

Response to the ERA's Draft Decision on required amendments to the Access Arrangement for the Mid-West and South-West Gas Distribution System

19 December 2014

Spending by GTE's on Communications



1. Introduction

ATCO Gas Australia has reviewed publicly available financial information, based on various 2014 Annual reports of Western Australian Government Trading Entities (GTE) in regards to expenditure in the areas of marketing, communications, advertising and market research.

2. Water Corp

2.1 Reportable expenditure

The *Electoral Act 1907* (S. 175 ZE) requires the disclosure of certain categories of expenditure. Details of the organisations contracted and the amounts paid for the financial year are as follows:

Advertising agency	Amount paid
303	\$1,300,975*
Brand Agency	\$757,188^
AdCorp	\$143,034
Media advertising	Amount paid
Media Decisions	\$1,838,628
Mitchells	\$250,508
Market research	Amount Paid
IPSOS	\$257,908
Metrix	\$115,068

(1) These amounts include costs associated with the Corporation's Target 60 campaign, the winter sprinkler ban and Groundwater Replenishment Trial.

(2) These amounts include costs associated with the Corporation's My Water and two-monthly billing campaigns.

3. Western Power

3.1 ELECTORAL ACT (SECTION 175ZE)

In accordance with section 175ZE of the *Electoral Act*, the following expenditure was incurred by Western Power during the 2014 financial year. The expenditure includes costs associated with public safety campaigns, the Future Energy Alliance, planned outage notifications, self-read meter mail outs and recruiting.

Category	Amount (\$)	Recipient	Nature of work
Advertising agencies	263,197	Adcorp Australia	Various including: notification of planned works and outages, staff recruitment and other media bookings
	174,074	Marketforce	Public safety campaigns
	1,930,454	Brand Agency	Public safety campaigns
	5,778	303 Advertising Group	Future Energy Alliance
	5,486	Workhouse Advertising	Customer communications materials
	85,101	Eight Steps West	Communications
	111,865	Meerkats	Community communications and measurement development
Sub-total	2,575,955		
Market research	155,200	Taylor Nelson Sofres	Business market research
	20,000	Metrix Consulting	Website research
	233,000	Ipsos (formerly Synovate)	Various including: customer service research, education communication campaign research and analysis
Sub-total	408,200		
Direct mail organisations	657,491	Bing Technologies	Notification of planned works
Sub-total	657,491		
Media advertising	83,930	Mitchells & Partners	Public education communications media
	825,032	Optimum Media Decisions	Public safety campaigns
Sub-total	908,962		
Total expenditure	4,550,608		

4. Horizon Power:

4.1 Western Australian Electoral Act 1907

In accordance with the requirements of Section 175ZE of the Western Australian Electoral Act 1907, the following information in respect to expenditures (excluding GST) incurred by Horizon Power during the period 1 July 2013 to 30 June 2014 is presented. This expenditure includes costs associated with public safety advertising campaigns, planned outage notifications, self-read meter mail outs and recruitment.

Advertising agency	Amount paid
Advertising agencies	\$387,705
Mindfield , Brand Agency	\$1263
Media advertising	Amount paid
Adcorp, Carat Australia Media Services, KEA, Farmguide	\$256,290
Market research	Amount Paid
Metrix	\$71,973
Total expenditure	\$717,300

5. Synergy:

5.1 Expenditure on advertising, market research and direct mail

In accordance with the requirements of Section 175ZE of the *Western Australian Electoral Act 1907*, Synergy incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

Total expenditure for the six months January to June 2014 was \$2,741,724

Table 5–1: <Caption text>

Expenditure was incurred in the following areas:	
Expenditure	Total
Advertising agencies: Meerkats, the Brand Agency, 303 Lowe and Cubed	\$1,776,594
Market research organisations: Research Solutions, Synovate Pty Ltd, David Reid, Painted dog, PMSI and Taylor Nelson	\$200,328
Direct mail organisations: Computershare, Australia Post, Fuji Xerox Business Force	\$312,404
Other Suppliers: Nielsen, iSenitia, IPSOS, EOUKA	\$452,398
Total	\$2,741,724

Figure 5–1: Expenditure on advertising, market research and direct mail

The above expenditure includes movement in accruals at January 2014 and June 2014.

The above totals include Synergy's contribution of \$141,296 to the Future Energy Alliance (FEA), which formed part of the state government's Switch the Future energy usage awareness campaign. The Future Energy Alliance was disbanded during the reporting period.