

The background of the slide is a photograph of a power line tower with multiple cross-arms and insulators, set against a bright blue sky with scattered white clouds. The image is partially framed by a dark blue triangle in the top-left corner and an orange triangle in the bottom-left corner.

AER Stakeholder Research 2022

Final Report

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Contents

Key findings	4
Summary of key findings	5
Dashboard – Core reputation metrics	6
Introduction	8
Background and objectives	9
Research methodology	10
Detailed results	11
Dashboard – By segment	12
Overall reputation	13
Meeting expectations	14
Advocacy	15
Trust	16
Performance ratings – all attributes	17
Corporate KPIs	18
Reputation drivers	21
Compliance and Enforcement	22

Key findings



Summary of key findings



Overall, the AER continues to have a strong reputation among its stakeholders.

Close to three quarters gave a high rating of 7 or more out of 10, resulting in a Reputation Score of 73%, in line with 2021.

Government stakeholders (76%, up from 69%) and retailers (77%, up from 70%) both expressed a more positive view of the AER's reputation this year.

However network businesses view of the AER's reputation has deteriorated (64% down from 78% in 2021).

Consumer advocates maintained their strong positive sentiment towards the AER (76%, in line with 77% in 2021).

While its focus on vulnerable consumers is recognised, stakeholders feel the AER could do more to meet the needs of *all* energy consumers.

The AER's support for vulnerable consumers was the highest rated performance attribute this year – stakeholders see this as a core strength, with a score of 78% vs 77% in 2021.

However, there was a decline in trust in the AER doing the right thing by consumers this year, with a score of 68% vs 77% in 2021. Both networks and consumer advocates gave lower ratings this year vs 2021.

This suggests that stakeholders would like to see the AER pursue a broader view of consumer issues (i.e. beyond vulnerability).

The AER can enhance its reputation by showing greater leadership on critical energy sector issues.

Statistical analysis indicates that *'showing leadership on priority issues for the sector'* was the attribute with the greatest impact on overall reputation ratings, and views on the AER's performance in this regard have weakened significantly since 2021 (from 77% in 2021 to 65% this year).

Among the stakeholder segments surveyed, network businesses are the most critical of the AER in this regard, with only 46% rating the AER's performance 7 or higher out of 10 – a significantly lower proportion than all other segments.

Key strengths for the AER to build upon are its strong leadership team, its relationship skills and its authoritative information and reporting.

The attributes with the highest performance ratings and relatively high impact on the AER's reputation this year are:

- Being good to deal with (a performance score of 77%)
- Its leadership and management overall (75%)
- Being an authoritative and trusted source of information about Australian energy markets (78%)

The usefulness of reporting on retail (73%) and wholesale markets (72%) received relatively high performance ratings, especially among industry stakeholders.

Core Reputation Metrics - 2022 Dashboard

The AER continues to meet the expectations of the majority of its stakeholders, and perceptions of its overall reputation remain strong. However trust and advocacy (likelihood to speak well of the organisation) have declined in the past year.



Reputation Score

2021 = 73

Trend: Stable

Reputation is measured as the proportion of stakeholder participants who gave a relatively high rating of 7 or more out of 10 where 0 represents a 'very poor reputation' and 10 is 'an excellent reputation'. Participants were asked to base their score on their personal interactions with the AER as well as what they have seen, heard or read about it.



Meeting Expectations

2021 = 76

Trend: Stable

Meeting expectations is a measure of stakeholder satisfaction with the AER. Participants were asked whether the AER was meeting, exceeding or falling below their expectations of it (by a little or a lot). The result shown is the proportion who reported the AER was either meeting or exceeding their expectations (either by a little or a lot).



Net Advocacy Score

2021 = +4

Trend: Decline

Advocacy, or likelihood to speak well of the AER if it comes up in a conversation with a peer or colleague, is considered the primary behavioural outcome of reputation for an organisation like the AER.

The Net Advocacy Score is presented as the proportion of Advocates (those who gave a rating of 9 or 10 out of 10) minus the proportion of 'Detractors' (those who gave ratings of 0-6).



Trust

2021 = 77

Trend: Decline

Trust is an emotive outcome of reputation and was measured as trust in the AER to do the right thing by consumers. The rating scale was 0 to 10 where 0 means 'don't trust at all' and 10 means 'trust completely'. The result is shown as the proportion who gave a rating of 7 or more out of 10.

Introduction



Background and objectives

Background and situational context

In December 2020, the AER released its Strategic Plan 2020-2025 setting out its purpose, vision and objectives for the coming five years. One of the key objectives in the Plan relates to its engagement with stakeholders and listening to their perspectives.

In 2021, it launched a new annual stakeholder research program to measure and monitor stakeholder perceptions of the AER in terms of its overall reputation and how it is performing against its strategic objectives. For a complete list of activities undertaken by the AER this financial year, please refer to the AER Annual Report 2021-2022.

This report sets out results from the 2022 stakeholder research and builds upon the findings from the 2021 Stakeholder research.

Note: Since the 2022 research was conducted, significant increases in wholesale prices and related events have begun impacting on the energy market and sector. These recent market events and stakeholder perception of the AER's response are not reflected in this report.

Objectives of the 2022 'pulse' survey

The 2022 stakeholder research was intended to provide a 'pulse check' of stakeholder sentiment, and to provide the AER with an up-to-date measure of stakeholder perceptions of its overall reputation and performance against the objectives in its Strategic Plan and Corporate KPIs. The main objectives of this research were to:

- Provide a comparable and up-to-date measure of stakeholder perceptions of the AER's overall reputation, and associated metrics
- Explore the unprompted reasons underpinning stakeholder perception of the AER's reputation
- Provide a comparable and up-to-date measure of stakeholder perceptions of the AER's performance on its Corporate KPIs
- Identify differences in perception between stakeholder segments
- Explore perceptions and drivers of reputation by stakeholder segment
- Identify areas and opportunities for improvement for the AER

With these objectives in mind the 2022 survey was narrower in scope in comparison to the 2021 research. It is intended primarily to provide an update on core quantitative reputation and performance metrics.

Research methodology

Stakeholder participants

A total of 1,017 stakeholders were invited to the 2022 survey, of which 247 took part. Each stakeholder was categorised into one of three segments:

- Government / Market bodies / Regulators (*Government*)
- Industry / Market participants (*Industry*)
- Consumer Advocates

The Industry segment was further split into sub-segments Retailers, Networks and Other in acknowledgement of their unique contexts and relationships with the AER. Note, due to the small number of Other stakeholders, they have not been analysed as a separate sub-segment for this report.

Stakeholders were also classified as either 'Executive' or 'Staff' denoting their broad level of seniority with the organisation they represent.

The table below shows the breakdown of stakeholders who completed the survey, by type and by segment.

Segment	Executive (n)	Staff (n)	Total (n)
Government / Market bodies / Regulators	9	53	62
Industry / Market participants	13	151	164
Retailers	4	51	55
Networks	8	74	82
Other	1	11	12
Consumer Advocates	2	19	21
Total	24	223	247

Technical aspects of the survey

The 2022 research used a self-complete online survey. The survey comprised a reduced set of questions from the 2021 survey – the questions that were retained were identical to enable comparison between time periods. All stakeholder types and segments were asked the same questions.

On average the survey took stakeholders 10 minutes to complete.

The online survey was programmed and hosted by CanvasU and was open for responses between 7 April – 6 May 2022. The survey was in field at a similar time of year to the 2021 survey.

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 stakeholders a unique link to the online survey. Up to two reminder emails were sent to stakeholders who had yet to complete the survey.

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 survey sample – with Executives given 25% and Staff a 75% weighting allocation.

Note: the methodology used for 2022 research differed from the 2021 research in that it did not include any qualitative discussions. As such, the 2022 research and this report focus on quantitative findings.



Notes to the reader

When interpreting findings in this report, please note:

Unless otherwise specified, the results presented in this report are based on all stakeholders who took part in the 2022 research.

Comparisons with the AER's 2021 stakeholder research are noted throughout the report. To see the 2021 report in full, please visit: <https://www.aer.gov.au/system/files/aer-stakeholder-survey-2021-report-and-research.pdf>

For all survey results, the base (number and type of respondents asked each question) and the survey question itself are shown in the footnote, along with explanations on how to read the data or charts (where necessary).

All survey results have been examined for differences between stakeholder segments where meaningful in the context of the question. Differences noted as statistically significant have been tested at the 95% confidence level. Where no differences have been noted, it should be assumed that no differences existed or were meaningful.

Tests for statistically significant differences between segments are between adjoining segments (e.g. Executive vs Staff, Networks vs Retailers, Government vs Industry vs Consumer Advocates).

Results may not always total 100% due to rounding or multiple-response questions.

The commentary included throughout the report reflects the view of SEC Newgate and its interpretation of the survey results. We have avoided including opinions or advice that are not based upon the survey data.

Detailed results



Core Reputation Metrics - 2022 Dashboard by Segment

As with the 2021 study, executive level stakeholders generally have a more positive view of the AER than staff level stakeholders, while industry stakeholders - especially networks - are less positive than government and consumer advocate stakeholders.



Reputation Score

All stakeholders **73**

Executive 88
Staff 68

Government 76
Industry: 66

Networks 64
Retailers 77

Consumer Advocates 76



Meeting Expectations

All stakeholders **77**

Executive 88
Staff 73

Government 82
Industry 69

Networks 71
Retailers 73

Consumer Advocates 80



Net Advocacy Score

All stakeholders **-3**

Executive -3
Staff -3

Government 0
Industry -27

Networks -24
Retailers -21

Consumer Advocates +20



Trust

All stakeholders **68** ↓

Executive 83
Staff 63 ↓

Government 73
Industry 60

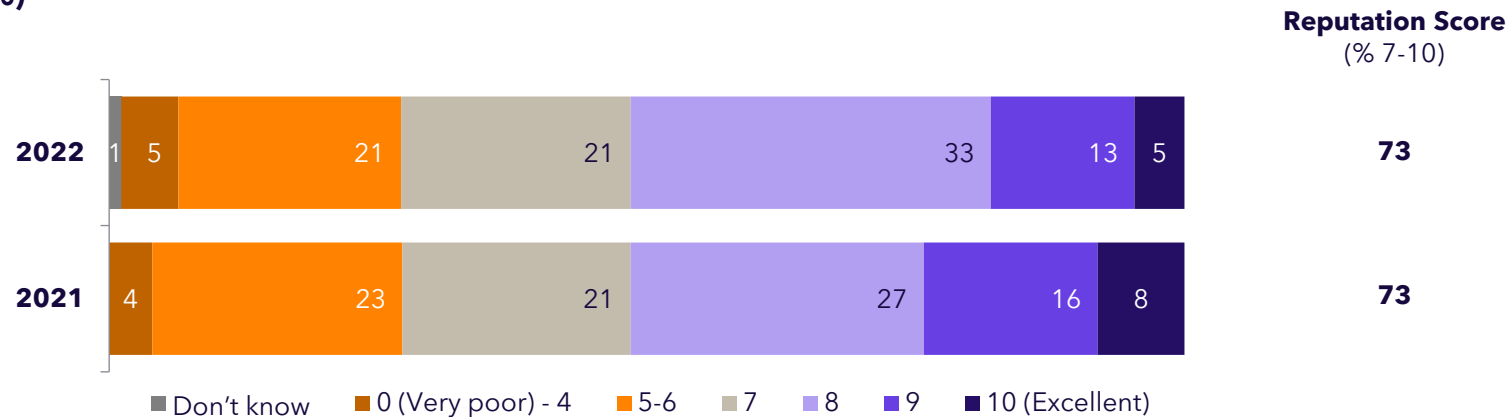
Networks 57 ↓
Retailers 69

Consumer Advocates 72








Overall reputation

On balance, the AER's overall reputation has remained stable despite some fluctuations at a segment level.

Reputation rating (%)



Reputation Score: By segment

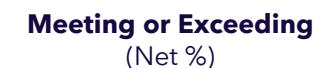
	 Executive	 Staff	 Government	 Industry	 Consumer advocates	 Networks	 Retailers
2022	88	68	76	66	76	64	77
2021	81	70	69	72	77	78	70

Note: None of the above shifts in reputation scores between 2021 and 2022 are statistically significant

Observations

The gap between executive and staff level stakeholders has widened since 2021, with the former increasingly positive about the AER. Government stakeholders are also more positive than last year, while reputation ratings among industry stakeholders are down overall, due to a notable decline among networks, and despite retailers being more positive this year. Consumer advocates remain the segment that views the AER most positively.

The AER continues to meet the expectations of most stakeholders overall (77%), with around a quarter feeling it goes above and beyond. A similar proportion feel the AER is falling short – this sentiment is most pronounced among industry stakeholders.



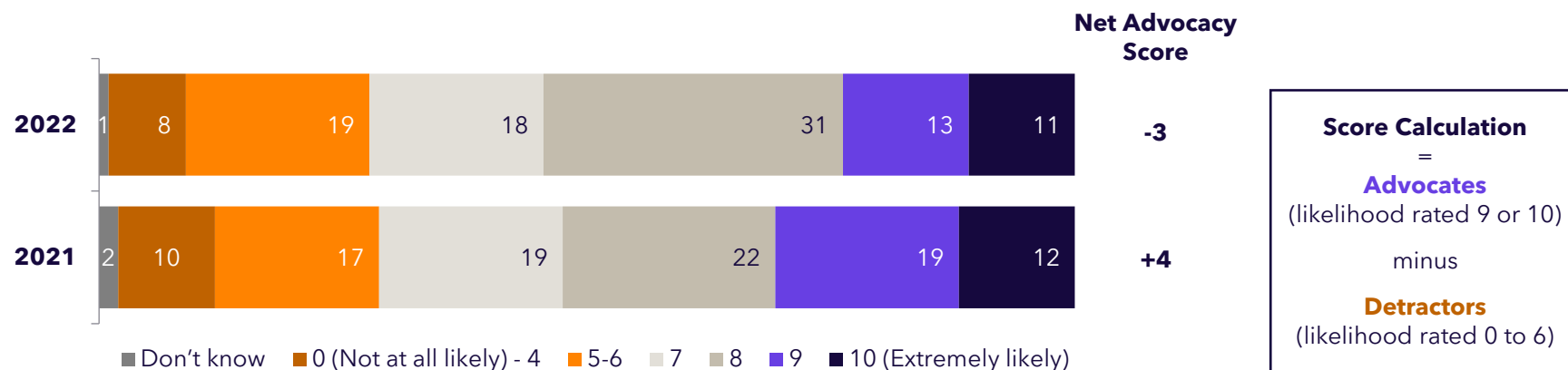
Note: None of the above shifts between 2021 and 2022 are statistically significant.








Executive stakeholders remain more positive than staff level stakeholders regarding their expectations being met. Across the segments this metric has remained relatively stable this year with no real declines. Conversely, government stakeholders appear to be more positive compared to 2021.

Advocacy

There is a slight shift in willingness to endorse the AER this year, with more stakeholders rating their likelihood at 8 out of 10 instead of 9, resulting in a lower Net Advocacy Score of -3. Executive stakeholders and networks were less likely to speak well of the organisation than last year.

Likelihood of speaking well about the AER(%)



Net Advocacy Score: By segment							
	Executive	Staff	Government	Industry	Consumer advocates	Networks	Retailers
2022	-3 ↓	-3	0	-27	+20	-24 ↓	-21
2021	+20	-1	0	-15	+28	-8	-17

Note: Arrows indicate statistically significant differences between 2021 and 2022 (Pink = lower).

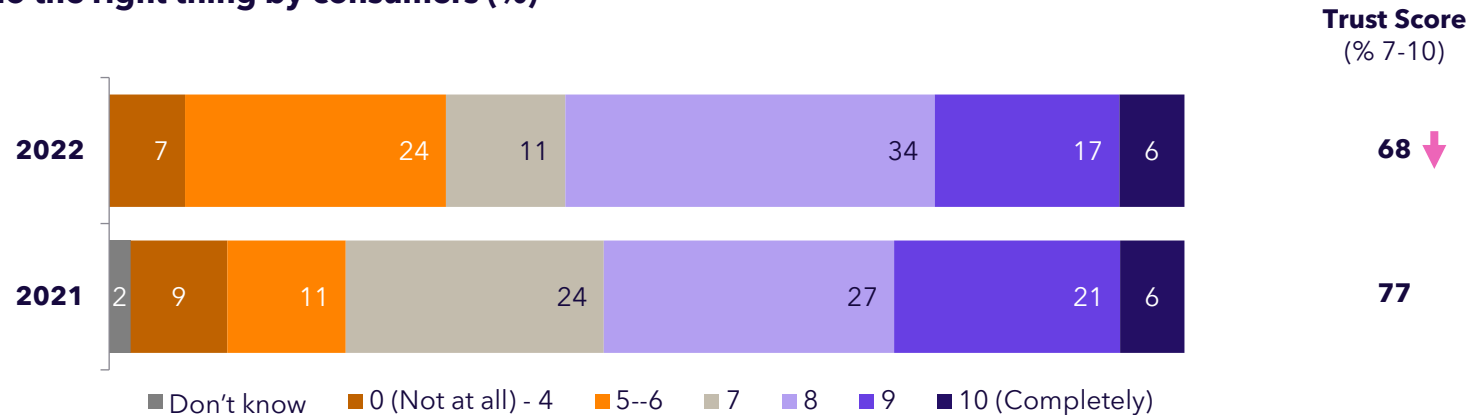
Observations

Willingness to speak well of the AER appears to have softened among most segments - with statistically significant declines among executives and network businesses. Even consumer advocates, who remain strong advocates overall, have a weaker Net Advocacy Score compared to 2021. Government stakeholders remain more evenly balanced, with equal proportions of advocates and detractors this year, as in 2021.








Trust

Stakeholders' trust in the AER to do the right thing by consumers has weakened significantly this year, primarily among networks and staff-level stakeholders.

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



Trust Score: By segment

	 Executive	 Staff	 Government	 Industry	 Consumer advocates	 Networks	 Retailers
2022	83	63 ↓	73	60	72	57 ↓	69
2021	83	76	78	69	86	80	67

Note: Arrows indicate statistically significant difference between 2021 and 2022 (Pink = lower).

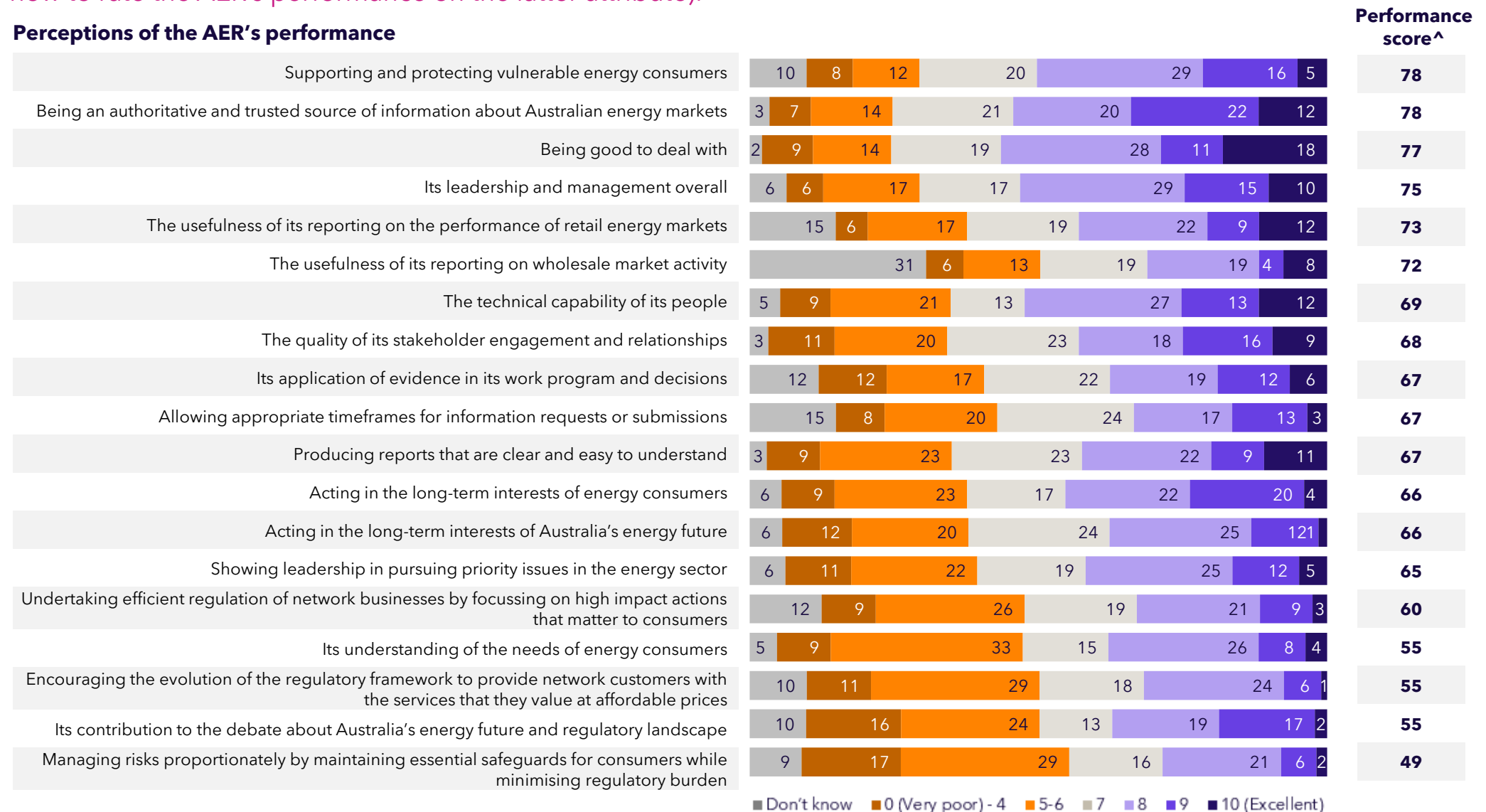
Observations

Consistent with 2021, a majority of stakeholders in all segments trust the AER to do the right thing by consumers. However, the magnitude of this trust has eroded for many segments. The gap between executive and staff level stakeholders has widened, due to the latter reporting a significantly lower trust score this year. The downturn in trust among industry stakeholders seems to be exclusively due to networks, as retailers reported a marginally higher trust score this year.

Performance ratings - All attributes

Stakeholders were most positive about the AER being good to deal with, being an authoritative source of energy market information, its leadership and management, and supporting vulnerable consumers (although one-in-ten didn't know how to rate the AER's performance on the latter attribute).

Perceptions of the AER's performance



Corporate KPIs - 2021 vs 2022


























Ratings on all KPI measures bar one (supporting and protecting vulnerable consumers) have weakened since 2021 – including significant declines on three attributes – two of which relate to long-term strategic thinking.

Performance Score - All stakeholders (% rating 7-10)	2021	2022
Supporting and protecting vulnerable energy consumers	77	78
The usefulness of its reporting on the performance of retail energy markets	79	73
The usefulness of its reporting on wholesale market activity	78	72
The quality of its stakeholder engagement and relationships^	71	68
Producing reports that are clear and easy to understand	73	67
Its application of evidence in its work program and decisions*	NA	67
Acting in the long-term interests of energy consumers	70	66
Showing leadership in pursuing priority issues in the energy sector	77	65 ↓
Undertaking efficient regulation of network businesses by focussing on high impact actions that matter to consumers	75	60 ↓
Encouraging the evolution of the regulatory framework to provide network customers with the services that they value at affordable prices	60	55
Its understanding of the needs of energy consumers	63	55
Its contribution to the debate about Australia's energy future and regulatory landscape	67	55 ↓
Managing risks proportionately by maintaining essential safeguards for consumers while minimising regulatory burden*	NA	49

Arrows indicate statistically significant change 2021 vs 2022 (Pink = decrease)

Corporate KPIs - by Segment








Executive level stakeholders rated the AER's performance higher than staff level stakeholders for most KPIs, while energy industry stakeholders - particularly networks - tended to be more critical of the AER's performance than other segments.

Performance scores (% rating 7-10 / 10)	All stakeholders							
		Executive	Staff	Government	Industry	Consumer advocates	Networks	Retailers
Supporting and protecting vulnerable energy consumers	78	92 	73 	81	71	83	67	81
The usefulness of its reporting on the performance of retail energy markets	73	72	74	75	71	74	74	71
The usefulness of its reporting on wholesale market activity	72	87	66	72	71	71	70	77
The quality of its stakeholder engagement and relationships	68	86 	62 	75	58 	71	57	61
Producing reports that are clear and easy to understand	67	71	66	67	71	62	66	84 
Its application of evidence in its work program and decisions	67	77	65	73	52 	80	48 	63
Acting in the long-term interests of energy consumers	66	83 	60 	68	58	73	58	68
Showing leadership in pursuing priority issues in the energy sector	65	78	60	63	53 	79	46 	65
Undertaking efficient regulation of network businesses by focussing on high impact actions that matter to consumers	60	54	62	69	48	63	46	51
Encouraging the evolution of the regulatory framework to provide network customers with the services that they value at affordable prices	55	72	49	53	42 	70	38 	51
Its understanding of the needs of energy consumers	55	41	60	70	49	47	49	50
Its contribution to the debate about Australia's energy future and regulatory landscape	55	81 	45 	54	50	63	49	66
Managing risks proportionately by maintaining essential safeguards for consumers while minimising regulatory burden	49	50	49	55	37 	56	31 	45

Arrows indicate statistically significant differences between segments (Blue = higher; Pink = lower)

Other performance attributes - by Segment

Network stakeholders are often the toughest markers of the AER's performance on other (non KPI) attributes.

Performance scores (% rating 7-10 / 10)	All stakeholders							
		Executive	Staff	Government	Industry	Consumer advocates	Networks	Retailers
Being an authoritative and trusted source of information about Australian energy markets	78	87	75	75	75	84	75	80
Being good to deal with	77	83	75	75	66 ↓	92 ↑	69	67
Its leadership and management overall	75	81	73	76	62 ↓	88	58 ↓	72
The technical capability of its people	69	66	70	60	68	79	64	80
Allowing appropriate timeframes for information requests or submissions	67	63	68	81 ↑	66	55	65	75
Acting in the long-term interests of Australia's energy future	66	83 ↑	60 ↓	70	54 ↓	74	51 ↓	71

Arrows indicate statistically significant differences between segments (Blue = higher; Pink = lower)

Reputation drivers

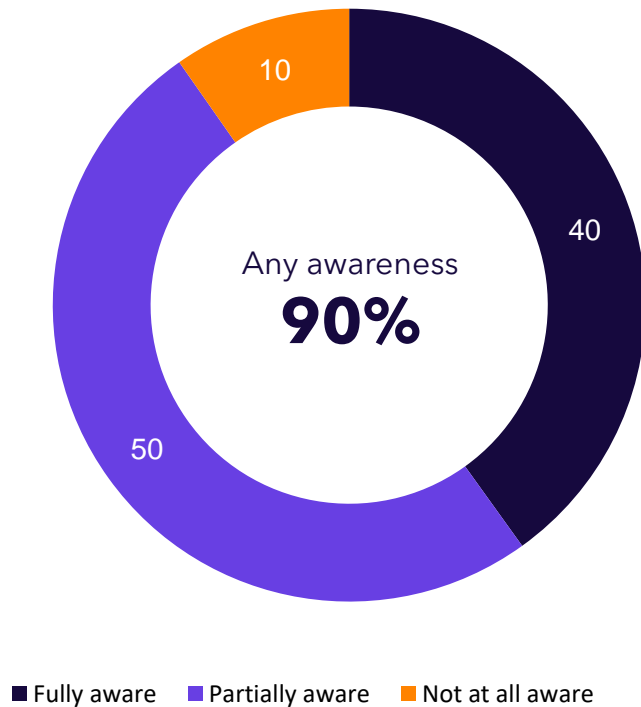
Three primary factors emerge as currently having the most impact on the AER's overall reputation: its leadership position within the sector, being good to deal with and its senior executives.

		Impact on reputation	Performance rating (%)
Key drivers	Showing leadership in pursuing priority issues in the energy sector	19%	65
	Being good to deal with	14%	77
	Its leadership and management overall	11%	75
Secondary drivers	The quality of its stakeholder engagement and relationships	8%	68
	Acting in the long-term interests of energy consumers	7%	66
	Encouraging the evolution of the regulatory framework to provide network customers with the services that they value at affordable prices	7%	55
	Its application of evidence in its work program and decisions	6%	67
	Managing risks proportionately by maintaining essential safeguards for consumers while minimising regulatory burden	6%	49
	Acting in the long-term interests of Australia's energy future	5%	66
	Its understanding of the needs of energy consumers	5%	55
	Being an authoritative and trusted source of information about Australian energy markets	4%	78
	Its contribution to the debate about Australia's energy future and regulatory landscape	4%	55
	The technical capability of its people	2%	69
Non drivers	Producing reports that are clear and easy to understand	1%	67
	Supporting and protecting vulnerable energy consumers	1%	78
	Undertaking efficient regulation of network businesses by focussing on high impact actions that matter to consumers	1%	60
	The usefulness of its reporting on wholesale market activity	1%	68
	The usefulness of its reporting on the performance of retail energy markets	0%	73
	Allowing appropriate timeframes for information requests or submissions	0%	67

Awareness of compliance and enforcement priorities

Stakeholders' awareness of the AER's compliance and enforcement priorities has increased since last year, with 9 out of 10 now feeling they have at least a basic knowledge of what the priorities are.

Awareness of the AER's compliance and enforcement priorities – All stakeholders (%)



	Fully Aware	Partially Aware	Not at all aware	Any Awareness (%)	
				2021	2022
All stakeholders	40	50	10	81	90
Executive	79	13	8	96	92
Staff	36	54	10	78	90
Government	27	61	11	62	88
Industry	46	45	10	95	91
Networks	40	45	15	94	85
Retailers	58	42	--	96	100
Consumer Advocates	33	62	5	86	95

Shading indicates statistically significant difference between (Blue = higher).



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