer sentiment is generally more mixed, with approximately half feeling gas is good value for money (49%) and reasonably priced (44%).

Customers view safety and reliability as the two most important factors when it comes to gas supply. Price stability and consistent bill prices are also viewed as highly important.

The relatively high levels of concern surrounding all gas safety issues is likely reflective of the perceived danger a gas leak could potentially pose to the public rather than any concerns of an imminent threat. **Only 9% of customers actually have some fear over the current safety of the network.**



Report summary and key themes



Customer Attitudes & Sentiment Toward Gas Network. (cont.)

Four in five (82%) customers feel repairing gas leaks reported by the public should be the highest priority for AusNet Services. Identifying and repairing gas leaks before they are large enough to be reported by the public and replacing aging gas mains to reduce gas leaks are also high priorities. Reading gas meters every two months is seen to be lower priority, yet is still viewed as important.

Nine in 10 customers associate gas with being useful or important, with very few finding it enjoyable, pleasant or fun. **Essentially, customers view gas as a functional necessity rather than a service they would like a high degree of engagement with.**

AusNet Services Performance: Service Delivery.

Approximately two thirds of customers are satisfied with AusNet Services as their gas distributor (65%). Customers are most likely to be satisfied with the reliability of gas supply to their home (76%).

Just over half (52%) are satisfied with the level of information provided about their gas consumption on the bill and just over two in five (44%) are satisfied with the service/responsiveness levels when they experience an outage. Approximately a third are satisfied with the level of contact they have with AusNet Services (35%).

Approximately three in five (61%) customers have never experienced a gas related safety or reliability incident.

Of those that have experienced a safety or reliability related issue, gas leaks/ smelling gas was the most common incident, with **gas outages reported by only 2% of customers.**



Report summary and key themes



Network Trade-Offs.

When looking at the network trade-off statements, those that resonated strongest with customers centred around making no compromises on reliability and safety to achieve cost reductions, and AusNet Services undertaking forward planning to factor in and absorb future costs.

Customers would be willing to compromise slightly on reliability but not safety to lower their gas bill, however delivering cheaper gas bills at the expense of both network reliability *and* safety was strongly opposed by almost two thirds of customers.

Customers found moderate appeal in paying slightly more on their gas bill to ensure the network stays safe and reliable.

Customer Engagement & Communication.

The main reasons for contacting a gas distributor such as AusNet Services centre around service reliability and safety, with over half of customers citing gas outages, fault in supply or noticing the smell of gas as reasons that would prompt them to contact their gas distributor.

Four in five (80%) customers have no plans to disconnect from the gas network in the future, with only 10% of customers expecting to disconnect in the next five to 10 years.

Over one third (37%) of customers would like to receive more information from AusNet Services regarding gas related issues, with the preferred frequency split between every month (29%) and every three months (25%).

Almost three quarters (71%) of customers would prefer to be contacted by AusNet Services via email, while over half (58%) would like to receive communication via letters in the mail.

Under half (42%) of customers indicated they would visit AusNet Services' website for information about gas related issues.

The strongest interest in gas-related issues centres around ways to manage consumption and minimise gas bills. Conversely, issues relating to development and maintenance, and learning about the gas supply chain and businesses involved were of little interest to most customers.



Detailed findings.

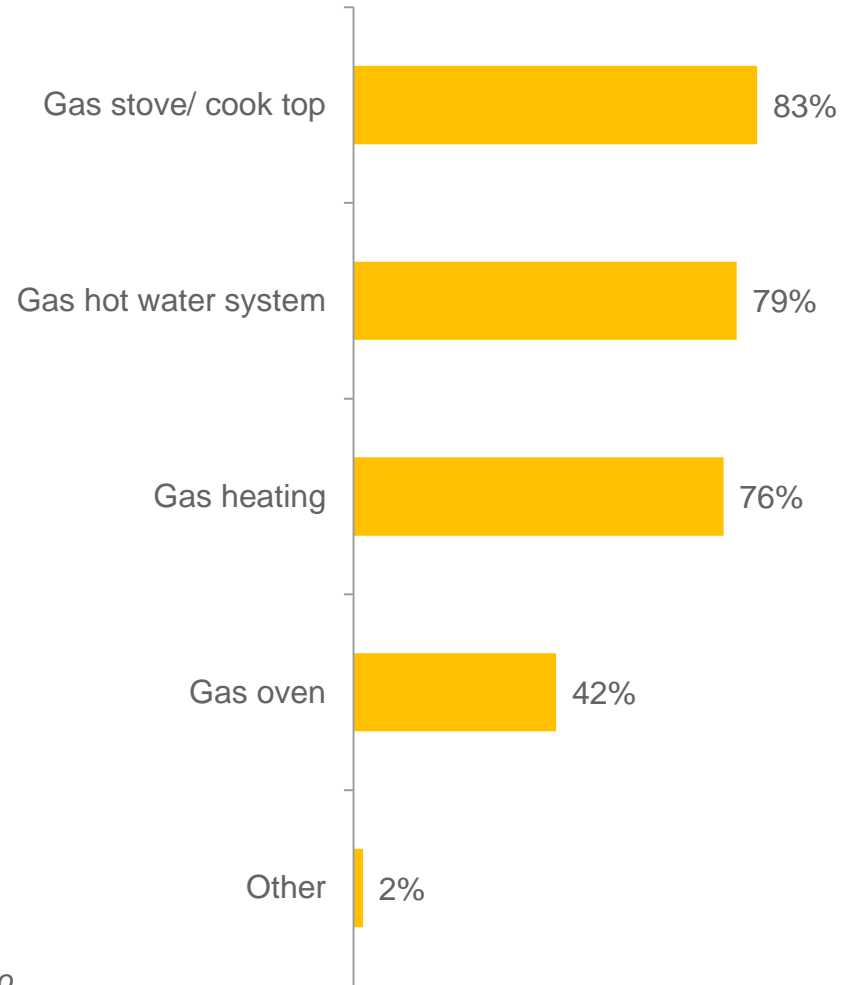


Gas network
consumption:
Customer Usage &
Management.



Approximately four in five customers use a gas-powered stove/ cook top, hot water system or heating system, with gas ovens being used by approximately two in five customers.

Current Gas Usage



Prior to screening out participants at the start of the survey who did not have a gas connection each was asked for their main reasons for not using gas.

Those that do not currently have a gas connection commonly mentioned supply issues/ gas not being available in their area, while others held a preference for electricity and electric appliances. Very few saw price as a barrier for a gas connection.

“ There are no gas mains in our area as we are rural.”

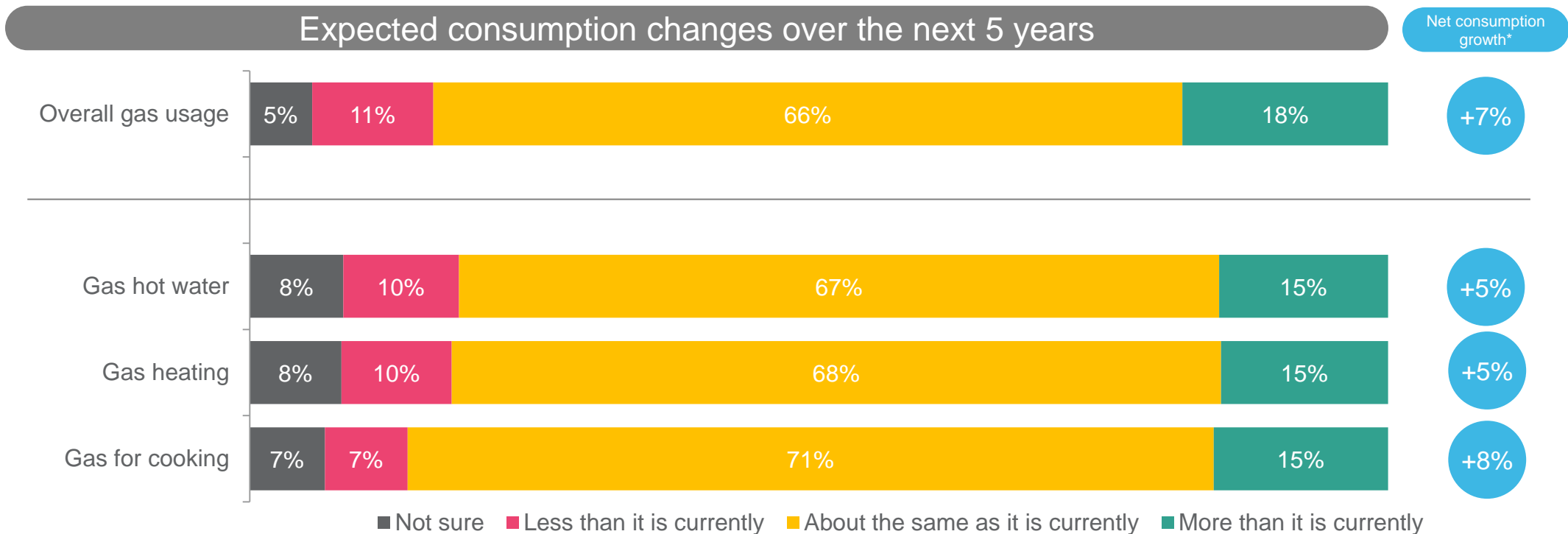
“ We have all electric appliances, so we don't have a need for gas.”

Q5. Which of the following does your household have? (MR)
 Q6. In your own words what are your main reasons for not using gas? (OE)
 Base: Total respondents n=620



Two thirds of customers (66%) are expecting their gas consumption to remain about the same over the next five years.

However, when looking at net anticipated consumption over the next five years 7% more participants believe that their gas consumption will increase in the future relative to those that believe their consumption will decline.



Q27. In five years' time, do you expect your household usage of each of the below to be less, about the same or more than it currently is? (SR)

Base: Total respondents n=620

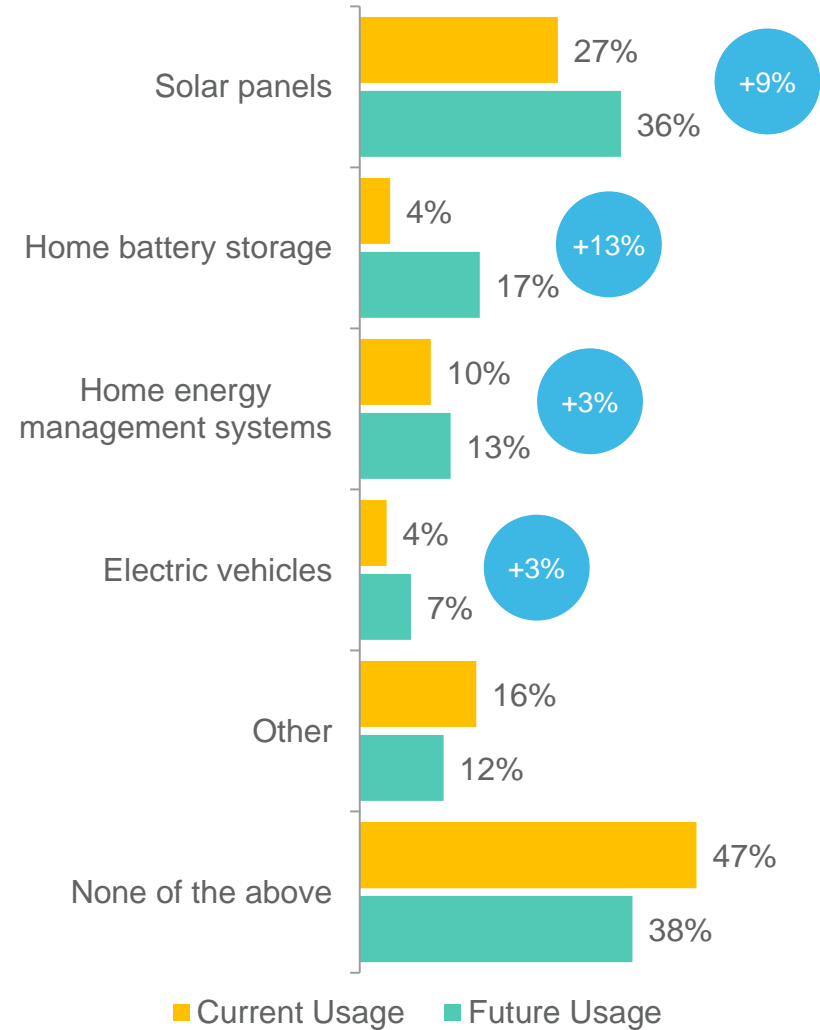
* Net consumption represents the balance of customers that anticipate using more gas in the next five years minus those that expect to use less.



Customers generally have a healthy appetite for new or alternative energy technology, with expected future usage significantly higher for solar panels and home power storage, with strong growth figures of +9% and +13%, respectively.

Future appetite for new or alternative energy technology

Future Growth

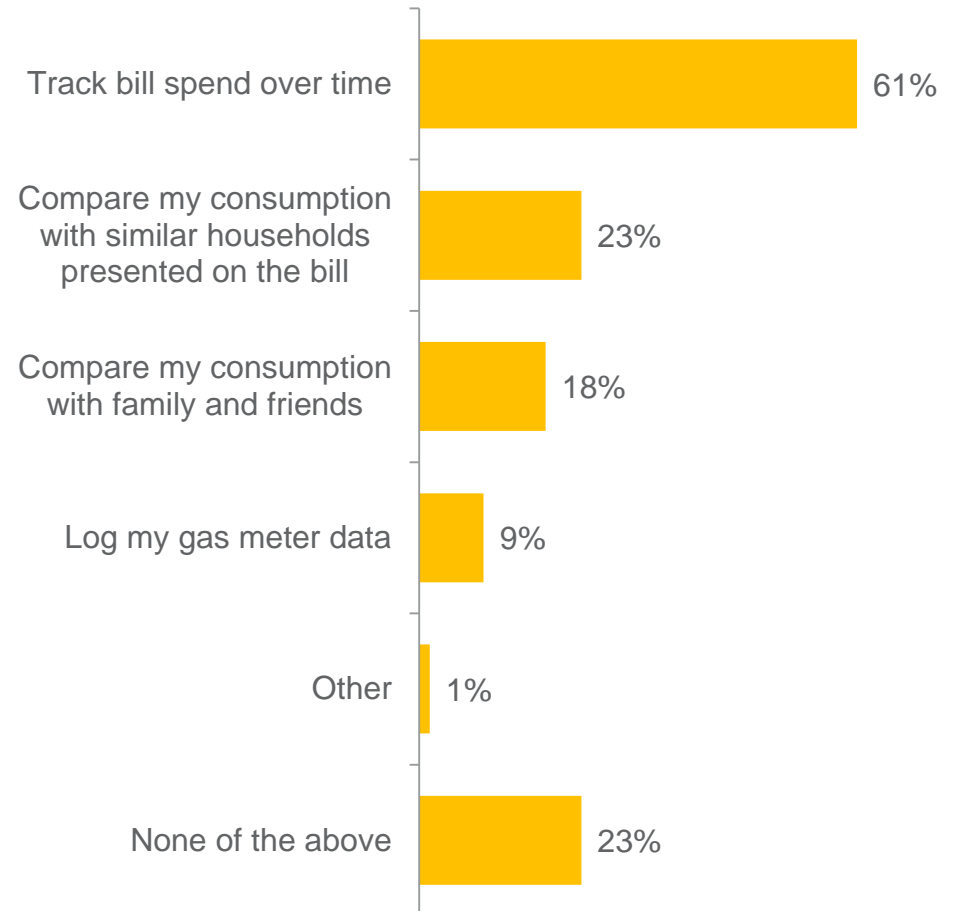




Tracking bill spend over time is the most common method for monitoring gas consumption amongst customers, with three in five doing so. One in five customers compare their consumption with similar households (presented on the bill) and one in five compare their consumption with family and friends.

Almost one quarter (23%) of customers do not actively monitor their gas consumption through their bill or meter.

Monitoring gas consumption

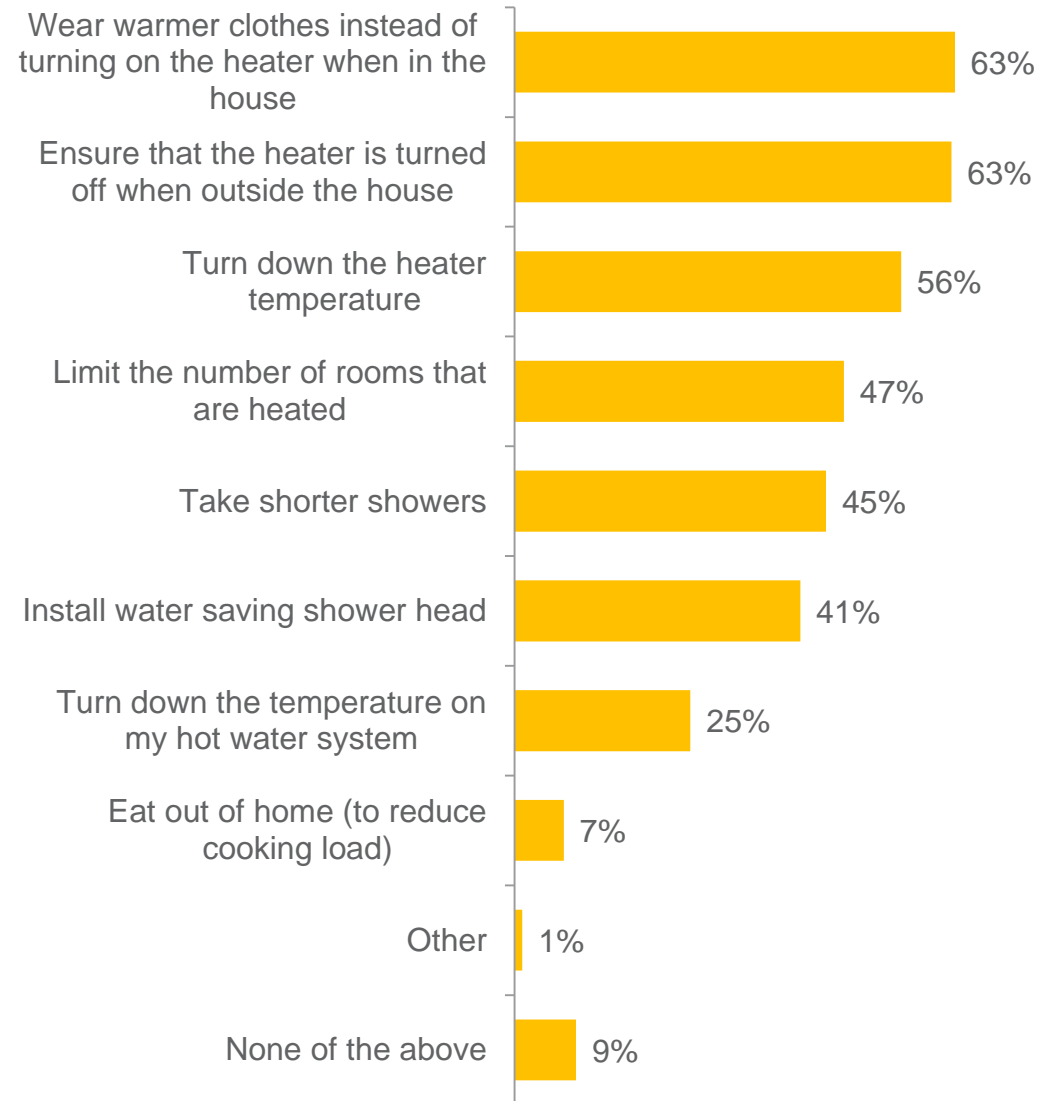




In order to better manage/ reduce gas consumption, almost two thirds (63%) of customers wear warmer clothes rather than run their heater in the house. The same proportion of customers turn off their heater while out of the house.

Just under one in 10 (9%) customers do not currently undertake any activity to better manage/ reduce gas consumption.

Managing gas consumption



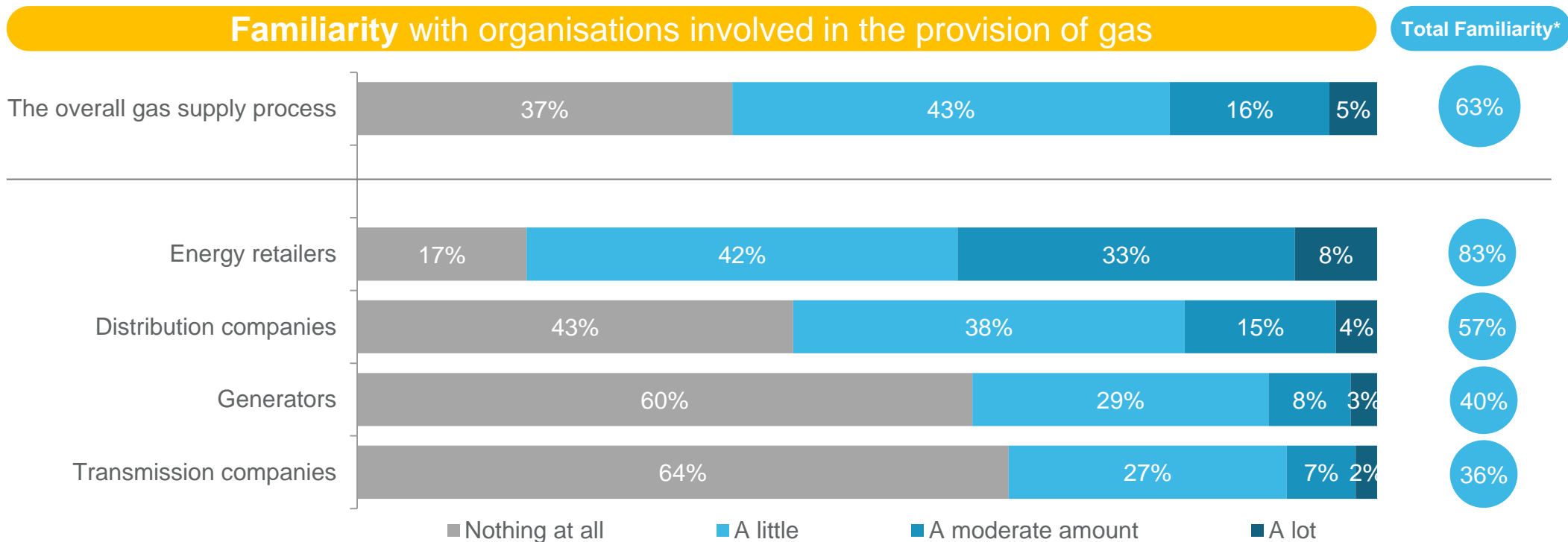


Gas supply chain:
Supply Familiarity &
Provider Awareness.



Perceived familiarity with the overall gas supply chain is relatively low. While approximately two thirds (63%) of customers feel they have at least some idea about the types of organisations involved in the gas supply process, only one in five actually feel they know a moderate amount or a lot about those involved.

Perceived familiarity with distribution companies involved in the gas supply chain is also low with only one in five feeling they know a moderate amount or a lot about the those involved. Forty three percent of customers feel they know nothing at all.



Q7. How much do you know about each of the below types of organisations that are involved in the provision of gas to your home? (SR)

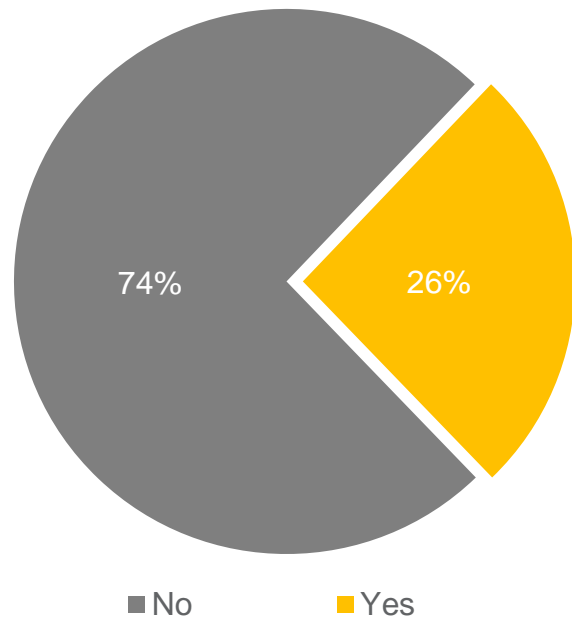
*Total Familiarity is the sum of those that know 'A little', 'A moderate amount' and 'A lot'.

Base: Total respondents n=620

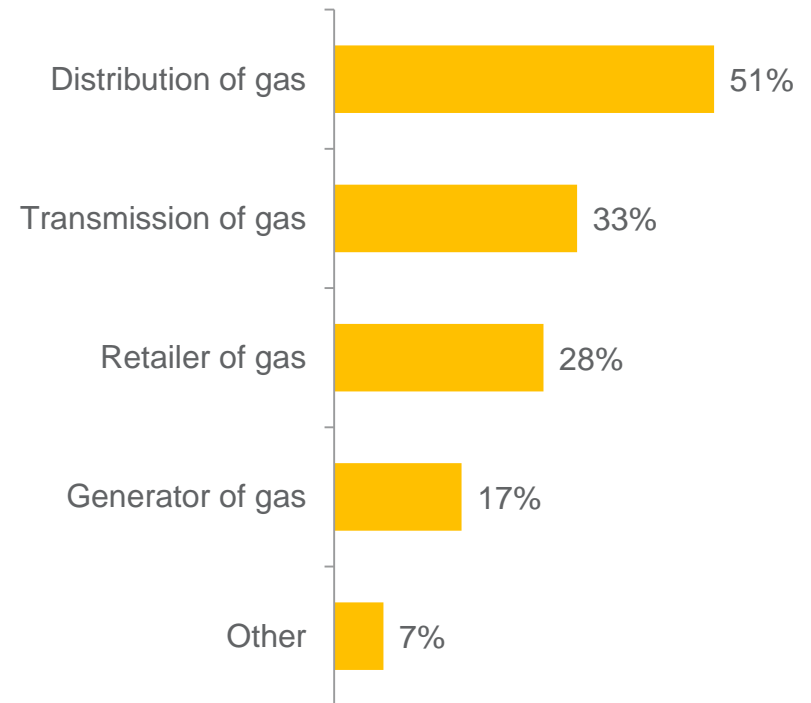


When prompted, one quarter (26%) of AusNet Services customers are aware of AusNet Services, yet when shown a list representing the different components of the gas supply chain approximately half (51%) of all customers correctly identified them as a gas distributor.

Prompted Awareness - AusNet Services



AusNet Services' perceived role in supply of gas



Q8. Before today were you aware of AusNet Services? (SR)

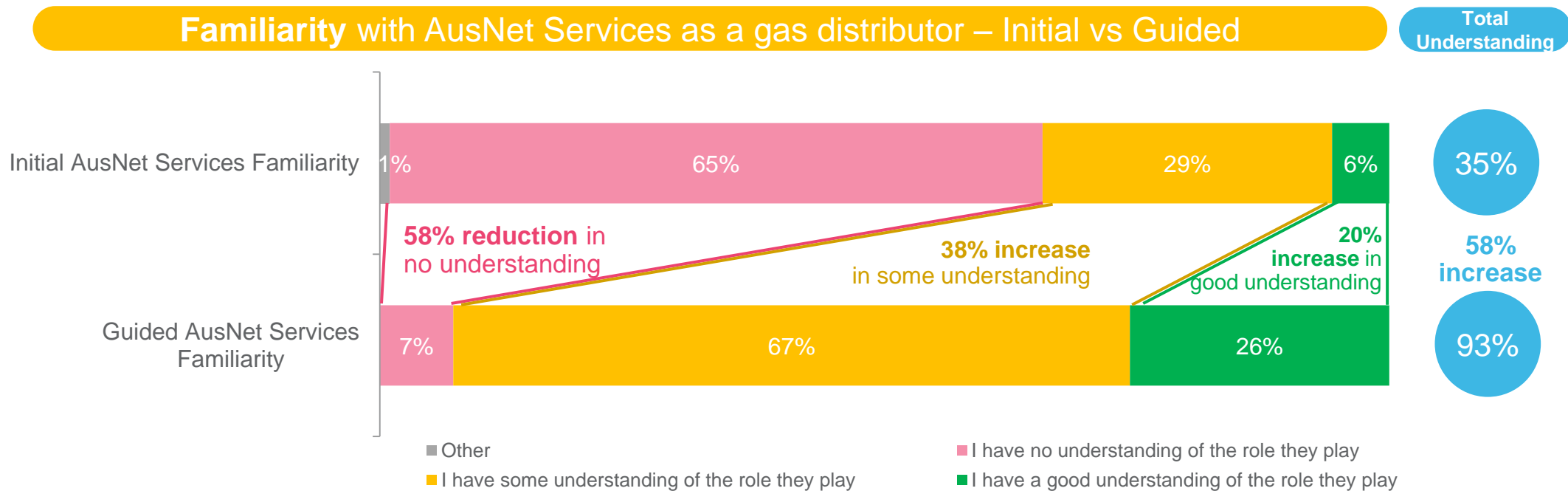
Q9. There are several different types of organisations involved in the supply of gas. Where do you think AusNet Services fits into the supply of gas? (MR)

Base: Total respondents n=620



Once informed that AusNet Services is a distributor, one third (35%) of all customers felt they had at least some understanding of the role AusNet Services plays in the supply of gas to their household.

After being informed that AusNet Services is a distributor, respondents were then briefly guided through AusNet Services' specific role as a gas distributor. After this guided description the proportion of customers who felt they have some understanding of AusNet Services' role increased by 58%.



Q10. AusNet Services is a gas distributor. Thinking about gas distributors, how familiar are you with the role AusNet Services plays in the supply of gas to your home? (SR)
 Q11. After seeing and reading this information, how familiar are you with the role gas distributors (such as AusNet Services) play in the supply of gas to your home? (SR)
 Base: Total respondents n=620



Customer Attitudes & Sentiment Toward Gas Network.

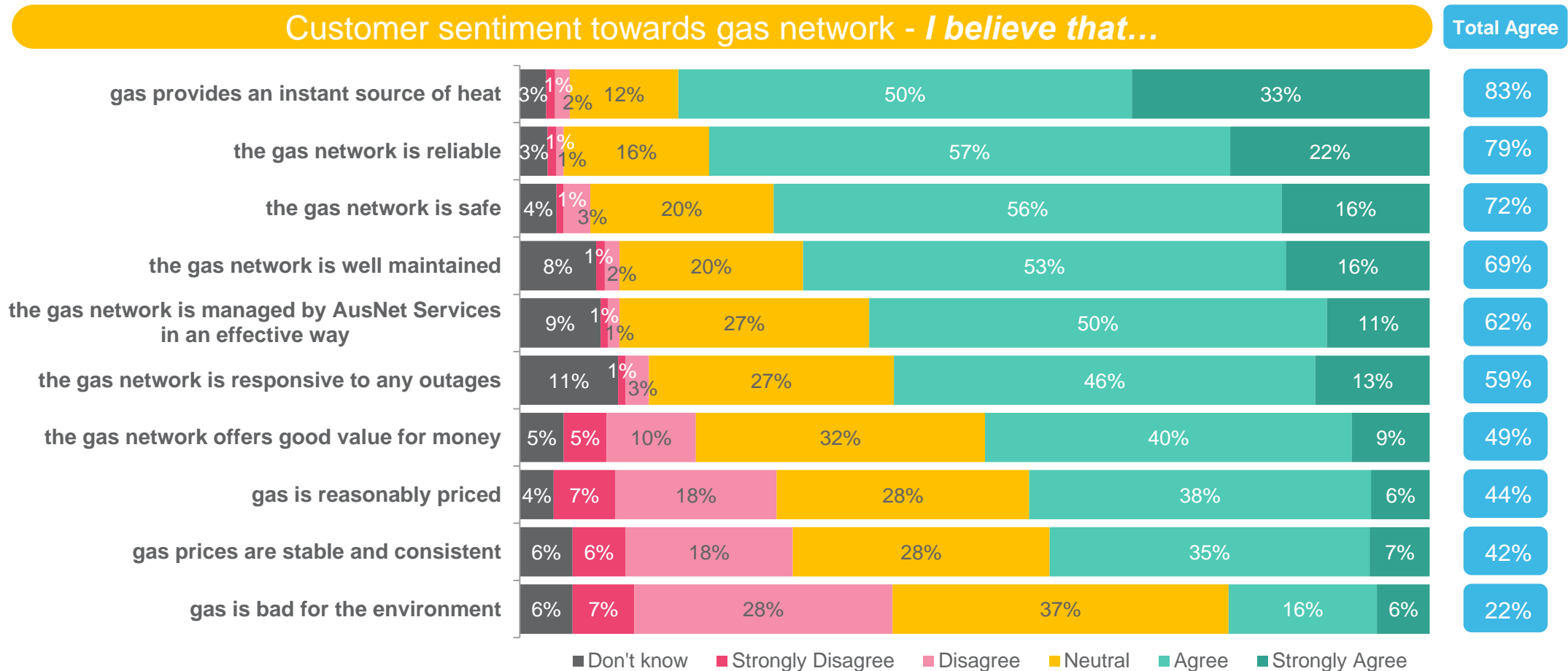


Customer sentiment towards gas and the gas network is generally positive. Eighty three percent of customers believe that gas provides an instant source of heat, 79% believe that the network is reliable, 72% believe that the network is safe and 69% believe it is well maintained.

Around two thirds (62%) of customers believe the gas network is being managed effectively by AusNet Services, with very few disagreeing with this (2%).

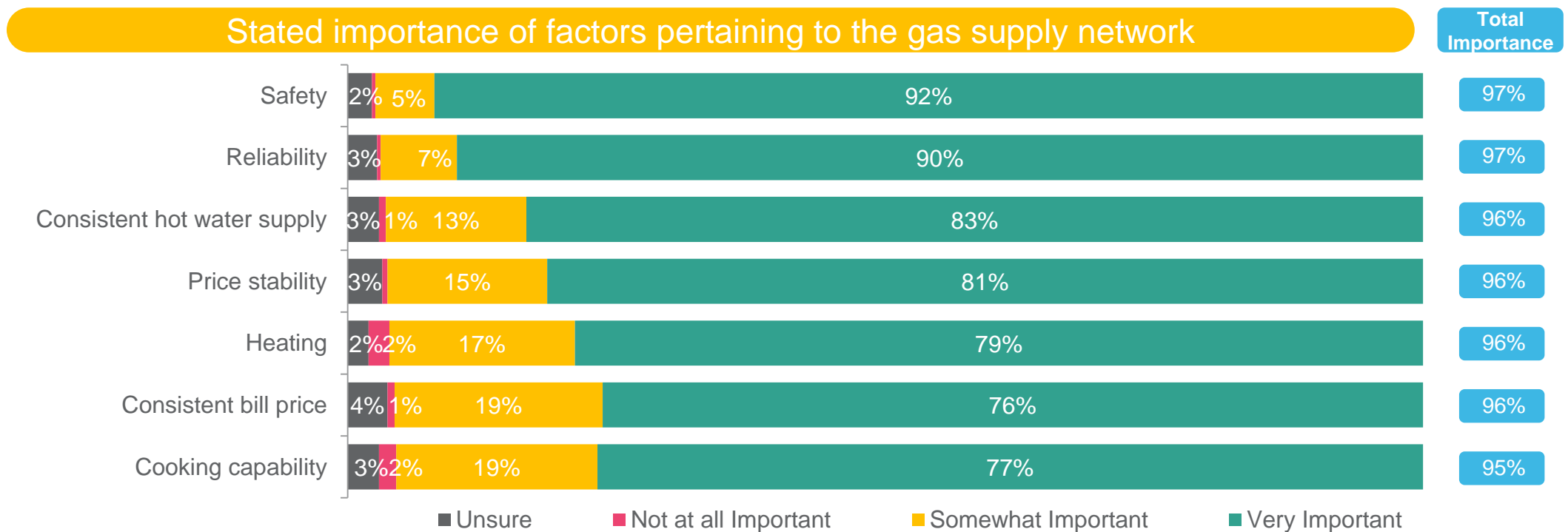
When it comes to price, customer sentiment is generally more mixed, with approximately half feeling gas is good value for money (49%) and reasonably priced (44%).

Customer sentiment towards gas network - *I believe that...*





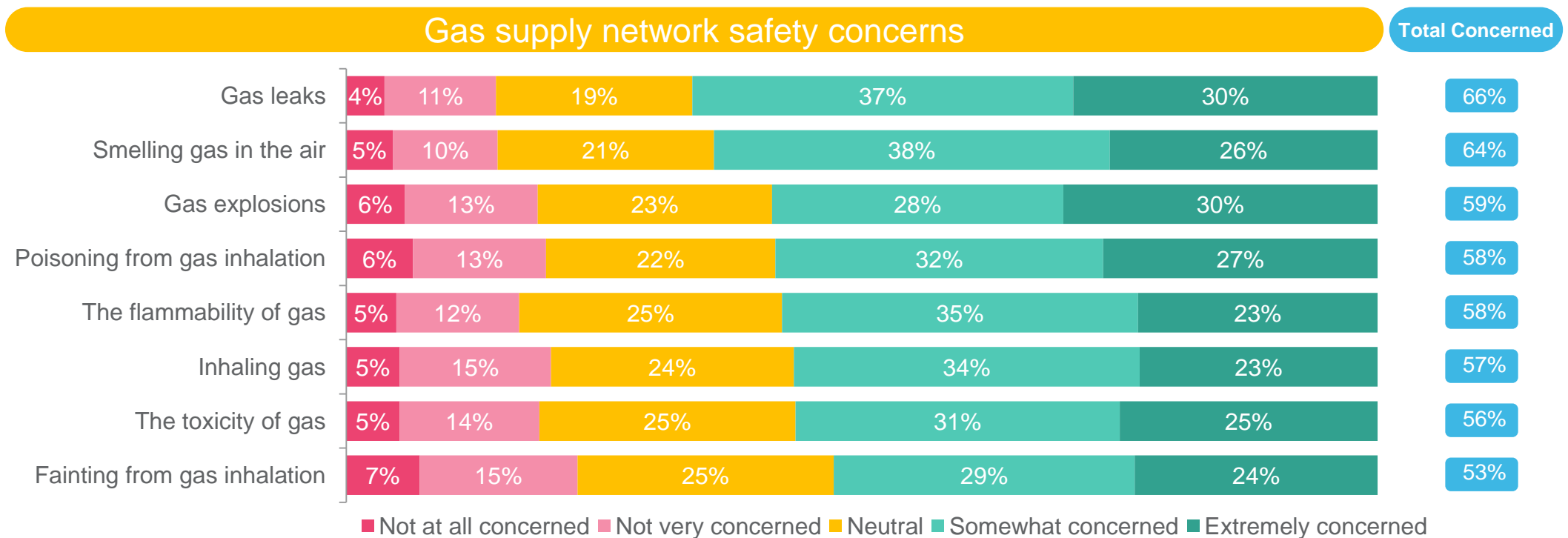
Customers view safety and reliability as the two most important factors when it comes to gas supply. Price stability and consistent bill prices are also viewed as highly important.





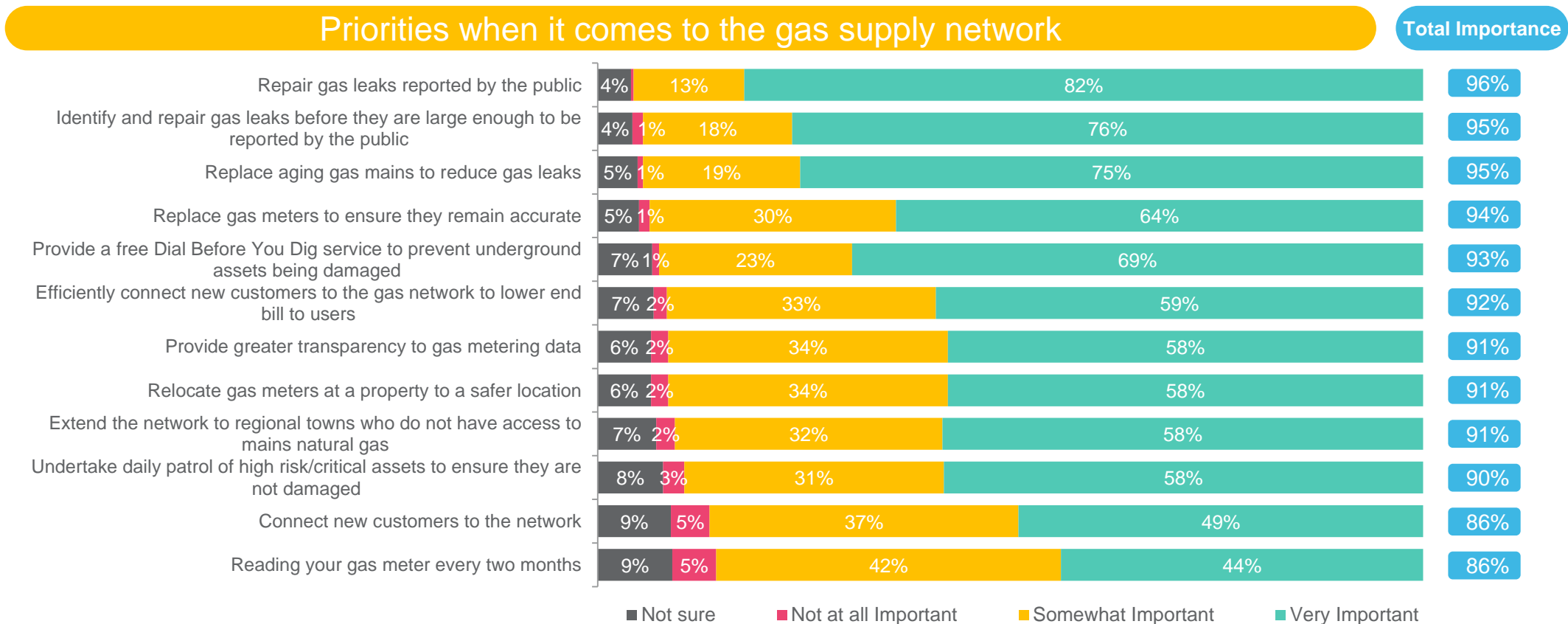
Customers generally have reasonably high levels of concern when it comes to all potential safety risks related to gas leaks.

The high level of concern is likely to be reflective of customer perceptions of the perceived danger that a gas leak could pose to the public.





Four in five (82%) customers feel repairing gas leaks reported by the public should be the highest priority for AusNet Services. Identifying and repairing gas leaks before they are large enough to be reported by the public and replacing aging gas mains to reduce gas leaks are also high priorities. Reading gas meters every two months is seen to be lower priority, yet is still viewed as important.



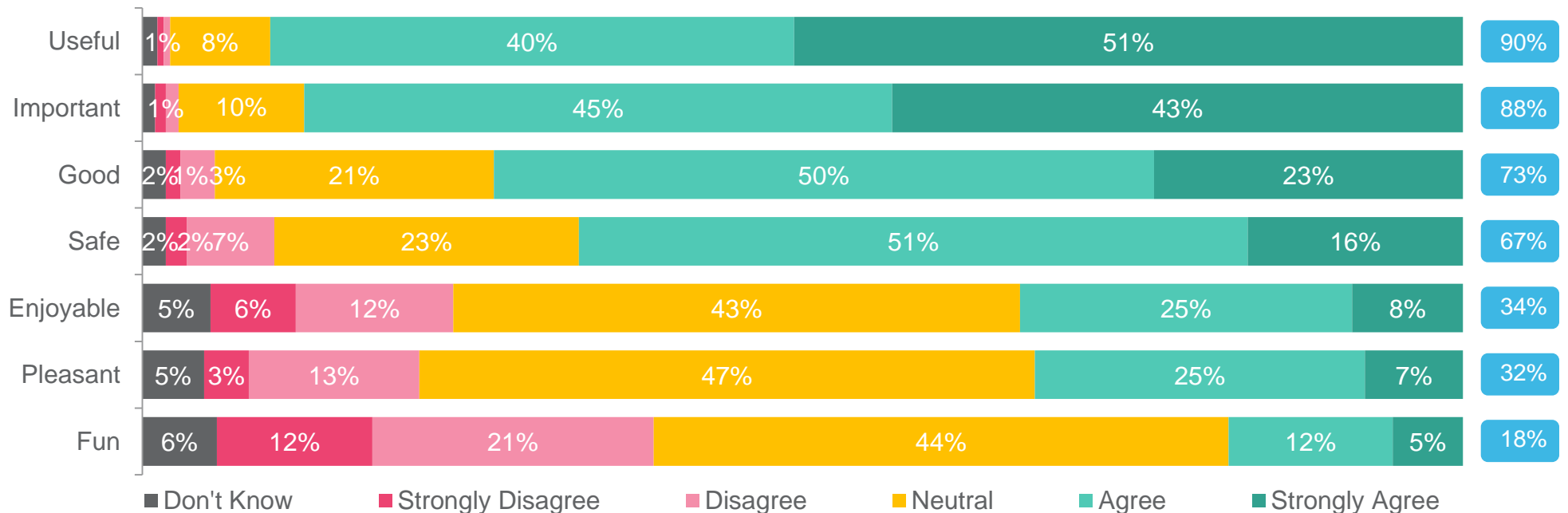


Nine in 10 customers associate gas with being useful or important, with very few finding it enjoyable, pleasant or fun. Essentially, customers view gas as a functional necessity.

Two thirds of customers believe the gas network is safe, with only 9% disagreeing.

Customer associations with gas

Total Agree



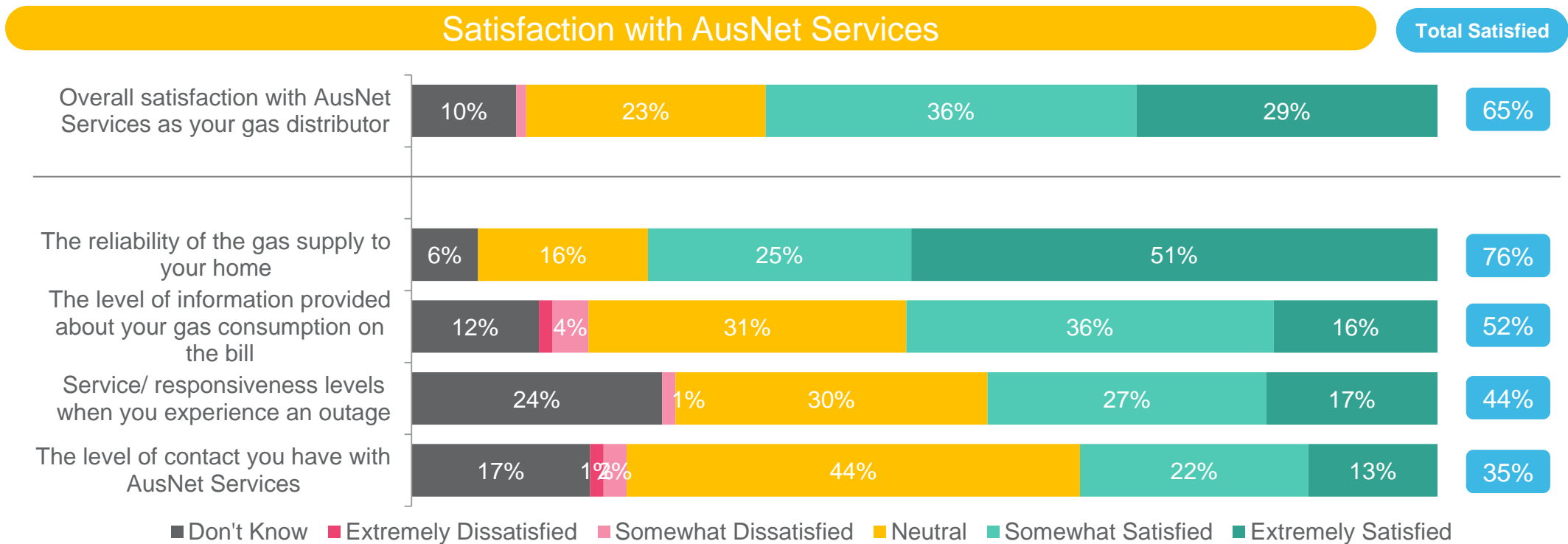


AusNet Services
Performance:
Service Delivery.



Approximately two thirds of customers are satisfied with AusNet Services as their gas distributor (65%). Customers are most likely to be satisfied with the reliability of gas supply to their home (76%).

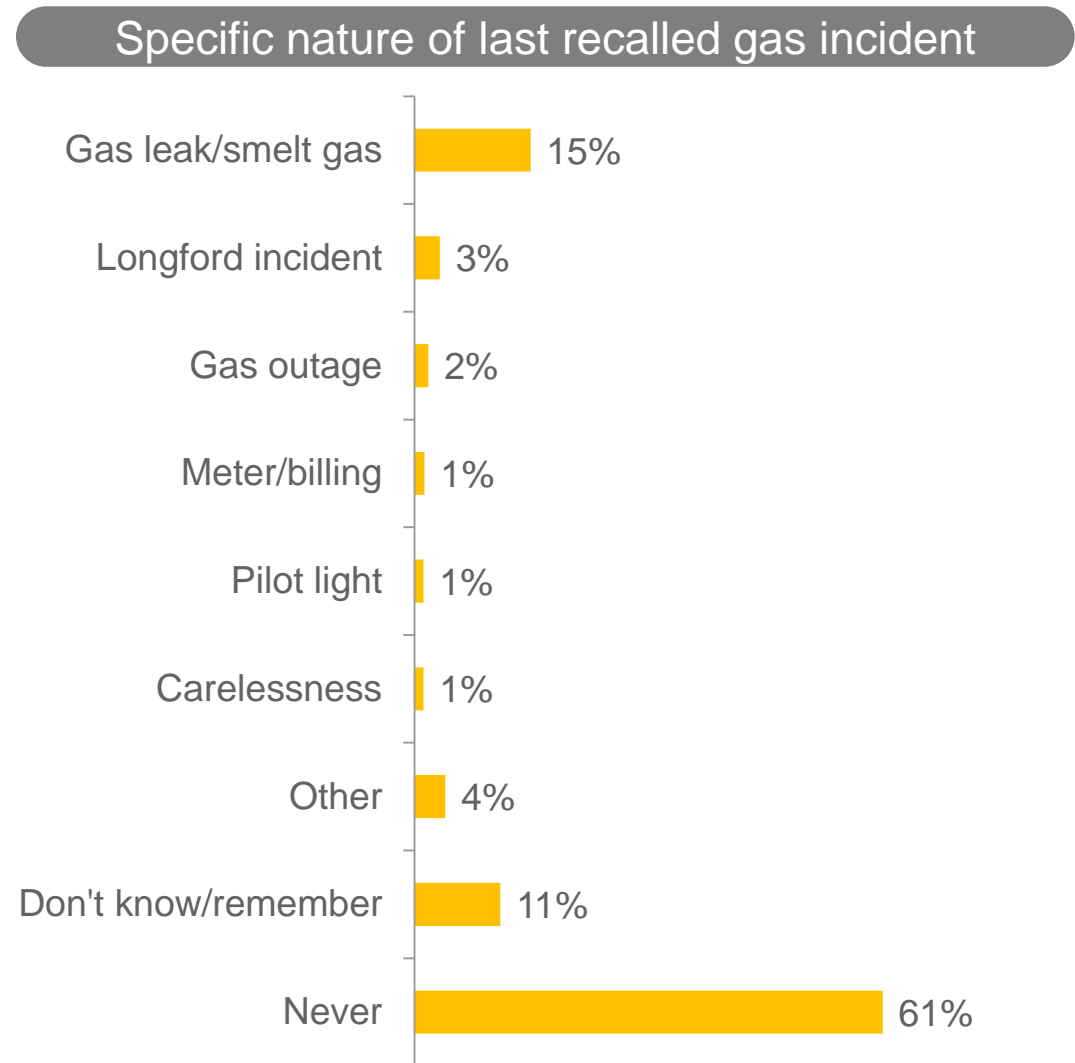
Just over half (52%) are satisfied with the level of information provided about their gas consumption on the bill and just over two in five (44%) are satisfied with the service/ responsiveness levels when they experience an outage. Approximately a third are satisfied with the level of contact they have with AusNet Services (35%).





Approximately three in five (61%) customers have never experienced a gas related safety or reliability incident.

Of those that have experienced a safety or reliability related issue, gas leaks/ smelling gas was the most common incident, with gas outages reported by only 2% of customers.





Network Trade-Offs.

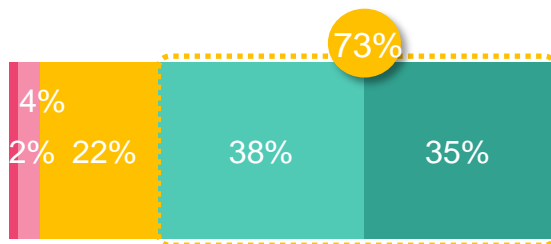


When looking at the network trade-off statements, those that resonated strongest with customers centred around making no compromises on reliability and safety to achieve cost reductions, and AusNet Services undertaking forward planning to factor in and absorb future costs.

Top 3 Network Trade-off Statements

Statement 2

I would like to have cheaper gas bills, but I am not willing to achieve this at the expense of the reliability or safety of the gas network.



Strongly Disagree

Somewhat Disagree

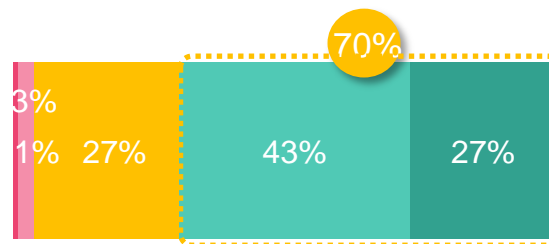
Neither Agree nor Disagree

Somewhat Agree

Strongly Agree

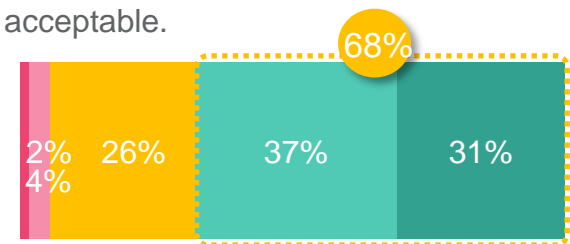
Statement 6

AusNet Services should factor in the future costs associated with maintaining the gas network to ensure that it is always reliable and safe. If AusNet Services undertakes accurate forward planning, there should be no need to increase charges to customers for maintenance purposes in the future.



Statement 1

When it comes to the gas network, reliability and safety are strongly linked (i.e. a leak is a safety risk and may result in an outage). As such, any attempts to reduce the price of gas by lowering the reliability of the network would also mean that the safety of the network is compromised, and this is not acceptable.





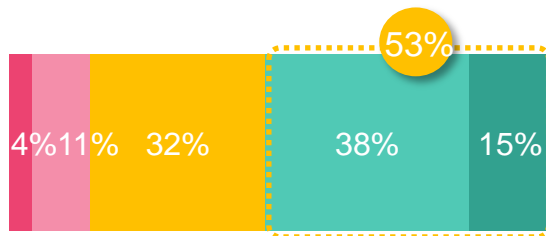
Customers would be willing to compromise slightly on reliability but not safety to lower their gas bill, however, delivering cheaper gas bills at the expensive of both network reliability *and* safety was strongly opposed by almost two thirds of customers.

Customers found moderate appeal in paying slightly more on their gas bill to ensure the network stays safe and reliable.

Bottom 3 Network Trade-off statements

Statement 3

The gas network is highly reliable (i.e., one unplanned outage every 45 years). As such, I would be willing to compromise slightly on reliability (i.e., one unplanned outage every 20 years), but **not** on safety, to ultimately lower the price of my gas bill.



Strongly Disagree

Somewhat Disagree

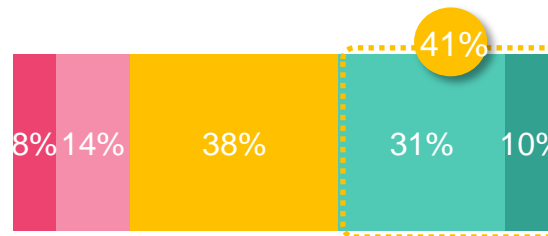
Neither Agree nor Disagree

Somewhat Agree

Strongly Agree

Statement 4

I would be willing to pay a little bit more on my gas bill to ensure that the gas network is always reliable and safe.



Strongly Disagree

Somewhat Disagree

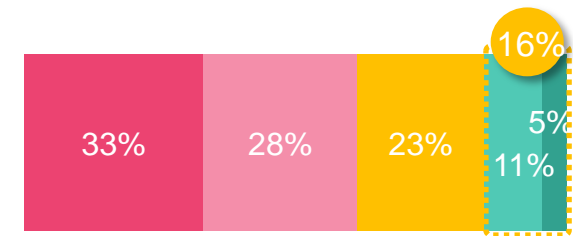
Neither Agree nor Disagree

Somewhat Agree

Strongly Agree

Statement 5

I would like to have cheaper gas bills even if this meant that the gas network was less safe and reliable (i.e., experienced more leaks and outages).



Strongly Disagree

Somewhat Disagree

Neither Agree nor Disagree

Somewhat Agree

Strongly Agree



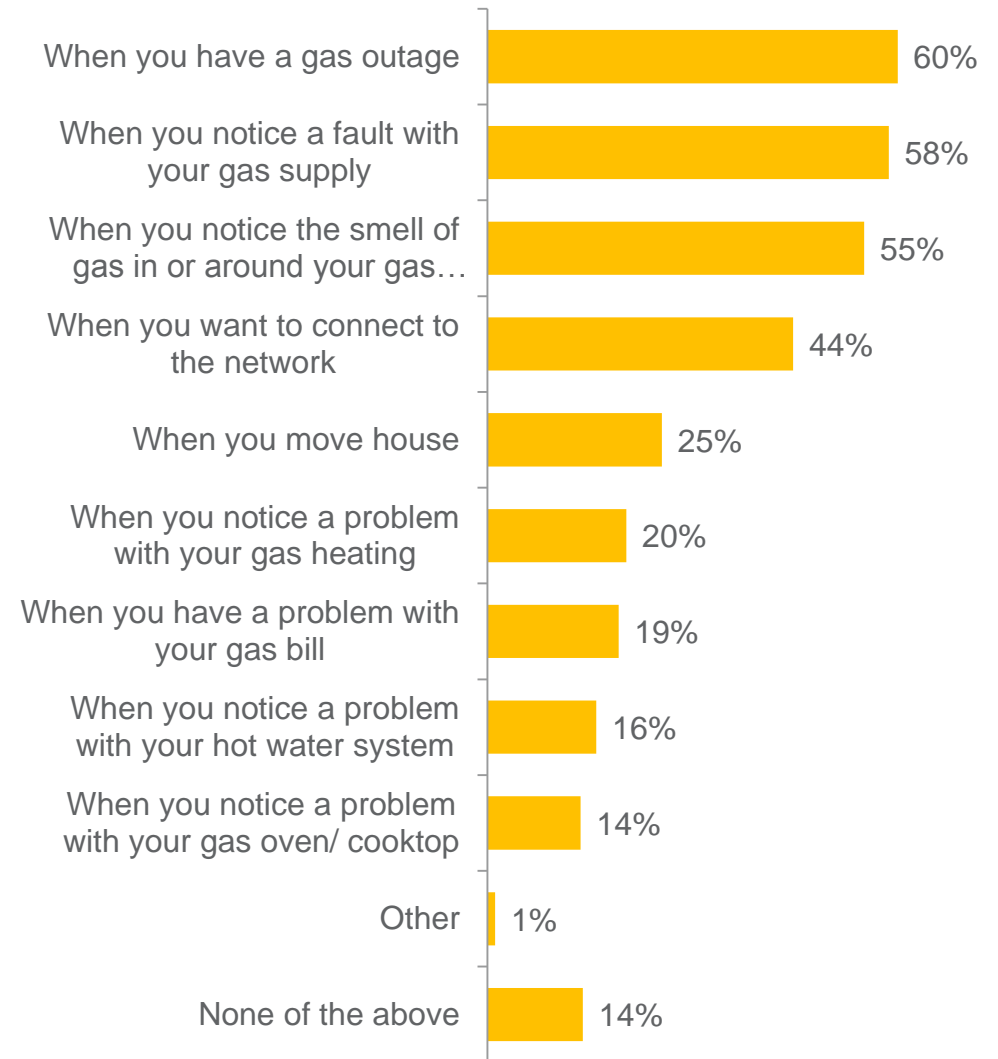
Customer Engagement & Communication.



The main reasons for contacting a gas distributor such as AusNet Services centre around service reliability and safety, with over half of customers citing gas outages, fault in supply or noticing the smell of gas as reasons that would prompt them to contact their gas distributor.

The need to connect to the gas network and moving house were also often mentioned as reasons to contact a gas distributor.

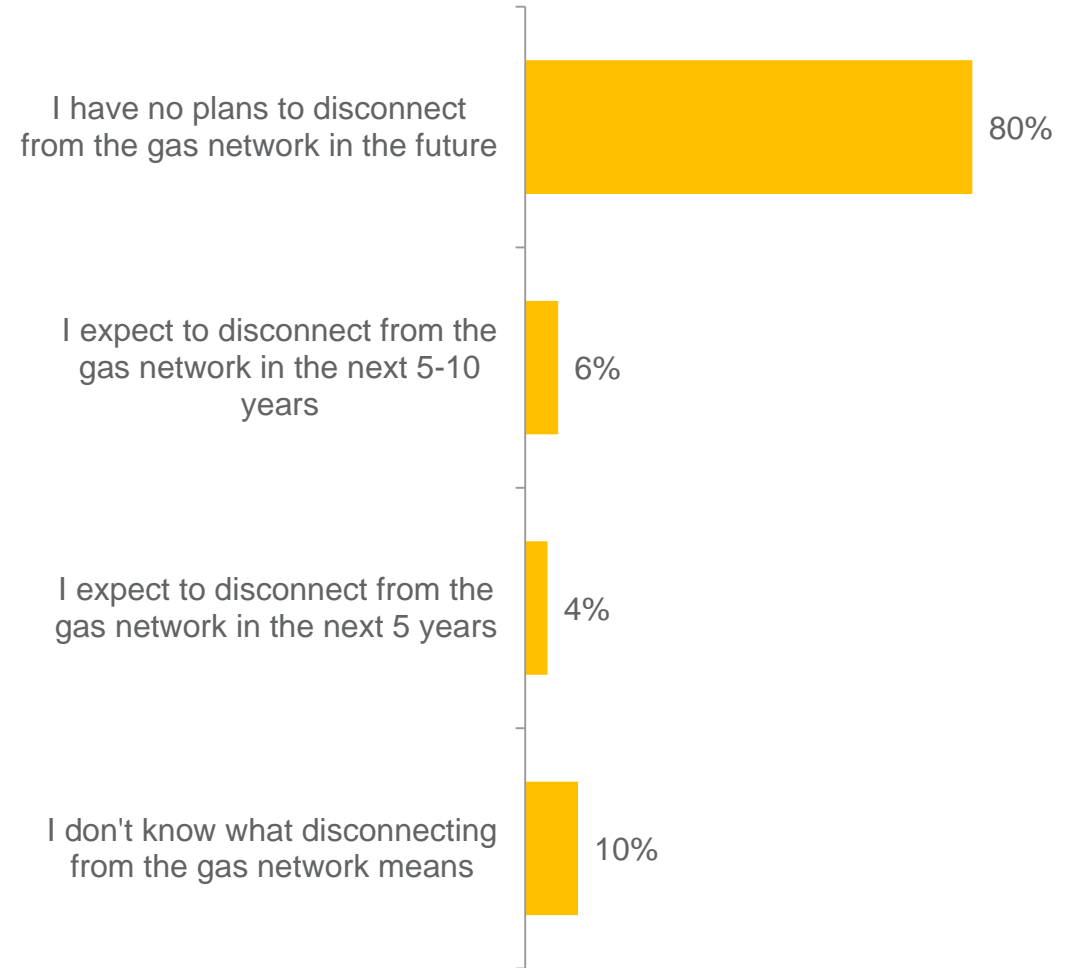
Reasons to contact a gas distributor





Four in five (80%) customers have no plans to disconnect from the gas network in the future, with only 10% of customers expecting to disconnect in the next five to 10 years.

Expected gas disconnection timeframe

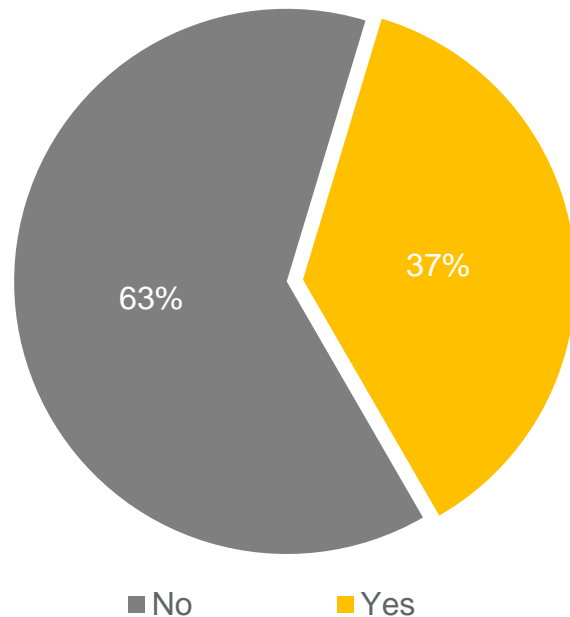




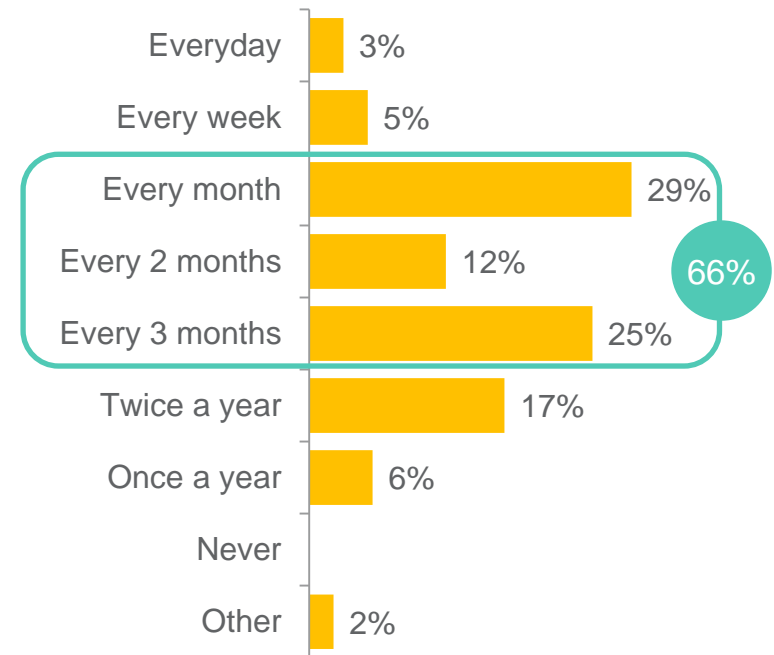
Over one third (37%) of customers would like to receive more information from AusNet Services regarding gas related issues, with the preferred frequency split between every month (29%) and every three months (25%).

Two thirds (66%) of those that would like to receive more information would prefer contact every one to three months.

Willingness to receive information



Frequency of information

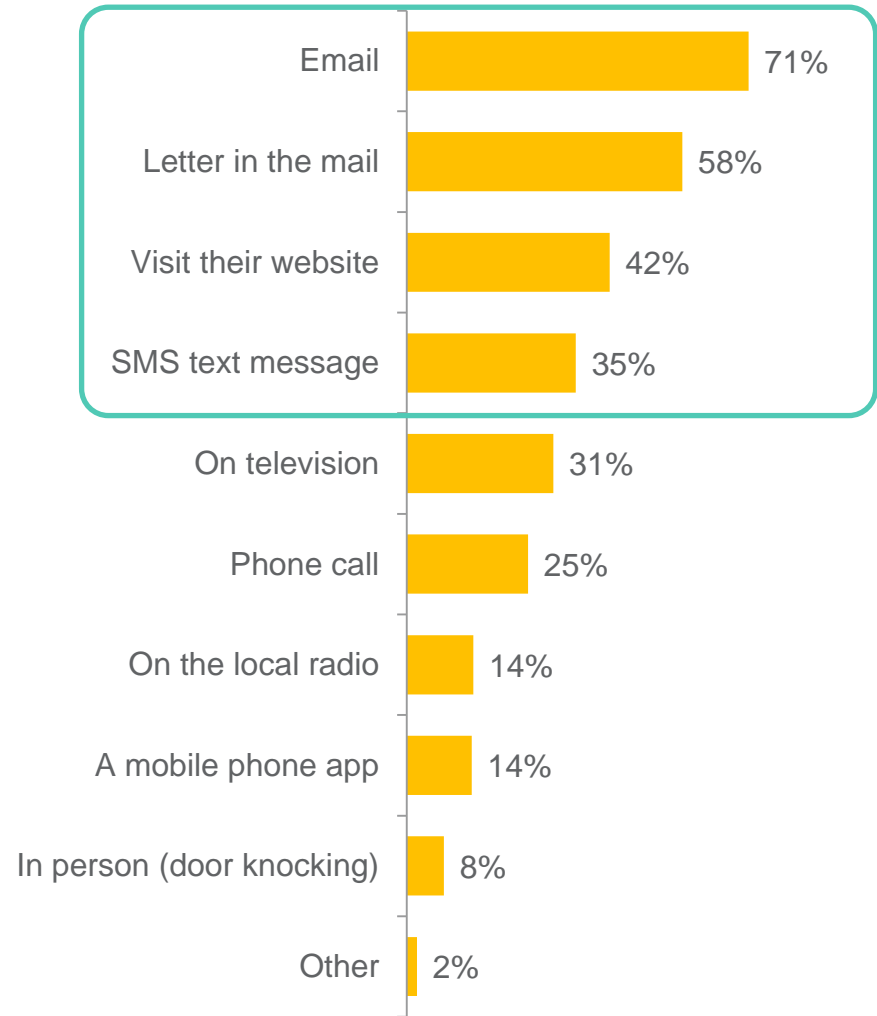




Almost three quarters (71%) of customers would prefer to be contacted by AusNet Services via email, while over half (58%) would like to receive communication via letters in the mail.

Under half (42%) of customers indicated they would visit AusNet Services' website for information about gas related issues.

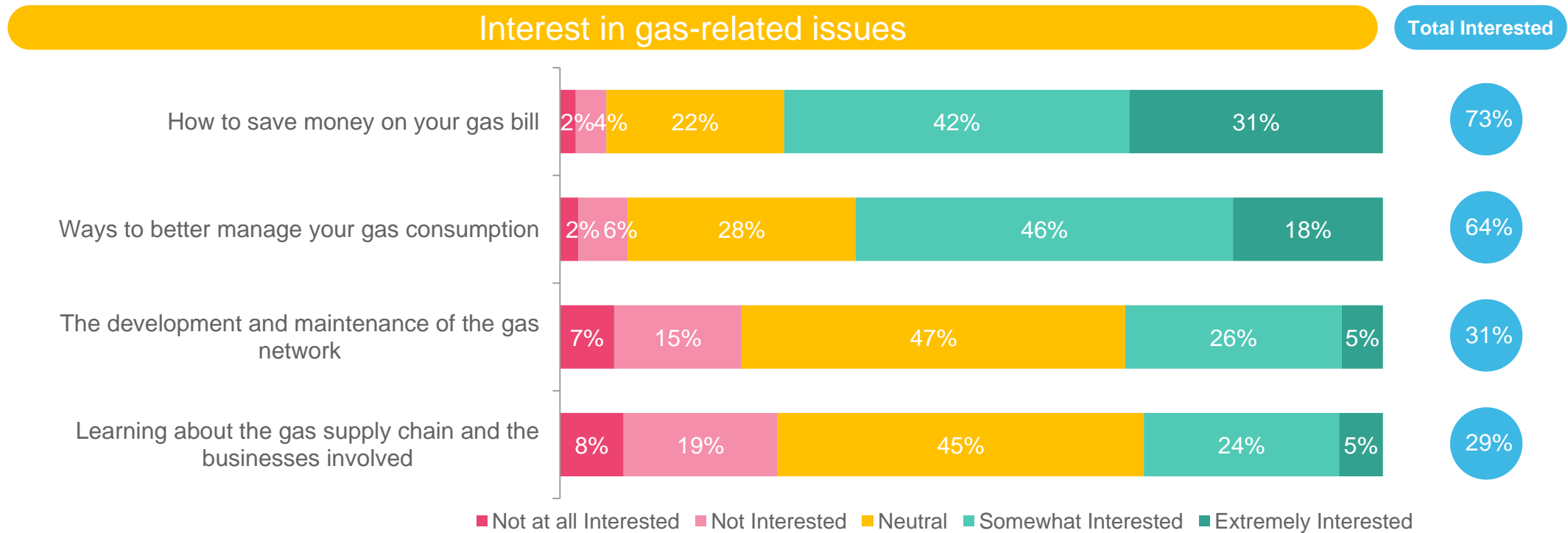
Preferred contact medium for gas related issues





The strongest interest in gas-related issues centres around ways to manage consumption and minimise gas bills.

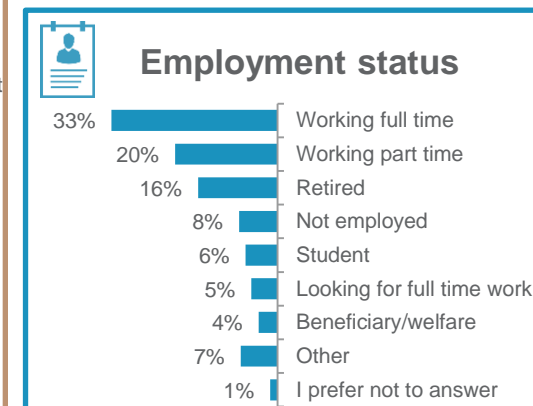
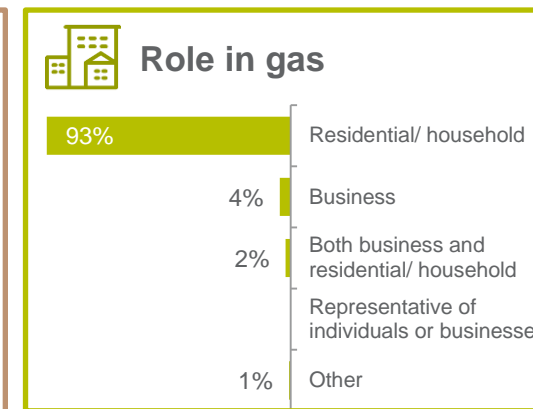
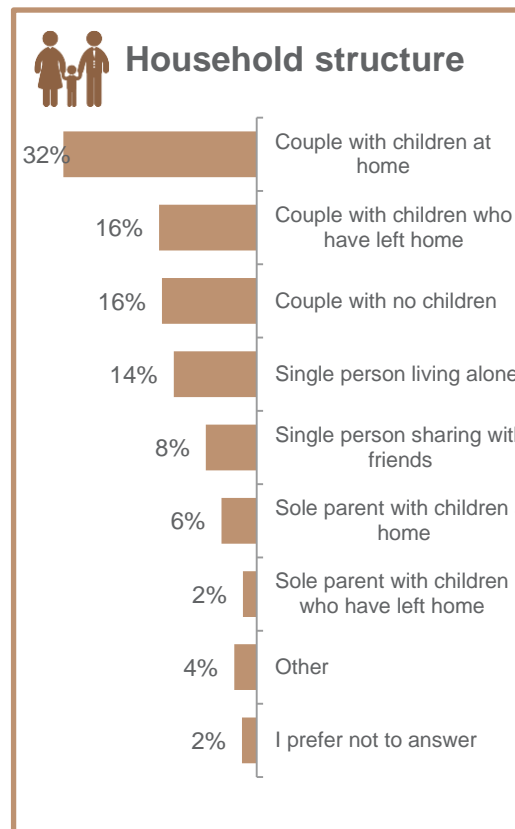
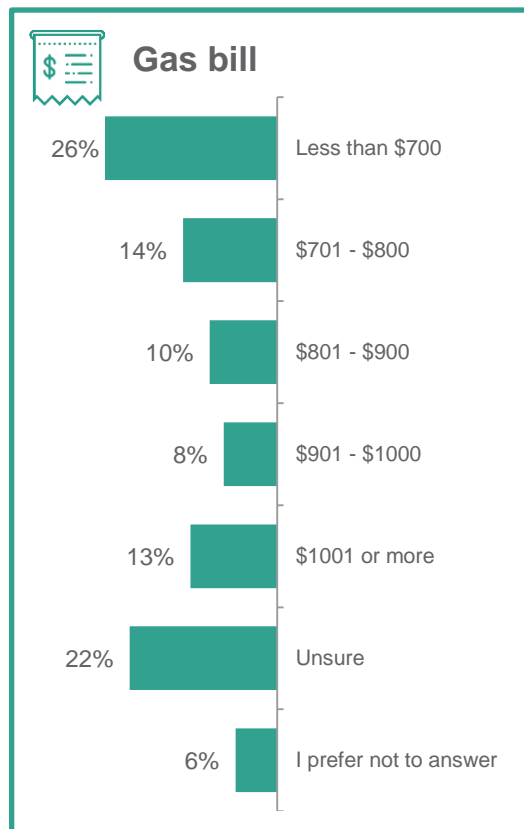
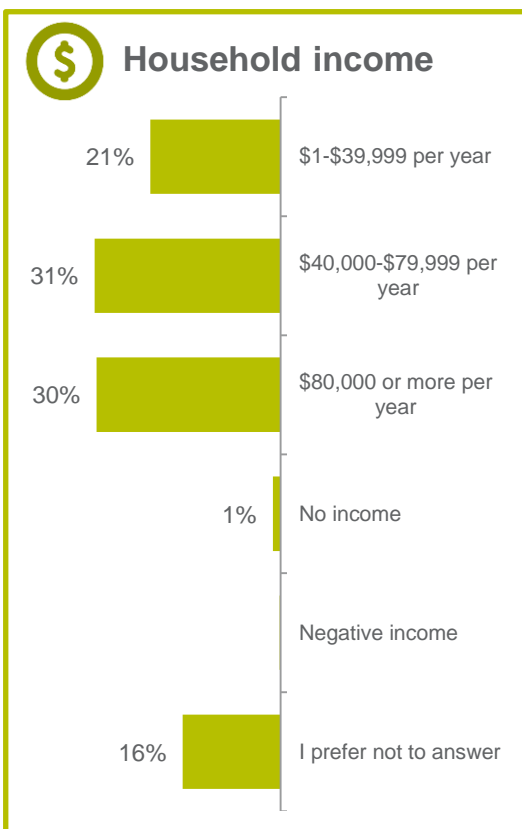
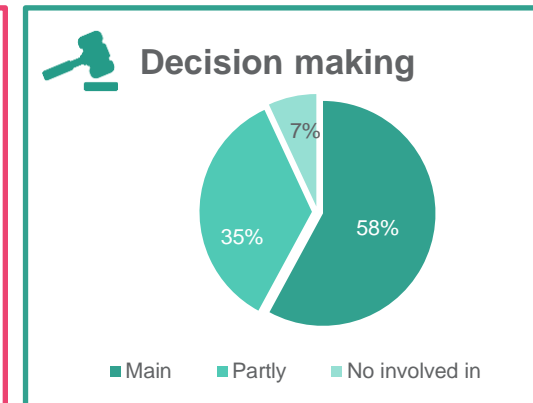
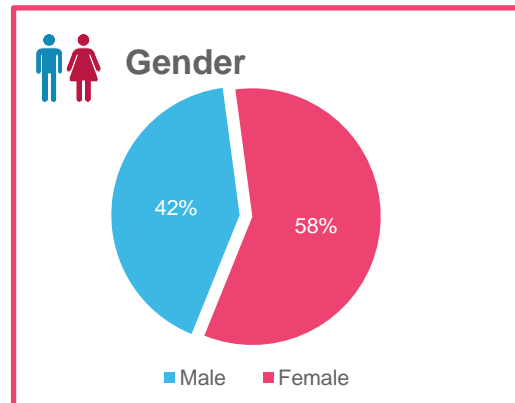
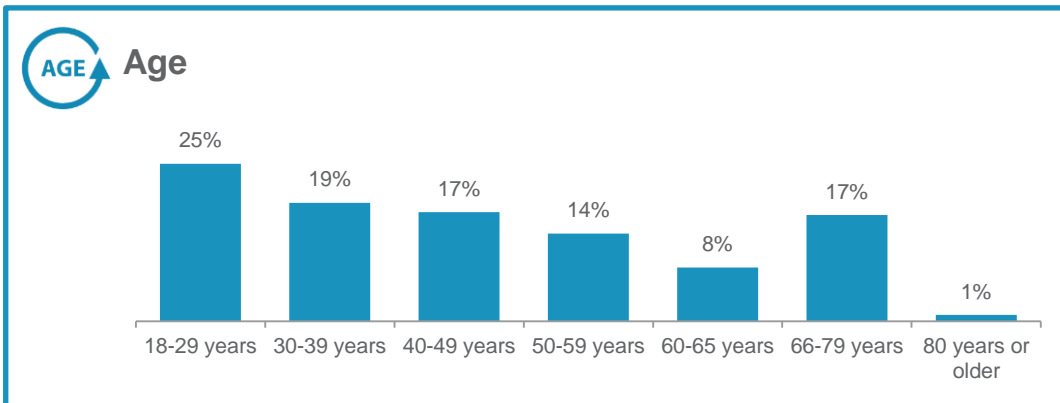
Conversely, issues relating to development and maintenance, and learning about the gas supply chain and businesses involved were of little interest to most customers.





Customer Sample Profile.

Customer Sample Profile



Q2. Which one of the following age groups do you fall into? Q33. Please indicate your gender. Q3. To help us best understand your responses to this survey, which of the below best describes your role in using gas, or involvement with the gas sector? Q31. Which of the following most applies to decisions made in your household relating to gas? Q32. On average, how much is your household gas bill each year? Q34. Please select which of the following options best describes your current employment status? Q37. What is the total of all wages/salaries, Government benefits, pensions, allowances and other income that YOUR HOUSEHOLD usually receives (Gross – before tax and superannuation deductions)? Q35. Which of the following categories best describes your household? Base: Total respondents n=620

