



NEWGATE
RESEARCH

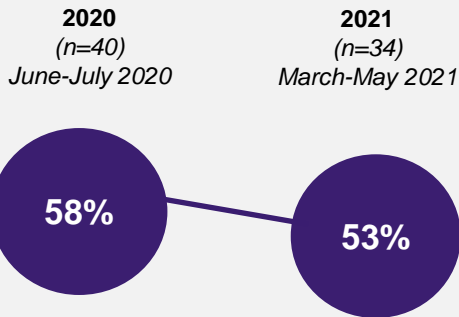
2021 AEMO STAKEHOLDER REPUTATION RESEARCH

SUMMARY PRESENTATION

Prepared for the Australian Energy
Market Operator

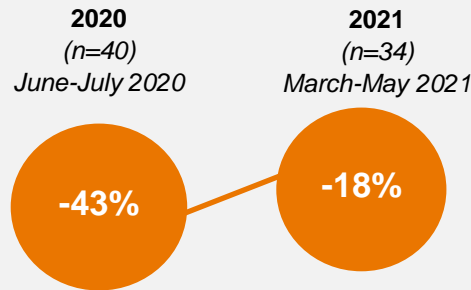
July 2021

RESULTS DASHBOARD



Reputation Score

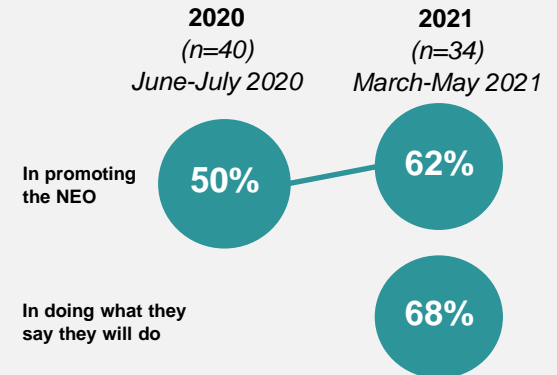
Reputation is measured as the proportion of stakeholder participants who gave a healthy rating of 7 or more out of 10 where 0 represents a 'very poor reputation' and 10 is 'an excellent reputation'. Participants are asked to base their score on their personal interactions with AEMO as well as what they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



Net Advocacy Score

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

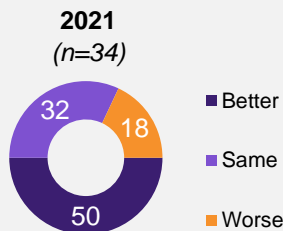
The Net Advocacy Score (NAS) is presented as the proportion of Advocates (those who gave a rating of 9 or 10 out of 10) minus the proportion of 'Detractors' (those who gave ratings of 0-6).



Trust Score

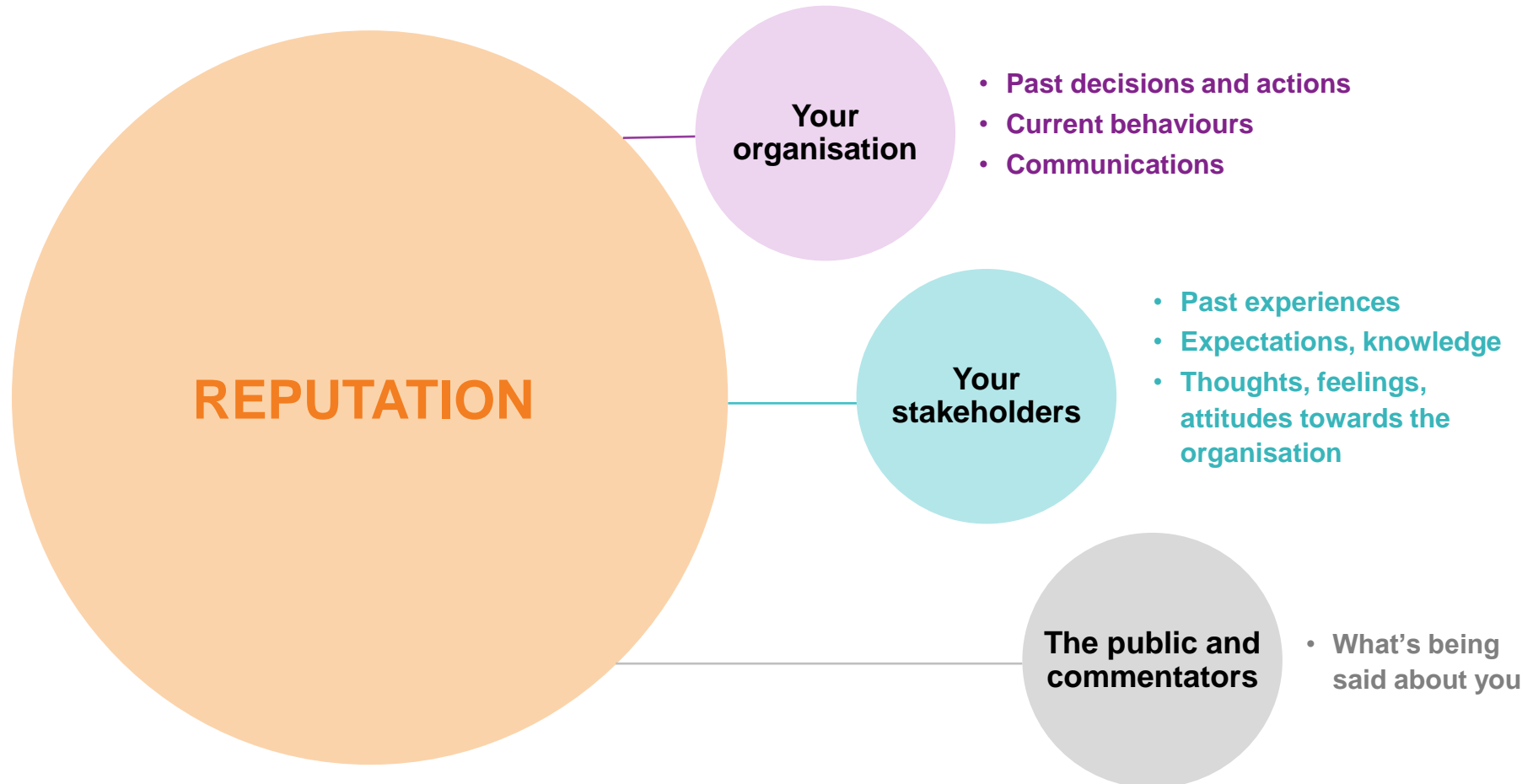
Trust is an emotional outcome of reputation, which was measured in two ways: trust in AEMO in terms of its role in promoting the NEO, and trust in AEMO 'to do what it says it will do'. The rating scale for both measures was 0 to 10 where 0 means 'don't trust at all' and 10 means 'trust completely'. The result for both measures of trust are shown as the proportion who gave a rating of 7 or more out of 10.

Perceived change in AEMO's reputation over the past 12 months



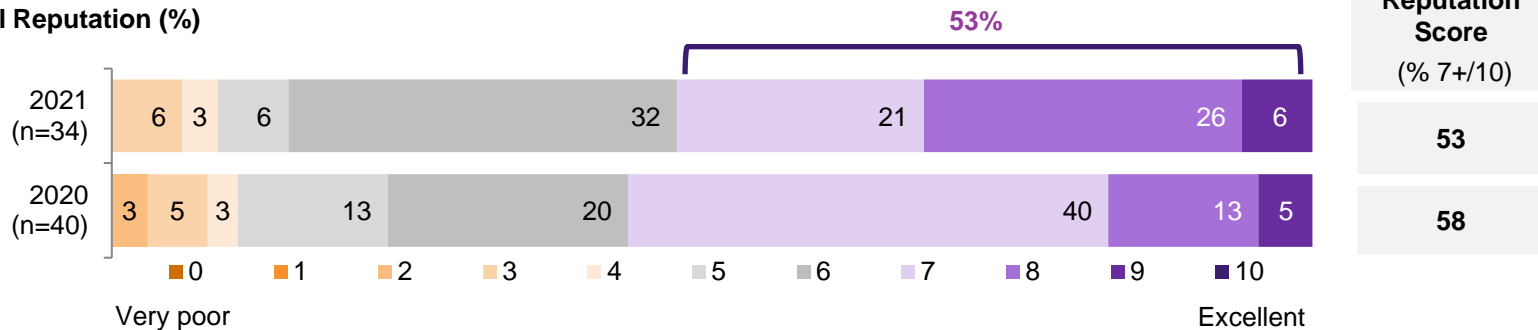
Performance against key reputation attributes (% who rated AEMO 7 or more out of 10)			
	2020	2021	Change
Effective operation of Australia's energy market, that is, keeping the lights on	90	97	+7
Quality of your relationship	73	91	+18
Providing you with timely, accurate and easily understood information	54	71	+17
Efficient energy market planning, that is spending money on the right things	48	69	+21
Efficient operation of Australia's energy market, that is, provides value for money	37	57	+20
Working collaboratively with other stakeholders to help shape Australia's energy future	50	55	+5
Being transparent and accountable	35	-	
Being transparent	-	52	
Being accountable to its members	-	48	

HOW NEWGATE SEES REPUTATION



REPUTATION SCORE

Overall Reputation (%)



Why has the reputation score gone down when other metrics have gone up?

- The reputation question is a **high-level holistic measure** asks people to consider a number of different factors in giving an overall score.
- The results do show **positive momentum** - a noticeable increase in those who rate it 8 or more out of 10 and a decrease in those who rated it 5 or more out of 10.
- The main issue is a **slight increase in the proportion of those who have given a rating of 6 which has meant a reduction in the proportion of those giving a 7**. Qualitative analysis of the comments given by those who gave a 6 suggest they were weighing up a number of factors which led them to ultimately take a neutral position.
 - For example, AEMO's strong performance in network operation with concern about scope creep; AEMO's improvement in engagement with the sense that there is more to do to embed this deeply into its culture.
 - The results also reflect stakeholders' comments that they are waiting to see what stance is taken by the new CEO before making a judgement.
- Please keep in mind that while the **sample size** is appropriate for a project of this nature it is relatively small and results from a handful of stakeholders can make a difference.
- While the reputation score itself is lower than last year, the overall results of this question should be considered positive.

Q2. How would you rate the overall reputation of AEMO on a scale from 0 to 10 where 0 indicates a very poor reputation and 10 indicates an excellent reputation? Please base this on experiences you've had with AEMO and anything else you've seen, heard or read about it. Reputation Score = Net ratings of 7 or more out of 10. // Base: All participants, 2020: n=40, 2021: n=34.

WHAT AEMO HAS DONE WELL OVER THE LAST YEAR

1. **Listened:** AEMO is seen as having listened to stakeholders and taken action in a number of areas.
2. **Core operations role:** It is doing a good job operating the market in a complex and changing environment. Stakeholders acknowledge its technical expertise and high quality data-driven reports and briefings.
3. **Easier to deal with:** Improved approachability and responsiveness when dealing with individuals; some like the single points of contact.
4. **Improved engagement:** Improved approaches to stakeholder engagement, particularly for ISP. Government stakeholders feel particularly well-supported.
5. **New CEO:** Appointment of the new CEO is expected to bring change and this is creating a sense of optimism.

And some lower order strengths:

- **Improved transparency around own costs:** Increased focus on transparency, particularly around costs.
- **Greater focus on costs for end-consumers:** This was evident in its ISP work in particular.
- **More future focussed and collaborative:** Demonstrated by its engagement with market bodies and other stakeholders.
- **Connections focus:** Acknowledgement of some improvement in relation to connections.

OPPORTUNITIES FOR AEMO

1. **Address the ‘scope creep’ issue:** Expectation that the new CEO will clearly articulate AEMO’s focus going forward and address the issue of scope creep in the planning and policy area that was seen as associated with previous CEO. Collaborate closely with the other market bodies on broader design and planning issues.
2. **Speaking with one voice:** Greater internal consistency in responses and decisions from different parts of AEMO – divisions, level of seniority, state. This will help provide certainty.
3. **Further focus on cost implications of technical decisions for end-customers:** Address concerns that AEMO’s approach is overly risk-averse when it comes to reliability and security, and sometimes over-ambitious. Also keep an eye on AEMO’s own costs.
4. **Connections:** Continue to focus on addressing this issue by more clearly articulating constraints, demonstrating empathy and appreciation for commercial issues and ensuring a more consistent approach. This issue appears to be having a broader impact on reputation.
5. **Simplifying written reports:** Focus on providing concise plain-English summaries and infographics.
6. **Engagement:** Continue embedding improvements to engagement and make this a core part of everyone’s responsibility. Make engagement a consistent experience. Genuinely engage with industry and don’t arrive with pre-determined solutions. Co-design and facilitate innovation. Be more transparent in decision-making and ensure feedback loops are in place.
7. **Timeliness:** Consider ability to meet deadlines and communicate early if these will not be met. Avoid getting bogged down in minor detail.

And some lower order issues:

- Address concerns about ISP
- Focus on core operations task
- Be clear about who to deal with
- Be aware of concern about political pressure on decision-making



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