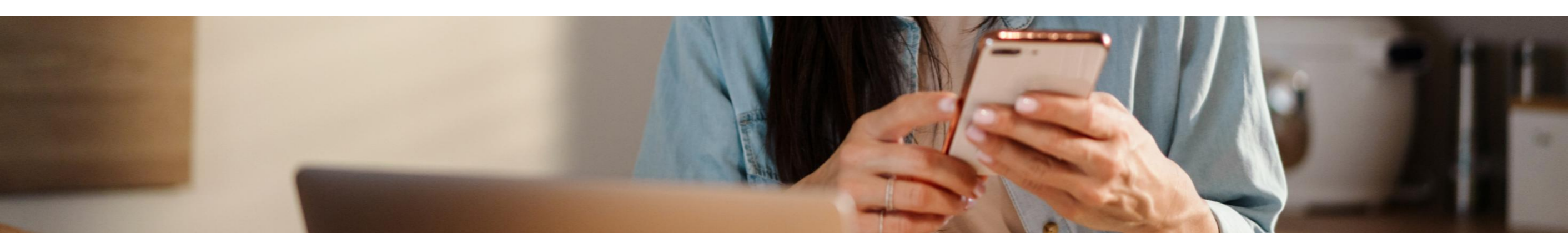




Stakeholder Research 2025

Report prepared for the Australian Energy Regulator

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Executive Summary

Introduction and Core Metrics

Introduction

This report presents findings from research undertaken by SEC Newgate in June and July 2025 with a cross-section of the Australian Energy Regulator's (AER) external stakeholders.

The research comprised in-depth qualitative interviews with executive level stakeholders and a complementary online survey completed by staff level stakeholders - i.e., those less senior than executives. All participants were external and not employees of the AER (see table below for a full breakdown). Participation was on a voluntary, opt-in basis.

Stakeholders were asked to rate their perception of the AER's overall reputation and its performance on a range of attributes. These metrics have been collected annually since 2021 to monitor stakeholder perceptions related to the AER's Strategic Plan objectives and corporate KPIs. This year's research provides an up-to-date measure of stakeholder perceptions and an indication of trends over time.

The report combines statistical analysis and qualitative findings to provide a robust and nuanced understanding of the factors underpinning the AER's reputation, how perceptions vary between different stakeholder segments, and to highlight opportunities to enhance its reputation.

Profile of research participants (2025)

Segment	Executive (n)	Staff (n)	Total (n)
Industry / Market participants	12	117	129
Networks	7	64	71
Retailers / Generators	5	42	47
Other	0	11	11
Government / Market bodies / Regulators	10	35	45
Consumer Advocates	5	30	35
Total	27	182	209

Note on data weighting: Each of the three primary segments was allocated an equal weight, overall and within each stakeholder type. Additionally, the mix of stakeholder types was weighted to be consistent with previous waves (2021-2024) with Executives given a 25% weighting and Staff a 75% weighting allocation. This ensures comparability between time periods.

Core metrics dashboard

Reputation Score

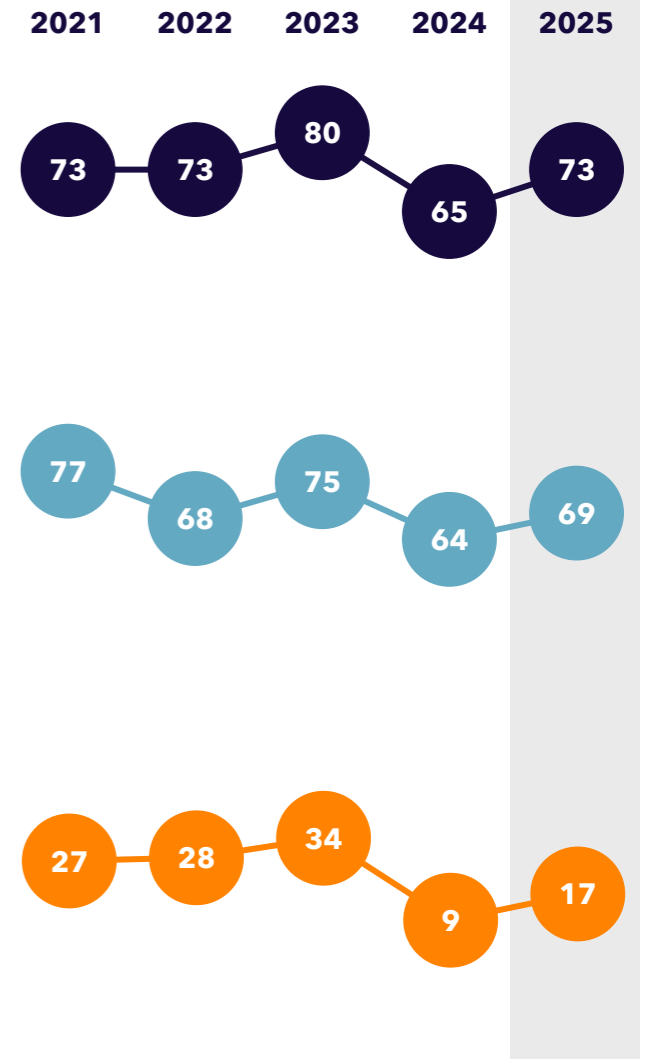
Participants were asked to rate the AER's reputation based on their own interactions as well as everything else they had seen or heard about the organisation. The Reputation Score is the proportion of stakeholders who gave a relatively high rating of 7+ out of 10 where 0 = 'very poor' and 10 = 'excellent'.

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 2025 Net Advocacy Score is the proportion of 'Advocates' (rating 8-10) minus the proportion of 'Detractors' (rating of 0-6).



Overview of Key Findings and Stakeholder Advice

(1) Improvement in reputation and performance on most metrics

After a downturn in last year's pulse survey, the 2025 research shows improved ratings across all core metrics and most performance attributes. While results remain below the peak of the five-year trend, qualitative feedback reflects a sense of positive momentum. Key reasons for this year's uplift are a perceived improvement in stakeholder engagement, collaboration and communication, efforts to be more innovative, and decisions being more pragmatic and transparent - contributing to a sense of a more unified approach to sector challenges.

(2) Expectations of the AER are high in an increasingly complex environment

The AER is clearly recognised for its key role in the energy sector, providing invaluable insights and guidance to market participants. Stakeholders acknowledge they have very high expectations of the AER, with some noting they expect a lot more of the regulator than other parts of the sector. They note that the growing complexity of the energy market and the regulatory environment means that maintaining reputation is a challenge for any regulatory body. This highlights the importance of strong leadership and the organisation working hard to stay at the forefront of sector issues.

The AER is praised for its excellent leadership and efforts to push towards future regulatory states despite political and regulatory constraints. Stakeholders highlight its input into pricing policy and proactive approach to regulatory framework evolution, via regulatory sandboxing initiatives. However, there are calls from some for the organisation to demonstrate even stronger leadership and independence.

(3) Notable step up in compliance and enforcement activity

The AER's increased compliance activity and enforcement powers are seen positively overall, signalling clear expectations of market participants. However, some stakeholders call for penalties to be more proportionate to the severity / impact of the breach, and for associated communications to be designed to strike a balance between clearly signalling expectations of market participants, and reassuring consumers that they will be protected, in a way that doesn't contribute to consumer distrust in the sector overall.

(4) A top priority is for regulatory frameworks to adapt as the system changes

In a nutshell, the major perceived ongoing challenge for the AER is navigating and helping to facilitate a much swifter energy transition, by ensuring regulatory frameworks and processes are fit for purpose. Stakeholders urge the AER to push harder for changes to the regulatory framework, and to build greater efficiency into existing processes, to ensure that the regulatory burden does not unnecessarily hamper progress of the transition.

(6) Prioritising consumer needs should remain the AER's guiding light

Stakeholders recognise the AER's core remit is to promote consumer interests and feel this should remain as a clear guiding principle for its decision making, over and above the needs or interests of other stakeholder groups. However, they feel that it must cultivate good relationships with industry stakeholders through proactive, genuine and transparent communication and engagement to foster support for its positions and, where possible, seek to collaborate with and empower stakeholders to find solutions together that serve consumers' needs.

(7) Growing calls to consider shifting to principles-based regulatory approach

There are calls across stakeholder segments for the AER to explore whether and how it might shift from a legalistic to a more principles-based regulatory approach. Such a shift is anticipated to allow more room for innovation in how rules are applied, guided by an overarching focus on consumers' best interests. The AER is recognised for technical expertise but faces challenges in balancing strict rule adherence (and the associated cost to industry) with the big-picture thinking that stakeholders feel the transition requires.

(8) Maintain commitment to open and constructive stakeholder engagement

The positive uplift in the AER's reputation this year is underpinned, at least in part, by its approach to stakeholder engagement and communications. Stakeholders encourage the AER to maintain this, while some seek more direct engagement and collaboration at a senior level. Effective collaboration and communication are seen as critical for the AER to strengthen trust with stakeholders, and to navigate the transition in a unified manner.

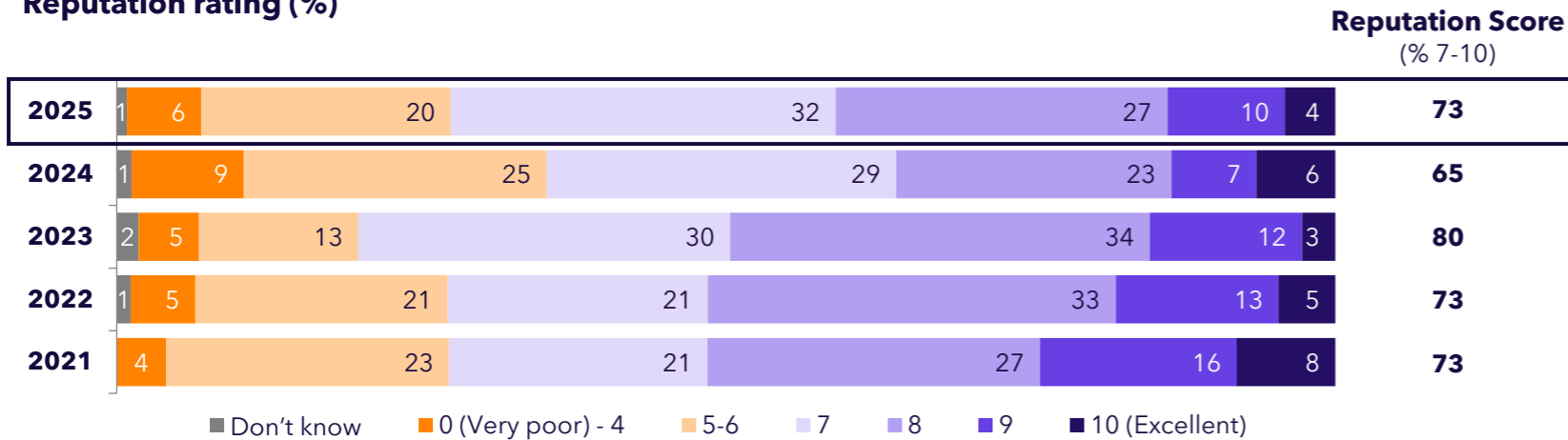


Detailed Findings

Reputation Ratings

Stakeholder perceptions of the AER's reputation gained ground after a dip in 2024. The 2025 Reputation Score of 73% is in line with 2021 and 2022 although remains below the 2023 peak. As in most previous years, Executive-level stakeholders have a much more positive view than Staff.

Reputation rating (%)



With nearly three-quarters of stakeholders (73%) giving the AER a high overall reputation rating of at least 7 out of 10, the organisation's reputation score has improved this year. This is a recovery of some of the decline in 2024, though not to the peak of 80% recorded in 2023.

This year more stakeholders gave ratings of 7 or 8 out of ten, while a little over one in four (27%) rated the AER's overall reputation at 6 or below.

Looking at results among different stakeholder cohorts:

- Most Executive stakeholders (86%) gave the AER a high rating of 7 or more; a notable increase from last year and a return to the range seen between 2021 and 2023. This increase is a key reason for the recovery in the AER's overall reputation score in 2025, as Staff-level ratings were in line with those in 2024.
- The highest reputation score for the AER was recorded among Government stakeholders (including other market and regulatory bodies) - at 85% this is the highest score for this segment across the whole time series.
- Ratings among Network and Retailer/Generator stakeholders remain aligned. With reputation scores of 58% and 60% respectively they contribute to the Industry segment having the least favourable perceptions of the AER.

Over the next few pages, we analyse the qualitative themes underpinning these reputation ratings.

Reputation Scores by segment:

	Executive	Staff	Industry	Government / Market Bodies / Regulators	Consumer advocates	Networks	Retailers / Generators
2025	86	68	58	85	75	58	60
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 2025 is substantially higher or lower vs 2024 (+/- 10pp difference)

Factors Underlying the AER's Reputation - Qualitative Feedback

Stakeholders were asked to explain the reasons for their rating of the AER's overall reputation. The following analysis is based largely on the in-depth qualitative feedback from Executive-level stakeholders, with comments from Staff-level stakeholders in the online survey also considered in this thematic analysis.

Reputation strengths

The following themes emerged as having the strongest positive effects on the AER's current reputation. Illustrative verbatim comments are provided over the page for each theme.

High level themes (mentioned most frequently)

- **Expertise, knowledge, capability and credibility:** As in previous years, stakeholders (especially the Government segment) often mention the capability of the AER's people at all levels as a factor that contributes positively to its overall reputation. The AER's personnel are described as "smart and dedicated" with "excellent technical skills". Collectively the organisation is recognised for possessing deep knowledge of the energy sector, and is respected and valued for its data, reports, insights and advice.
- **Open and constructive relationships:** Many stakeholders attribute the AER's constructive approach to stakeholder engagement as a positive feature of its overall reputation. They find AER personnel good to deal with, well-meaning, proactive in consulting and keeping stakeholders informed, and genuine in their willingness to listen to different perspectives.
- **Rigorous processes and evidence-based decisions:** The AER is perceived to act with integrity and take positions that are grounded in facts and evidence. Many stakeholders commented on the effort the AER makes to consult with them to inform its decision-making.

Lower-level themes (mentioned less frequently)

- **Innovation and regulatory reform:** Some stakeholders feel the AER is doing its bit to evolve regulatory frameworks to address new challenges emerging from the transition. They point to the AER's role in regulatory sandboxing initiatives to trial new approaches as evidence of this.
- **Strong leadership:** The AER's Chair and Board were described as "high calibre" by one stakeholder while others note their deep knowledge of the energy sector and being good to work with. They are considered to be doing a good job in leading the organisation.

- **Supporting consumers:** The AER is seen to be working hard, with good intentions, to deliver good outcomes for consumers, especially those experiencing vulnerability (notably the Game Changer initiative continues to be seen as a clear demonstration of this intent).
- **Compliance and enforcement focus:** Several stakeholders, especially the Government & Market Bodies and Consumer Advocates segments, note the AER has stepped up its compliance and enforcement efforts, and see this as a positive for keeping prices down for consumers and signaling clear expectations of market participants.

Reasons underpinning a perceived improvement in reputation

Most of the Executive stakeholders were asked whether they thought the AER's reputation had improved, declined or stayed the same over the past year. There were mixed views, with roughly similar numbers of stakeholders feeling the AER's reputation had improved (n=8), declined (n=6) or remained unchanged (n=8).

Some of those who feel the AER's reputation is unchanged feel this should be seen in a positive context, reasoning that to maintain its reputation in the face of rapid and unprecedented change in its operating environment was equivalent to an improvement - especially given that expectations of regulators tend to be particularly high. They note that the growing complexity of the energy market and the regulatory environment means that maintaining reputation is a challenge for any regulatory body.

Those who feel the AER's reputation has improved attribute this to the following factors:

- **Improvement in stakeholder engagement and communication:** Some feel the AER has become more approachable and responsive in its stakeholder engagement. There is recognition of efforts made to listen to different perspectives.
- **Innovation:** Some perceive the AER as trying to be more innovative, with leadership (especially from the Board and Chair) driving this. Initiatives such as sandboxing trials are seen as bold and supportive for the sector.
- **Transparency:** Some stakeholders commented that the AER's decisions are more transparent and that they feel better informed about the rationale for its decisions - exemplified in the 2025 Default Market Offer determination.
- **Collaboration:** The AER's reputation is also thought to be benefiting from closer collaboration with other regulatory bodies, creating a more unified approach to sector challenges.

Factors Underlying the AER's Reputation - Qualitative Feedback

Key concerns impacting reputation

Not all stakeholders feel the AER's reputation has strengthened this year. Some stakeholders reported feeling the AER's reputation was under pressure and/or declining. The following themes emerged most strongly as factors that have a negative effect on the AER's overall reputation.

High level themes (mentioned most frequently)

- **Hampered by external factors and limitations of regulatory framework:** Broader sector challenges are seen as impacting the AER's reputation, such as tensions between rising infrastructure and industry costs and political pressure to contain cost increases for consumers. Some note the AER is sometimes unfairly blamed for these issues which are largely outside its control, while some others feel it should take a stronger stand in helping to facilitate the renewable energy transition. Several stakeholders commented on the "difficult job" the AER has in balancing the needs of different stakeholders, compounded by complexities arising from changes to energy markets and systems, which are placing increasing demands on the AER. There is some empathy for the AER and its ability to address emerging challenges which are often seen to be outside the existing regulatory framework.
- **Need to be more willing, flexible and proactive to challenge the status quo:** Some stakeholders express a feeling that the AER has been at times too slow or reluctant to embrace or push for change in its regulatory processes. They perceive the AER as having entrenched views and being sometimes reluctant to deviate from established processes and ways of interpreting and applying the rules, when clearly there is some need for flexibility. This leads to a feeling the AER is not doing enough to support and enable the energy transition.
- **Regulatory burden on industry is growing:** The growing volume, complexity and cost of regulation are cited as negatives, with concerns about the increasing compliance burden and a perceived lack of a forward-looking regulatory model to support the energy transition. Some stakeholders feel new or expanded regulatory requirements are adding to, rather than replacing older, outdated requirements, leading to an increased compliance burden. While it is acknowledged the increased burden isn't solely from the AER itself, they would like to see the AER do more to simplify and streamline its requirements and processes.

Lower-level themes (mentioned less frequently)

- **Impact of enforcement actions:** While some see increased enforcement as positive, others feel that large fines and penalties can have unintended negative consequences, such as discouraging innovation or failing to directly support affected communities because, as one stakeholder noted, the fines go to general government revenue.
- **Perceived to have resource constraints:** Several stakeholders report a perception that the AER may be facing some capacity challenges due to the increased complexity of its role. This is thought to manifest in decisions or deliverables landing at the last minute or being delayed.
- **Need for better understanding of the AER's decision-making process and priorities:** Some stakeholders express frustration at a lack of understanding of the AER's decision making process, particularly over longer, multi-stage processes (such as regulatory resets). Greater clarity would assist with planning for stakeholders. While stakeholders generally feel the Board has a strategic, 'big picture' mindset and approach, they feel some teams and individuals at other levels in the organisation appear "set in their ways" - inflexible and resistant to change, and/or hampered by administrative processes.
- **Perceived political influence undermines independent status:** A few stakeholders see the AER as "an extension of government" rather than a truly independent regulator. Based on this they feel the AER makes decisions that are too weighted towards government priorities - with the recent focus on reducing cost of living pressures on consumers. It should be noted however that some others pointed to the AER's 2025-26 Default Market Offer (DMO) determination as a pragmatic decision that didn't yield to political influence.
- **Usability issues with the AER's reports and tools:** A couple of stakeholders commented that the AER's reports are (necessarily) very technical in nature but can be inaccessible or difficult to read. They questioned whether the AER could do anything to simplify reports where relevant and appropriate. Similarly, the Energy Made Easy website is felt to be hard to use, despite the intent of the website being recognised. However, neither of these concerns was felt to have a major influence on the AER's overall reputation.

Reputation Context: Views on Other Parts of the Energy Sector

A new question in 2025 explored the reputation of different parts of the energy sector to understand where the AER's reputation sits in relative terms.

Stakeholders were asked how they perceive the reputation of five broad sector segments: Government and Market Bodies, Networks, Large Retailers and Generators, Smaller Retailers, and Consumer Advocates.

Note: several stakeholders noted there was a great deal of variance between organisations within each segment, making an overall rating somewhat difficult and prone to 'averaging'. While ratings are not directly comparable with the AER's own reputation score, they do provide a useful framing through which to interpret the AER's results.

Key findings:

- Collectively, each broad segment was found to have a lower reputation rating than the AER on its own (although that's not to say there aren't individual organisations whose reputation might be equal to or stronger than the AER's).
- All parts of the energy sector are facing pressure to deliver the transition, and the current environment of uncertainty and complexity is taking a toll on reputations.
- Industry participants are faring worse, relative to government, market bodies and consumer advocates.
- Stakeholders were typically more positive about their own segment than they were about other segments, although some opted not to rate their own segment.

Stakeholders were asked what they feel the AER needs to do to balance the needs of its various stakeholders.

Many stakeholders were quick to acknowledge that the AER has a difficult, and unenviable, challenge in this regard. The overarching sentiment in responses was to **prioritise the needs of one stakeholder above all others - namely, energy consumers.**

Stakeholders recognise the AER's core remit to promote consumer interests and feel this should remain as a clear guiding principle for its decision making, over and above the needs or interests of other stakeholder groups.

"That's a tough one. I think [the AER] needs to start from the position of why the body was created, what are the long-term interests for consumers and how do we navigate to that point?" (Executive, Government & Market Bodies)

"Focus on the stakeholder that actually matters - how much does the customer get charged? Don't worry about other stakeholders because you're representing individual consumers and businesses. If they stay focused on that, things are easy." (Executive, Networks)

Another prominent theme was the **importance of cultivating good relationships with stakeholders through proactive, genuine and transparent communication and engagement.** This provides a foundation upon which the AER can have open and constructive dealings with stakeholders, especially when its decisions may not reflect stakeholders' own preferences.

"Communication, engagement, and relationship building. If they have good relationships, good engagement strategies, they will be able to explain their decisions more transparently and more effectively and build confidence." (Executive, Government & Market Bodies)

"I think being clear what they want from each... why they want to engage with each segment, and what the key issues are for each segment." (Executive, Consumer Advocates)

Broader Sector Perceptions and Challenges

Executive stakeholders were asked to share their views on the biggest challenges facing the energy sector.

Unsurprisingly, the **transition to a renewables-based energy system** is identified by stakeholders across all segments as the main overarching issue over both the short and long term and is the context for all other challenges.

The biggest challenge in delivering the transition is to ensure **affordability of electricity** for consumers. Stakeholders see this as a critical objective of the transition, but note there are various related challenges that will make meeting this objective difficult, including:

- The increasing cost base due to the introduction of distributed energy resources and the new transmission infrastructure required to connect them.
- Inequity between consumers who can afford to install consumer energy resources (CER) and those who are unable to and who are at risk of being “left behind”, plus those facing “energy poverty” as restrictions on disconnections introduced during the COVID pandemic are lifted.

Several stakeholders note the importance of **clear and honest messaging for consumers about the cost realities of the transition**, to build consumer trust and support.

Other challenges stakeholders noted were:

- The implementation of the NEM Review wholesale market reforms
- The crucial role of gas in providing firming capacity during the transition away from coal-fired generation
- Ensuring enough generation and storage capacity so that energy supply meets future demand - noting increasing demand from data centres supporting emerging technologies such as AI
- Achieving emissions reduction targets
- Social license for new infrastructure developments
- Working together as a sector to develop solutions and present a unified front to build consumer trust (which is already felt to be strained)

The AER’s role in meeting sector challenges

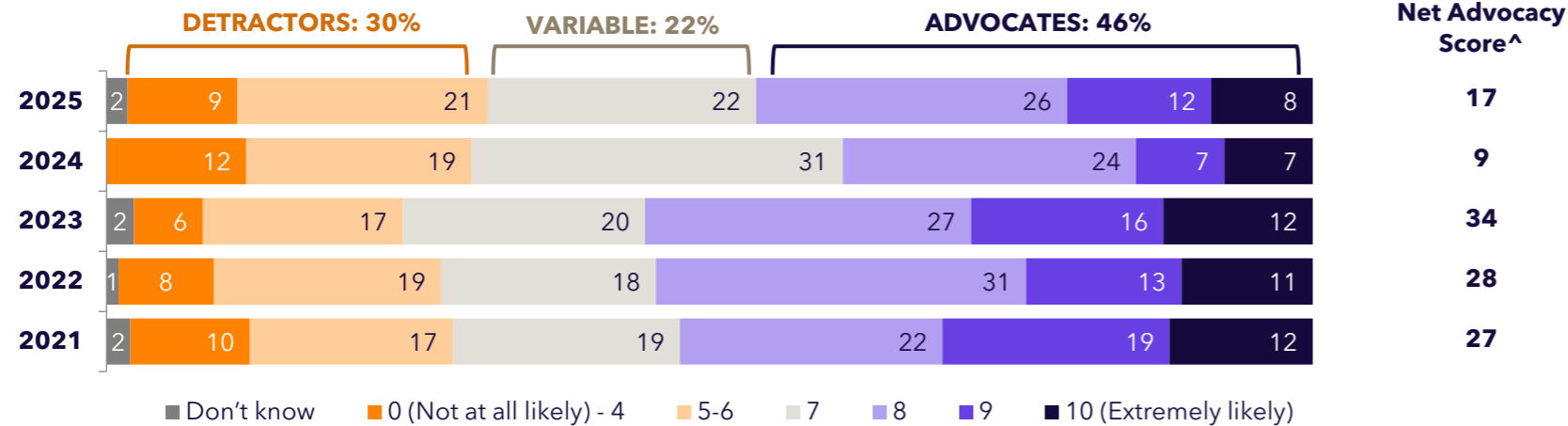
Stakeholders expect the AER to play a crucial role in addressing the major challenges facing the energy sector in delivering the transition by:

- Supporting the outcomes of the Nelson review
- Taking a longer-term view when reviewing and approving network investment proposals
- Building consumer trust by ensuring there is accountability in the system
- Ensuring decisions are based on a strong understanding of consumer needs
- Working with other market bodies to identify where rule changes are needed to address changes in the energy system and market
- Identifying where the regulatory framework needs to evolve to support consumers who are more active participants in the energy system (i.e. via CER)
- Continuing to provide the industry with high quality data, reporting and advice
- Helping the sector convey clear, simple and factual messaging to consumers to build understanding of the complexities underpinning changes to energy prices

Advocacy Ratings

Just under a half of all stakeholders (46%) reported a high likelihood of speaking well of the AER this year, however 30% indicated a low likelihood, resulting in a Net Advocacy Score of +17. While an improvement compared to last year, it remains below earlier years. Executive stakeholders and those in Government and Consumer Advocate segments are most likely to advocate for the AER.

Likelihood of speaking well about the AER (%)



The AER's 2025 Net Advocacy Score of 17 is an improvement since last year although remains lower than the historic trend.

The improvement this year is largely due to a higher proportion of 'advocates' (i.e. those rating 8 or higher) while the proportion of 'detractors' (those giving a rating between 0 and 6) was only marginally lower at 30%.

This indicates a subtle but positive shift in views of the AER with some greater willingness to speak well of the organisation compared to last year.

Looking at the Advocacy results by segment:

- Executive stakeholders' average rating of likelihood to speak well of the AER increased after a dip in 2024, however the average rating among Staff stakeholders was unchanged
- Following the increase, Executive stakeholders again have a higher average rating compared to staff stakeholders - a pattern reflective of earlier years
- The Government and Consumer Advocate segments both report a higher average likelihood of speaking well about the AER this year
- Industry stakeholders report slightly lower average likelihood ratings this year and remain less supportive of the AER compared to other segments

Average Advocacy ratings by segment:

	All stakeholders	Executive	Staff	Industry	Government / Market Bodies	Consumer advocates	Networks	Retailers / Generators
2025	7.1	7.7	6.9	6.2	7.7	7.5	6.2	6.1
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

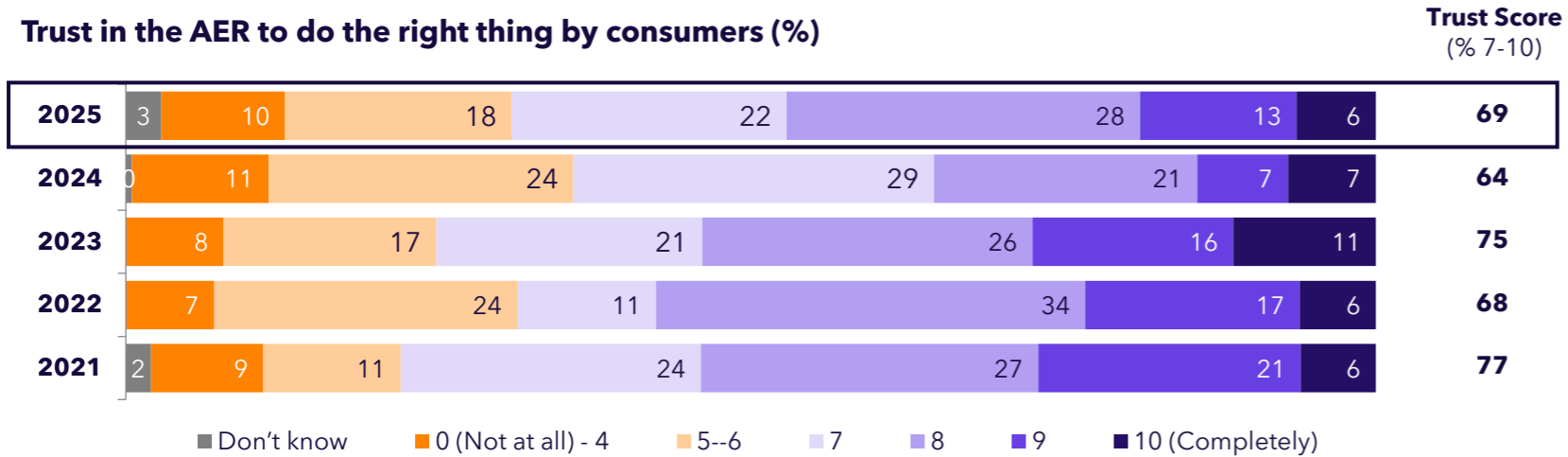
Shading indicates that 2025 is substantially higher or lower vs 2024 (difference of > 1)

*Note: The threshold for 'advocates' was revised in 2025 to include those rating their likelihood to speak well of the AER at 8 out of ten. In qualitative discussions, stakeholders who give a rating of 8 (for the advocacy question or for other questions) usually frame their rating in a positive context that is similar to those rating 9 or 10. Historic results have been recalculated for comparison purposes.

Trust in the AER

Stakeholders' trust in the AER to do the right thing by consumers strengthened this year, with a notable lift in ratings of 8 or more out of 10 compared to last year. Executive stakeholders and the Government segments report the highest level of trust in the AER.

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



The AER's Trust Score recovered this year after the decline in 2024. More stakeholders gave high ratings of 8 or 9 out of ten, resulting in a Trust Score of 69%.

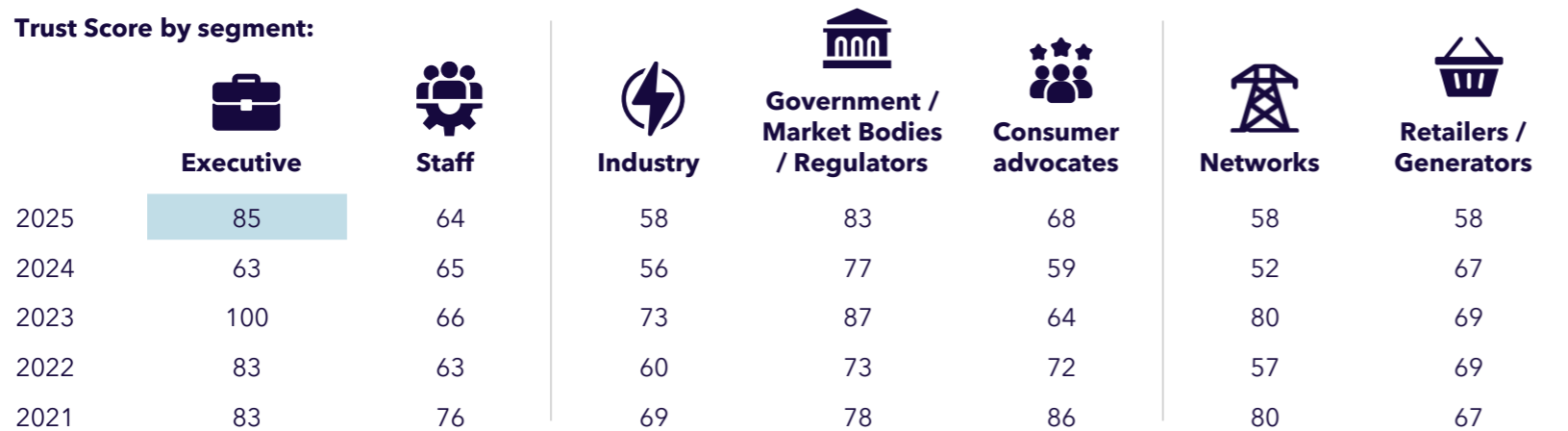
This year 3% of stakeholders gave a 'don't know' rating. While only a small group of stakeholders, it is more than has been seen in recent years and should be monitored in future waves. If the trend persists, it may indicate a need to reinforce the AER's consumer focus to ensure this understood by all stakeholders.

Looking at the Trust Score by segment:

- The increase in the overall Trust Score this year is driven by higher trust ratings among Executive stakeholders. Trust among Staff stakeholders has remained unchanged over the past four years.
- Both the Government and Consumer Advocates segments reported higher trust ratings this year, however both remain below high points over the five-year time series.
- Networks and Retailers / Generators have similar lower levels of trust in the AER.

The trust question is framed around the AER doing the right thing for consumers. On the next page, we analyse qualitative feedback from stakeholders on how they feel the AER could better meet the needs of consumers and strengthen trust.

Trust Score by segment:



Shading indicates that 2025 is substantially higher or lower vs 2024 (+/- 10pp difference)

Introducing the Performance Attributes

Reputation model

The AER's full reputation model 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 linked to the strategic objectives set out in the AER's *Corporate Plan 2024-25*.

Performance ratings

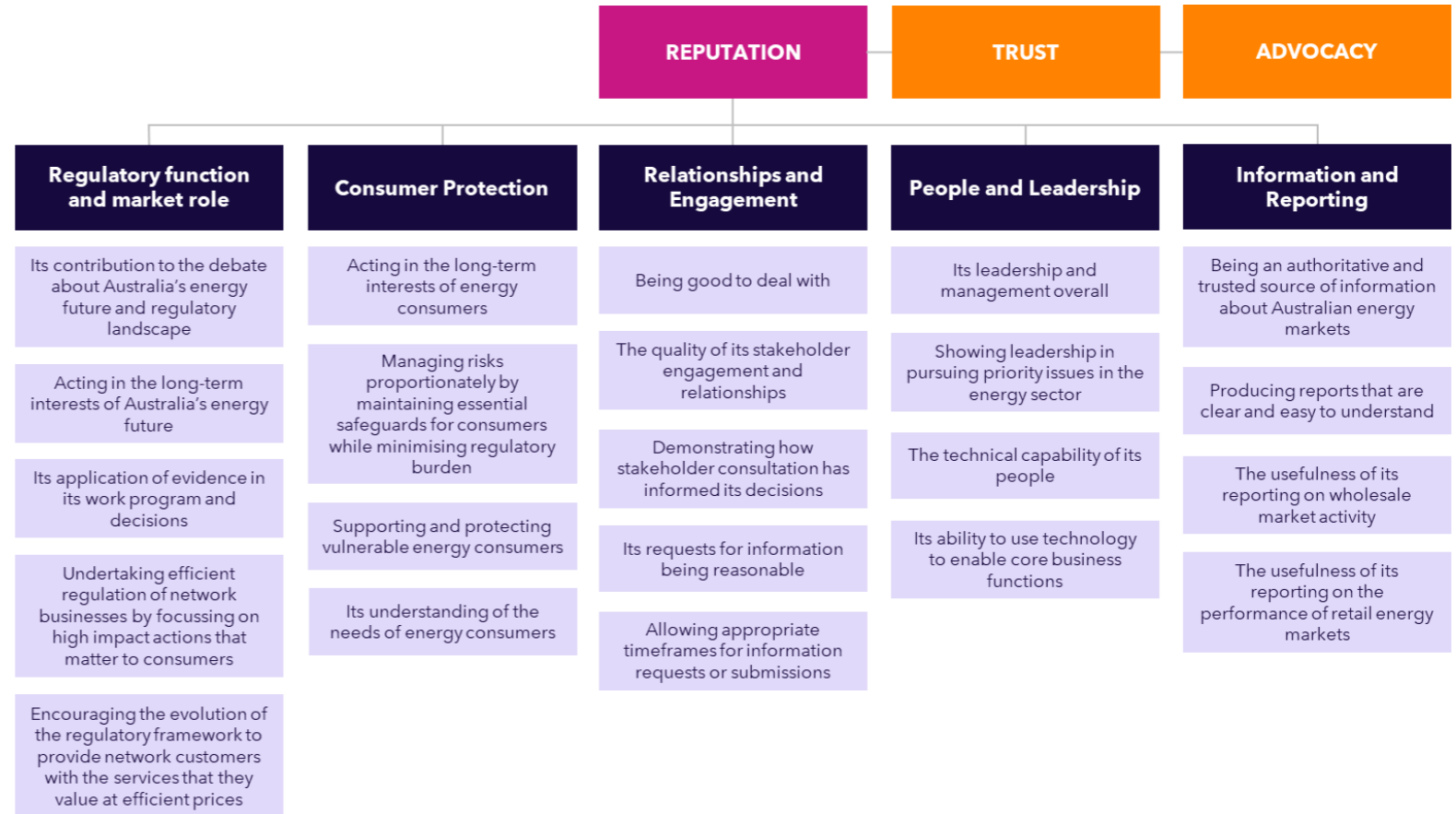
In the 2025 research, stakeholders were asked to rate their perception of the AER's performance on each of these attributes, using a numeric scale of 0 (Very poor) to 10 (Excellent). A 'don't know' option is included for attributes that stakeholders were unfamiliar with.

To enable a 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

In both the executive interviews and staff survey, stakeholders had the option to provide additional feedback in their own words, to explain the reasons for their rating of individual attributes.

Given the number of attributes, it was not possible to collect detailed feedback on all attributes from each stakeholder. The feedback and comments have been analysed for common themes; however **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 additional feedback.**

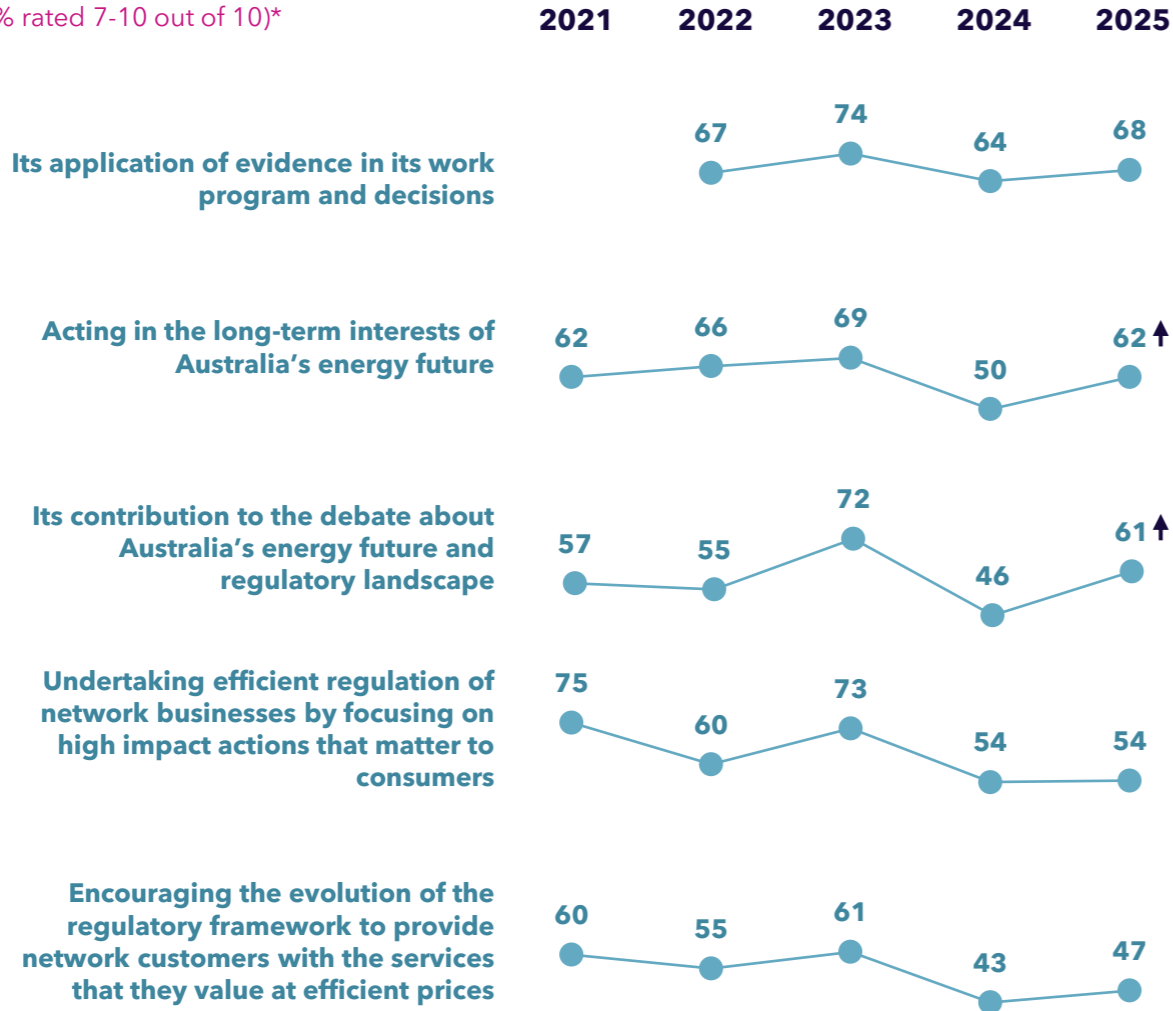




Regulatory Function and Market Role

Performance Scores Over Time

(% rated 7-10 out of 10)*



↑ ↓ = significantly higher / lower vs 2024 at 95% confidence interval

Many stakeholders commented on the AER's rigorous processes to ensure **evidence-based decisions** and noted the transparency with which the rationale for decisions is provided.

"I think the decisions that we've had, particularly where they haven't agreed with something that we've put up in a proposal, has always been well explained as to why they haven't accepted that." (Executive, Networks)

However, some stakeholders feel there is **inconsistency in the quality of evidence**, or that the AER sometimes takes a narrow or inflexible view of the evidence used to inform decisions.

"Evidence? Yes. Balanced, appropriate evidence? Often, but not always. Sometimes appears selective to support a (not necessarily well balanced) position." (Staff, Networks)

There are mixed views on whether the AER acts in the **long-term interests of Australia's energy future**. Some feel the AER understands the challenges the industry is facing and is doing all it can within its remit to support the transition. Meanwhile, some others note the significant amount of uncertainty about the future of the energy market makes it difficult for the AER (or anyone) to have a decisive view on long-term issues.

One executive stakeholder illustrated how the AER regularly **contributes to discussion and debate** on crucial energy sector issues.

Another executive stakeholder provided examples of the AER identifying problems with the existing regulatory framework and proposing solutions to **evolve the framework**:

"They did a review of hardship rules and said they're not working, and the government needs to improve them. They've done a review of embedded networks and consumer protections and have driven a policy discussion around those things." (Executive, Government & Market Bodies)

A theme in comments from some stakeholders is that the AER is **not taking a firm enough stance on networks** in relation to cost approvals and penalties for underperformance, which is felt to result in negative impacts for consumers.

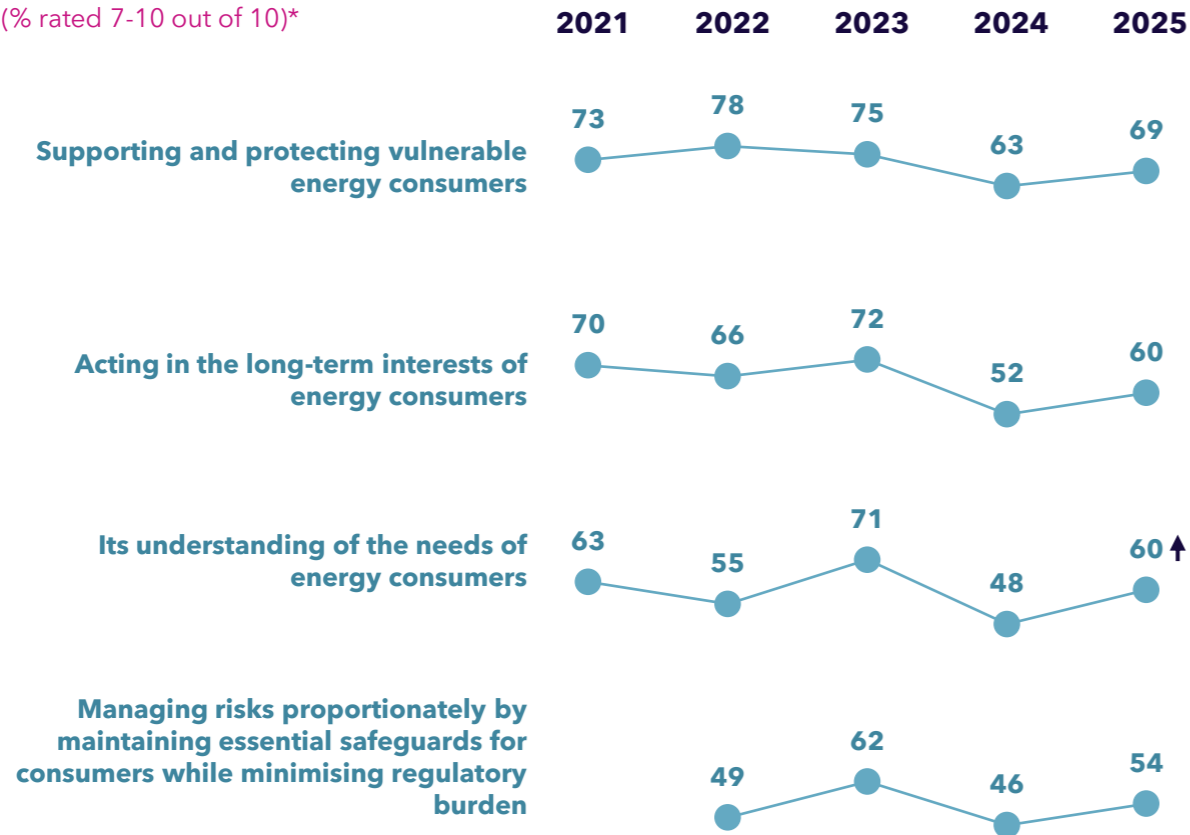
"Quite often the network businesses have the power and influence to get regulatory outcomes, which might justify their price increases, but do they actually deliver any additional benefits to the consumer?" (Staff, Government & Market Bodies)



Consumer Protection

Performance Scores Over Time

(% rated 7-10 out of 10)*



↑ ↓ = significantly higher / lower vs 2024 at 95% confidence interval

Stakeholders acknowledge the AER's commitment to **supporting and protecting vulnerable energy consumers**; its Game Changer initiative and statement of expectations during the COVID pandemic being two of the most prominent recent examples of its work in this area. They note the need for continued focus on ensuring consumers experiencing vulnerability are not disadvantaged.

"AER's role is making sure the regulations and settings are such that vulnerable customers get the protection they need to stay on supply. They're doing lots of work in that area but there's more that can be done." (Executive, Government & Market Bodies)

More generally, the AER's commitment to delivering **good outcomes for consumers** was recognised:

"I think they are very much focused on the long-term interests of consumers and good consumer outcomes, so I'm confident that they will continue to sort of push down that path." (Executive, Consumer Advocates)

One stakeholder pointed to the Energy Made Easy website as an example of **how the AER supports consumers**:

"I think things like the Energy Made Easy website, that's a great initiative, where they're actively trying to support consumers in facilitating choice and switching between providers, is really beneficial." (Executive, Retailers)

Many stakeholders commented on the **"increasing"** and **"overwhelming"** regulatory burden. While they appreciate the AER is not responsible for creating the requirements, some call for the AER to do more to streamline or challenge the need for all requirements, to reduce demands on market participants and costs to consumers - and to help facilitate the energy transition much more quickly and efficiently rather than effectively impeding it.

"The AER is managing within the rules and regulations that exist, so the AER hasn't put those rules and regulations in, but I do think the sector is one of the most regulated sectors." (Executive, Government & Market Bodies)

"More could be done to reduce regulatory burden. There are examples where reporting obligations are imposed by the AER that are duplicative or add no value." (Staff, Networks)



Relationships and Engagement

Performance Scores Over Time

(% rated 7-10 out of 10)*



As in previous years, there is widespread praise for the positive and professional ways in which the AER engages with stakeholders. It is widely seen as **being good to deal with**, at all levels.

“Mostly the people are accommodating; they’re responsive and they’ll bend over backwards to help you.” (Executive, Consumer Advocates)

“AER staff are generally accessible and good to work with.” (Staff, Networks)

While ratings for **allowing appropriate timeframes** are high, some stakeholders note the increasing time pressure caused by the volume of regulatory processes and increasing complexity of issues as a challenge and urge the AER to be mindful and empathetic about this in its requests.

“I do believe that appropriate timeframes are provided. However, I note the pressures retailers are under for BAU and how this affects the ability to submit meaningful submissions.” (Staff, Retailers)

Executive stakeholders spoke positively about their **relationship and interactions** with the AER’s Board members. Many staff level stakeholders were also satisfied with their relationship with the AER, although some expressed a desire to receive more proactive, consistent and constructive engagement from the AER.

“When the AER engages constructively, communication is clear, practical, and focused on finding workable solutions within reasonable timeframes. The recent guidance on better offer obligations for VPPs was especially useful. Whilst this example reflects the AER at its best, it isn’t always typical. In some cases, retailers are told to seek legal advice rather than being given a clear view.” (Executive, Retailers)

“I believe more could be done for policy advisors to pick up the phone and sanity check ideas.” (Staff, Retailers)

While many stakeholders applauded the AER for its **transparency in sharing the rationale for decisions**, there were also some who felt the AER had not adequately considered their input or demonstrated how its feedback had been considered. Some expressed a desire to be able to put forward a counter argument or alternative position in response to other submissions.

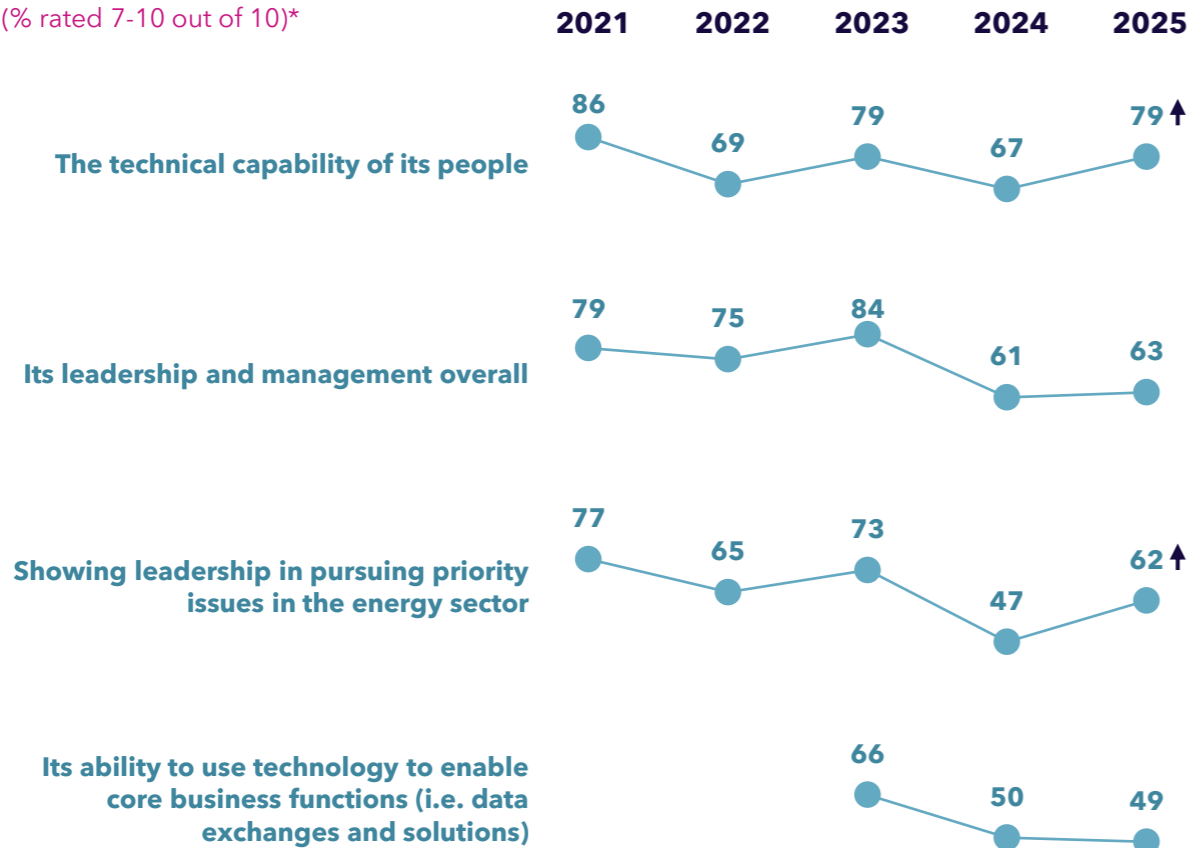
“The key part missing here is the ability of an applicant to formally respond to stakeholders that have submitted concerns to the AER about an application.” (Staff, Networks)



People and Leadership

Performance Scores Over Time

(% rated 7-10 out of 10)*



↑ ↓ = significantly higher / lower vs 2024 at 95% confidence interval

Many stakeholders commented on the **technical capability** of the AER's people, noting this perception held true at all levels of the organisation. However, some felt that capabilities varied between teams and individuals, especially where staff were newer in their roles.

"I just think their people are really well trained and knowledgeable, they're really impressive, and they do a good job." (Executive, Consumer Advocates)

"The people with the most tenure seem to be the most knowledgeable." (Staff, Retailers)

Executive stakeholders were mostly complimentary of the AER's **leadership and management**, especially the Board and its efforts to take leadership positions on sector issues, such as protections for vulnerable consumers and sandboxing trials for new regulatory approaches.

"All the work they did around Game Changer, which they've continued into the work around hardship and payment difficulty, I think that is showing leadership; it's identifying a problem and trying different ways to solve it. This year, they led a process to make use of regulatory sandboxing to encourage innovation." (Executive, Government & Market Bodies)

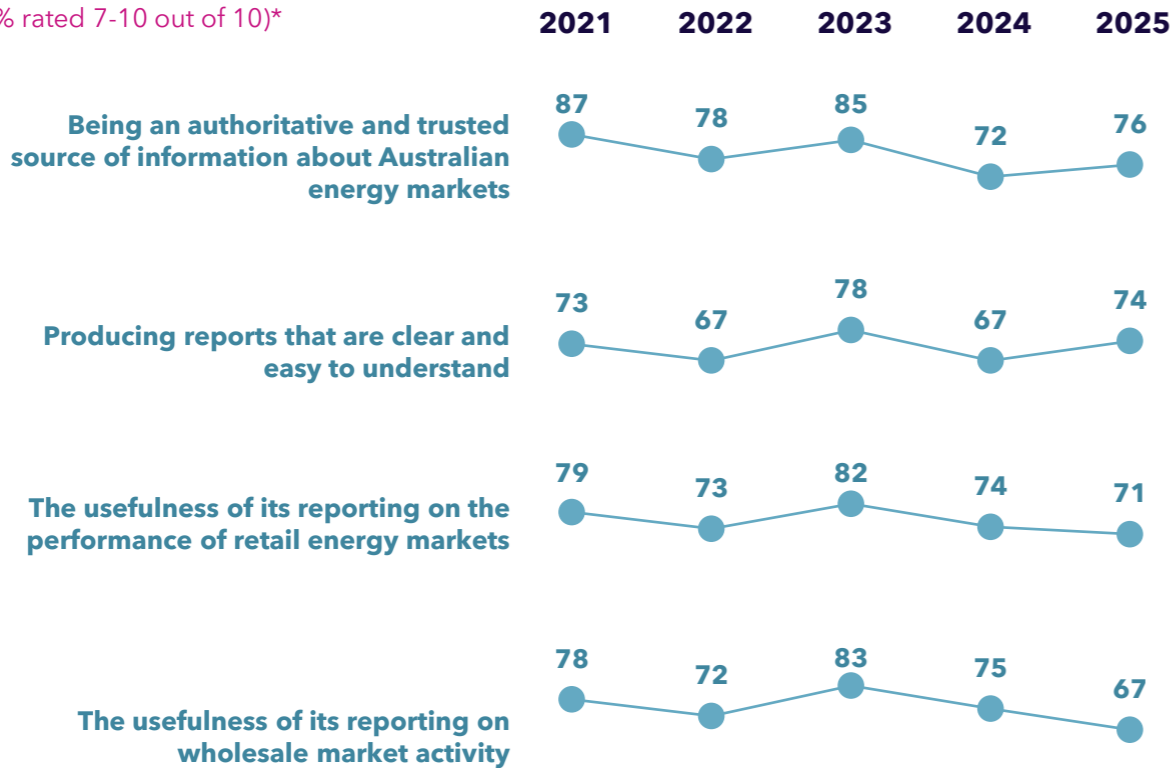
Around half (49%) of the stakeholders who took part in the research were unable to rate the AER's performance for its **ability to use technology to enable core business functions**. Those that did provide a rating tended to score it lower than other attributes. The main theme in the relatively few comments provided for attribute centred around data exchanges and the opportunity for the AER to make it easier for stakeholders to submit data to the AER via better, more streamlined portals.



Reporting and Communications

Performance Scores Over Time

(% rated 7-10 out of 10)*



The high rating for the AER **being an authoritative and trusted source of information about Australian energy markets** stems from positive views on its deep and vast knowledge of energy markets, and its regular market reports.

“Personally, I’ve always found the AER’s input to be very helpful because if it comes from the AER, I know it’s going to be well informed.” (Executive, Government & Market Bodies)

The AER’s **retail and wholesale market reports** are considered comprehensive and insightful and are frequently used by stakeholders.

Some stakeholders urged the AER to ensure reporting metrics are reviewed to ensure its reports remain relevant as markets and issues evolve.

“The energy market is evolving rapidly and some metrics used to report market activity and performance are becoming dated. We would welcome conversations with the AER on what metrics should be used to track and report market performance.” (Staff, Industry)

“Some extra categories of reporting would be good, for example numbers of disconnection warning notices issued.” (Staff, Consumer Advocates)

Many stakeholders gave a high rating for the extent to which the AER’s **reports are clear and easy to understand**. At 74%, it was the fourth highest rated performance attribute. While some noted improvements in this regard, others noted difficulties with report accessibility due to either the volume or nature of report content.

“The reports I’ve seen are very technical and would not be easy to understand for an average person who wasn’t professionally engaged in the sector. These reports are published in the interest of transparency, so I think the challenge therein is to put it in a way that is very accessible.” (Executive, Government & Market Bodies)








Sometimes the language can be difficult to follow, although I understand that there will be cases where this is driven by legal requirements.” (Staff, Networks)

“Often have to comb through reports to gather all the values, including numbers noted in footnotes - better use of comprehensive tables would help.” (Staff, Networks)

Performance Ratings - By Segment

The table below clearly illustrates differing views of the AER between stakeholder segments. Government (including market bodies) and Executive level stakeholders have a significantly more positive perception of almost all aspects of the AER's performance, while Industry stakeholders are the least positive.

Performance scores (% rating 7-10 / 10)

	All stakeholders	 Executive	 Staff	 Industry	 Government	 Consumer advocates	 Networks	 Retailers
The technical capability of its people	79	93	74	65	90	83	68	59
Authoritative and trusted source of energy market information	76	89	72	63	83	82	64	61
Being good to deal with	76	90	72	62	88	79	62	61
Producing reports that are clear and easy to understand	74	80	72	70	80	71	64	79
Allowing appropriate timeframes for information requests or submissions	72	90	67	58	92	69	61	53
Usefulness of retail market reporting	71	96	64	65	76	71	55	78
Supporting and protecting vulnerable energy consumers	69	89	63	67	80	63	70	63
Application of evidence in its work program and decisions	68	81	65	48	88	69	52	42
The usefulness of its reporting on wholesale market activity	67	86	61	55	81	63	59	51
Quality of stakeholder engagement and relationships	66	86	61	49	85	67	53	43
Demonstrating how stakeholder consultation has informed decisions	65	70	63	55	86	56	53	57
Its leadership and management	63	69	61	39	84	68	41	36
Showing leadership in pursuing priority issues in the energy sector	62	83	56	46	76	65	51	39
Acting in the long-term interests of Australia's energy future	62	77	57	41	77	68	42	40
Requests for information are reasonable	61	55	63	41	93	65	47	30
Contribution to debate about Australia's energy future and regulatory landscape	61	82	55	42	79	65	43	39
Acting in the long-term interests of energy consumers	60	80	54	43	75	63	46	38
Its understanding of the needs of energy consumers	60	78	54	53	73	55	52	53
Efficient network regulation focussed on consumer outcomes	54	76	48	41	67	57	47	31
Managing risk in maintaining consumer safeguards while minimising regulatory burden	54	72	49	39	70	57	45	30
Ability to use technology to enable core business functions	49	45	50	47	52	54	48	46
Evolving the regulatory framework while maintaining reliability and efficient pricing	47	69	40	37	59	47	42	30

 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 / Don't know	Fully or Partially Aware (%)				
				2021	2022	2023	2024	2025
 All stakeholders	37	53	10	81	90	87	94	90
 Executive	66	29	5	96	92	93	100	95
 Staff	31	58	10	78	90	85	92	90
 Industry	45	50	6	95	91	95	92	94
 Networks	42	51	6	94	85	92	92	94
 Retailers	49	47	4	96	100	97	94	96
 Government	37	47	17	62	88	80	93	83
 Consumer Advocates	32	63	5	86	95	86	96	95

Stakeholders' awareness of the AER's compliance and enforcement priorities remains very high with 90% being either partially or fully aware.

Awareness is highest among the Industry segment which comprises entities subject to compliance requirements, and lower among the Government segment, which is in keeping with the historical time series.

Note: the AER released its annual compliance and enforcement report during the fieldwork period. Several stakeholders mentioned this during their interviews indicating this meant their awareness had been recently refreshed.

Qualitatively, stakeholders' comments highlight a generally positive view of the AER's compliance and enforcement focus. They recognise positive intent behind the AER's priorities - especially ensuring protection for consumers experiencing vulnerability and ensuring against potential misuse of market powers. One stakeholder summed up the AER's priorities:

"It's all about getting consumers through the transition, so it's the right focus." (Government & Market Bodies)

Another stakeholder expressed a positive view of the way the AER conducts its compliance and enforcement activity:

"I've seen occasions when they could have been litigious, and they haven't been. They're certainly trying to do the right thing." (Networks)

Stakeholders recognise that enforcement is a central aspect of the AER's role and feel its recent action has been in keeping with this role, signaling clear expectations to the market.

"I know retailers in particular don't appreciate the strong focus the AER has on compliance and enforcement, but I see it as a real strength, because if they're not shining a light on what's not being done right, then what's the point of having a regulator?" (Government & Market Bodies)



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