



Economic Regulation Authority

Client Stakeholder Survey 2019

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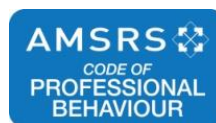


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1. EXECUTIVE SUMMARY

The Economic Regulation Authority (ERA) commissioned Advantage Communications – Research (Advantage), a WA independent research consultancy to conduct a survey of the ERA’s key client stakeholders to determine satisfaction with the achievement of its goals as well as report on its key performance indicators.

The performance evaluation measures included:

- Overall Satisfaction with ERA Performance
- Performance of the ERA in meeting its current and previous strategic plan goals
- Importance of the ERA’s Strategic Goals
- Importance/Satisfaction Gap comparison
- Performance of ERA in demonstrating core values
- Performance of ERA in effectively promoting awareness of its role
- Satisfaction that ERA acts in long-term interests of WA consumers

The questionnaire framework used for the research was provided by ERA (see Appendix I). Similar surveys were conducted with the ERA’s client stakeholders in 2009, 2012, 2014 and 2017. Given the significant differences between the questionnaires in each of the previous surveys, comparisons between surveys can only be shown where there is a very high degree of continuity.

Survey fieldwork occurred over a two week period from 20th May 2019 to 31st May 2019.

128 surveys were completed from 178 valid stakeholders (a response rate of 72%) giving a maximum standard error ratio of +/-4.6% at the 95% confidence level, which satisfies the minimum requirements of the Office of the Auditor General for a maximum standard error ratio of +/-5% at the 95% confidence level. *Further details on the research approach are provided in Section 2.*

Following is an overview of the results for the Key Performance Indicators. *Detailed findings are provided in Section 3.*

Performance Indicators

NOTE: In this report, ratings percentages, net percentage ratings for both 'satisfaction' and 'agreement' and mean scores (out of 4) are calculated using only those respondents who have answered any given question i.e. excluding not applicable or refusals.

Overall Satisfaction

As can be seen below, satisfaction with the ERA is high, with the majority (81%) of the 128 client stakeholders surveyed this year indicating they were satisfied to some extent (*either very satisfied or satisfied*) with the ERA's overall performance. While this result is a decrease of 3 percentage points compared with the last survey conducted in 2017, the mean rating is the same because more stakeholders were very satisfied and fewer were very dissatisfied.

Overall, this year's survey results show that the ERA continues to perform well, with the vast majority of stakeholders indicating satisfaction with the overall performance of the ERA.

Table 1a - Satisfaction with Overall Performance	KPI Score				
	2019	2017	2014	2012	2009
Overall performance of the ERA (<i>n=126</i>)	81%	84%	72%	83%	90%

Table 1b - Satisfaction with Overall Performance	Mean Score				
	2019	2017	2014	2012	2009
Overall performance of the ERA (<i>n=126</i>)	3.0	3.0	2.8	3.0	3.0

Satisfaction with ERA Performance *(Strategic Plan 2018-2021)*

Stakeholders were asked their satisfaction that ERA is meeting its strategic goals as outlined in the 2018-2021 Strategic Plan and previous plans. Perception of the ERA’s performance in meeting these goals is very positive. All goal areas achieved net satisfied scores of between 72% and 87%.

The highest satisfaction was with the performance of the ERA in “*explaining our decisions and advice clearly*” (86%) whilst the lowest score was for “*understanding and responding to changes in business practices and the economy.*” (74%). The goals included in Table 2 are new for the 2019 survey, so cannot be compared to previous years.

Table 2 – Satisfaction with ERA Performance <i>(Strategic Plan 2018-2021)</i>	KPI Score 2019	Mean Score 2019
a. Explaining our decisions and advice clearly <i>(n=123)</i>	86%	3.1
b. Understanding and responding to changes in business practices and the economy <i>(n=103)</i>	74%	2.8
c. Actively managing our regulatory responsibilities for the benefit of consumers <i>(n=114)</i>	82%	3.0
Overall Satisfaction with ERA Performance <i>(Strategic Plan 2018-2021)</i>	81%	3.0

Table 3a – Satisfaction with ERA Goals	KPI Score				
	2019	2017	2014	2012	2009
a. Minimising regulatory compliance costs (n=100)	72%	61%	56%	68%	67%
b. Improving regulatory compliance (n=104)	87%	93%	78%	89%	-
c. Improving the efficiency and effectiveness of our regulatory decision making (n=106)	72%	-	65%	76%	-
d. Providing high quality advice to Government (n=88)	81%	88%	74%	87%	90%
e. Maintaining certainty for the industries we regulate (n=110)	76%	75%	62%	71%	76%
f. Achieving a high degree of confidence in our decisions (n=114)	74%	82%	69%	79%	87%

Table 3b – Satisfaction with ERA Goals	Mean Score				
	2019	2017	2014	2012	2009
a. Minimising regulatory compliance costs (n=100)	2.8	2.6	2.4	2.8	2.7
b. Improving regulatory compliance (n=104)	3.0	3.2	2.8	3.0	-
c. Improving the efficiency and effectiveness of our regulatory decision making (n=106)	2.8	-	2.6	2.9	-
d. Providing high quality advice to Government (n=88)	3.0	3.1	2.8	3.2	3.2
e. Maintaining certainty for the industries we regulate (n=110)	2.9	2.8	2.6	2.9	2.8
f. Achieving a high degree of confidence in our decisions (n=114)	2.8	2.9	2.7	3.0	3.1

Table 3c - Satisfaction with ERA Goals	KPI Score				
	2019	2017	2014	2012	2009
Overall Satisfaction with ERA Goals Average of figures in Table 3a	77%	80%	67%	78%	80%

Table 3d – Satisfaction with ERA Goals	Mean Score				
	2019	2017	2014	2012	2009
Overall Satisfaction with ERA Goals Average of figures in Table 3b	2.9	2.9	2.7	3.0	3.0

Importance of ERA Goals *(Strategic Plan 2018-2021)*

There is a high degree of importance associated with the ERA's current strategic goals, as set out in the Strategic Plan 2018-2021. All of the goals achieved a net important score (*either important or very important*) of 97% or above.

Table 4 – Importance of ERA Goals <i>(Strategic Plan 2018-2021)</i>	KPI Score 2019	Mean Score 2019
a. Understanding and responding to changes in business practices and the economy <i>(n=126)</i>	98%	3.6
b. Improving the quality of our regulation and analysis <i>(n=126)</i>	98%	3.6
c. Actively managing our regulatory responsibilities for the benefit of consumers <i>(n=125)</i>	98%	3.6
d. Identifying and preventing the possibilities of significant non-compliance <i>(n=126)</i>	97%	3.5
e. Explaining our decisions and advice clearly <i>(n=126)</i>	99%	3.7
f. Engaging effectively with our stakeholders <i>(n=127)</i>	99%	3.7
g. Valuing our people <i>(n=115)</i>	99%	3.5
Overall Importance of ERA Goals <i>(Strategic Plan 2018-2021)</i>	98%	3.6

Satisfaction that ERA Demonstrates Core Values

The ERA has performed well in demonstrating core values within a net agreement range of 77% to 99%, compared to a range of 75% to 95% in 2017. Net agreement scores were higher this year across eight of the nine values also measured in 2017. Only the score achieved for “*excellence*” has decreased marginally compared to last time.

The highest scores were for “*commitment*” and “*respect*” both at 99% this year. The lowest net agreement score was for “*continuous improvement*” (77%) which was also the lowest score in 2017 (75%).

Table 5 – Satisfaction that ERA demonstrates core values	KPI Score 2019	Mean Score 2019	KPI Score 2017	Mean Score 2017
Integrity (n=121)	96%	3.4	95%	3.3
Professionalism (n=125)	96%	3.3	95%	3.3
Commitment (n=118)	99%	3.3	95%	3.2
Respect (n=117)	99%	3.3	92%	3.1
Impartiality (n=118)	92%	3.3	87%	3.2
Excellence (n=117)	81%	3.0	87%	3.0
Transparent in its dealings (n=121)	86%	3.1	83%	2.9
Consults widely (n=121)	86%	3.1	81%	3.0
Continuous improvement (n=103)	77%	2.9	75%	2.9
Teamwork (new value in 2019) (n=117)	91%	3.1	-	-
Overall Satisfaction that ERA Demonstrates Key Values	90%	3.2	88%	3.1

Satisfaction that ERA Effectively Promotes its Role

Around half (51%) of all client stakeholders surveyed felt that the ERA effectively promotes its role to the wider community. This is 2% higher than in 2017.

Table 6 – Satisfaction that the ERA effectively promotes its role	KPI Score 2019	Mean Score 2019	KPI Score 2017	Mean Score 2017
The ERA effectively promotes its role to the wider community (n=108)	51%	2.5	49%	2.5

Satisfaction that ERA acts in the long-term interests of WA consumers

85% of all client stakeholders surveyed felt that the ERA acts in the long-term interests of Western Australian consumers. (New table for 2019)

Table 7 – Satisfaction that the ERA acts in the long-term interests of Western Australian consumers (new table for 2019)	KPI Score 2019	Mean Score 2019	KPI Score 2017	Mean Score 2017
The ERA acts in the long-term interests of WA consumers (n=119)	85%	3.1	-	-

2. BACKGROUND & RESEARCH METHODOLOGY

Introduction

The Economic Regulation Authority (ERA) is an independent statutory authority with the responsibility for specific regulatory functions in gas, rail, water and electricity. These include:

- Pricing
- Licensing
- Undertaking of specific inquiries referred to the ERA by the Government
- Provision of administrative support to the Western Australian Gas Disputes Arbitrator.

As an organisation that deals with external client stakeholders it is important for the ERA to gather feedback from its client stakeholder base in order to report and/or act on this feedback.

Advantage Communications Research was commissioned to conduct the ERA's 2019 client stakeholder survey, which forms part of its annual performance reporting requirement. The outcomes from the survey also provide ERA with important information to ensure they are continually improving their provision of services to clients. Following is an overview of the approach to the research task.

Research Objectives

The primary objective was to obtain information from clients and stakeholders that could be used as a measure as to whether the ERA has met the primary goals from its 2018-2021 Strategic Plan. The specific performance evaluation measures included:

- Overall Performance
- Performance of the ERA in meeting its key KPIs (*Strategic Plan 2018-2021*)
- Importance of ERA goals (*Strategic Plan 2018-2021*)
- Performance of ERA in demonstrating core values
- Performance of ERA in effectively promoting awareness of its role to wider community
- Satisfaction that ERA acts in long-term interests of WA consumers

Questionnaire Design

The questionnaire framework was supplied by the ERA. While many elements of this year's questionnaire are identical to those used in the 2017 client stakeholder survey, the ERA's main goals to be measured this year were updated to reflect those outlined in the current strategic plan.

Prior to commencement of the data collection, Advantage reviewed the question formats in close consultation with management at ERA. A copy of the online questionnaire used in the 2019 survey can be seen in Appendix I to this report.

Data Collection Methodology

The stakeholder survey was conducted using a combination of online self completion and telephone interviews.

The ERA provided Advantage with a list of client stakeholders who were sent an email invitation to complete the stakeholder survey online (via Survey Monkey) on May 2nd 2019. Stakeholders were also given prior notification via email from ERA that a survey was being conducted.

In order to ensure maximum response, clients who had not completed the survey online received up to two reminder emails (on 9th May 2019 and 15th May 2019).

A total of 86 completed surveys were self-completed online by the cut-off date of 20th May (a 43% response). Respondents who had still not completed the survey online following the cut-off were then followed up over the following two weeks to complete the survey over the telephone. The final distribution was 86 on-line (67%) and 42 phone interviews (33%).

A copy of the phone questionnaire and text used in the email invitation and reminder emails has been provided in the Appendices (*Appendix II*).

Response Rate and Survey Accuracy

The ERA provided Advantage with a contact list for 198 stakeholders. After removing duplicate contacts and contacts that had left the stakeholder organisation or those that have had no dealings with the ERA, the effective population was reduced to 178 current valid stakeholders. A total of 128 surveys were obtained from these stakeholders which satisfies the requirements of the office of the Auditor General (OAG) for the purposes of annual reporting, of a maximum standard error ratio of +/-5% at the 95% confidence level. The final response rate of 72% exceeds the minimum requirements of the Office of the Auditor General's for a minimum response of 50%.

Table 8 – Response Rates by Stakeholder Category

STAKEHOLDER CATEGORY	Count 2019	% 2019
Business Licensing	39	31%
Access	32	25%
Energy	27	21%
Utility Services Regulation	24	19%
ERACCC	4	3%
Rail	2	2%
TOTAL	128	100%

Surveys were conducted in accordance with the requirements of the Federal Privacy Act and the Australian Market & Social Research Society (AMSRS) Professional Code of Conduct. The quality of data collected and the "completeness" of each survey were checked by our supervisory staff before and after input.

Data Analysis and Reporting Notes

Following data collection, SPSS market research software was used to capture and analyse the data from the surveys and to produce a statistical, tabular and graphical presentation of responses.

The results for each question area are presented in terms of their frequency distribution as well as a mean score to enable effective analysis of the results. In addition, where respondents were asked to rate their satisfaction or agreement with various statements about the ERA, these results have been reported in terms of the proportion of respondents who gave a “net positive” response (i.e. very satisfied/satisfied or strongly agree/agree) or “net negative” response (i.e. very dissatisfied/dissatisfied or strongly disagree/disagree) excluding those respondents who have not answered any given question i.e. excluding not applicable or refusals. Results are rounded to the nearest whole number and therefore some totals may not add up to exactly 100%.

Where relevant, comparisons have been made between results this year and those recorded in the 2017 survey. Where no comment has been made, this means that there was no significant difference between them. Comparisons with previous survey findings are also included in the relevant graphs or tables. Answers to open ended questions have been reported verbatim.

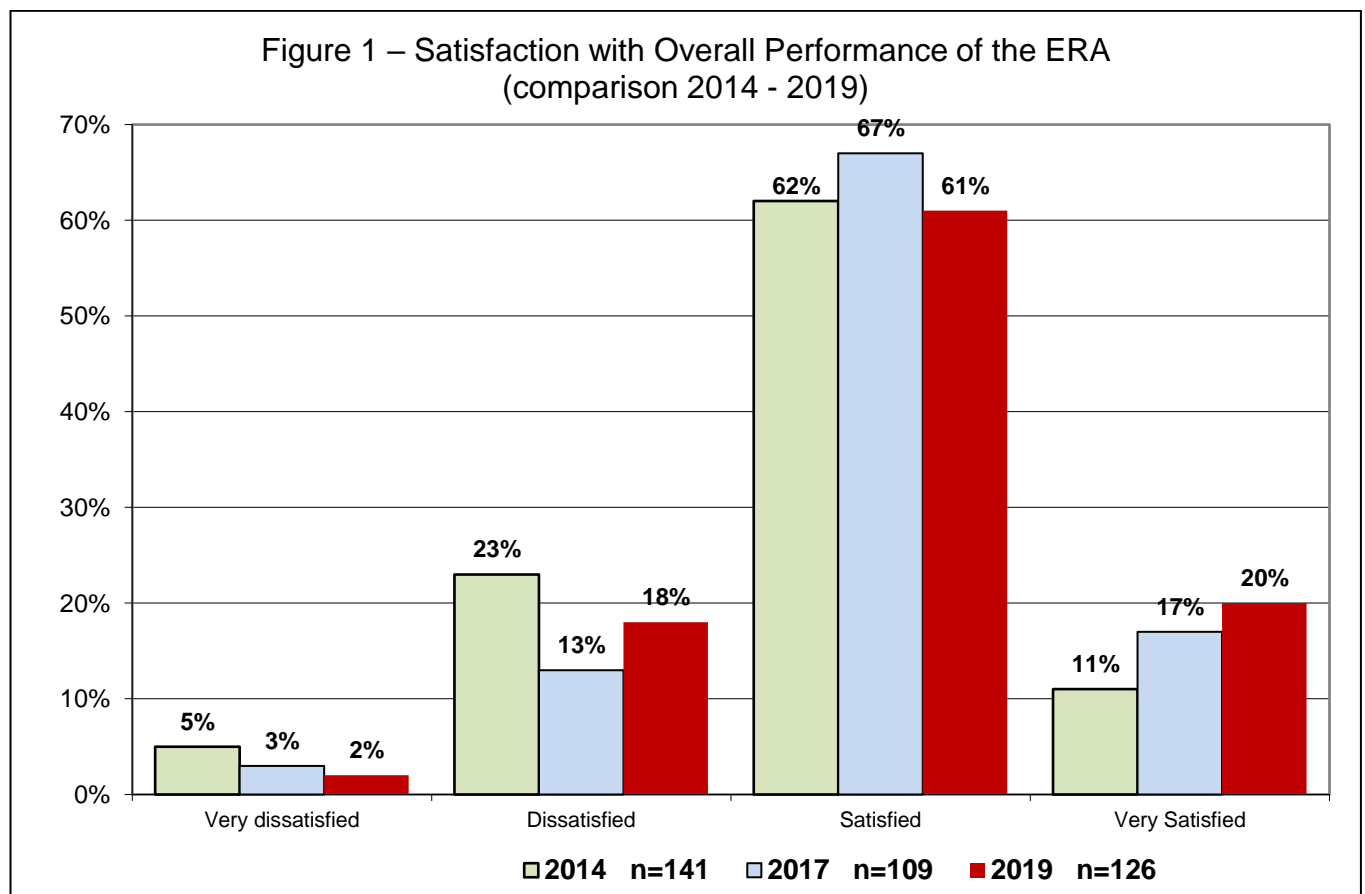
3. FINDINGS IN DETAIL

Satisfaction with the Overall Performance of the ERA

Client Stakeholder respondents were asked to indicate how satisfied they were with the overall performance of the ERA as either very satisfied, satisfied, dissatisfied or very dissatisfied.

The majority of the survey respondents (81%) were satisfied to some extent with the overall performance of the ERA – 20% were “very satisfied” and 61% “satisfied”. However, 22 of the 126 respondents (18%) indicated they were dissatisfied in some way. Two of these dissatisfied survey respondents were “very dissatisfied” (2%) and (16%) “dissatisfied”.

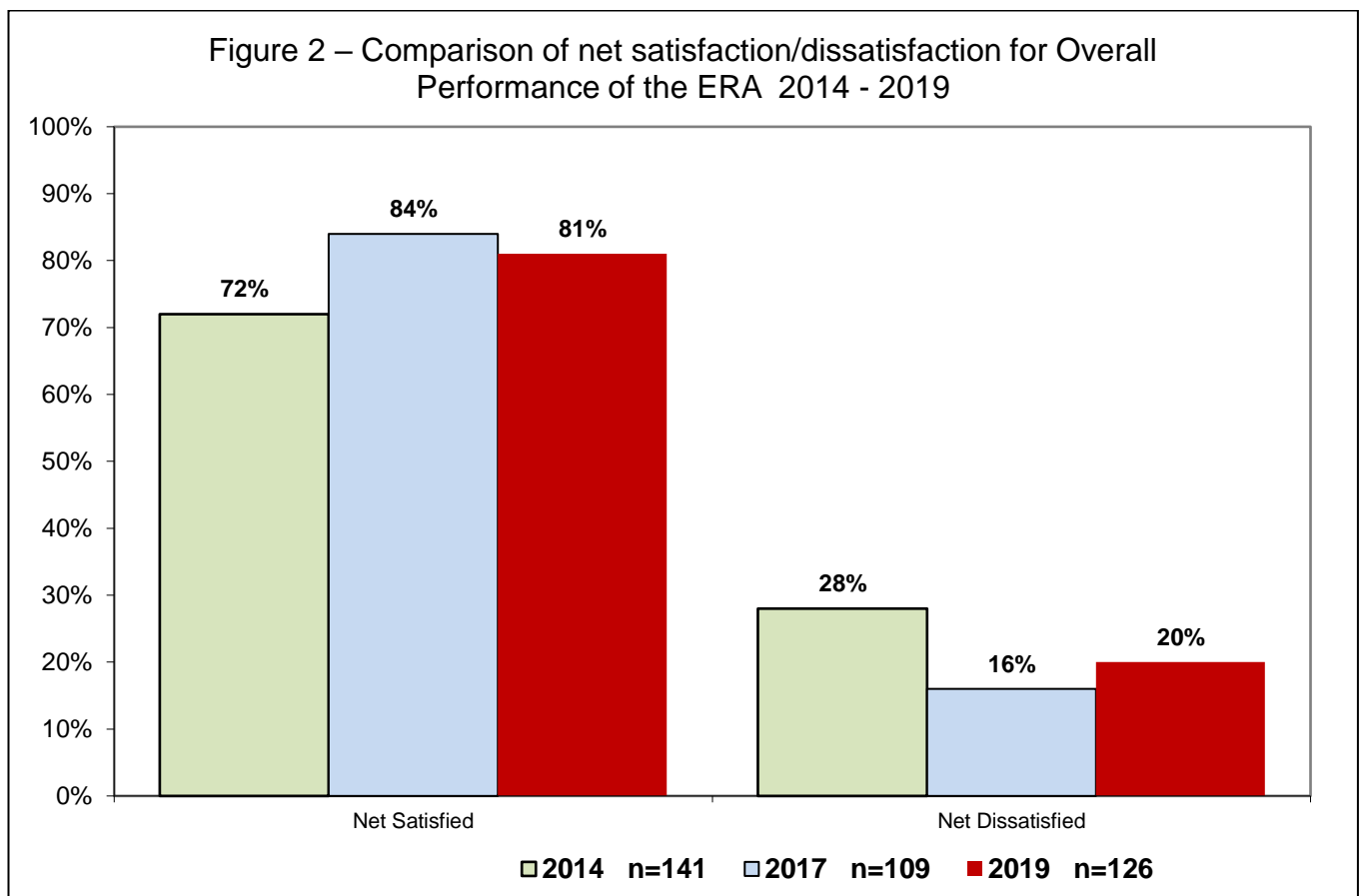
As shown below, whilst the proportion of “very dissatisfied” responses is the same (within the margin for error) as the last survey (2%), a similar proportion of this year’s survey respondents indicated they were “dissatisfied” with overall performance – 18% compared with 13% in 2017. Also, the proportion of respondents who were “very satisfied” has increased 3 percentage points from 17% in 2017 to 20% this survey.



As shown below, eight out of 10 or 81% of those stakeholders surveyed this year stated they were “satisfied” (either very satisfied or satisfied) with the overall performance of the ERA. This is 3 percentage points lower than the 84% reported in 2017.

The overall mean rating for 2019 was 3.0 out of a possible 4.0 (same as 2017).

Overall, this year’s survey results show that the ERA continues to perform well, with the vast majority of stakeholders indicating satisfaction with the overall performance of the ERA.



Performance of the ERA in Achieving its Strategic Plan Goals

Stakeholder respondents were read a list of three ERA goals from its current Strategic Plan (2018-2021) and six goals from previous plans and surveys and asked to indicate how satisfied they were with the ERA's performance in each area as either very satisfied, satisfied, dissatisfied or very dissatisfied.

As can be seen below, overall satisfaction (the proportion of respondents giving "very satisfied" or "satisfied" ratings) across the nine goals measured ranges from 72% to 87%.

The goals receiving the highest proportion of net satisfied (very satisfied/satisfied) ratings were - *"improving regulatory compliance"* (87%) and *"explaining our decisions and advice clearly"* (86%). The lowest net satisfaction ratings were given for the performance of the ERA in *"minimising regulatory compliance costs"* and *"improving the efficiency and effectiveness of our regulatory decision making"* both (72%)

It should be borne in mind that there have been changes to some questions over the five surveys since 2009. These variations can be seen below. Given that the changes in wording are mostly insignificant, the trend comparisons shown in the Executive Summary can still be considered appropriate.

- a. 2019 - Minimising regulatory compliance costs
Wording unchanged
- b. 2019 - Improving regulatory compliance
2017 - Regulatory compliance provided by ERA is at a high standard.
2012, 2014 - Improvement of regulatory compliance.
- c. 2019 - Improving the efficiency and effectiveness of our regulatory decision making
2014 - Improving efficiency and effectiveness in regards to regulatory decision making.
2012 - Ongoing efficiency and effectiveness in regards to regulatory decision making.
- d. 2019 - Providing high quality advice to Government
2017 - The ERA is recognised as a quality provider of economic analysis and advice on a broad range of issues.
2014, 2012 - The ERA is a respected and recognised provider of high quality advice to government ;2009 Providing quality information on relevant matters.
- e. 2019 - Maintaining certainty for the industries we regulate
2017,2014,2012,2009 - Promotion of certainty to regulatory risks.
- f. 2019 - Achieving a high degree of confidence in our decisions
2017,2014,2012,2009 - Achievement of a high degree of confidence in regulatory decisions made by ERA.

Figure 3 - Net satisfaction with ERA goals (2019)

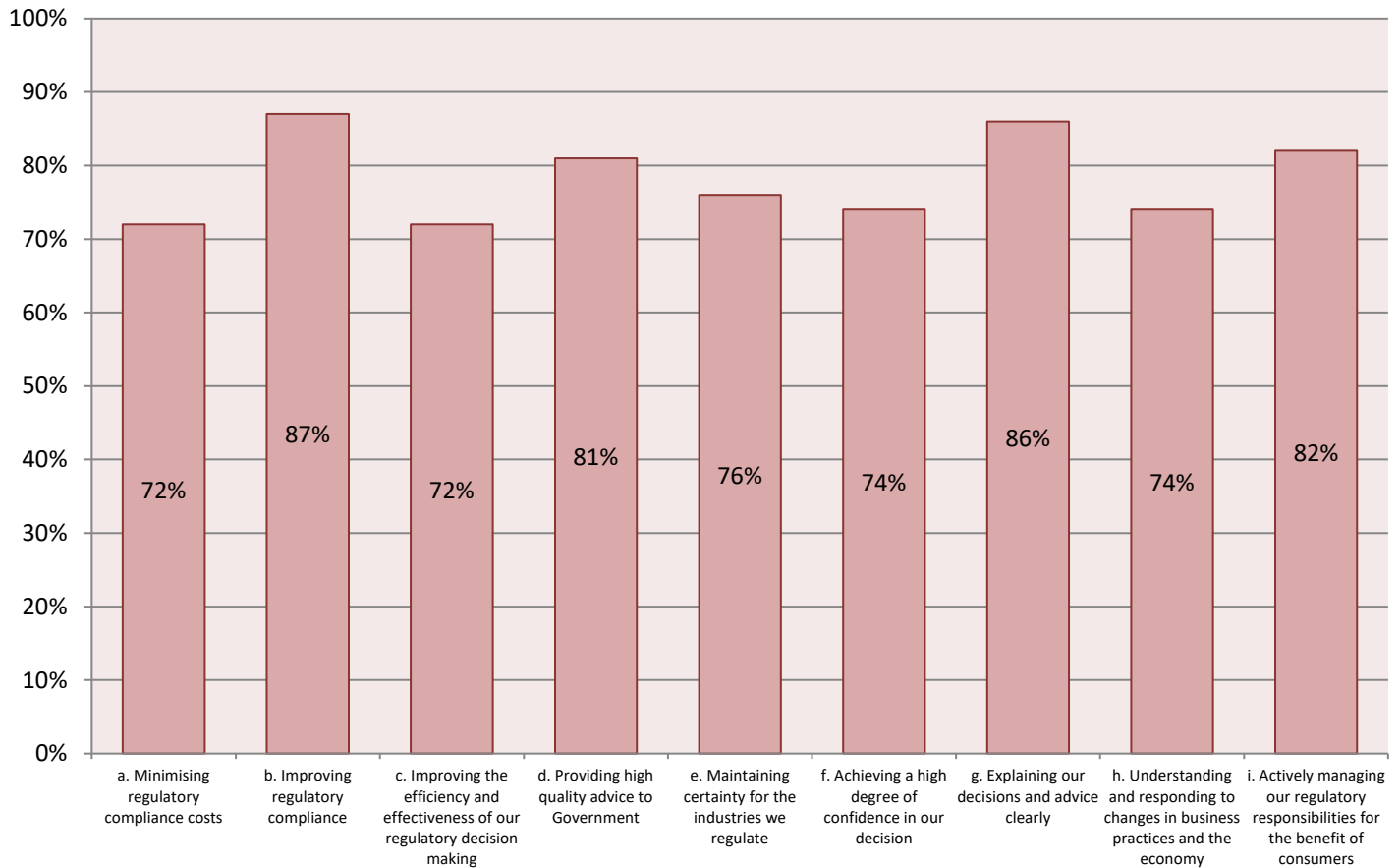
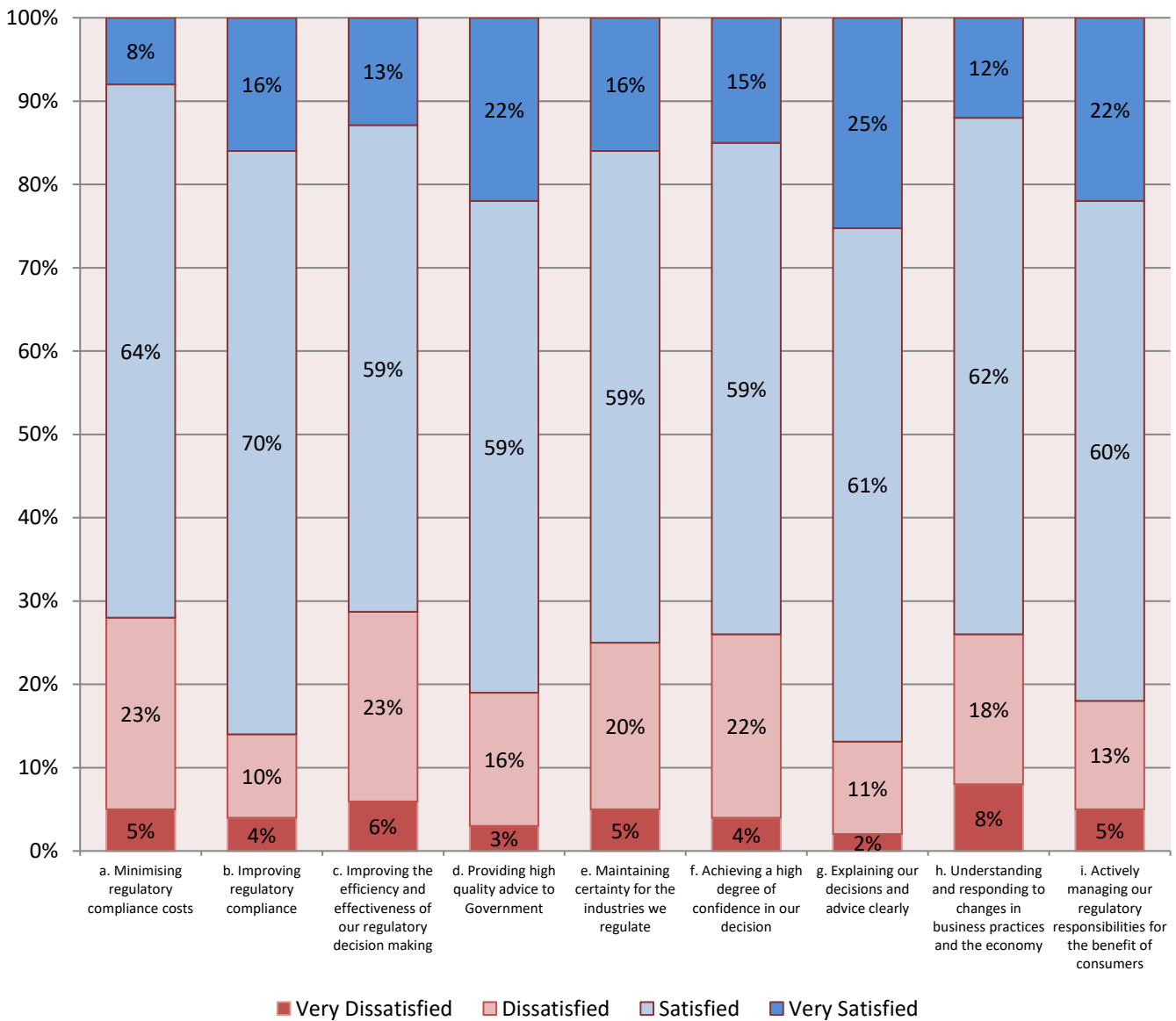


Figure 4 - Satisfaction Ratings Breakdown ERA Strategic Plan goals (2019)



Importance of the ERA’s Strategic Plan Goals

Respondents were asked to indicate the importance of each of ERA’s strategic goals as either very important, important, unimportant or very unimportant.

Figure 5 below shows that there is a high degree of importance associated with all of ERA’s strategic plan goals, with most respondents rating each goal as either important or very important.

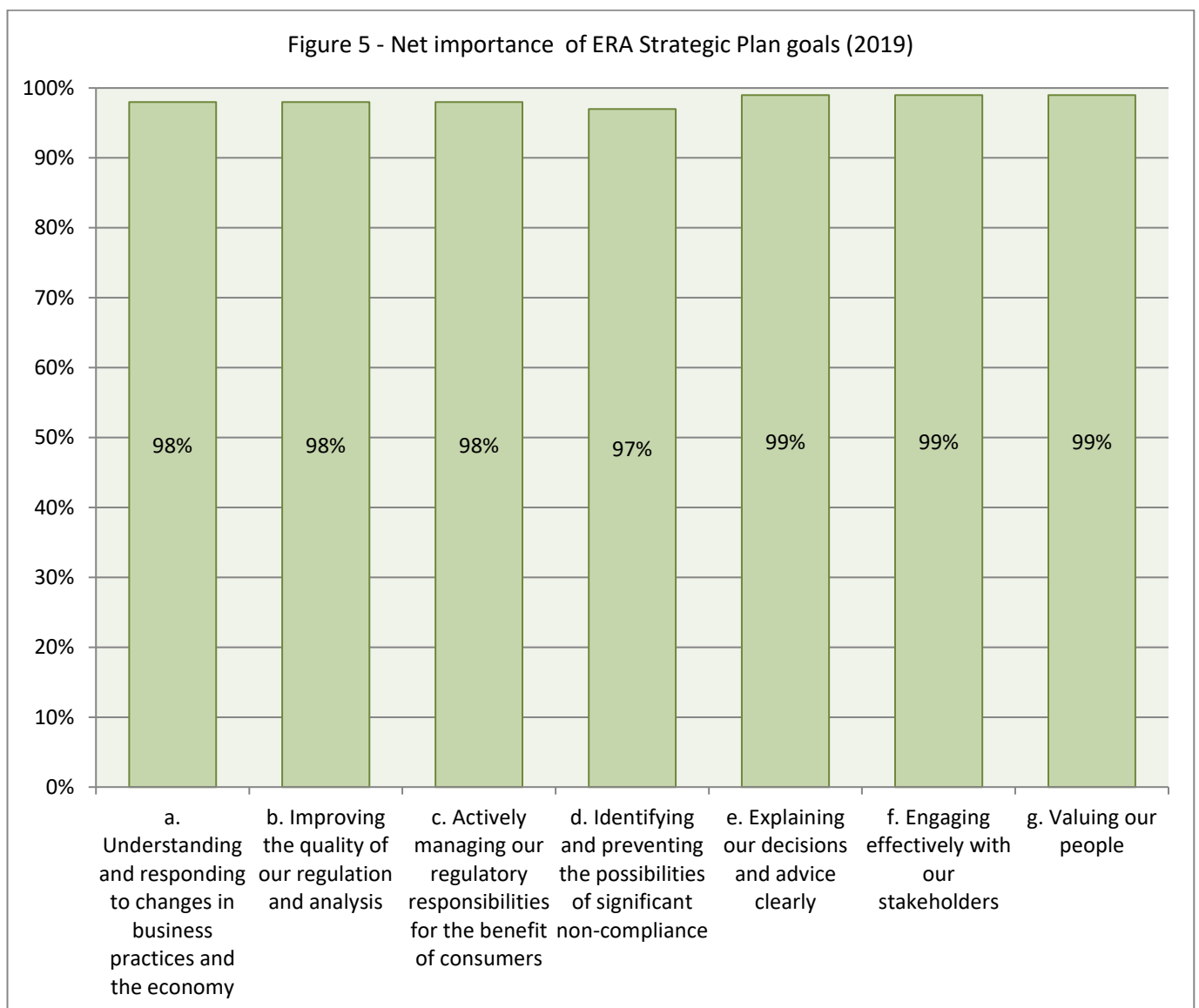
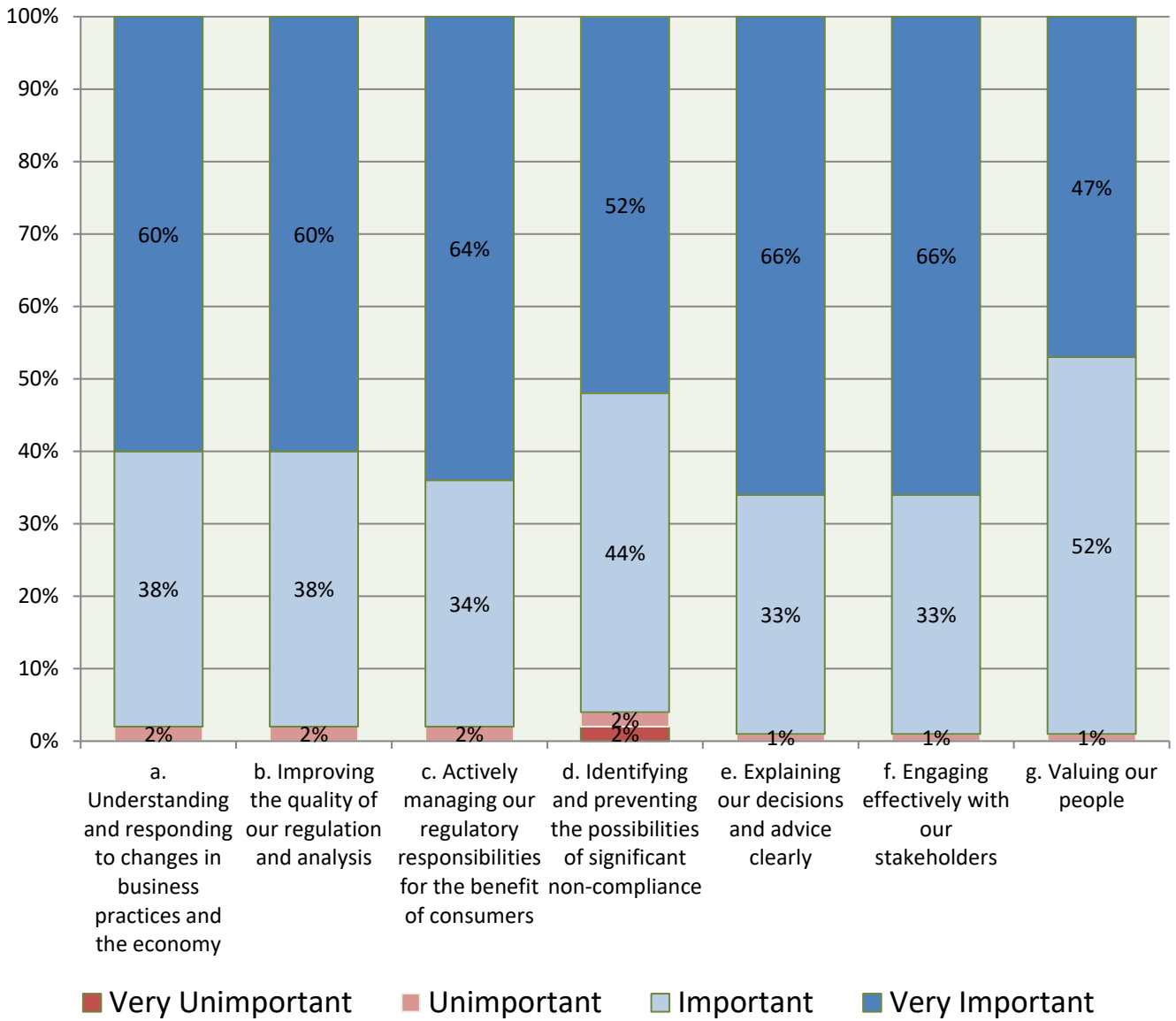


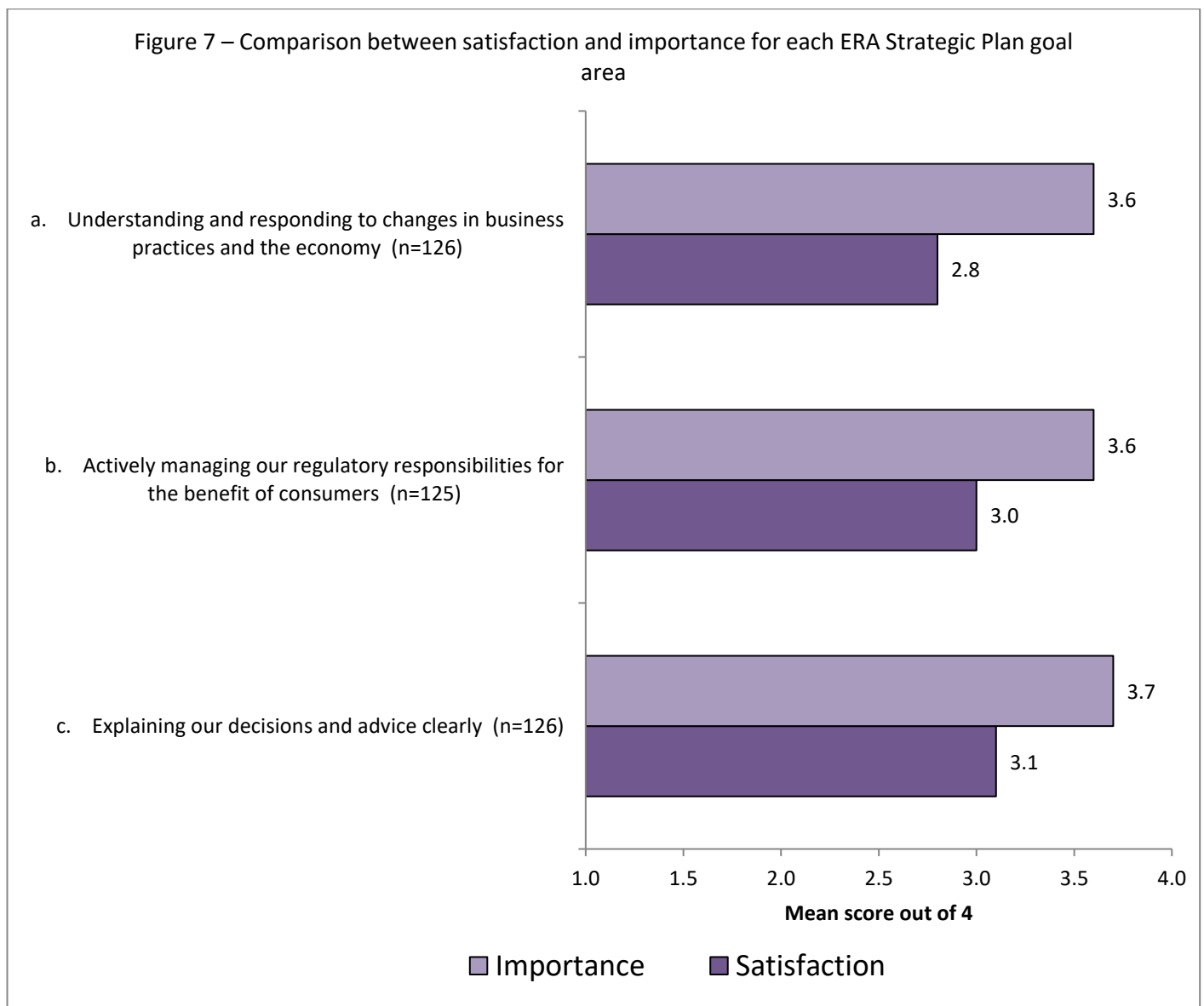
Figure 6 - Importance Ratings Breakdown ERA Strategic goals (2019)



Importance/Satisfaction Gap Comparison

Figure 7 below shows the mean scores (out of 4) for satisfaction and importance across all three ERA goals to provide a comparison measure of the gap between importance and satisfaction for each issue.

The largest gap in importance/satisfaction is for the goal of “*understanding and responding to changes in business practices and the economy*” (a gap of 0.8) while the other two were (0.6) for both “*actively managing our regulatory responsibilities for the benefit of consumers*” and “*explaining our decisions and advice clearly*”.

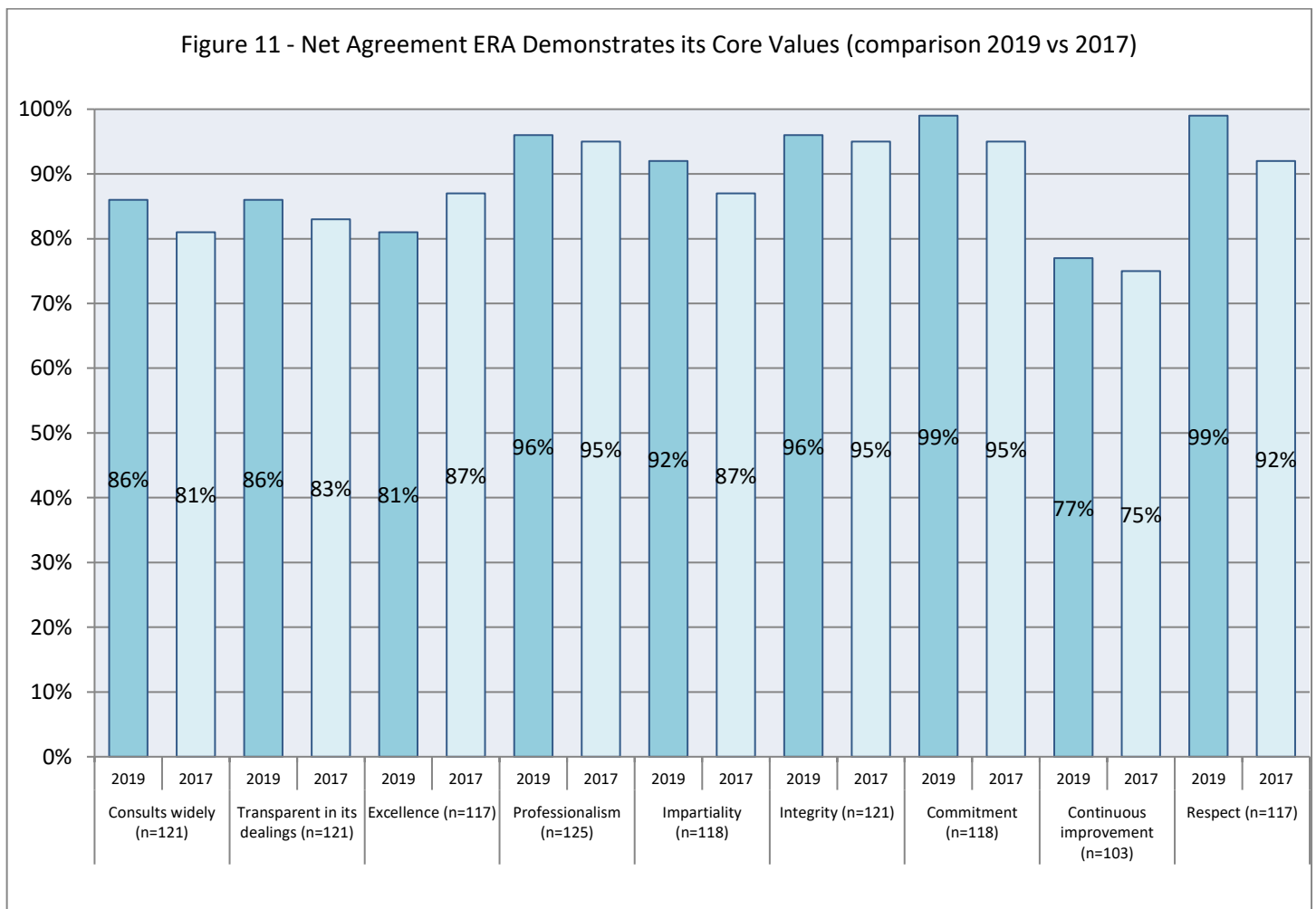


Performance of the ERA in Demonstrating Core Values

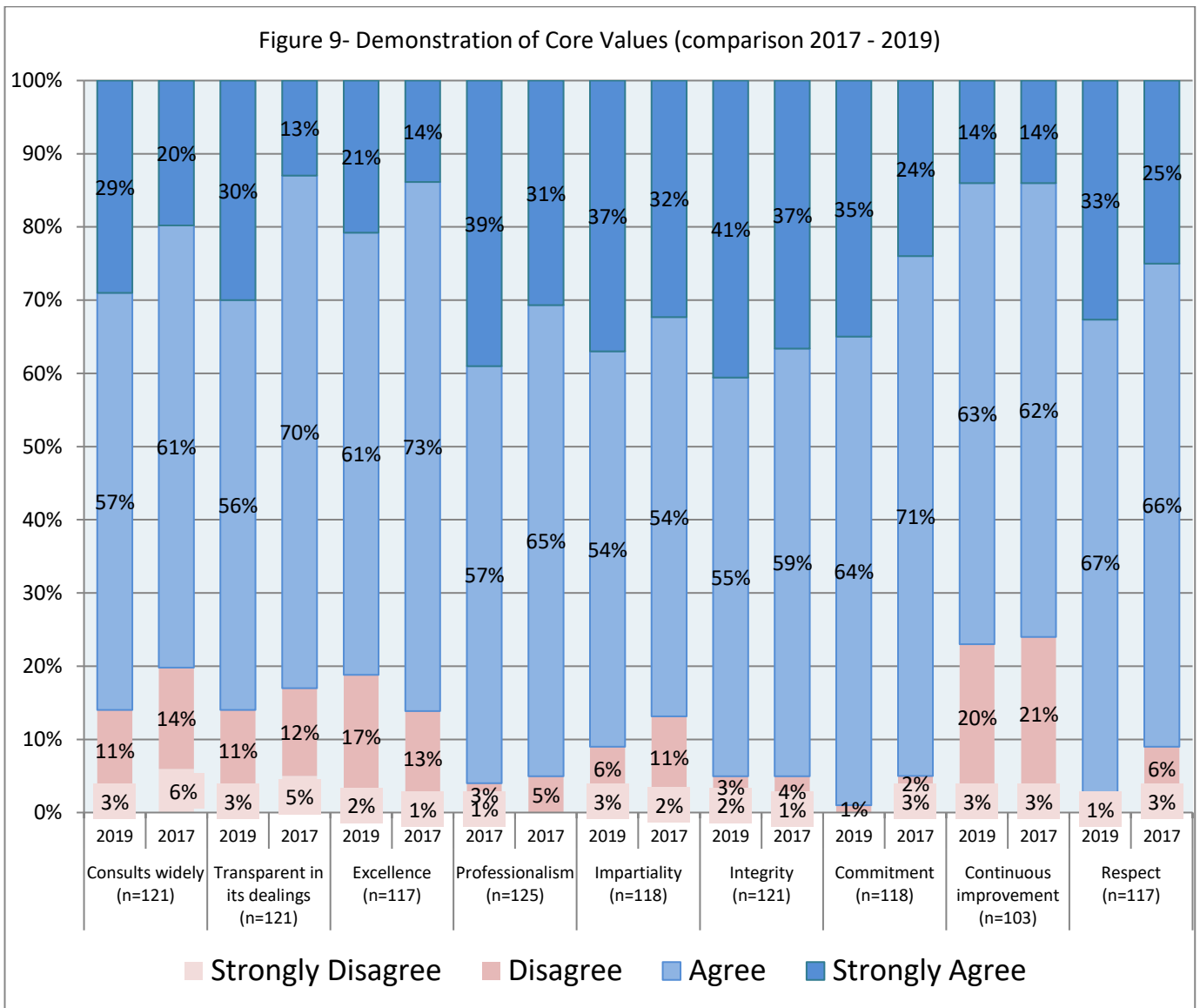
Respondents were read a list of several values and asked to indicate to what extent they agreed that these values are demonstrated by the ERA as either strongly agree, agree, disagree or strongly disagree. Respondents were asked about the same values in 2017 and so a direct comparison can be drawn between the two surveys. An additional value ‘teamwork’ was added this year, and is reported below as a footnote.

There was an almost universal increase in performance in demonstrating core values in 2019. All increases were between 1% and 7%. In addition the table overleaf shows that in for each value the number of “strongly agrees” also rose universally across all values (except continuous improvement which stayed at 14%). The only exception was “excellence” which declined by 6%, but even there the number who strongly agreed rose from 14% to 21%.

Overall the results indicate that ERA has made a substantial improvement over all areas in demonstrating core values.



** Teamwork (new value added in 2019) 91% (n=117)



‘Strongly agree’ ratings have increased significantly compared to 2017 for all the values and stayed the same for “continuous improvement”.

Performance of the ERA in Effectively Promoting Itself

Respondents were asked to indicate the extent to which they believe that the ERA effectively promotes itself to the wider community as either strongly agree, agree, disagree or strongly disagree.

51% of respondents agreed to some extent that the ERA effectively promotes itself to the wider community– 8% “strongly agreed” and 43% “agreed”. 49% disagreed that the ERA effectively promotes itself – 8% “strongly disagreed” and 41% “disagreed”.

Overall agreement that the ERA effectively promotes itself to the wider community remains the same as 2017.

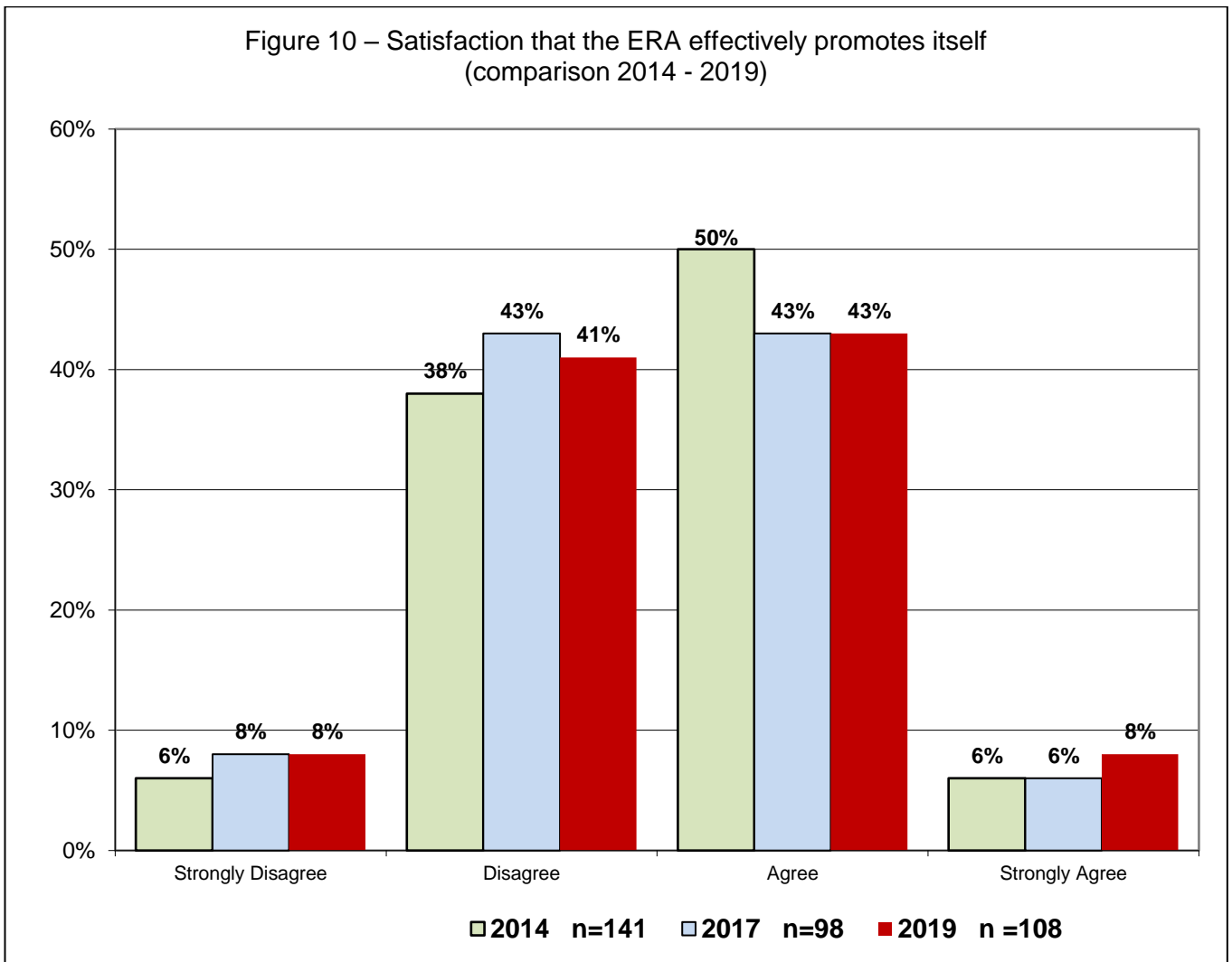
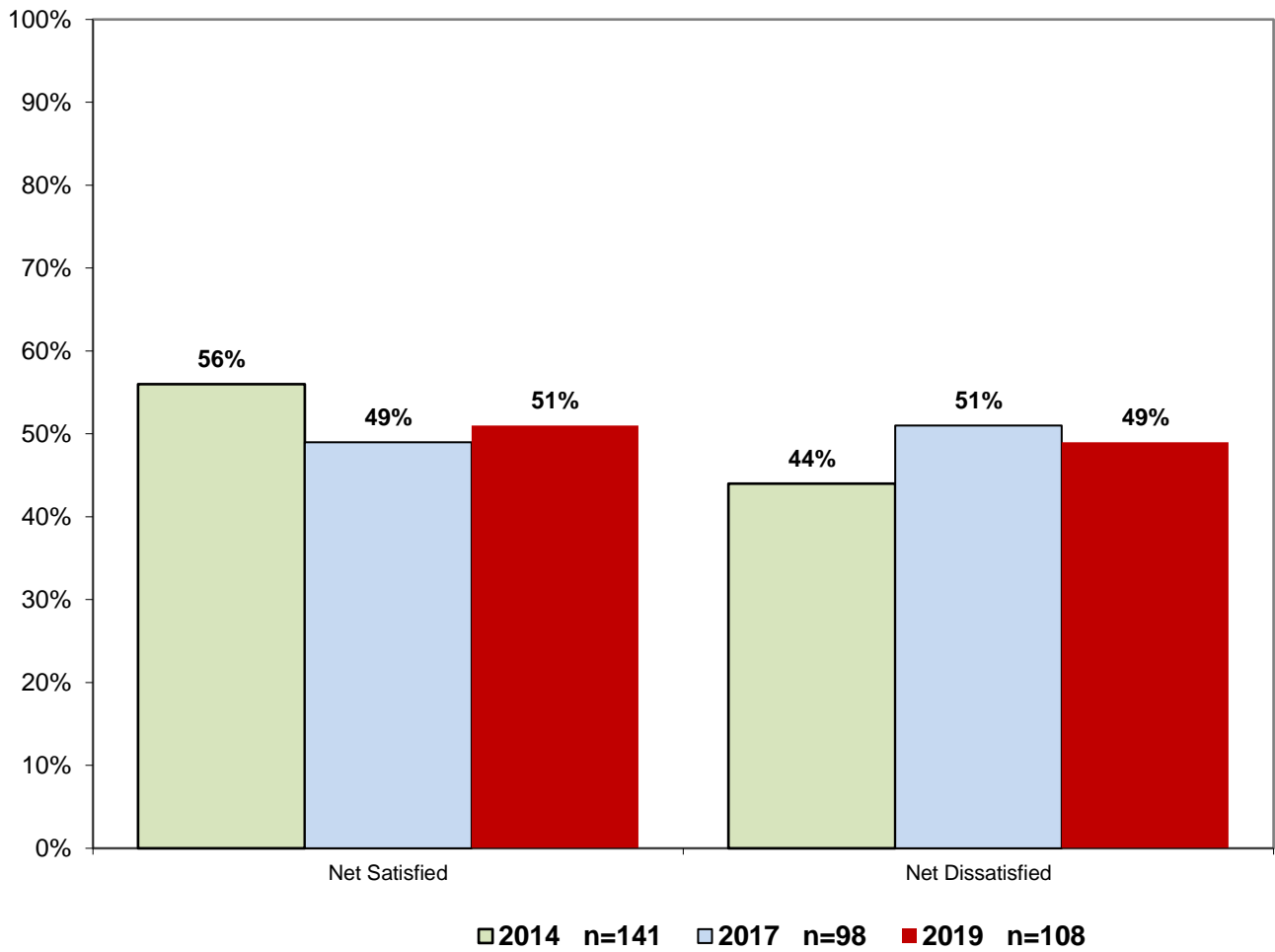


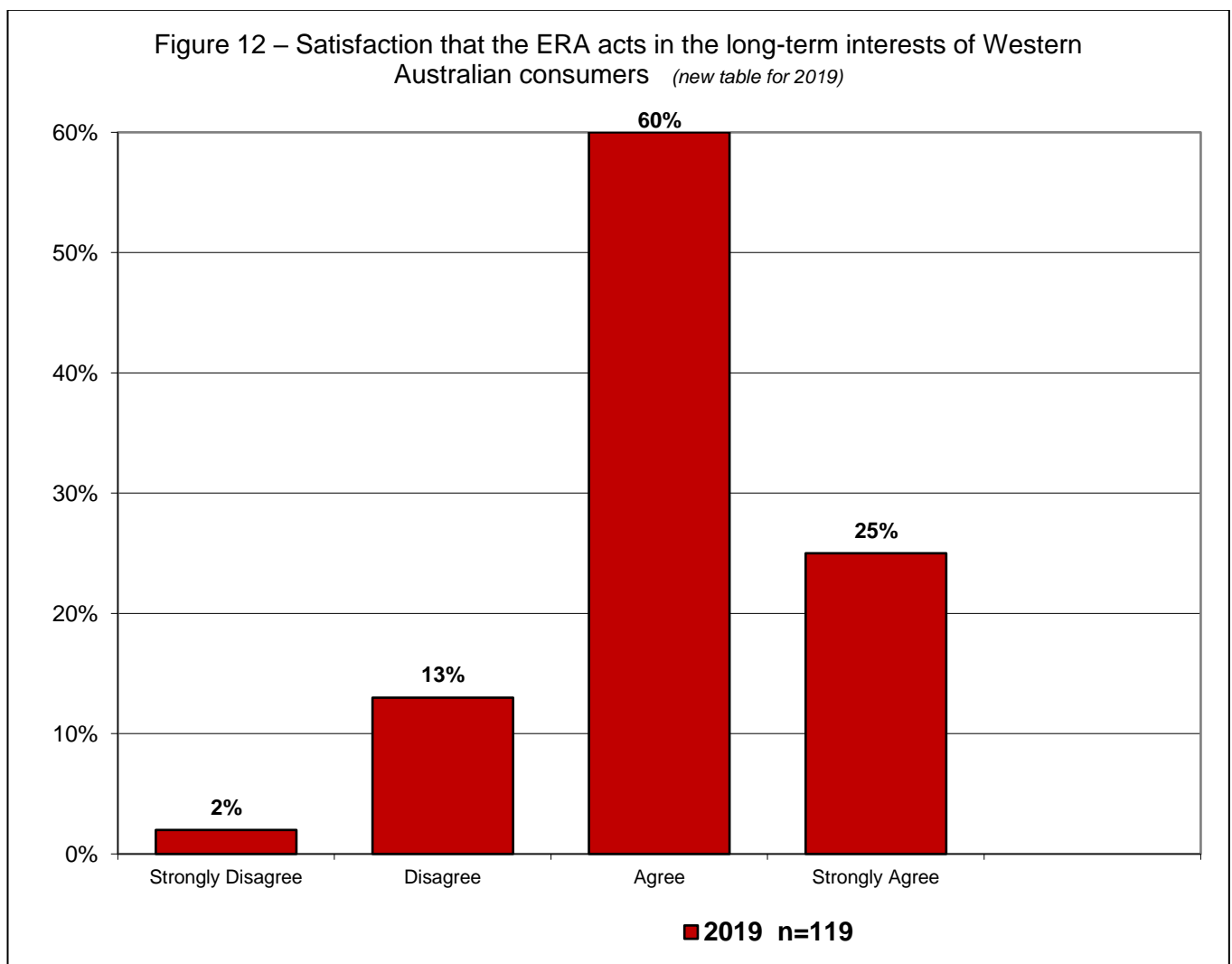
Figure 11 – Comparison of net satisfaction/dissatisfaction that the ERA effectively promotes itself 2014 - 2019



Satisfaction that ERA acts in long-term interests

Respondents were asked to indicate the extent to which they believe that the ERA acts in the long-term interests of Western Australian consumers as either strongly agree, agree, disagree or strongly disagree.

85% of respondents agreed to some extent that the ERA effectively promotes itself to the wider community– 25% “strongly agreed” and 60% “agreed”. 15% disagreed that the ERA effectively promotes itself – 2% “strongly disagreed” and 13% “disagreed”.



Number of Employees

Over half (59%) of the survey respondents this year were from organisations with 100+ employees (compared to 54% in the last survey).

This year, a further 18% of respondents were from organisations with 1 to 20 employees and 22% came from organisations with 21 to 100 employees (compared to 22% and 24% respectively in 2017).

