

AUSTRALIAN ENERGY REGULATOR

Stakeholder Survey Report

March 2008

Buchan

Business Strategy | Communication | Public Policy

CONTENTS

EXECUTIVE SUMMARY	4
Survey distribution and response	4
Results summary	4
CONTEXT	6
Operational environment	6
SURVEY METHODOLOGY.....	7
Survey recipients.....	7
Survey content	7
Survey distribution and follow up.....	8
Data entry and quality control.....	8
SURVEY RESPONSE.....	9
Response rate	9
Type of respondent.....	9
Position of respondent.....	10
PERFORMANCE	11
Performance: Overall results	11
Response to Question 1	12
Response to Question 2	14
Response to Question 3	15
Response to Question 4.....	17
Response to Question 5	18
Response to Question 6.....	19
Response to Question 7.....	20
REPUTATION	21
Overall results	21

Response to Question 8 22

Response to Question 9 24

COMMUNICATION 25

 Overall results 25

 Response to Question 10 26

 Response to Question 11 28

 Response to Question 12 31

CONCLUSION 32

APPENDIX A: Cover Letter and Survey 33

EXECUTIVE SUMMARY

This report provides findings of the first Australian Energy Regulator (AER) Stakeholder Survey conducted by Buchan Consulting between November 2007 and January 2008.

Survey distribution and response

The Stakeholder Survey was distributed to 221 individuals representing electricity transmission, distribution and retail, gas transmission, distribution and retail, ombudsman, regulators, government departments, ministers and advisers, industry and consumer representatives and associations and consultants.

Of the 221 survey forms distributed: 12 were declined; 16 were passed onto someone else and then declined; and 8 individuals were no longer at the organisation.

Therefore the original pool of possible respondents reduced to 185.

Of the 185, 114 surveys were returned, representing a participation rate of 62 per cent.

The following table shows the percentage of each stakeholder group within the final pool of survey participants.

Stakeholder group	Percentage of final pool of participants	Stakeholder Group	Percentage of final pool of participants
Generator	13%	Regulator	4%
Electricity retailer	12%	Consultant	4%
Electricity distribution	11%	Industry representative/ association	3%
Electricity transmission	10%	Consumer representative/ association	2%
Government department	10%	Minister/ministerial adviser	2%
Gas transmission	8%	Ombudsman	2%
Gas retailer	8%	Unknown	2%
Gas distribution	7%		

Results summary

Three key areas of operation were assessed with the following main findings.

Performance

- Professionalism: where 78 per cent of respondents answered 'good' or 'excellent'.
- Independence: where 74 per cent of respondents answered 'good' or 'excellent'.
- Conduct: where 73 per cent of respondents answered 'good' or 'excellent'.

Reputation

- Independence: where 85 per cent of respondents answered 'good' or 'excellent'.
- Credibility: where 80 per cent of respondents answered 'good' or 'excellent'.
- Reliability: where 77 per cent of respondents answered 'good' or 'excellent'.

Communication

- State of the Energy Market Report (combined): where 69 per cent of respondents answered 'good' or 'excellent'.
- Communication of role: where 68 per cent of respondents answered 'good' or 'excellent'.
- Relevance of information: where 68 per cent of respondents answered 'good' or 'excellent'.

This report provides both qualitative and quantitative stakeholder feedback and is designed to support future performance assessments.

CONTEXT

Operational environment

When considering the results of the AER's Stakeholder Survey, it is important to consider the organisation's immediate operational environment. In this instance, we note the AER:

- Had been in existence for 2.5 years when the survey was distributed, following its formation on 1 July 2005.
- *“Currently regulates the wholesale electricity market and electricity transmission and the economic regulation of distribution networks in the national electricity market.*
- *Will be responsible for the economic regulation of gas transmission and distribution networks and enforcing the national gas law and national gas rules (once enacted) in all jurisdictions except Western Australia.*
- *Will be responsible for the non economic regulation of gas and electricity distribution networks and the regulation of gas and electricity retail businesses (other than for retail pricing) in all states except Western Australian and the Northern Territory (in respect of electricity).”¹*

As a result of the AER's function expanding, the organisation appointed a significant number of employees to fulfil its role.

When the AER commenced in July 2005, it had approximately 45 employees. It now has almost 90 employees and is anticipating increased growth to 130 employees, including staff transfers from the state regulator's office, by the end of 2008, early 2009.

It is also noted that many of the organisations approached to complete the survey have many varied interactions with AER for example at the CEO level and regulatory manager level. In this instance some organisations chose to provide one survey on behalf of the organisation while others provided more than one survey (e.g. from the CEO's office and the regulatory manager).

Further many organisations fall into more than one stakeholder category such as both 'gas retailer' and 'electricity retailer'. More detailed information is provided on page 9.

¹ www.aer.gov.au

SURVEY METHODOLOGY

In collaboration with the AER, Buchan finalised a questionnaire and a stakeholder target listing.

Survey recipients

A total of 221 surveys were distributed to a range of the AER's direct stakeholders in the categories of:

- Electricity distribution
- Electricity transmission
- Electricity retailer
- Consultant
- Gas distribution
- Gas transmission
- Gas retailer
- Generator
- Ombudsman
- Regulator
- Government Department
- Industry representative/association
- Consumer representative/association
- Minister/ministerial adviser

We note some organisations fall into more than one stakeholder group such as both 'gas retailer' and 'electricity retailer'.

Survey content

The survey used a range of questions designed to gather both quantitative and qualitative stakeholder feedback.

Three primary operating areas of performance, reputation and communication were assessed as follows:

Performance

- Professionalism
- Timeliness
- Quality of outputs
- Analytical/intellectual capacity
- Processes
- Understanding of the impact of decisions
- Conduct within the legislative framework
- Leadership
- Governance

- Independence
- Technical Competence
- Impartiality

Reputation

- Credibility
- Reliability
- Effectiveness
- Helpfulness
- Technical Competence
- Independence
- Cooperativeness

Communication

- Communication of role
- Communication about consultation opportunities
- Communication of outputs
- Responsiveness
- Quality of information
- Relevance of information
- Volume and sufficiency of information
- Communication tools including the State of the Energy Market 2007 Report, guidelines, price and revenue cap determinations, compliance reports, electricity market reports and the AER's website.

Survey distribution and follow up

The 12-question, three-page questionnaire was accompanied by a covering letter from AER Chairman Mr Steve Edwell (refer Appendix A).

The surveys were sent to individuals in senior positions within each organisation. The positions held included Chief Executive Officer/Managing Director, Regulatory Manager, Corporate Affairs Manager, Minister/Ministerial advisor etc.

Each recipient received the letter, survey questionnaire and a Reply Paid return envelope via post, and was followed up by a Buchan consultant within two weeks of distribution.

Further direct follow-up by Buchan occurred where required.

All completed surveys were coded and the data entered for detailed analysis upon receipt.

Data entry and quality control

All surveys were allocated a survey number and entered into the data analysis tool upon receipt.

Once all surveys had been entered, Buchan randomly selected 25 per cent of the total surveys to double check the data entry. No errors were found.

SURVEY RESPONSE

Response rate

Of the 221 survey forms distributed:

- 12 were declined;
- 16 were passed onto someone else and then declined; and
- 8 targeted recipients were no longer at the organisation.

Therefore the original pool of possible respondents reduced to 185.

Of the 185, 114 surveys were returned, representing a participation rate of 62 per cent.

Of the 38 per cent which were not returned, we note some organisations received two or more questionnaires in order to seek views from different individuals identified within the organisation such as the CEO and relevant regulatory or operational manager and one of these organisations advised only one response would be provided on behalf of the entire organisation.

Type of respondent

The following table shows the type of respondent the survey was sent to and received from, the percentage returned from each group, and the percentage of each stakeholder group which makes up the final pool of survey participants.

Category	Sent	Returned*	Percent returned	Percentage of final survey group
Generator	46	21	46%	13%
Electricity retailer	28	20	71%	12%
Electricity distribution	18	19	106%	11%
Electricity transmission	14	17	121%	10%
Government department	26	17	65%	10%
Gas transmission	13	14	108%	8%
Gas retailer	18	14	78%	8%
Gas distribution	8	12	150%	7%
Regulator	8	7	88%	4%
Consultant	9	6	67%	4%
Industry representative/association	21	5	24%	3%
Consumer representative/association	11	4	36%	2%
Minister/ministerial adviser	17	4	24%	2%
Ombudsman	5	4	80%	2%
Unknown	0	3	N/A	2%
TOTAL*	242	167		100%

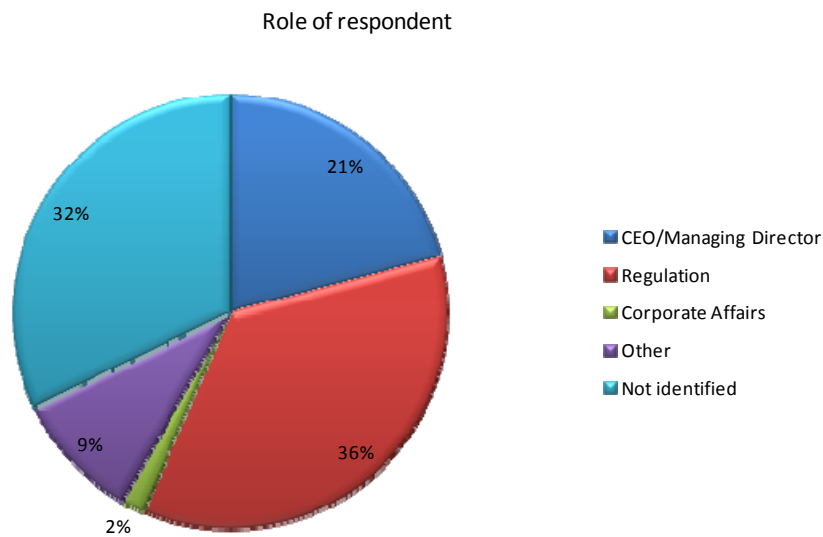
* When considering the results above it is important to note: there was some variation in how recipients were categorised in the original database and how they identified themselves when responding. As a result, in some stakeholder groups more surveys were returned than sent (e.g. Electricity Distribution).

*** Note some recipients fall into more than one category (e.g. electricity and gas retailer) and as a result the numbers above (which total 242 and 167) do not equate to the original number of surveys sent (221) and received (114).*

Position of respondent

The survey asks respondents to identify the position they held within the organisation.

As demonstrated in the following graph the majority of respondents held regulatory positions (e.g. Regulatory Manager) or the position of Chief Executive Officer/Managing Director.



PERFORMANCE

The following sections present the results of the Stakeholder Survey.

For each section, a summary of the overall findings is provided followed by the response to each question in more detail.

Performance: Overall results

In summary, for all respondents the areas which attracted the highest stakeholder ratings were:

- Professionalism: where 78 per cent of respondents answered 'good' or 'excellent'.
- Independence: where 74 per cent of respondents answered 'good' or 'excellent'.
- Conduct: where 73 per cent of respondents answered 'good' or 'excellent'.

In summary, for all respondents the areas which attracted the lowest stakeholder ratings were:

- Understanding: where 51 per cent of respondents answered 'poor' or 'satisfactory'.
- Technical competence: where 49 per cent of respondents answered 'poor' or 'satisfactory'.
- Timeliness: where 40 per cent of respondents answered 'poor' or 'satisfactory'.

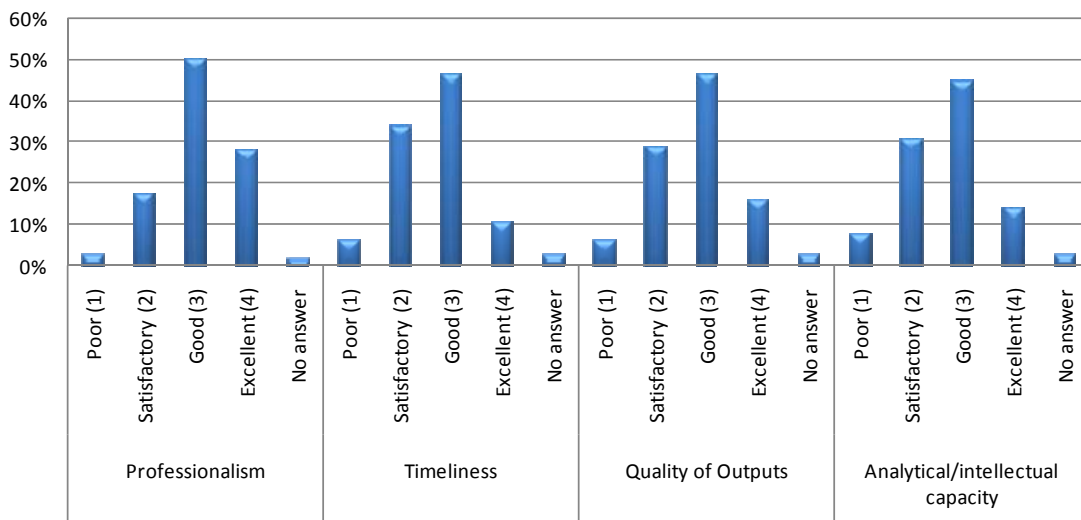
Response to Question 1

Question 1: Please rate the AER's performance in relation to its: professionalism, timeliness, quality of outputs, analytical/intellectual capacity, processes, understanding of the impact of decisions and conduct within the legislative framework.

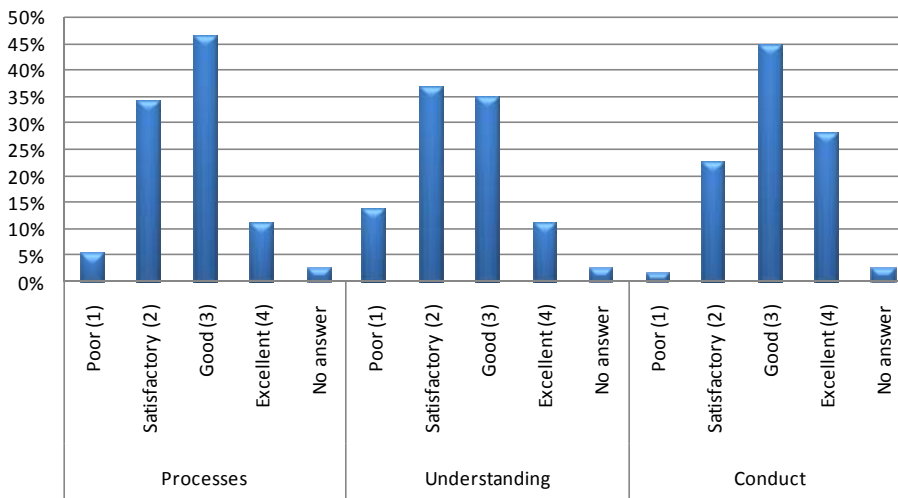
All respondents

The following charts show all responses to Question 1 for all respondents.

Question 1: All respondents



Question 1: All respondents



The table below groups together ‘poor’ and ‘satisfactory’ responses and ‘good’ and ‘excellent’ responses on the basis that most organisations which complete a stakeholder survey are striving to attract ‘good’ or ‘excellent’ ratings from stakeholders.

For example, 78 per cent of respondents answered ‘good’ or ‘excellent’ when asked to rate the AER’s performance in relation to ‘professionalism’.

Performance	‘Poor’ and ‘satisfactory’ responses	‘Good’ and ‘excellent’ responses
Professionalism	20% (23)	78% (89)
Timeliness	40% (46)	57% (65)
Quality of outputs	35% (40)	62% (71)
Analytical/intellectual capacity	39% (44)	59% (67)
Processes	39% (45)	58% (66)
Understanding of the impact of decisions	51% (58)	46% (53)
Conduct within the legislative framework	25% (28)	73% (83)

NB: Some respondents did not answer the question hence each row total does not equal 100 per cent.

Industry versus Non-industry

The table below compares ‘good’ and ‘excellent’ responses from Industry and Non-industry respondents.

Industry stakeholders are defined as recipients who fall into the categories of electricity distribution, transmission and/or retail, gas distribution, transmission and retail, generators, consultant or industry representative/association.

Non-industry stakeholders are defined as recipients who fall into the categories of ombudsman, regulators, Government Departments, consumer representative/association or minister/ministerial adviser.

Non-industry respondents rated the AER more favourably than industry respondents on ‘timeliness’, ‘processes’ and ‘conduct’ within the legislative framework. Industry respondents rated the AER more favourably than Non-industry respondents on ‘professionalism’ and ‘analytical/intellectual capacity’.

Performance	Industry ‘good’ and ‘excellent’ responses	Non-industry ‘good’ and ‘excellent’ responses
Professionalism	83%	68%
Timeliness	56%	59%
Quality of outputs	62%	62%
Analytical/intellectual capacity	60%	56%
Processes	51%	71%
Understanding of the impact of decisions	42%	56%
Conduct within the legislative framework	66%	85%

Response to Question 2

Question 2: If applicable, please identify opportunities for performance improvements.

Twenty-nine per cent of survey respondents provided additional comments in the space provided in response to Question 2.

The main areas of comment were in relation to the AER's:

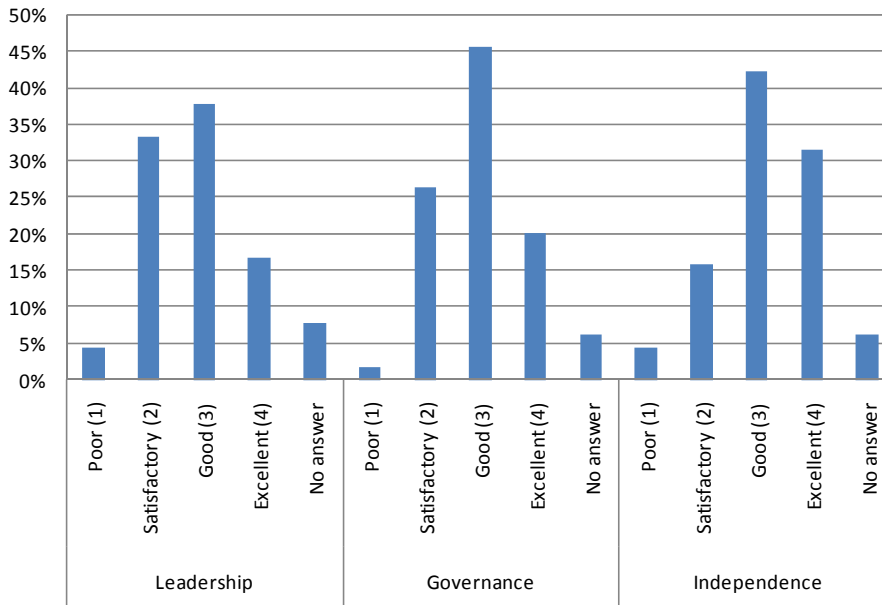
- communication with stakeholders;
- resources and business approach/practices; and
- employee skills, retention, expansion and recruitment.

Response to Question 3

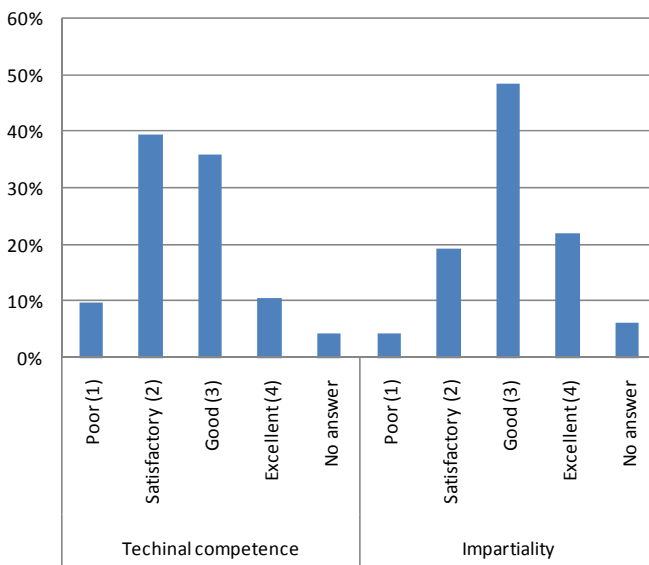
Question 3: Please indicate on the scale below the AER's performance in relation to: Leadership, Governance, Independence, Technical competence and Impartiality.

The following charts show all responses to Question 3 for all respondents.

Question 3: All respondents



Question 3: All respondents



The table below groups together ‘poor’ and ‘satisfactory’ responses and ‘good’ and ‘excellent’ responses on the basis that most organisations which complete a stakeholder survey are striving to attract ‘good’ or ‘excellent’ ratings from stakeholders.

For example, 74 per cent and 70 per cent of all respondents answered ‘good’ or ‘excellent’ when asked to rate the AER’s performance in relation to ‘independence’ and ‘impartiality’ respectively

Performance	‘Poor’ and ‘satisfactory’ responses	‘Good’ and ‘excellent’ responses
Leadership	38% (43)	54% (62)
Governance	28% (32)	66% (75)
Independence	20% (74)	74% (84)
Technical competence	49% (56)	46% (53)
Impartiality	24% (27)	70% (80)

NB: Some respondents did not answer the question hence each row total does not equal 100 per cent.

Industry versus Non-industry

The table below compares ‘good’ and ‘excellent’ responses from Industry and Non-industry respondents.

Industry respondents rated the AER slightly more favourably than Non-industry respondents on ‘leadership’, ‘independence’ and ‘impartiality’. Non-industry respondents rated the AER more slightly more favourably than Industry respondents on ‘governance’ and ‘technical competence’.

Industry stakeholders are defined as recipients who fall into the categories of electricity distribution, transmission and/or retail, gas distribution, transmission and retail, generators, consultant or industry representative/association.

Non-industry stakeholders are defined as recipients who fall into the categories of ombudsman, regulators, Government Departments, consumer representative/association or minister/ministerial adviser.

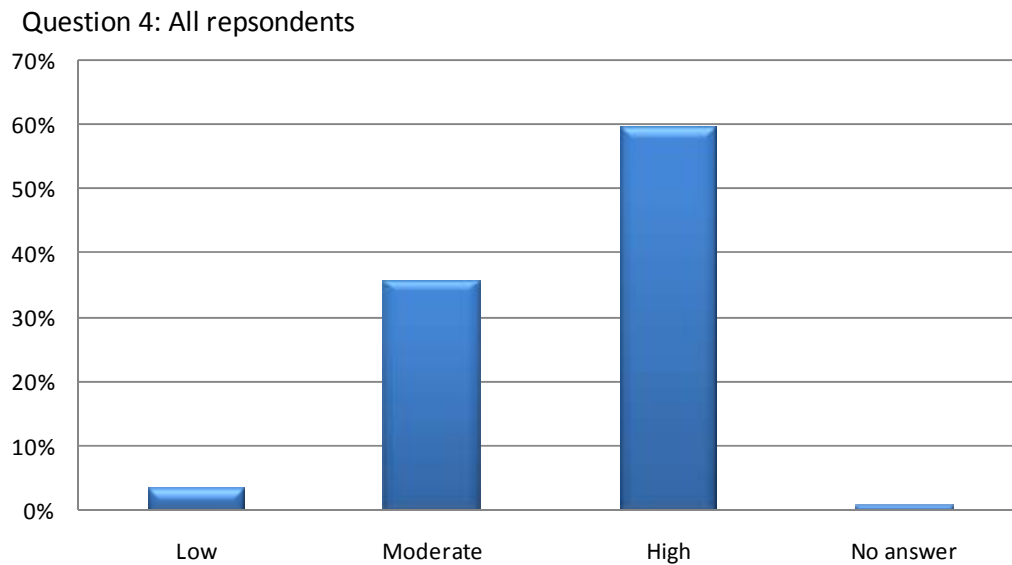
Performance	Industry ‘good’ and ‘excellent’ responses	Non-industry ‘good’ and ‘excellent’ responses
Leadership	56%	50%
Governance	64%	68%
Independence	75%	68%
Technical competence	45%	47%
Impartiality	70%	68%

Response to Question 4

Question 4: What level of knowledge do you have of the legislative framework within which the AER operates?

All respondents

The following chart shows the response to Question 4 by all respondents.

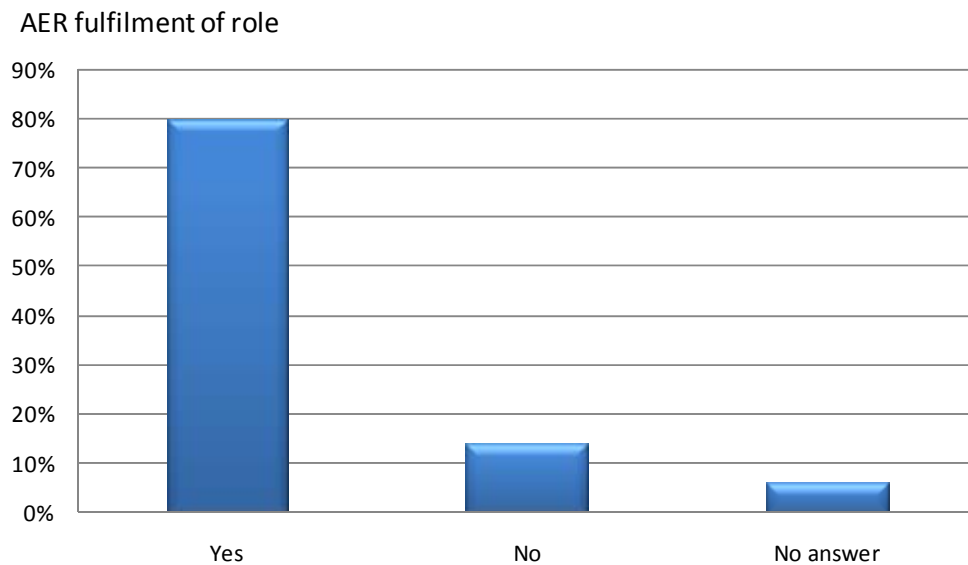


Ninety-six per cent of respondents believed their level of knowledge of the legislative framework within which the AER operates was 'moderate' or 'high'.

Response to Question 5

Question 5: Do you believe the AER is fulfilling its statutory role in protecting the long-term interests of Australians consumers with regard to the price, quality and reliability of energy services?

The following chart shows 80 per cent of all respondents believe the AER is fulfilling its statutory role in protecting the long-term interests of Australians consumers with regard to the price, quality and reliability of energy services.



Response to Question 6

Question 6: If no, how do you think the AER can improve in this role?

Twenty-three per cent survey respondents provided additional comments in the space provided in response to Question 6.

The main areas of comment were in relation to the AER's:

- approach towards balancing short and long term objectives and the needs of all stakeholders;
- engagement of stakeholders; and
- independence and transparency.

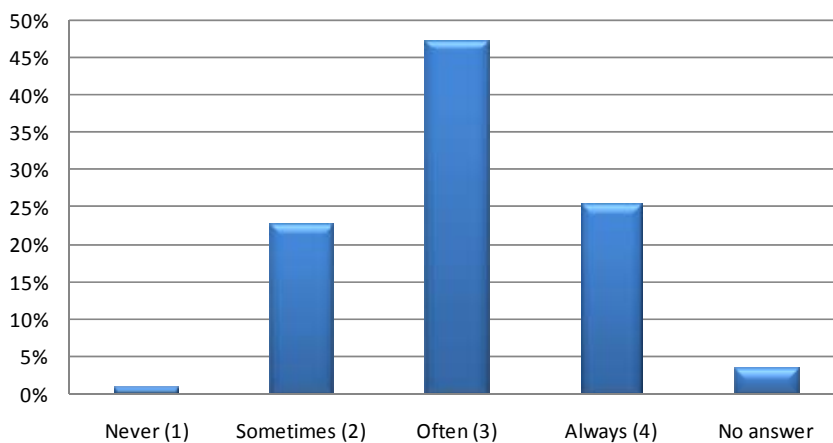
Response to Question 7

Question 7: Do the AER's consultation processes provide adequate opportunity for consultation with stakeholders?

All respondents

The following chart shows that 73 per cent of all respondents believe the AER's consultation processes 'often' or 'always' provide adequate opportunity for consultation with stakeholders.

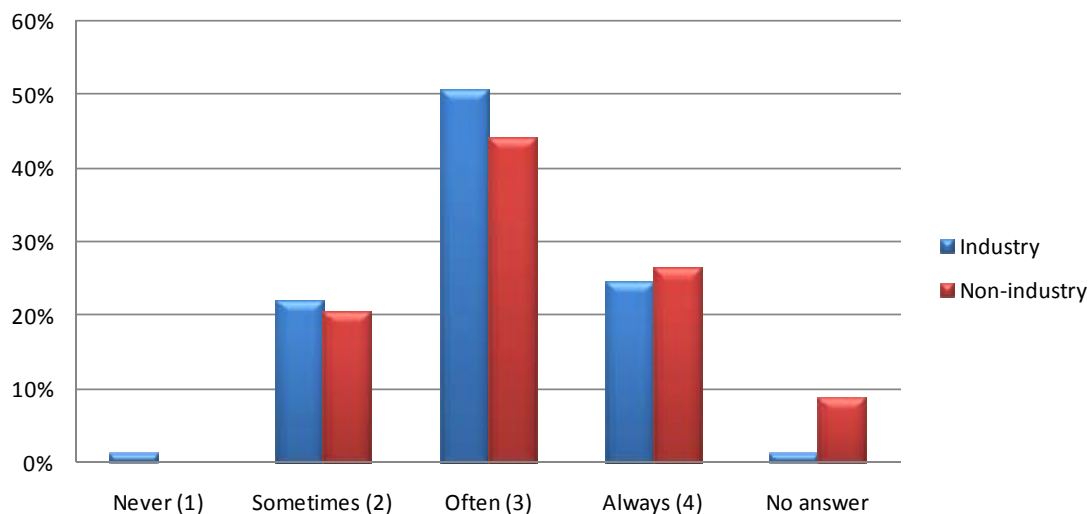
Adequate opportunity for consultation



Industry versus Non-industry

The following chart shows little variation in opinion of the AER's consultation processes between Industry and Non-industry respondents.

Adequate opportunity for consultation: Industry versus Non-industry



REPUTATION

Overall results

In summary, for all respondents the areas which attracted the highest stakeholder ratings were:

- Independence: where 85 per cent of respondents answered 'good' or 'excellent'.
- Credibility: where 80 per cent of respondents answered 'good' or 'excellent'.
- Reliability: where 77 per cent of respondents answered 'good' or 'excellent'.

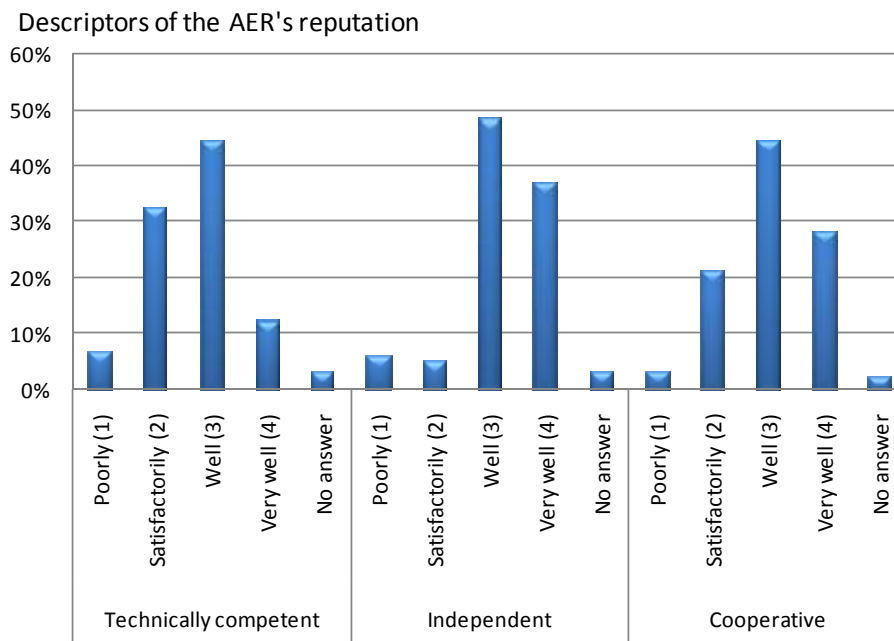
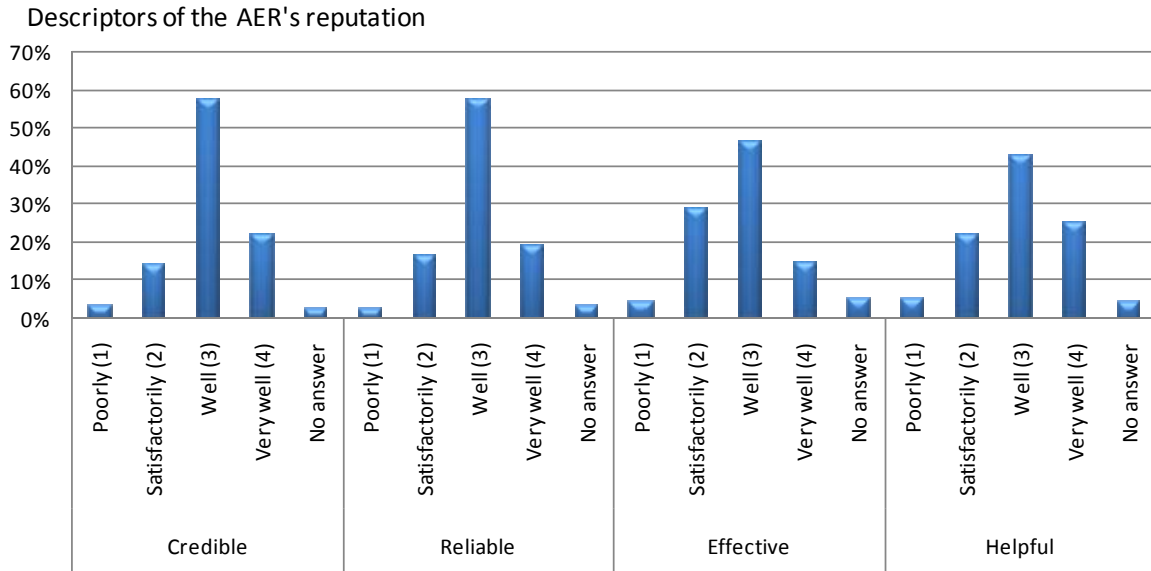
In summary, for all respondents the areas which attracted the lowest stakeholder ratings were:

- Technical competence: where 39 per cent of respondents answered 'poor' or 'satisfactory'.
- Effectiveness: where 33 per cent of respondents answered 'poor' or 'satisfactory'.
- Helpfulness: where 28 per cent of respondents answered 'poor' or 'satisfactory'.

Response to Question 8

Question 8: Please rate how well the following words describe the reputation of the AER (1 = poorly; 4 = very well): credible, reliable, effective, helpful, technically competent, independent and cooperative.

The following charts show all responses to Question 8 for all respondents.



The table below groups together ‘poorly’ and ‘satisfactory’ responses and ‘well’ and ‘very well’ responses on the basis that the AER is striving to have all respondents nominate ‘well’ and ‘very well’ as a response.

For example, 85 per cent and 80 per cent of all respondents answered ‘well’ and ‘very well’ when asked how well the words ‘independent’ and ‘credible’ respectively described the reputation of the AER.

Reputation	‘Poorly’ and ‘satisfactorily’ responses	‘Well’ and ‘very well’ responses
Credible	18% (20)	80% (91)
Reliable	19% (22)	77% (88)
Effective	33% (38)	61% (70)
Helpful	27% (31)	68% (78)
Technically competent	39% (45)	57% (65)
Independent	11% (13)	85% (97)
Cooperative	25% (28)	73% (83)

NB: Some respondents did not answer the question hence each row total does not equal 100 per cent.

Industry versus Non-industry

More Industry respondents indicated the words ‘credible’, ‘reliable’, ‘technically competent’, ‘independent’ and ‘cooperative’ described the AER either ‘well’ or ‘very well’ than Non-industry respondents.

More Non-industry respondents indicated the words ‘effective’ and ‘helpful’ described the AER either ‘well’ or ‘very well’ than Industry respondents.

Industry stakeholders are defined as recipients who fall into the categories of electricity distribution, transmission and/or retail, gas distribution, transmission and retail, generators, consultant or industry representative/association.

Non-industry stakeholders are defined as recipients who fall into the categories of ombudsman, regulators, Government Departments, consumer representative/association or minister/ministerial adviser.

Reputation	Industry ‘well’ and ‘very well’ responses	Non-industry ‘well’ and ‘very well’ responses
Credible	83%	71%
Reliable	77%	76%
Effective	61%	62%
Helpful	65%	76%
Technically competent	58%	53%
Independent	88%	76%
Cooperative	74%	71%

Response to Question 9

Question 9: Are there any other comments you wish to make regarding the reputation of AER?

Nineteen per cent survey respondents provided additional comments in the space provided in response to Question 9.

The main areas of comment were in relation to the AER's:

- approach towards engaging stakeholders;
- technical competence;
- independence; and
- approach towards consultation with stakeholders.

COMMUNICATION

Overall results

In summary, for all respondents the areas which attracted the highest stakeholder ratings were:

- State of the Energy Market Report: where 69 per cent of respondents answered 'good' or 'excellent'.
- Communication of role: where 68 per cent of respondents answered 'good' or 'excellent'.
- Relevance of information: where 68 per cent of respondents answered 'good' or 'excellent'.

In summary, for all respondents the areas which attracted the lowest stakeholder ratings were:

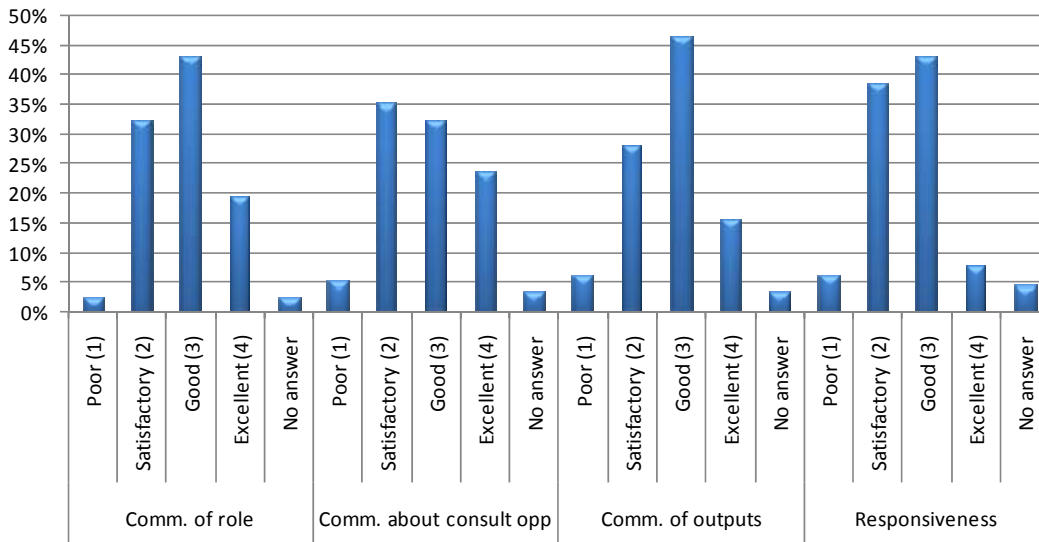
- Website: where 46 per cent of respondents answered 'poor' or 'satisfactory'.
- Guidelines: where 46 per cent of respondents answered 'poor' or 'satisfactory'.
- Communication about consultation opportunities: where 40 per cent of respondents answered 'poor' or 'satisfactory'.

Response to Question 10

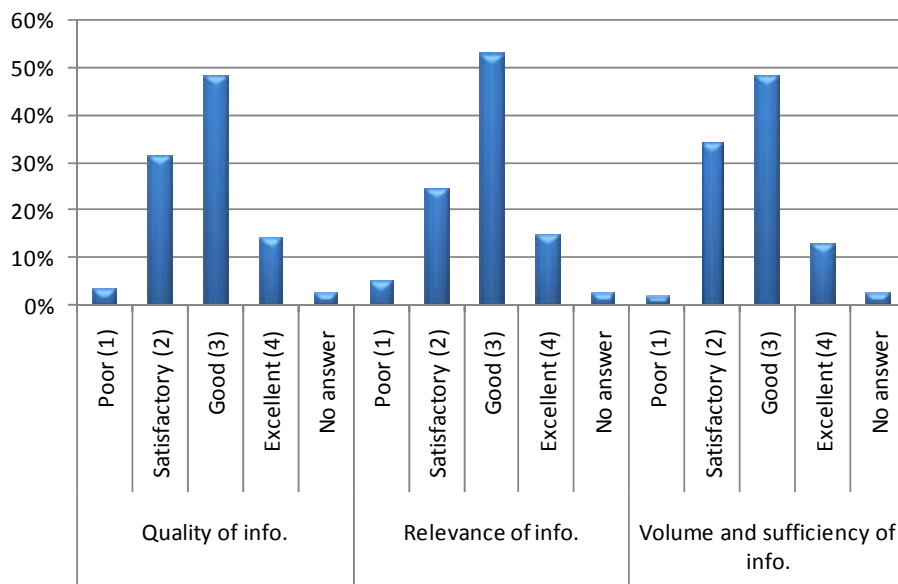
Question 10: Please rate the following aspects of the AER's communication processes and materials: communication of role, communication about consultation opportunities, communication of outputs, responsiveness, quality of information, relevance of information and volume and sufficiency of information.

The following charts show all responses to Question 10 for all respondents.

Communication processes and materials



Communication processes and materials



The table below groups together ‘poor’ and ‘satisfactory’ responses and ‘good’ and ‘excellent’ responses on the basis that most organisations which complete a stakeholder survey are striving to attract ‘good’ or ‘excellent’ ratings from stakeholders.

For example, 68 per cent of all respondents answered ‘good’ or ‘excellent’ when asked to rate the ‘relevance of information’ provided by the AER.

Communication	‘Poor’ and ‘satisfactory’ responses	‘Good’ and ‘excellent’ responses
Communication of role	35% (40)	62% (71)
Communication about consultation opportunities	40% (46)	56% (64)
Communication of outputs	34% (39)	62% (71)
Responsiveness	45% (51)	51% (58)
Quality of information	35% (40)	62% (71)
Relevance of information	30% (34)	68% (77)
Volume and sufficiency of information	36% (41)	61% (70)

NB: Some respondents did not answer the question hence each row total does not equal 100 per cent.

Industry versus Non-industry

Non-industry respondents answered ‘good’ or ‘excellent’ more often than Industry respondents when asked to rate the AER’s ‘communication about consultation opportunities’, ‘communication of outputs’, ‘responsiveness’, ‘quality of information’, ‘relevance of information’ and ‘volume and sufficiency of information’. Industry respondents answered ‘good’ or ‘excellent’ more often than Non-industry respondents when asked to rate the AER’s ‘communication of role’.

Industry stakeholders are defined as recipients who fall into the categories of electricity distribution, transmission and/or retail, gas distribution, transmission and retail, generators, consultant or industry representative/association.

Non-industry stakeholders are defined as recipients who fall into the categories of ombudsman, regulators, Government Departments, consumer representative/association or minister/ministerial adviser.

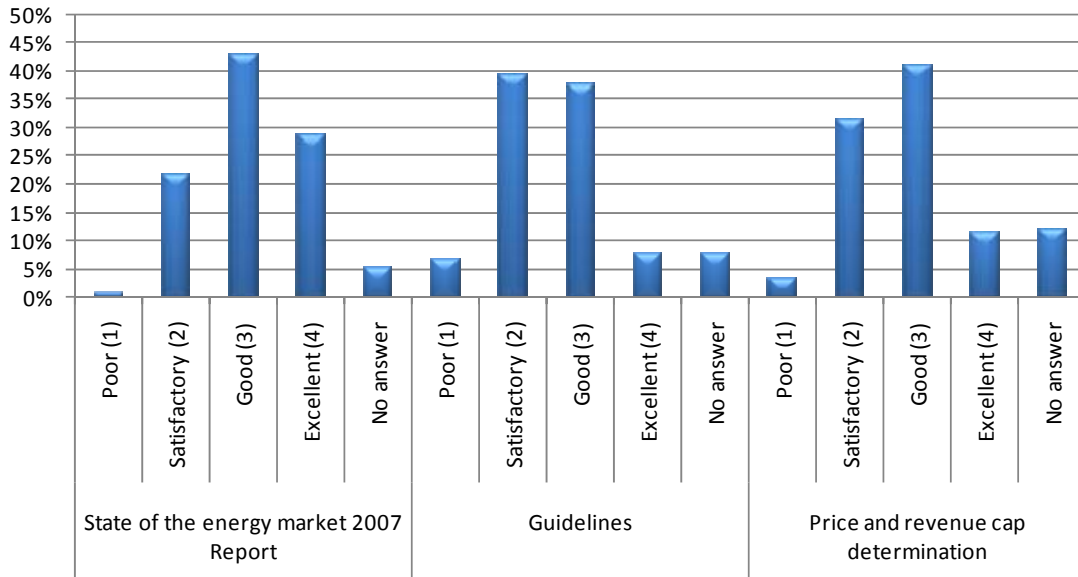
Communication	Industry ‘good’ and ‘excellent’ responses	Non-industry ‘good’ and ‘excellent’ responses
Communication of role	64%	56%
Communication about consultation opportunities	55%	59%
Communication of outputs	58%	71%
Responsiveness	51%	53%
Quality of information	61%	65%
Relevance of information	65%	71%
Volume and sufficiency of information	56%	71%

Response to Question 11

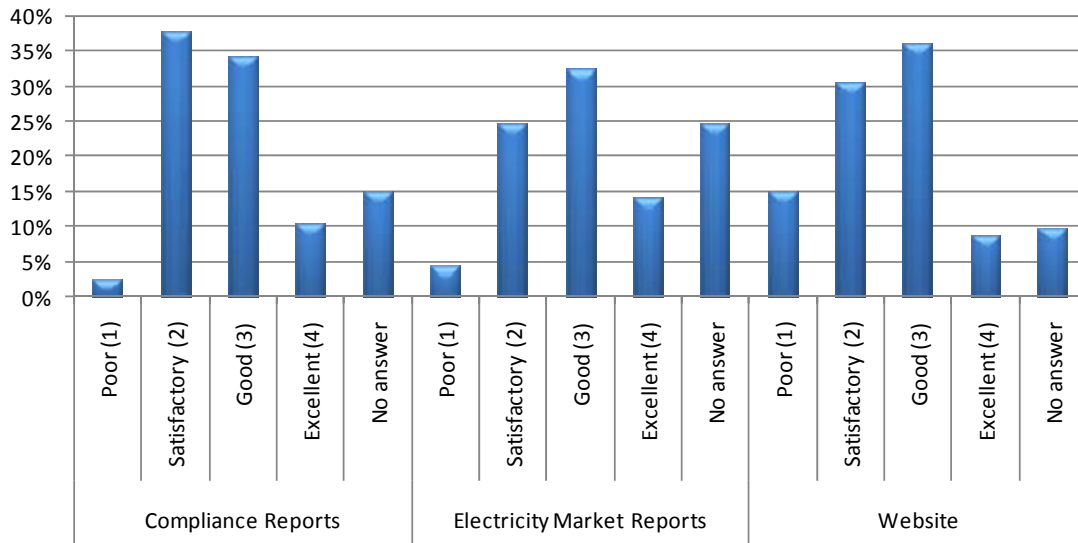
Question 11: Please rate the following AER communication tools: State of the Energy Market 2007 Report, guidelines, price and revenue cap determinations, compliance reports, electricity market reports and the website.

The following charts show all responses to Question 10 for all respondents.

Communication Tools



Communication tools



The table below groups together 'poor' and 'satisfactory' responses and 'good' and 'excellent' responses on the basis that most organisations which complete a stakeholder survey are striving to attract 'good' or 'excellent' ratings from stakeholders.

For example, 72 per cent of all respondents answered 'good' or 'excellent' when asked to rate the 'State of the Energy Market 2007 Report'.

Communication	'Poor' and 'satisfactory' responses	'Good' and 'excellent' responses
State of the Energy Market 2007 Report	23% (26)	72% (82)
Guidelines	46% (53)	46% (52)
Price and revenue cap determinations	35% (40)	53% (60)
Compliance reports	40% (46)	45% (51)
Electricity market reports	29% (33)	46% (53)
The website	46% (52)	45% (51)

NB: Some respondents did not answer the question hence each row total does not equal 100 per cent.

Industry versus Non-industry

On all but two communication tools ('guidelines' and 'website'), Non-industry respondents answered 'good' or 'excellent' more often than Industry respondents.

Industry stakeholders are defined as recipients who fall into the categories of electricity distribution, transmission and/or retail, gas distribution, transmission and retail, generators, consultant or industry representative/association.

Non-industry stakeholders are defined as recipients who fall into the categories of ombudsman, regulators, Government Departments, consumer representative/association or minister/ministerial adviser.

Communication	Industry 'good' and 'excellent' responses	Non-industry 'good' and 'excellent' responses
State of the Energy Market 2007 Report	65%	85%
Guidelines	48%	41%
Price and revenue cap determinations	45%	68%
Compliance reports	38%	59%
Electricity market reports	38%	65%
The website	47%	38%

Response to Question 12

Question 12: Do you have any additional comments in relation to AER's communication processes, materials or outputs?

Thirty per cent survey respondents provided additional comments in the space provided in response to Question 9.

The main areas of comment were in relation to:

- guidelines produced by the AER;
- opportunities for the AER's website;
- volume and consistency of information provided by the AER;
- the value of the State of the Energy Market 2007 Report; and
- communication to support consultation with stakeholders.

CONCLUSION

In conducting the Stakeholder Survey, Buchan consultants found the vast majority of respondents were pleased with the opportunity to participate.

We believe the results obtained and analysis provided within this report provide valuable benchmarking measurements for the Australian Energy Regulator.

In addition, we believe all stakeholders that participated in the 2007-2008 survey would be favourably pre-disposed to participate again in the future.

APPENDIX A: Cover Letter and Survey

[date] November 2007

<Contact Name>
<Title>
<Organisation>
<Address details>

Dear <Name>

Stakeholder Survey: Australian Energy Regulator

The Australian Energy Regulator (AER) is conducting a survey of its key stakeholders to assess its performance against the AER's 2006-08 Strategic Plan. The Strategic Plan articulates our role, our vision and our values.

Results of this – the first stakeholder survey conducted by the AER – will inform future direction setting, and also establish important benchmarks against which we can measure performance in future surveys.

Specifically, the survey is designed to seek your views on, and experiences with, the operations of the AER in the following areas:

- Performance
- Reputation
- Communication

Results of the survey will enable establishment of benchmarks against which we can measure ongoing performance, as well as identify areas for operational improvements and enhanced communication and consultation.

The AER has appointed Buchan Consulting to conduct the survey.

The attached survey form has been designed to be completed by you in a few minutes and to be returned by mail or fax to Buchan Consulting.

We have allowed for the provision of information on a totally confidential basis, in recognition of the Commonwealth Privacy Act 1988.

Completion of the survey will assist the AER in achieving its vision *to be recognised as a world best practice energy regulator*. We are grateful for your consideration of the attached survey and thank you in advance for your participation.

Should you have any enquiries regarding the survey content or its conduct, please contact Matthew Read at Buchan Consulting on (03) 9866 4722 or Michelle Groves at the Australian Energy Regulator on (03) 9290-1422.

Yours sincerely

Steve Edwell
Chairman

AUSTRALIAN ENERGY REGULATOR STAKEHOLDER SURVEY

By completing the following survey, which assesses your views of the Australian Energy Regulator (AER) in relation to performance, reputation and communication, you will assist the AER in achieving its vision of *being a world best practice energy regulator*.

PRIVACY

We have allowed for the provision of information on a totally confidential basis, in recognition of the Privacy Act 1988 (Commonwealth).

Further, Buchan Consulting commits to ensuring individual responses will remain confidential and will not be released to the AER, under any circumstances.

CONTACT DETAILS

Do you work for a business? Yes / No (Please circle)

IF YES, please select from the below options (tick as many boxes as applicable):

- | | |
|---|---|
| <input type="checkbox"/> Electricity - distribution | <input type="checkbox"/> Gas - distribution |
| <input type="checkbox"/> Electricity - transmission | <input type="checkbox"/> Gas - transmission |
| <input type="checkbox"/> Electricity - retailer | <input type="checkbox"/> Gas - retailer |
| <input type="checkbox"/> Consultant | <input type="checkbox"/> Generator |

Please identify your role within this type of business:

- | | |
|--|--|
| <input type="checkbox"/> CEO/Managing Director | <input type="checkbox"/> Corporate Affairs |
| <input type="checkbox"/> Regulation | <input type="checkbox"/> Other |

If other, please specify:

IF NO, please select from the below options (tick as many boxes as applicable):

- | | |
|--|--|
| <input type="checkbox"/> Ombudsman | <input type="checkbox"/> Industry representative / association |
| <input type="checkbox"/> Regulator | <input type="checkbox"/> Consumer representative / association |
| <input type="checkbox"/> Government Department | <input type="checkbox"/> Minister / ministerial adviser |
-

PERFORMANCE

1) Please rate the AER's performance in relation to its:

Professionalism	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Timeliness	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Quality of outputs	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Analytical/intellectual capacity	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Processes	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Understanding of the impact of decisions	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Conduct within the legislative framework	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent

2) If applicable, please identify opportunities for performance improvements.

3) Please indicate on the scale below the AER's performance in relation to:

Leadership	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Governance	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Independence	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Technical competence	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Impartiality	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent

4) What level of knowledge do you have of the legislative framework within which the AER operates?

- low moderate high

5) Do you believe the AER is fulfilling its statutory role in protecting the long-term interests of Australians consumers with regard to the price, quality and reliability of energy services?

- Yes No

6) If no, how do you think the AER can improve in this role?

7) Do the AER's consultation processes provide adequate opportunity for consultation with stakeholders?

- never sometimes often always

REPUTATION

8) Please rate how well the following words describe the reputation of the AER (1 = poorly; 4 = very well).

Credible	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Reliable	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Effective	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Helpful	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Technically competent	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Independent	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
Cooperative	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4

9) Are there any other comments you wish to make regarding the reputation of AER:

COMMUNICATION

10) Please rate the following aspects of the AER's communication processes and materials:

Communication of role	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Communication about consultation opportunities	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Communication of outputs	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Responsiveness	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Quality of information	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Relevance of information	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent
Volume and sufficiency of information	<input type="checkbox"/> poor	<input type="checkbox"/> satisfactory	<input type="checkbox"/> good	<input type="checkbox"/> excellent

11) Please rate the following AER communication tools:

Status of the Energy Market 2007 Report	<input type="checkbox"/>	N/A	<input type="checkbox"/>	poor	<input type="checkbox"/>	satisfactory	<input type="checkbox"/>	good	<input type="checkbox"/>	exceller
Guidelines	<input type="checkbox"/>	N/A	<input type="checkbox"/>	poor	<input type="checkbox"/>	satisfactory	<input type="checkbox"/>	good	<input type="checkbox"/>	exceller
Price and revenue cap determinations	<input type="checkbox"/>	N/A	<input type="checkbox"/>	poor	<input type="checkbox"/>	satisfactory	<input type="checkbox"/>	good	<input type="checkbox"/>	exceller
Compliance reports	<input type="checkbox"/>	N/A	<input type="checkbox"/>	poor	<input type="checkbox"/>	satisfactory	<input type="checkbox"/>	good	<input type="checkbox"/>	exceller
Electricity Market reports (weekly \$5000 and investigation)	<input type="checkbox"/>	N/A	<input type="checkbox"/>	poor	<input type="checkbox"/>	satisfactory	<input type="checkbox"/>	good	<input type="checkbox"/>	exceller
Website	<input type="checkbox"/>	N/A	<input type="checkbox"/>	poor	<input type="checkbox"/>	satisfactory	<input type="checkbox"/>	good	<input type="checkbox"/>	exceller

12) Do you have any additional comments in relation to AER's communication processes, materials or outputs? If so, please indicate below:

RETURNING THE SURVEY

Thank you for your assistance with this important survey.

Completed questionnaires can be **faxed** to Buchan on 03 9867 1716 or 03 9820 2809 or mailed in the envelope provided to:

Australian Energy Regulator Survey
Buchan Consulting
Level 13, 499 St Kilda Road
Melbourne Victoria 3004

All inquiries: Matthew Read at Buchan Consulting – 03 9866 4722
Michelle Groves at the Australian Energy Regulator – 03 9290 1422