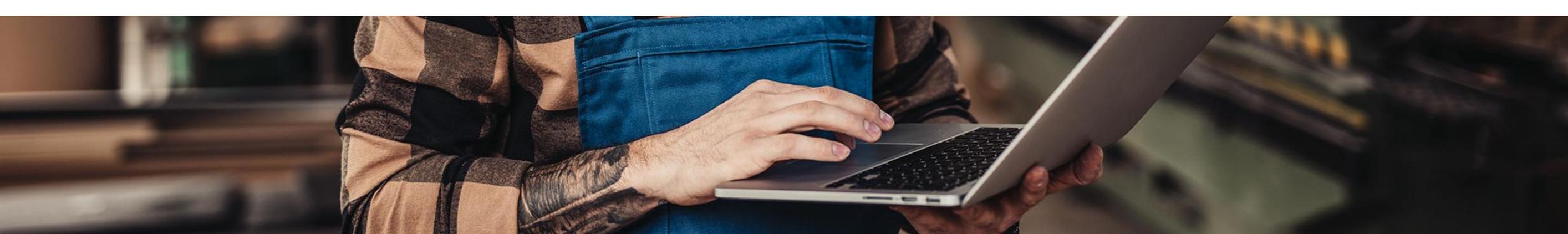




Stakeholder Research 2024

Report prepared for the Australian Energy Regulator



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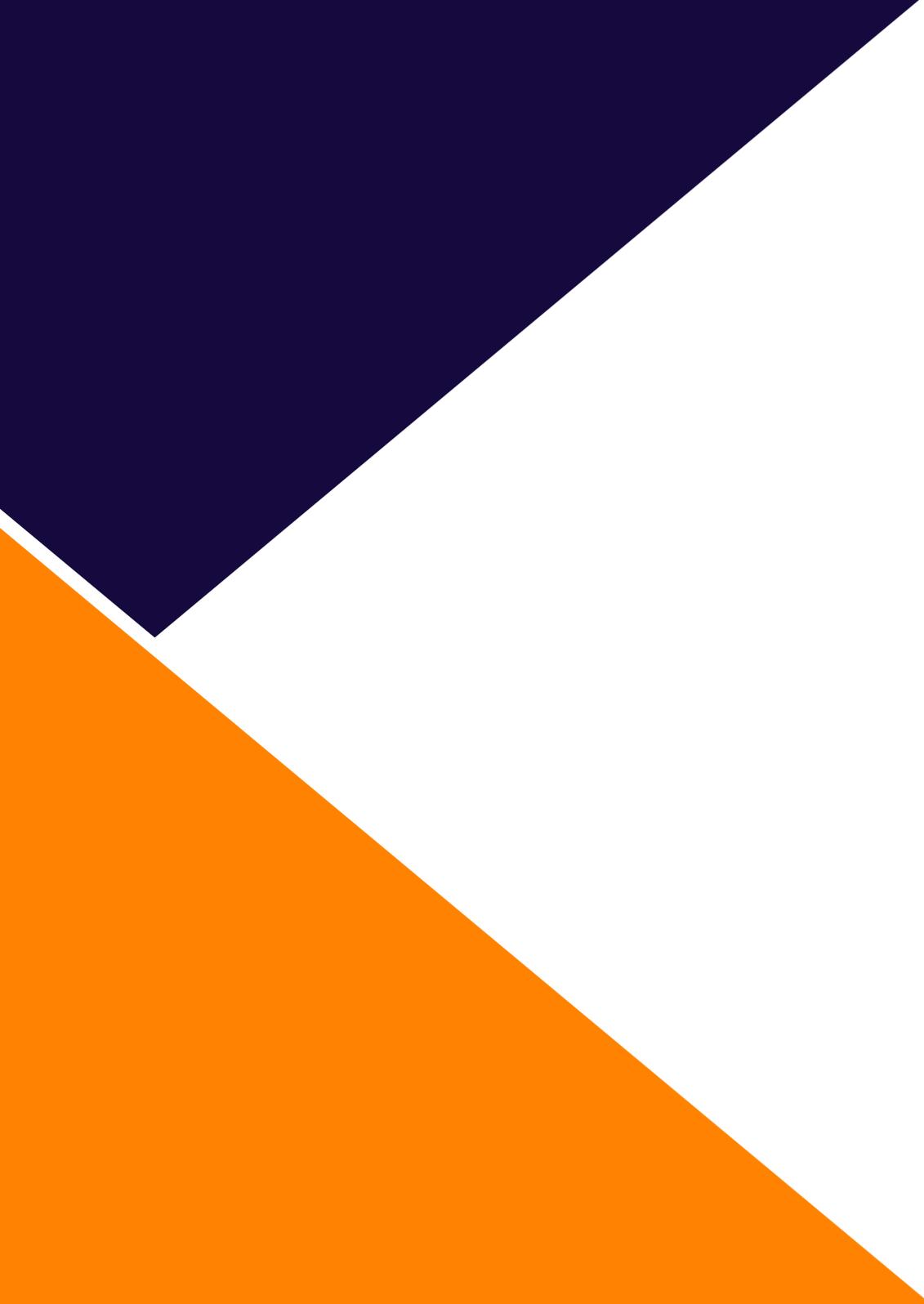
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Executive Summary

Background and Core Metrics

Background context

This report presents findings from research undertaken by SEC Newgate in July-August 2024 with 184 of the Australian Energy Regulator's (AER) stakeholders from government, market bodies and regulatory bodies, industry participants, and consumer advocates. This year's research was in the form of a short, confidential 'pulse' survey completed online.

This year's survey was undertaken during a period of growing pressures across the whole sector in the energy transition. As renewable generation and emissions reduction targets get closer, network projects face social license challenges and struggle to meet deadlines, and the ongoing cost of living crisis continues to put energy prices in the spotlight.

Against this backdrop, the survey asked stakeholders to rate their perception of the AER's overall reputation and performance attributes. These metrics have been collected annually since 2021, with this year's pulse survey providing both a current snapshot of stakeholder perceptions and an indication of trends over time. Open-ended questions were also included, inviting participants to type in additional feedback to provide insights into their ratings, enabling this report to include analysis of the qualitative themes as well as the quantitative results.

Key findings - an overview

The core survey metrics and qualitative feedback from stakeholders reflect reduced stakeholder perceptions of the AER this year. Despite the decline in core metric ratings, the AER remains a widely respected organisation with a recognised, fundamentally important role in the Australian energy sector; a role that is seen as increasingly challenging as the energy market evolves.

While still positive on balance, the AER's Reputation Score fell to a four-year low of 65% and other core metrics including Trust and Advocacy also slipped. Similarly, ratings of the AER's performance on 22 specific attributes declined, to varying degrees. The largest declines relate to the long-term strategic challenges which are intensifying as the energy transition deepens.

The change in the AER's reputation and performance ratings reflect the increasing challenge to manage the various pressures inherent across the transition. Throughout this report, findings highlight the challenge that the AER (and other regulatory bodies) are facing in striking the right balance between the competing interests of different stakeholder segments. Chief among these tensions is the dual demand on the AER to consider proposed increases in network expenditure to develop the infrastructure needed for the transition, while also ensuring consumers do not pay more than necessary for the transition.

Core metrics dashboard

Reputation Score

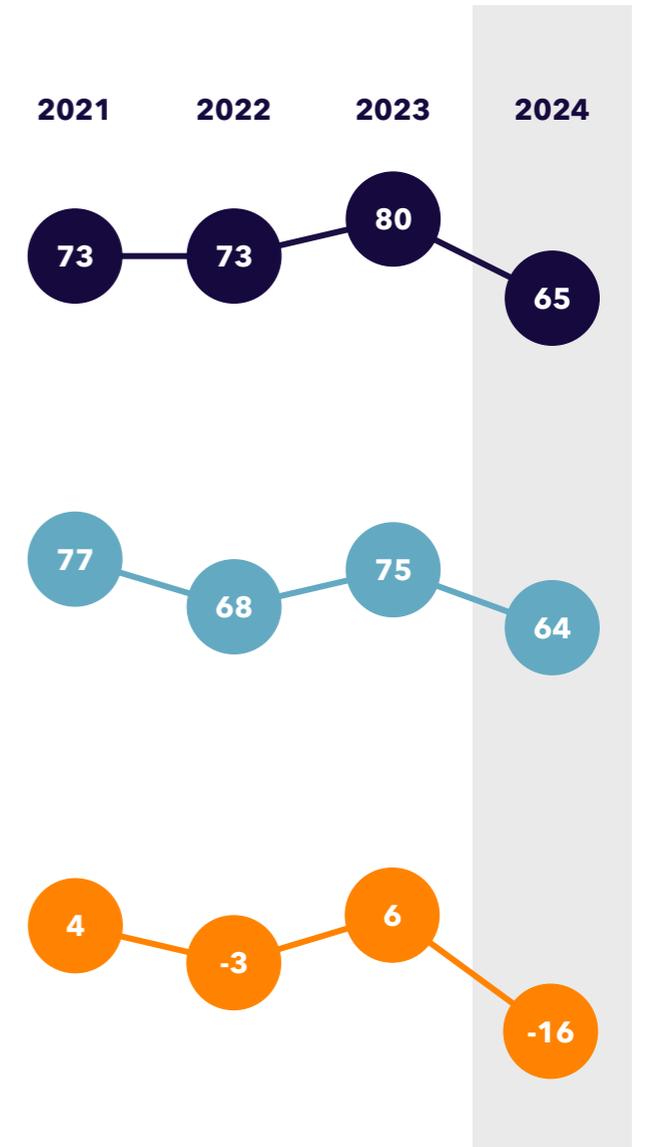
Participants were asked to rate the AER's reputation based on their own interactions as well as everything else they had seen or heard about the organisation. The Reputation Score is the proportion of stakeholders who gave a relatively high rating of 7+ out of 10 where 0 = 'very poor' and 10 = 'excellent'.

Trust Score

Trust is an outcome of reputation, measured as trust in the AER to do the right thing by consumers, where 0 = 'don't trust it at all' and 10 = 'trust it completely'. The Trust Score is the proportion who gave a rating of 7 or more.

Net Advocacy Score

Advocacy, or likelihood to speak well of the AER if it comes up in a conversation, is a behavioural outcome of reputation. The Net Advocacy Score is the proportion of Advocates (ratings of 9 or 10 out of 10) minus the proportion of 'Detractors' (ratings of 0-6).



Opportunities for Improvement

Priorities for the AER to strengthen its reputation

Despite the decline in its reputation score this year, the AER remains a **widely respected organisation** with a vital role in the Australian energy sector; a role that is seen as increasingly challenging as the energy market evolves. Its reputation is built upon being a **'tough but fair' regulator that is good to deal with** yet will face increased and tougher decisions ahead, as the energy transition gathers pace and external pressures intensify. This is a strong foundation that stakeholders expect to see upheld as the sector navigates through the challenges.

This year's research highlights the areas stakeholders want the AER to focus on as a priority - and in doing so, there will be positive flow-on effects for the organisation's overall reputation. These interrelated priorities are a synthesis of the qualitative feedback on the AER's reputation and stakeholders' advice to the organisation, along with the quantitative results across the suite of performance metrics and key drivers.

- The key drivers of the AER's reputation relate to it acting in the long-term interests of energy consumers and Australia's energy future. The AER can strengthen its reputation by **demonstrating long-term thinking** in its decisions and positions, while acknowledging that not all stakeholders share the same long-term goals and priorities.
- The AER's communications should **emphasise its role in supporting the transition** to a renewables-based system, its understanding of changing consumer needs as the system evolves, and demonstrating how it is helping maintain healthy competition in the retail market.
- The AER is encouraged to **be more active in challenging the status quo** where it feels existing policy, market design and regulatory frameworks are no longer fit for purpose.

Some feedback was more pointed among certain stakeholder segments, whose priority expectations of the AER can sometimes conflict with the interests of other segments.

- Broadly, Industry stakeholders would like to see the AER prioritise working with other regulatory bodies to ensure the **regulatory framework** remains fit for purpose in the transition.
- Network stakeholders want to see a shift from prioritising cost reduction to focus instead on **enabling investment** to support the transition. Other segments would like the AER to carefully scrutinise network expenditure to avoid putting additional cost pressures on consumers.

- Some stakeholders, particularly the Government and market bodies segment and Consumer advocates, expect the AER to continue **contributing to policy reform processes**, providing information and advice, as an informed and influential player in the energy sector. They would like to see the AER being bolder when putting forward positions on aspects of government policy that do not appear to support the organisation's remit of ensuring consumers will be better off, not only now but *also* into the future. Note, however that some stakeholders would prefer the AER to stick to its core regulatory functions and do not believe the AER should be involved in policy debate.

Other opportunities to signal improvement

The research findings highlighted some other areas where the AER could make changes to demonstrate that it has taken stakeholders' feedback in this survey on board:

- **Streamline regulatory requirements and processes:** Look for ways to reduce or streamline data requests and other requirements to ease the regulatory burden on stakeholders, especially where there may be overlap with other market bodies.
- **Undertake a review of the new website** to understand the pain points stakeholders are experiencing. Seek to identify the priorities for improvement, their preferred solutions and move to implement the necessary changes.
- **Reiterate your focus on genuine stakeholder engagement** to consistently demonstrate the core principles of engagement that stakeholders appreciate and need; i.e. early engagement, openness to other perspectives, and demonstrating how stakeholder input has been considered in decision-making.
- **Look for opportunities to integrate consumer research and insights** to support decision making, reflecting the importance of consumer behaviour and agency in the evolving energy market and to support the diverse needs and interests of *all* consumers (not just those who are most vulnerable). Leverage insights from stakeholders' (especially retailers) research as well as the AER's own consumer research.
- **Review internal systems and structures** to identify opportunities for greater internal collaboration and communication, and boost resourcing where needed.



Background and Methodology

Methodology

The 2024 research was in the form of a short 'pulse survey' completed online by stakeholders. No qualitative interviews were undertaken this year.

Stakeholder participants

In total 1,003* stakeholders were invited to take part in the 2024 research, of which 184 participated, representing a very good response rate of 18% for a survey of this nature.

The total sample size and response rate are a bit lower than previous years – but are still well above expectations for online surveys with key stakeholders. However the sample size of Executive stakeholders is in line with previous years, and the 2024 Executive sample includes many of the same stakeholders who have participated in previous years (in surveys or interviews).

Stakeholders were classified as either *Executive* or *Staff* denoting their level of seniority. Each stakeholder was also categorised into one of three main segments, as shown in the table below.

The *Industry* segment was split into the sub-segments of *Networks*, *Retailers/ Generators* or *Other* in acknowledgement of their unique contexts and relationships with the AER. Due to the small number of *Other* stakeholders, they have not been analysed separately in this report but are included in the total results.

Profile of research participants (2024)

Segment	Executive (n)	Staff (n)	Total (n)
Industry / Market participants:	12	106	118
Networks	7	58	65
Retailers / Generators	5	36	41
Other	-	12	12
Government / Market bodies / Regulators	10	34	44
Consumer Advocates	5	17	22
Total	27	157	184



Survey questions

On average the survey took stakeholders 12 minutes to complete. The survey used the same questions from the 2023 research, to enable comparison between time periods. Most questions used rating scales or pre-coded 'closed' questions.

Open text response questions were included to enable stakeholders to provide feedback in their own words. This provided some qualitative insight to support the quantitative results, although it was not as comprehensive or in-depth as the qualitative insights gained in previous years when in-depth stakeholder interviews were included in the method. All stakeholders were required to provide a text response explaining the reasons for the reputation rating they gave, while all other text response questions were optional. For performance attributes, only around 10% of the sample on average provided a text response to support their rating, meaning themes cannot be taken to reflect the views of all stakeholders.

Timing

The survey was open between 11 July – 9 August 2024. This is later in the year compared to previous waves which have fielded between April and May.

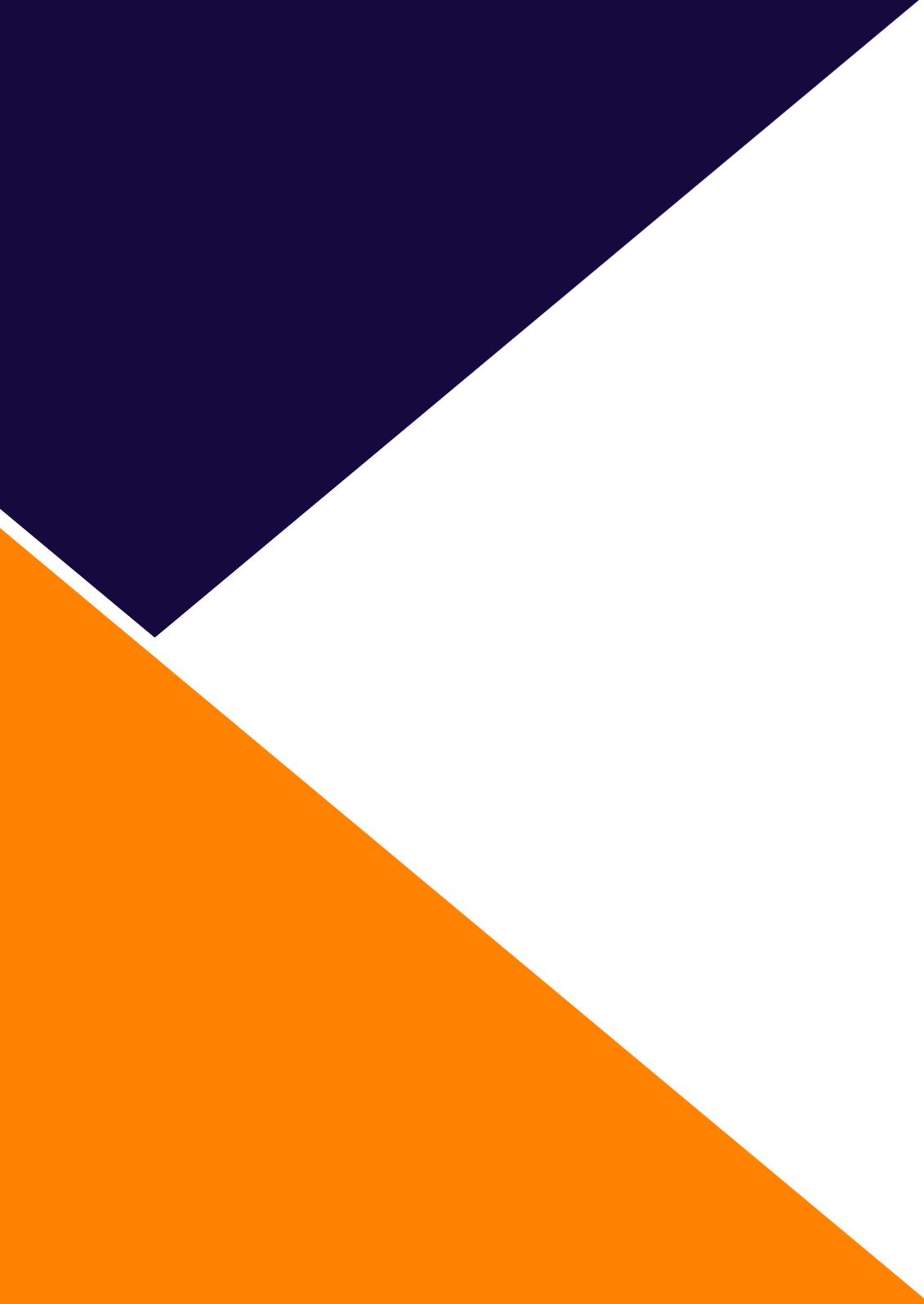
Process

Stakeholders were first sent an email from the AER Chair inviting their participation in the research and introducing SEC Newgate Research and CanvasU – who subsequently emailed all stakeholders a unique link to the online survey. Up to two reminder emails (or follow up calls) were sent to stakeholders who had yet to complete the survey.

Data weighting

The final data set was weighted by segment, with each of the three primary stakeholder segments allocated an equal weight (one third each), reflecting their equal importance to the AER. This was applied within each of the two stakeholder types (Executive and Staff). Further weighting was applied so that the mix of stakeholder types was consistent with the 2021, 2022 and 2023 survey sample: Executives at 25% and Staff at a 75% weighting allocation.

Please note: The commentary in this report reflects the views of the AER's nominated stakeholders who participated in the survey, as analysed and interpreted by SEC Newgate. We have avoided including opinions or advice that are not based upon the research data. This research was conducted in accordance with the Australian Polling Council Quality Mark standards which can be viewed here: <https://www.australianpollingcouncil.com/>

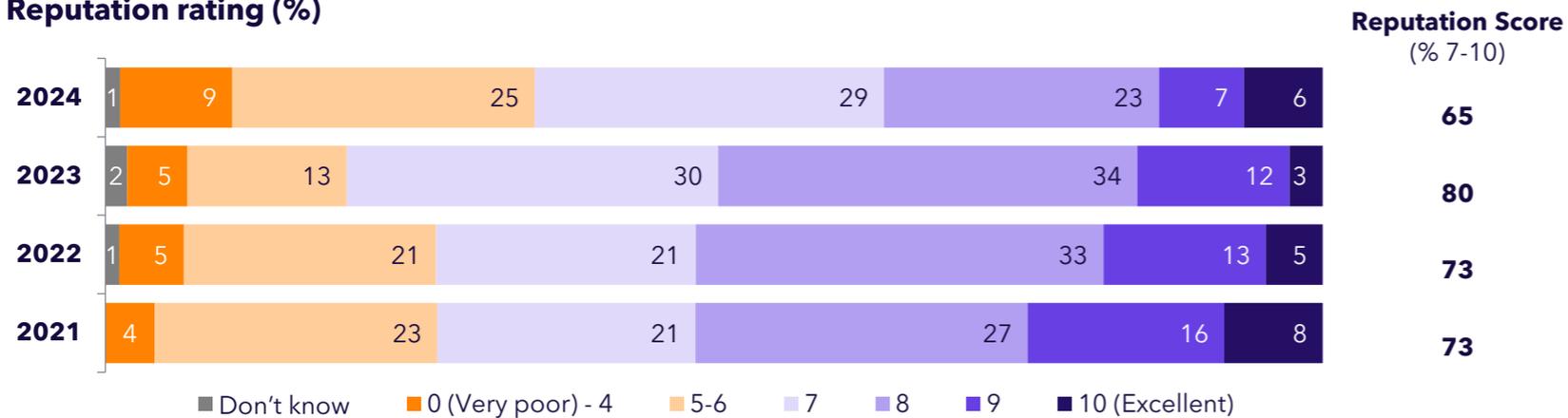


Detailed Findings

Reputation Ratings

Stakeholders report a less positive perception of the AER's reputation this year. While still positive on balance, at 65% the 2024 reputation score is the lowest of the four-year time series. The sharpest declines are among Executive level and Network stakeholders.

Reputation rating (%)



Across the four years of tracking the AER's reputation among its key stakeholders, the proportion giving the organisation ratings of 9 or 10 out of 10 has continued to decline. This year ratings of 6 or below also jumped to their highest levels, leading to a decline in the overall reputation score.

With around two-thirds of stakeholders (65%) giving high ratings of at least 7, the AER's overall reputation is still largely positive on balance, having dropped from the highest level to date in 2023. The key reasons for this change are analysed on the following pages.

Looking at results among different stakeholder cohorts:

- The decline is sharpest among Executive stakeholders, who for the first time gave a lower score than Staff level stakeholders
- Government and Consumer Advocate stakeholders continue to have a more positive view than Industry participants
- The views of Network and Retailer/Generator stakeholders are more aligned this year due to Network stakeholders reporting a sharp decline after their very high ratings in 2023.

Over the next few pages, we analyse the factors that underpin the AER's reputation, including the unprompted reasons for the decline in the reputation score. Further insight is also provided in the 'Reputation drivers' section of the Appendix, which looks at the statistically modelled impact of various metrics on the AER's reputation.

NB: To provide an added level of rigour and reduce the effects of changes in research sample composition over time, SEC Newgate's proprietary reputation question was designed as a collective measure of how stakeholders feel an organisation is regarded overall (rather than just their own direct experiences).

Reputation Scores by segment:

	Executive	Staff	Industry	Government / Market Bodies / Regulators	Consumer advocates	Networks	Retailers / Generators
2024	58	67	56	71	68	57	59
2023	93	76	76	82	82	83	70
2022	88	68	66	76	76	64	77
2021	81	70	72	69	77	78	70

Shading indicates that 2024 is substantially higher or lower vs 2023 (+/- 10pp difference)

The AER's Reputation and Unprompted Feedback

Reputation Score

With around two-thirds of stakeholders (65%) giving reasonably high ratings of at least 7 out of 10, the AER's overall reputation is **still positive on balance**. However, there are clearly some **concerns eroding perceptions**, with the decline in ratings and the tone of this year's feedback suggesting a greater sense of urgency in stakeholder expectations.

- For the first time this year **Executive stakeholders gave a lower Reputation Score** than Staff level stakeholders. The score among Executive stakeholders fell markedly from 93% in 2023 to 58% this year, whereas for Staff the decline was much less pronounced (69% vs 76% top-of-mind view than Government / Market Bodies and Consumer Advocates, and that gap has widened this year. In particular, **Network stakeholders** report a sharp decline from 83% to 57% this year.

Reasons for Reputation Ratings

All survey participants were asked why they gave the rating they did for the AER's overall reputation via an open-response text question. Their responses were analysed for themes to understand the top-of-mind strengths as well as concerns, as follows. Due to the self-completion survey methodology used (rather than a more conversational interview which is employed every other year), it was not possible to further explore stakeholders' responses beyond what they typed, though the question was asked of all survey participants and most gave considered responses, enabling analysis of the top-of-mind themes among participants.

Reputation strengths

The most mentioned positive themes in the combined qualitative feedback from Executive and Staff stakeholders related to perceptions of the AER's:

- **Fair and balanced decisions and outcomes:** a commitment to achieving outcomes that balance the interests of both industry participants and consumers.
- **Positive momentum in collaboration and engagement:** seeking to understand all perspectives on issues with the aim of striking a fair balance in its decisions.
- **Regulatory expertise:** strong technical capability in relation to regulatory matters.
- **Professionalism:** exhibited in stakeholder interactions and regulatory processes.
- **Strong consumer focus:** a commitment to delivering better outcomes for consumers despite the difficult environment.

- **Rigorous analysis and reporting:** producing regular reports with thorough analysis that provides vital information to the sector.
- **Being good to deal with:** the accessibility of AER staff; their willingness to engage and have professional and respectful interactions with stakeholders.

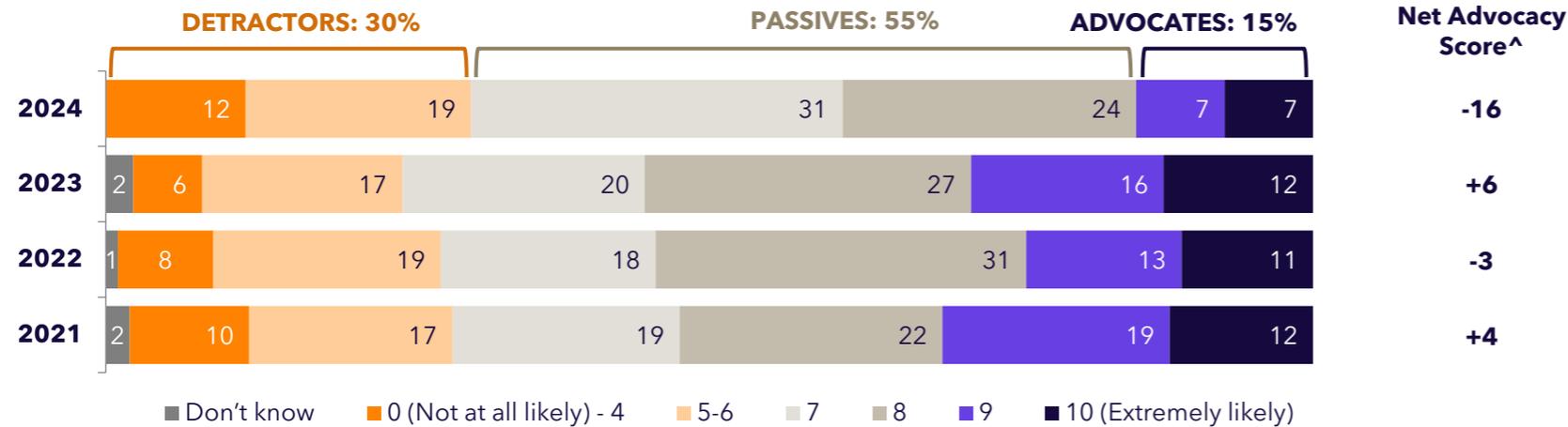
Key concerns impacting reputation

- The overarching concern revealed in the quantitative ratings and qualitative feedback from the verbatim comments is that the AER is **not seen to be forward looking enough**, with many stakeholders feeling it is not keeping pace with the energy transition.
- One of the main concerns underpinning this sentiment, among Network stakeholders in particular, is that the AER is putting too much emphasis on **short term pricing outcomes** at the expense of longer-term consumer outcomes, potentially also risking future price squeezes due to under-investment. By contrast, other segments feel the AER is not doing enough to protect consumers from price increases arising from increased network expenditure.
- Increasingly, stakeholders would like to see the AER demonstrate greater consideration of long-term consumer interests and willingness to be **flexible** in its determinations, to recognise changing, adaptive market dynamics and to help facilitate investment in new infrastructure.
- While stakeholders recognise the AER is **constrained by the existing regulatory framework**, many commented that this requires urgent revision, and expressed a desire for the AER to do what it can to help facilitate reforms to the framework (appreciating that other regulatory bodies also have a role in this) so that it remains relevant to the unique, new and increasingly complex challenges of the energy transition.
- The AER has previously received praise for its efforts in demonstrating improved and high-quality **stakeholder engagement**, but this is felt to have slipped in recent times, with some stakeholders (especially in the Networks segment) feeling their input sometimes has little impact on what appears to have been pre-determined outcomes. These stakeholders urge the AER to articulate a genuine intent to listen and address their feedback, especially on emerging issues.
- The organisation is also felt to be **under resourced** in some areas, with some suggesting it could work on its internal collaboration to break down apparent silos, confusion, delays and even financial impacts. Possibly reflecting the pressure on regulated businesses, some felt AER staff could be more empowered to make decisions without having to escalate them to the leadership.

Advocacy Ratings

Fewer stakeholders said they would be likely to speak well of the AER this year, and a higher proportion were unlikely to do so, resulting in a negative Net Advocacy Score of -16. Advocacy is notably weaker among Industry stakeholders, while the decline this year is most evident at the Executive level.

Likelihood of speaking well about the AER (%)



Although this is a notable decline compared to 2023, a negative Net Advocacy Score is not uncommon and was also recorded for the AER in 2022. Given the potential value ranges from -100 to +100 a score around zero can be considered mid-range and would indicate an even split of advocates and detractors.

The AER's Net Advocacy Score has tracked reasonably close to zero for the past three years, whereas this year marks a more notable move into negative territory, reflecting the concerns about its reputation.

With fewer 'advocates' this year (i.e. those giving a 9 or 10 rating), this year's score is mostly due to an increase in more 'passive' stakeholders (now the majority of stakeholders, at 55%); who we know from qualitative research tend to have more mixed and nuanced things to say (including positive feedback amongst other things), rather than being outright detractors. While there is also a higher proportion of detractors this year (who gave ratings of 6 or below), the year-on-year change is less pronounced.

Looking at the Advocacy results by segment:

- All segments gave lower Advocacy ratings this year compared to 2023
- All segments except Retailers/Generators recorded their lowest ratings over the time series this year
- The biggest year-on-year decline is seen among Executive level stakeholders and Networks
- Government and Market Body stakeholders also reported a substantial decline from 2023 but this year's score is in line with 2021 and 2022.

Average Advocacy ratings by segment:

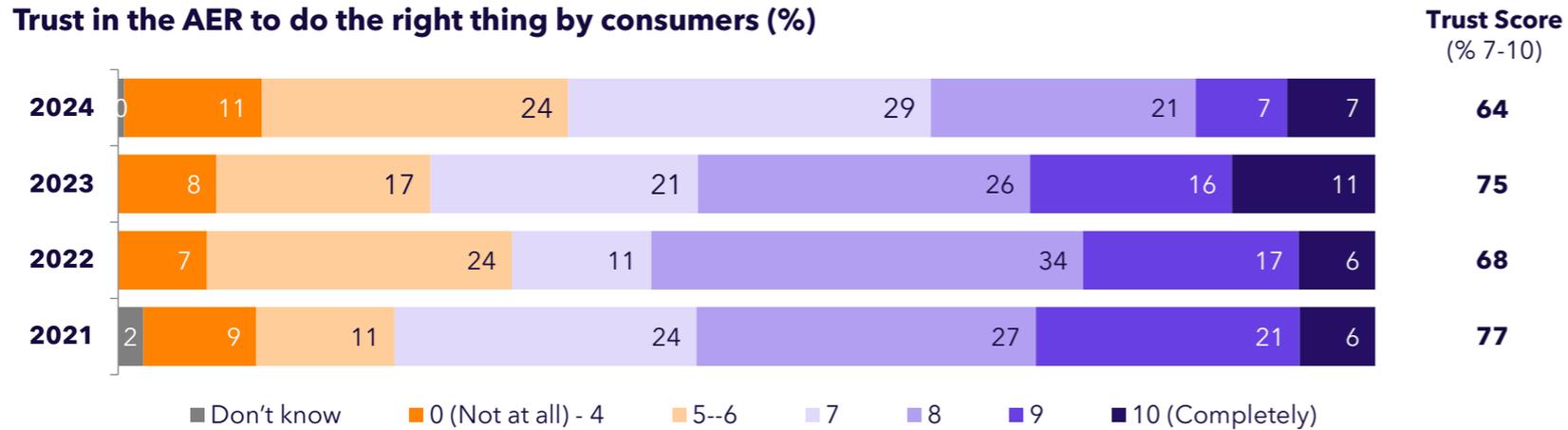
	All stakeholders	Executive	Staff	Industry	Government / Market Bodies	Consumer advocates	Networks	Retailers / Generators
2024	6.9	6.7	6.9	6.2	7.3	7.1	6.3	6.4
2023	7.5	8.3	7.3	6.8	8.0	7.8	7.5	6.3
2022	7.2	7.6	7.1	7.4	6.6	7.8	6.8	6.7
2021	7.4	7.7	7.2	6.8	7.2	8.1	7.2	6.6

Shading indicates that 2024 is substantially higher or lower vs 2023 (difference of > 1)

Trust in the AER

Stakeholders' trust in the AER to do the right thing by consumers has weakened this year. With a Trust Score of 64% close to two-thirds of stakeholders still reported at least a reasonably high level of trust in the AER.

Trust in the AER to do the right thing by consumers (%)



The AER's Trust Score fell to 64% this year due to an increase in the proportion of stakeholders rating their trust at 6 or below. It is also notable that the proportion of very high ratings of 9 or 10 is lower this year.

Looking at the Trust Score by segment, the loss of trust is most pronounced among Executive level stakeholders, and Networks.

In 2023 we noted a drop in trust among Consumer Advocates. While their Trust Score has not dropped significantly this year, it remains lower than the earlier two years.

Trust is strongest and still quite healthy among stakeholders in the Government, Market Bodies and Regulators segment, as it was last year.

The trust question is framed around the AER doing the right thing for consumers. On the following page, we analyse stakeholder feedback on how they feel the AER could better meet the needs of consumers.

Trust Score by segment:

	Executive	Staff	Industry	Government / Market Bodies / Regulators	Consumer advocates	Networks	Retailers / Generators
2024	63	65	56	77	59	52	67
2023	100	66	73	87	64	80	69
2022	83	63	60	73	72	57	69
2021	83	76	69	78	86	80	67

Shading indicates that 2024 is substantially higher or lower vs 2023 (+/- 10pp difference)

Introducing the Performance Attributes

Reputation model

The AER's full reputation model was created for the 2021 stakeholder research. It comprises the overall reputation rating, outcomes of reputation (trust and advocacy) and the 22 performance attributes, which have been grouped within five thematic pillars in the diagram opposite.

The model includes attributes related to the objectives in the AER's *Strategic Plan 2020-25* and the ACCC and AER *Corporate Plan 2022-23*.

Performance ratings

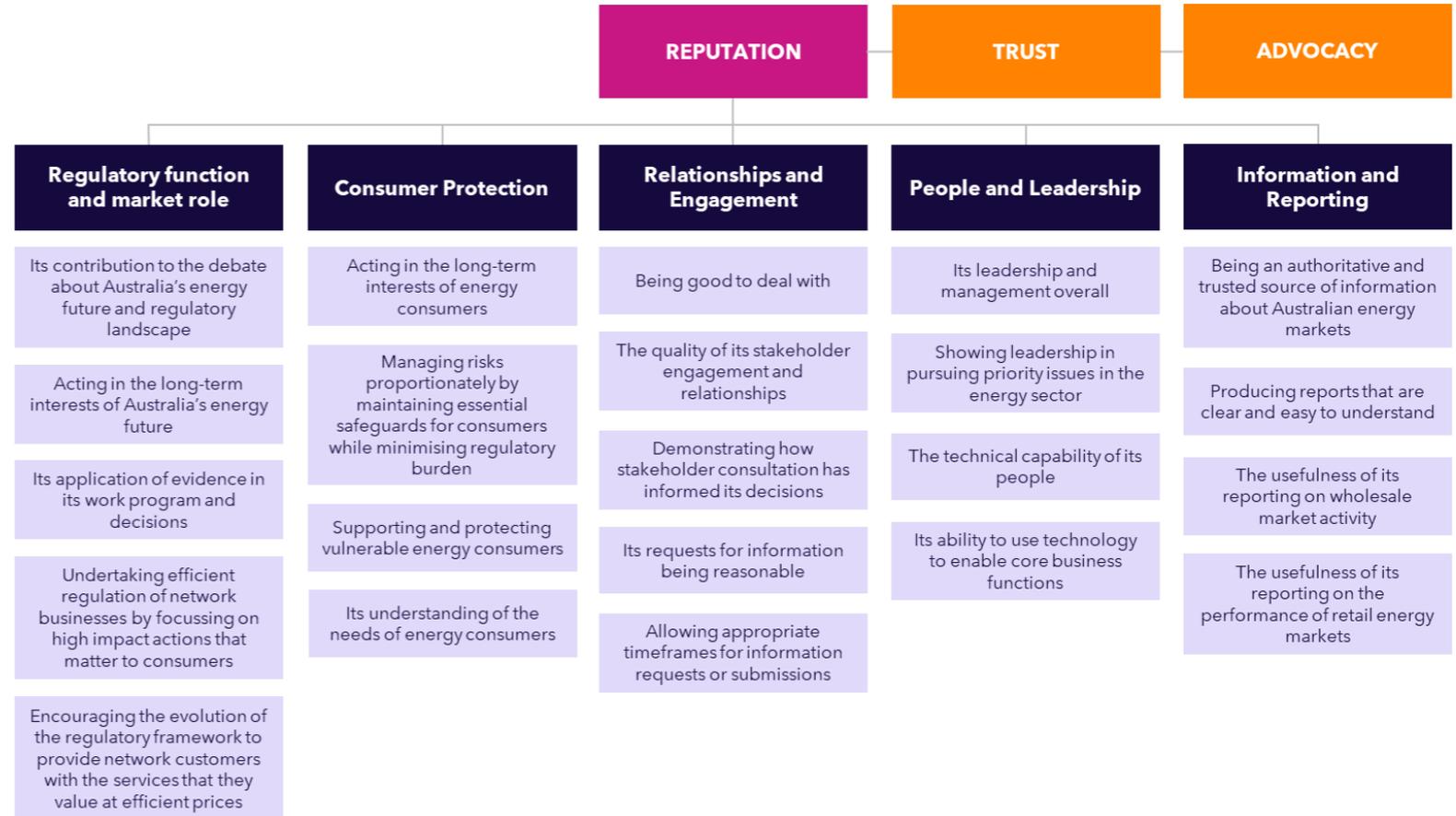
In the 2024 pulse survey, stakeholders were asked to rate their perception of the AER's performance on each of these attributes, using a numeric scale of 0 (Very poor) to 10 (Excellent). A 'don't know' option is included for attributes that stakeholders were unfamiliar with.

To enable comparison of scores across attributes, the performance scores presented in this report exclude 'don't know' responses and reflect only those who provided a valid rating for each attribute.

Qualitative feedback

The survey included an **optional** open-ended question after each attribute where stakeholders could provide feedback in their own words, to explain the reasons for their rating of the attribute, if they wished.

While the comments have been analysed for common themes, importantly, for each attribute only around 10-20 participants provided comments, so these **qualitative themes cannot be taken to broadly represent the views of all stakeholders - though should still be considered useful in understanding the views of those who opted to provide this added feedback.**

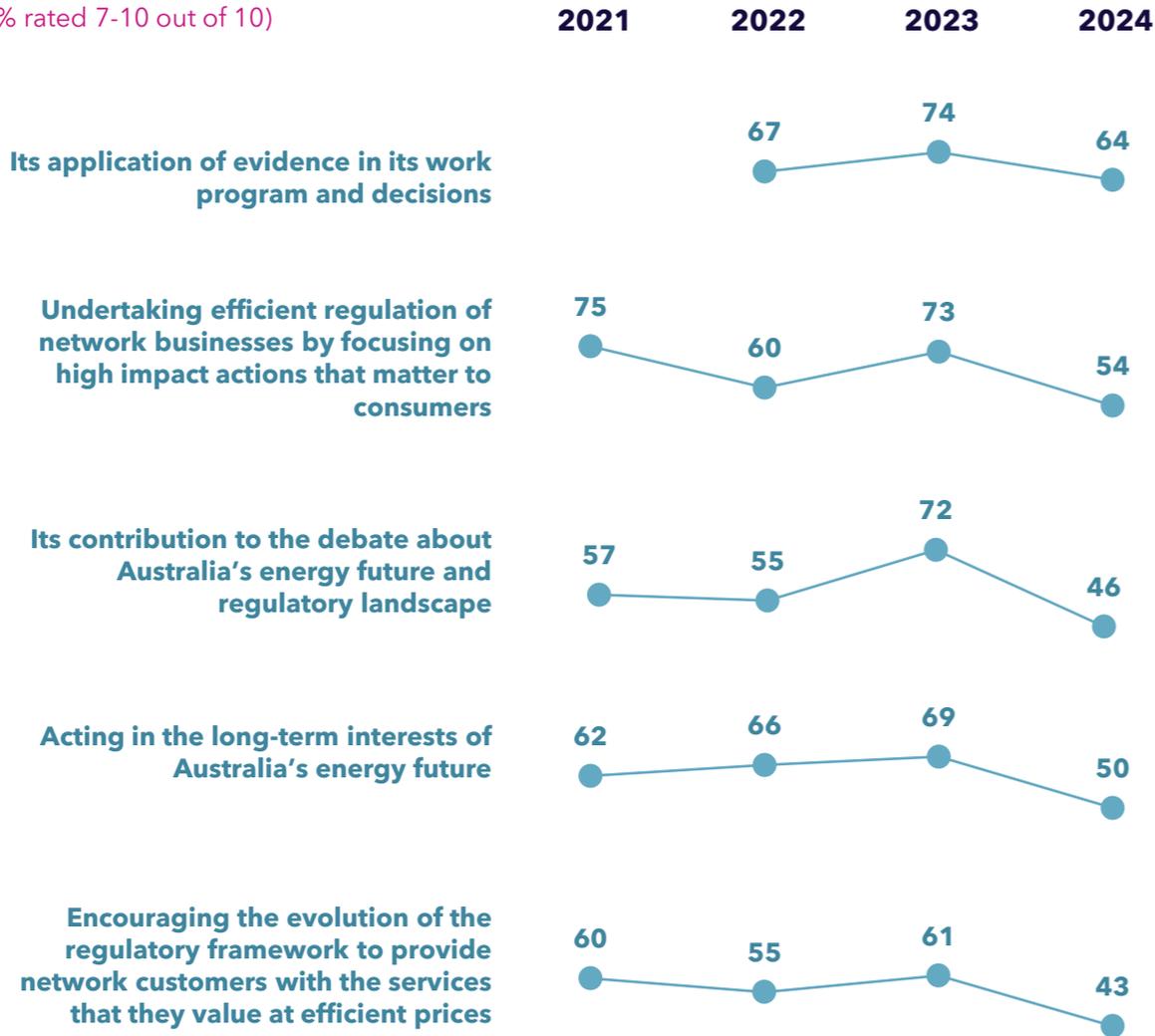




Regulatory Function and Market Role

Performance Scores Over Time

(% rated 7-10 out of 10)



The large majority of stakeholders remain positive about the AER's **application of evidence in its work program and decisions**, despite a decline in the performance ratings this year. However, those who were less positive felt there was not always enough evidence to support the AER's position on issues including cost reflective tariffs and ring fencing.

Perceptions have weakened regarding the AER's performance in **undertaking efficient regulation of network businesses by focusing on high impact actions that matter to consumers**, with concerns varying across stakeholder segments. Most of the 17 participants who commented on this metric were from Industry. Networks themselves expressed concern about the burden of the reset process, especially customer engagement requirements, with some feeling the AER is too focused on more immediate cost outcomes for consumers rather than other and longer-term outcomes. Some of the others who commented felt the AER was not tough enough on Networks.

Stakeholders were notably less positive this year about the AER's **contribution to the debate about Australia's energy future and regulatory landscape**, the extent to which it is **acting in the long-term interests of Australia's energy future**, and its efforts in **encouraging the evolution of the regulatory framework**. Around one in five (35) stakeholders offered a comment on at least one of these three measures, with the main themes being:

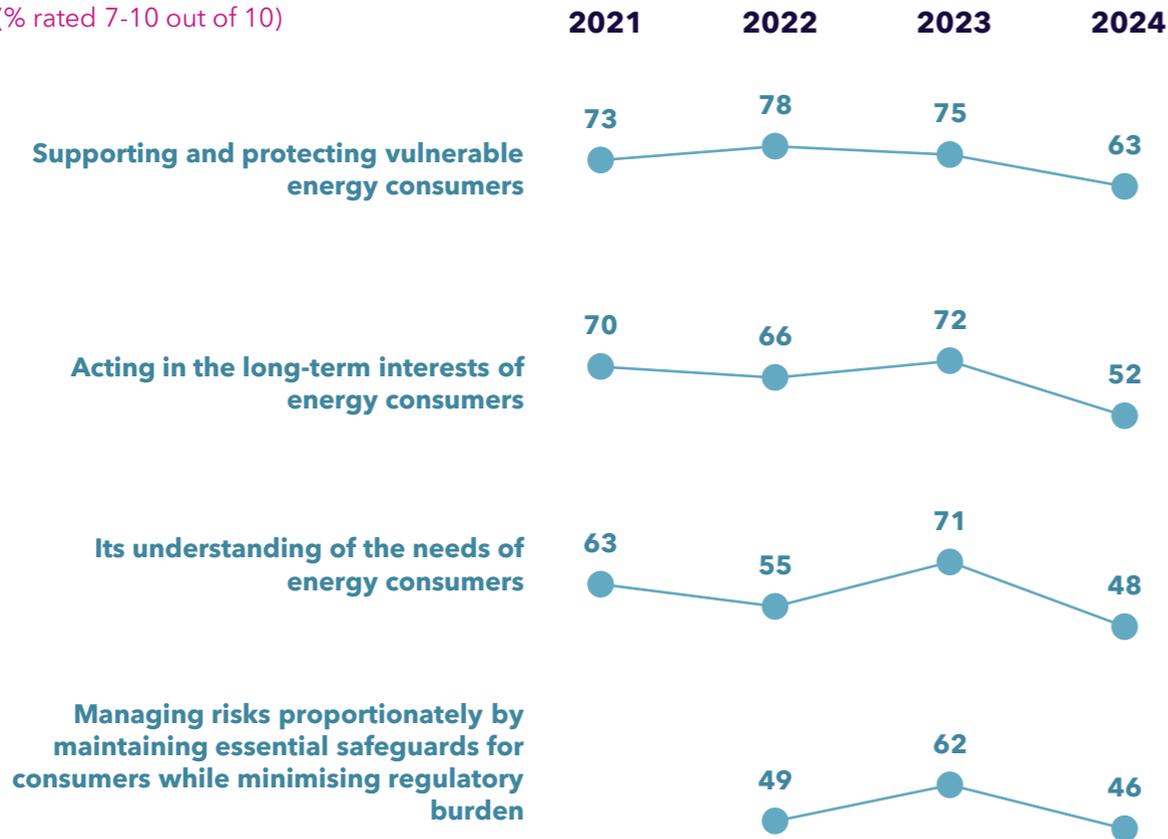
- A desire for more involvement in thought leadership and the debate on sector issues - including hearing from more staff in addition to the AER's Chair, the organisation's most visible spokesperson - with some appreciation expressed for when it has engaged:
 - *"Willingness of the AER to engage early on very difficult issues, such as how to regulate gas businesses in uncertain futures, has resulted in better outcomes for all stakeholders." (Staff, Networks)*
- Not being proactive or open minded enough in advocating for changes to the regulatory framework to better reflect the transitioning market (although a few noted this is not in line with the AER's role and that rule changes are the responsibility of other regulatory bodies)
- Not moving quickly enough to encourage changes that will support the energy transition
- Prioritising short-term pricing outcomes over longer term consumer interests, with insufficient allowance for the scale of investment required to support the energy transition
- And for a couple of retailers, not enough emphasis on the needs of consumers in embedded networks.



Consumer Protection

Performance Scores Over Time

(% rated 7-10 out of 10)



Among the metrics related to consumer protection, ratings were the highest for the AER’s work in **supporting and protecting vulnerable energy consumers**. Despite a decline in this year’s rating almost two thirds (63%) rated the AER’s performance in this area positively. Fifteen (15) stakeholders provided feedback on this metric with the key themes as follows:

- A few industry stakeholders questioned whether this responsibility should sit with government rather than the regulator. Others noted the complexity of reasons that contribute to vulnerability and expressed a desire for the AER to focus its efforts on addressing these root causes.
- Two consumer advocates noted that they were appreciative of the AER’s focus on supporting customers experiencing vulnerability.
- Two government stakeholders emphasised the growing need for protection for customers in embedded networks but noted the AER is constrained in its ability to extend similar supports to these customers.

Ratings for the AER **acting in the long-term interests of energy consumers** declined with just over half (52%) giving ratings of 7+. Among the 17 comments provided, several Network stakeholders expressed a view that the AER’s decisions seem to be weighted too much towards short-term pricing outcomes. Other individual comments noted a desire for the AER to seek to influence changes to policy and the regulatory framework to better serve longer term consumer interests over the transition, even if it is not the AER’s core remit to do this.

Ratings were less positive this year for the AER’s **understanding of the needs of energy consumers**. Some of the 14 stakeholders who gave feedback suggested that while the AER has a reasonable understanding of consumer needs generally, it could improve its understanding of the specific needs of consumers in relation to embedded networks, customer energy resources (CER), and tariffs. A few also suggested the AER could do more to leverage consumer insights from networks and retailers.

Fewer than half of the stakeholders this year gave a positive performance rating for the AER in **managing risks proportionately by maintaining essential safeguards for consumers while minimising regulatory burden**, remaining one of the lowest rated attributes overall. Among the 19 comments, some noted it is becoming increasingly challenging for all regulatory bodies to achieve this balance and that the AER is not alone on this front. A few network stakeholders suggested that, if anything, the regulatory burden is growing, with specific mentions of requirements related to transmission ringfencing, compliance reporting, and legacy metering.



Relationships and Engagement

Performance Scores Over Time

(% rated 7-10 out of 10)



Since 2021 stakeholders have been mostly positive about the AER **being good to deal with** and despite a decline this year it remains one of the highest rated performance attributes. Most of the comments reinforced this positive view and noted the availability and responsiveness of AER staff and their professional manner as reasons for their ratings. Those who gave lower ratings expressed some frustrations in getting through to the right person and found some people at the AER better than others to deal with.

Despite having been noted as an area of improvement last year, ratings for the **quality of the AER’s stakeholder engagement and relationships** dipped this year. Qualitatively, some stakeholders noted the longer-term improvement, while others said they would like the opportunity for deeper, two-way engagement.

Ratings for the AER **allowing appropriate timeframes for information requests or submissions** remained relatively stable this year, but ratings for its **requests for information being reasonable** declined. Feedback here suggests some stakeholders are feeling strained at the volume of requests for information and submissions, not only from the AER but other regulatory bodies as well - some even suggesting there are overlaps in the information requested by the AER and other bodies that could be better streamlined. Some questioned whether the AER could allow longer timeframes for requests and submissions, in recognition of the effort required, especially in relation to RIN data submissions, and regulatory resets.

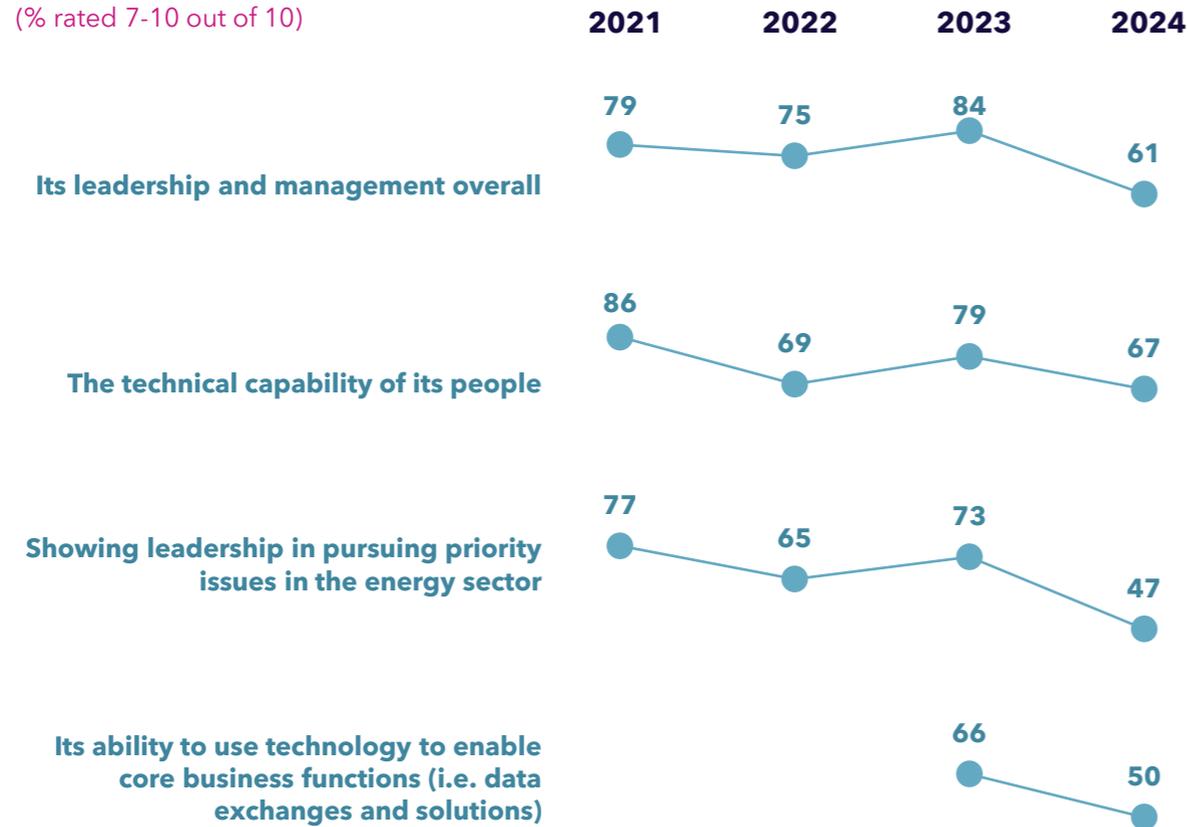
Fewer stakeholders rated the AER positively for **demonstrating how stakeholder consultation has informed its decisions**, though around six in ten still gave a high rating of 7 or more. Some of the comments emphasised that the AER has made gradual improvements in this regard, becoming more transparent in its approach. Those with lower ratings felt their feedback has limited influence on the AER’s decisions, although some acknowledged that decisions do need to weigh up other considerations in addition to stakeholder feedback.



People and Leadership

Performance Scores Over Time

(% rated 7-10 out of 10)



Ratings of the AER’s **leadership and management overall** fell markedly from a very high point last year, though the good majority still gave high ratings of 7 or more out of 10. Only 14 comments were provided for this attribute and many of them were positive regarding the AER’s senior management being highly competent. A few noted a lack of consistency between teams and personnel, and a desire for the AER’s leadership to be more timely and influential in its contribution to industry issues.

Ratings of the **technical capability of its people** remain quite positive, with a relatively smaller decline this year compared to some of the other measures. There was some concern expressed about experienced personnel recently leaving the AER and the resultant loss of understanding of the intricacies of the energy market.

A substantially lower proportion of stakeholders gave a positive rating this year for the AER’s performance in relation to **showing leadership in pursuing priority issues in the energy sector**. While some stakeholders noted it is not the AER’s responsibility to guide policy or strategy, others feel it could do more to drive change in relation to the transition to a low carbon energy future and evolving the appropriate regulatory frameworks to support this. Some stakeholders commented that they would like to see the AER work with government and other regulatory bodies to more actively pursue regulatory reform.

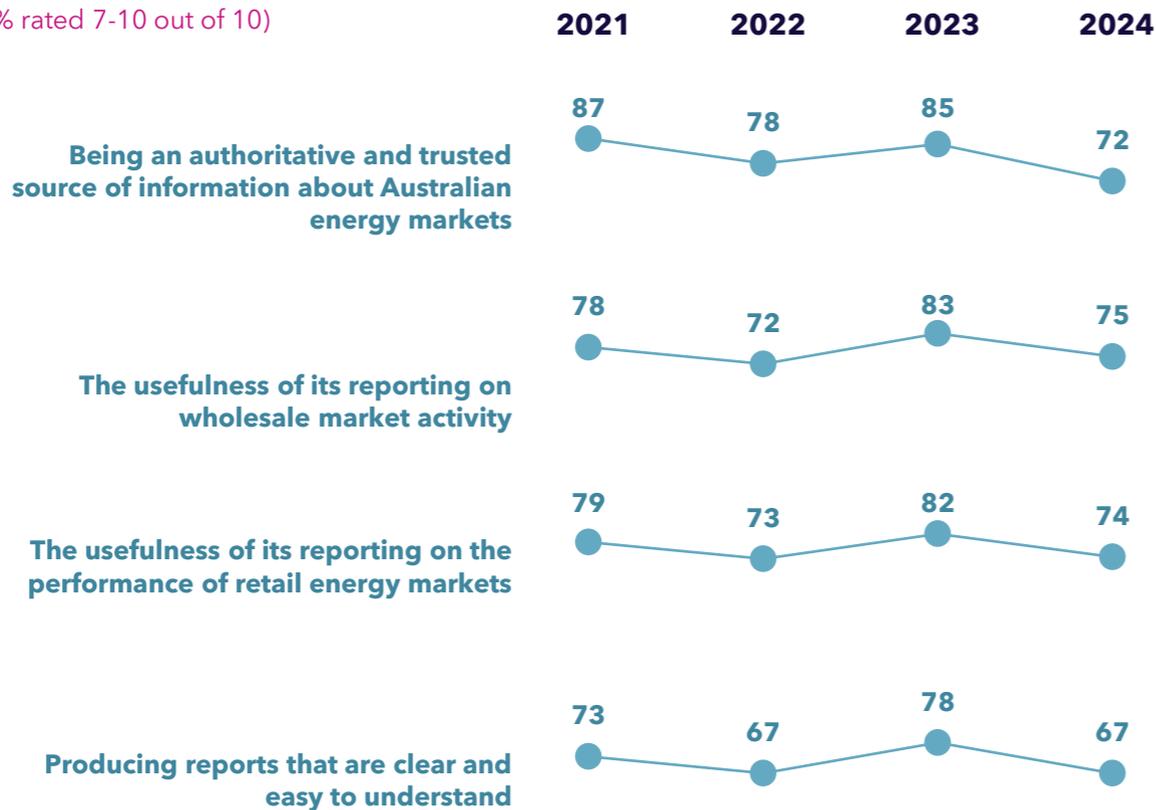
Since 2023 stakeholders have been asked to rate the AER’s **ability to use technology to enable core business functions**. Ratings this year have dropped, with concerns cited including difficulties navigating the AER website and Energy Made Easy, and issues related to submitting RIN data via the *OurShare* portal.



Reporting and Communications

Performance Scores Over Time

(% rated 7-10 out of 10)



While results are also lower across the reporting and communications metrics this year, the declines are milder here than in other pillars of the AER’s reputation model, and this is the pillar with the strongest performance ratings overall.

Only eight stakeholders commented on the AER’s position as an **authoritative and trusted source of information about Australian energy markets**. One stakeholder who rated a 10 based this on the value of the AER’s annual State of the Energy Market report.

Issues raised in other individual comments included a feeling the AER’s reports contain assertions that are not fully supported, reports lacking granularity for smaller jurisdictions, and difficulty locating information on the AER’s new website.

Compared to other attributes, ratings for the **usefulness of the AER’s wholesale and retail market reporting** did not fall as sharply. Indeed, several stakeholders commented on their ongoing value, along with the annual *State of the Market* report.

Some constructive feedback was offered here, with some feeling the wholesale market reports are not released in a timely fashion, and some feeling that the analysis and insights contained in both reports lacks depth.

The decline in the performance rating for **producing reports that are clear and easy to understand** also stems in part from a sense of declining quality, along with the need for more conciseness. While some stakeholders feel clarity has improved, others suggested the AER’s reports can sometimes be too complex and could be more concise.

Questions about the quality of report content appear to have been compounded by frustrations with the **AER’s new website**. Several stakeholders commented that they had struggled to navigate the new website and find the information or reports they needed.

Performance Ratings - by Segment

Government stakeholders and consumer advocates tended to give the highest ratings, while Industry stakeholders (especially Networks) were least favourable in their view of the AER's performance, with substantially lower ratings for most attributes.

Performance scores (% rating 7-10 / 10)	All stakeholders							
		Executive	Staff	Industry	Government	Consumer advocates	Networks	Retailers
The usefulness of its reporting on wholesale market activity	75	77	74	61	84	78	63	61
Usefulness of retail market reporting	74	73	74	68	67	85	75	66
Authoritative and trusted source of energy market information	72	73	71	54	79	82	57	55
Being good to deal with	71	76	69	58	72	82	58	61
Allowing appropriate timeframes for information requests or submissions	69	75	67	55	81	73	55	53
The technical capability of its people	67	59	70	46	76	81	48	49
Producing reports that are clear and easy to understand	67	71	65	66	71	64	63	76
Application of evidence in its work program and decisions	64	71	62	44	72	77	42	47
Supporting and protecting vulnerable energy consumers	63	67	63	62	70	59	60	72
Its leadership and management	61	66	59	53	62	68	53	60
Requests for information are reasonable	59	80	52	42	86	59	43	45
Demonstrating how stakeholder consultation has informed decisions	59	51	62	42	65	71	42	43
Quality of stakeholder engagement and relationships	59	55	60	44	74	59	46	43
Efficient network regulation focussed on consumer outcomes	54	56	53	34	65	62	33	40
Acting in the long-term interests of energy consumers	52	49	53	39	63	55	39	44
Ability to use technology to enable core business functions	50	56	49	43	45	67	34	57
Acting in the long-term interests of Australia's energy future	50	46	52	34	59	59	33	37
Its understanding of the needs of energy consumers	48	47	48	43	60	41	41	49
Showing leadership in pursuing priority issues in the energy sector	47	45	48	39	60	43	37	46
Contribution to debate about Australia's energy future and regulatory landscape	46	53	44	36	62	41	31	46
Managing risk in maintaining consumer safeguards while minimising regulatory burden	46	56	43	35	59	45	34	41
Evolving the regulatory framework while maintaining reliability and efficient pricing	43	48	41	35	48	46	33	40

 Shading indicates that segment rating is substantially higher or lower vs All stakeholders (+/- 10pp difference)

Awareness of Compliance and Enforcement Priorities

Stakeholders' awareness of the AER's compliance and enforcement priorities is stronger this year.

	Fully Aware	Partially Aware	Not at all aware	Fully or Partially Aware (%)			
				2021	2022	2023	2024
 All stakeholders	44	50	5	81	90	87	94
 Executive	62	38	0	96	92	93	100
 Staff	38	54	7	78	90	85	92
 Industry	58	35	6	95	91	95	92
 Networks	23	70	4	94	85	92	92
 Retailers	51	45	4	96	100	97	94
 Government	49	43	6	62	88	80	93
 Consumer Advocates	74	20	4	86	95	86	96

Stakeholders' awareness of the AER's compliance and enforcement priorities is stronger this year. Nearly all stakeholders (94%) feel they have at least a partial awareness of its priorities and a notably higher proportion this year say they are fully aware of what its priorities are (44% vs 27% in 2023).

Stakeholders' comments highlight a generally positive view of the AER's compliance and enforcement activity. However, some feel the AER has been less active over the past 12 months and attribute this to its compliance team being under resourced.

Those who are less positive cite the burden of compliance reporting and suggest that the cost of compliance reporting, along with penalties, are ultimately passed back to consumers.

Stakeholders' suggestions for the AER to improve or expand its compliance and enforcement focus are:

- Continue focus on wholesale market behaviour
- Monitor external complaints forums to identify incidents to be investigated
- Customer and Distributed Energy Resources (CER/DER)
- Demand Response resources
- Cost Reflective Tariffs
- Connection performance for new transmission and distribution assets.



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