



Stakeholder Reputation Research 2024

Prepared for the Essential Services Commission | December 2024

The Victorian Essential Services Commission (the 'commission') partnered with SEC Newgate to conduct research to better understand its relationship with key stakeholders.

Research objectives included understanding:



Overall satisfaction, reputation and trust



Performance on a custom set of 16 attributes



Specific factors driving the commission's reputation



How attitudes and experiences differ across sectors



Three topical issues explored - strategic plan priorities, cost of living and climate change

Methodology

10-minute online survey of n=162 stakeholders

21% response rate, vs. 22% in 2023, 10% in 2022

A link to the full methodology disclosure statement can be found [here](#)

Sample profile

	Total (n)	Weight
Energy	24	20%
Community & Consumer Groups	21	15%
Government, Regulator, Agency	14	15%
Water	21	15%
Victorian Energy Upgrades	19	15%
Local Government	57	10%
Transport	6	10%
	162	100%

Key findings (1/2)

This report details the results of the Essential Services Commission's (the commission) stakeholder reputation research among key stakeholder sectors including Energy, Community & Consumer groups, Government, Regulator, Agency; Water industry; Victorian Energy Upgrades (VEU); Local Government; and Transport.

This year's research was in the form of a confidential **10-minute online survey** using a streamlined version of last year's qualitative discussion guide. As such, this report **presents primarily a quantitative assessment of the commission's reputation amongst its key stakeholders**, rather than an in-depth qualitative understanding of what is driving stakeholder sentiment across all metrics made possible through the mixed methodology approach of in-depth interviews and online surveys used in 2023 (and due again in the 2025 survey program).

Results for the commission in 2024 continue their positive trajectory from 2023, with uplifts in its key metrics of Satisfaction, Reputation and Trust, and improvements seen in most performance attributes. A lack of consideration of its impact on businesses, transparency around its decision-making process and a perception of inconsistent decision-making continue to be areas to improve for the commission.

Satisfaction

There was a **slight increase in overall satisfaction with how the commission performs its functions as a regulator, from 62% compared to 59% in 2023**. The strongest increases in satisfaction were seen among VEU (42% to 68%) and Transport (11% to 50%) stakeholders this year. Conversely, there was a marked drop in satisfaction for Government, Regulator, Agency stakeholders (89% to 64%) and Local Government (63% to 44%).

Reputation

The commission's **Reputation score (the proportion who gave it a score of 7 or more out of 10) has increased to 69%**, from a solid performance of 63% in 2023. This has been driven by significantly higher scores from stakeholders in the Community & Consumer sector, who praised the commission for being a strong, credible regulator and taking a thoughtful approach to delivering better outcomes for Victorians experiencing vulnerability.

There was a **significant reputational uplift amongst VEU and Energy sectors**, from 40% to 68% and 34% to 58% respectively. VEU stakeholders noted improvements in the commission's communications, clear activity guidelines and a general view that the commission acts with

integrity. Energy stakeholders cited the commission's highly engaged staff and its consultative 'firm but fair' approach as their primary reasons for positive sentiment.

Trust

Nearly three-quarters (73%) told us they trusted the commission to do the right thing by Victorian consumers.

Key strengths

The commission's performance against its key reputational metrics has remained strong and relatively consistent with last year, with around 7 in 10 continuing to rate it a 7+ out of 10 for the quality of its working relationships (71%), the quality of the information it provides (69%) and the quality of its people (68%).

Summary of the core strengths of the commission identified by stakeholders:

- **Fundamentally fulfilling its role as an effective, trustworthy regulator:** The commission was seen to be fulfilling its regulatory functions to a high standard, with its approach described as professional, effective and dedicated to upholding industry standards.
- **Collaborative stakeholder engagement:** Stakeholders, particularly the Community & Consumer sector, praised the commission for its genuine commitment to engaging with industry, consumer groups and the community and incorporating these voices into its decision-making.
- **Well respected and communicative staff:** Commission staff were described as trustworthy, professional and highly engaged, praised for their open and honest relationships, availability and prompt communication. Many also commended their genuine commitment to delivering positive outcomes for Victorians.
- **Consumers remain at the heart of its decision-making:** Decisions were clearly seen to prioritise the interests of consumers, and many noted the value in the commission's 'firm but fair' mandate.
- **High-quality publications and advice:** Reports, guidelines, advice and online resources were detailed, comprehensive and largely easy to understand – a sentiment held particularly strongly amongst your VEU stakeholders.

Key findings (2/2)

Weaknesses and areas for improvement

Factors underpinning lower scores are difficult to ascertain with certainty through a primarily close-ended online survey. However, through the open-ended feedback obtained, stakeholders identified several areas of concern that were negatively influencing their perceptions of the commission:

- **Lack of consideration of the impacts on businesses:** Water, Energy and Local Government stakeholders believed the commission could do more to consult and understand the impact of its decisions on their already-constrained operations. They also felt there could be more consideration of the resources required to gather detailed information for the commission to respond to its requests.
- **Transparency of its decisions:** Transparency and consistency of decision-making remains a concern for stakeholders, as there was a perception that the commission provides inadequate reasoning for decisions that impact business bottom lines (e.g. rate caps for Local Council, unclear guidance for Water businesses on their regulatory proposals), and fine calculations. This lack of transparency has led to a perception amongst some that the commission acts on behalf of government rather than independently.
- **Concerns from Local Government were driven primarily by their dissatisfaction around decisions on council rate caps:** These stakeholders felt the rate caps were negatively impacting their financial viability and ability to deliver essential services to communities. Several Local Government stakeholders also suggested that the commission do more in-person consultations, particularly in regional Victoria.
- **Difficult dealings with the commission:** Some Local Government, Energy and VEU stakeholders felt the commission had been unwilling to listen to their perspectives and concerns. A few Government, Regulator, Agency stakeholders shared they had heard feedback from some VEU participants that the commission has been difficult to deal with.

Areas of focus for the commission

Our modelling provides clarity on the key areas of focus to achieve an uplift in overall reputation. Taking into account current performance and modelling the derived impact of each on overall reputation, there were 4 of the 16 attributes that emerged as having the

greatest potential influence:

- The quality of its people (68% performance and 18% impact)
- Its overall communications and engagement with stakeholders (66% performance, 17% impact)
- Staff knowledge and understanding of your industry or sector (54% performance, 13% impact)
- Working in the best interests of customers in your industry or sector (65% performance, 12% impact)

Importantly, staff knowledge and understanding of your industry or sector had a higher impact but relatively lower performance score, as did the amount of information requested by the commission (42% performance, 6% impact) and willingness to listen (59% performance, 9% impact). Consequently, these areas are key priorities for improvement.

Also of note, the quality of its people, its communications and engagement and working in the best interests of customers in your industry were both influential on overall reputation and areas in which the commission was seen as performing strongly. These were identified as primary strengths of the organisation and should be maintained.

Advice to the commission on how to improve its reputation

Stakeholders highlighted the importance on fostering positive and collaborative relationships with the commission to improve its relationships. Additionally, stakeholders wanted the commission to better understand the needs and challenges different sectors face. Other commonly mentioned advice included:

- Maintain a focus on building positive working relationships.
- Improve engagement by closely listening to stakeholders before providing updates and closing the communications loop after consultations.
- Better understand the people/sectors you work with and the challenges they face.
- Prioritise the needs of consumers experiencing vulnerability in decision-making.
- Proactively communicate in a transparent way when determining pricing and planning.

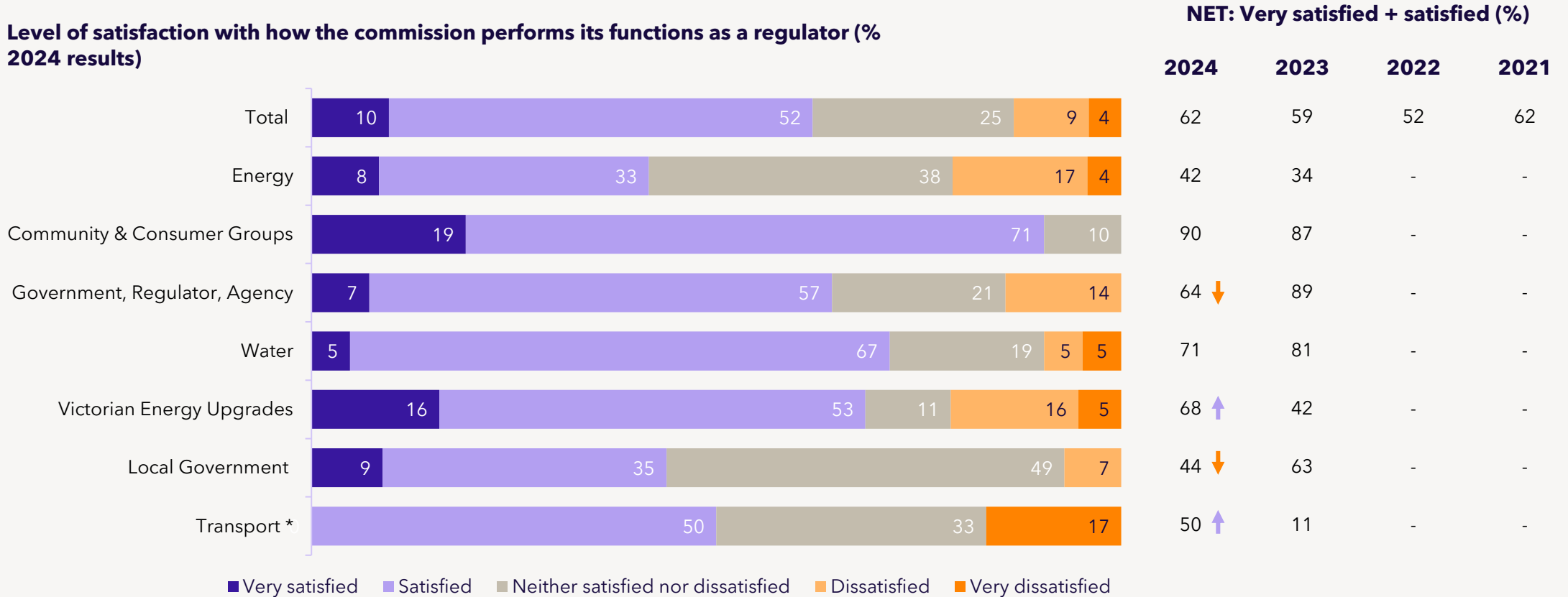
Performance dashboard

STAKEHOLDER SEGMENT	Satisfaction <i>The proportion who 'agreed' or 'strongly agreed' that they are satisfied with how the commission performs its functions as a regulator.</i>		Reputation Score <i>The proportion who gave a rating of 7 or more out of 10 on the commission's reputation, based on personal interactions and what they've seen, read or heard about the commission.</i>		Trust Score <i>How much stakeholders trust the commission to do the right thing by Victorian consumers- taken as those who gave a rating of 7 or more out of 10.</i>	
	2024	2023	2024	2023	2024	2023
TOTAL	62	59	69	63	73	68
ENERGY	42	34	58 ↑	34	67 ↑	38
COMMUNITY & CONSUMER GROUPS	90	87	100 ↑	91	89	87
GOVERNMENT, REGULATOR, AGENCY	64 ↓	89	57 ↓	87	79	91
WATER	71	81	81	79	81	70
VICTORIAN ENERGY UPGRADES	68 ↑	42	68 ↑	40	72	67
LOCAL GOVERNMENT	44 ↓	63	67	71	66 ↓	77
TRANSPORT *	50 ↑	11	50	47	50	50

Satisfaction with the commission

Two in three stakeholders remain satisfied with how the commission performs its functions as a regulator, with Community & Consumer Groups highly satisfied. VEU and Transport stakeholders were notably more positive than last year. Government, Regulator, Agency and Local Government stakeholders experienced marked declines in satisfaction.

Level of satisfaction with how the commission performs its functions as a regulator (% 2024 results)



Q4. Satisfaction: Overall, how satisfied are you with how the Essential Services Commission performs its functions as a regulator? Are you: Very satisfied, Satisfied, Neither satisfied or dissatisfied, Dissatisfied or Very dissatisfied? // Base: All participants 2024 (n=162) and 2023 (n=222), Energy 2024 (n=24), Community & Consumer Groups 2024 (n=21), Government, Regulator, Agency 2024 (n=14), Water 2024 (n=21), Victorian Energy Upgrades 2024 (n=19), Local Government 2024 (n=57), Transport 2024 (n=6).

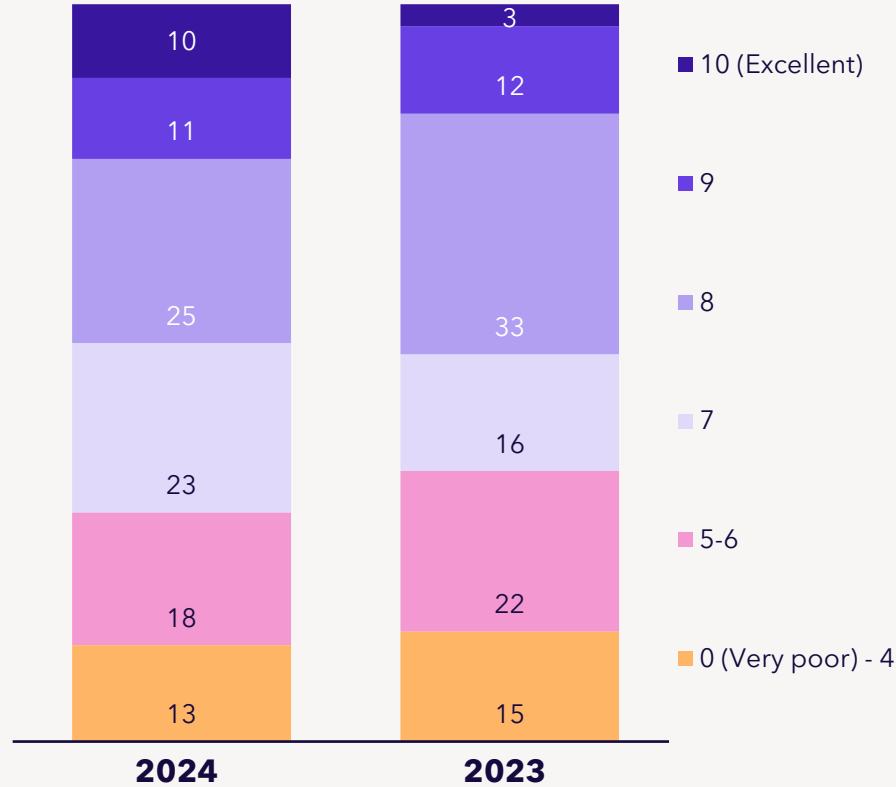
* Very small base size, interpret with caution

↑ ↓ = Indicatively higher or lower than 2023 results at an 80% confidence interval

Overall Reputation

The commission's reputation has improved this year, achieving a Reputation score of 69%. Reputation scores amongst Community & Consumer Groups, Water, VEU and Energy sectors have all significantly increased.

Overall reputation rating - Total (%)



Reputation	Reputation score (NET % 7+/10)		Average reputation rating	
	2024	2023	2024	2023
Total	69	63	6.9	6.7
Energy	58	34	6.7	5.8
Community & Consumer Groups	100	91	8.6	7.9
Government, Regulator, Agency	57	87	6.6	7.6
Water	81	79	6.8	6.9
Victorian Energy Upgrades (VEU)	68	40	6.7	5.1
Local Government	67	71	6.9	6.9
Transport *	50	47	6.0	6.7

Q1. How would you rate the overall reputation of the Essential Services Commission on a scale from 0 to 10, where 0 means you think it has a very poor reputation and 10 means an excellent reputation? Please base this on experiences you've had with Essential Services Commission and anything else you've seen, heard or read about it. // Base: All participants 2024 (n=162) and 2023 (n=223), Energy 2024 (n=24), Community & Consumer Groups 2024 (n=21), Government, Regulator, Agency 2024 (n=14), Water 2024 (n=21), Victorian Energy Upgrades 2024 (n=19), Local Government 2024 (n=57), Transport 2024 (n=6).

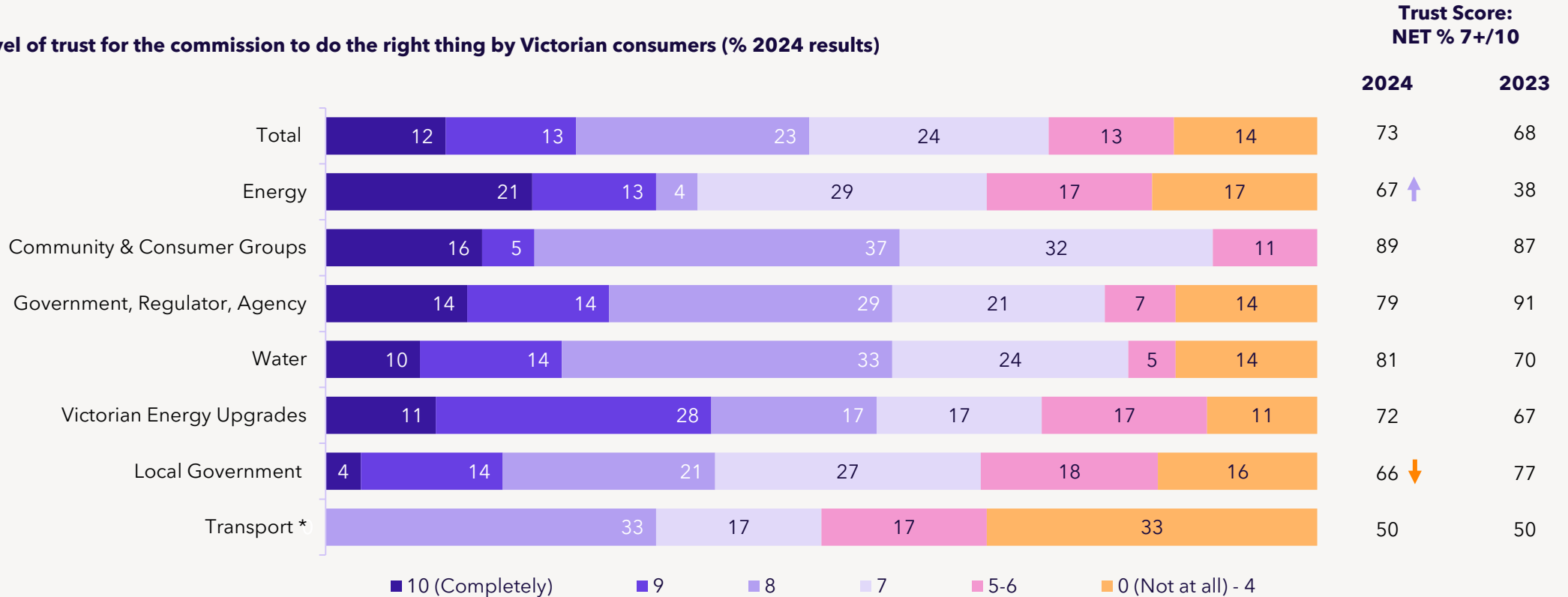
* Very small base size, interpret with caution

= Indicatively higher or lower than 2023 results at an 80% confidence interval

Trust

Stakeholders expressed a higher level of trust in the commission this year, with almost three in four reporting that they trust it to do the right thing by Victorian consumers. Energy and Water stakeholders were more trusting of the commission this year, while Local Government and Government, Regulator, Agency stakeholders were less trusting.

Level of trust for the commission to do the right thing by Victorian consumers (% 2024 results)



Q5. Trust: My next question is about trust. On a scale of 0 to 10, where 0 is 'not at all' and 10 is 'completely', how much do you trust the Essential Services Commission to do the right thing by Victorian consumers? // Base: All participants 2024 (n=158) and 2023 (n=215), Energy 2024 (n=24), Community & Consumer Groups 2024 (n=19), Government, Regulator, Agency 2024 (n=14), Water 2024 (n=21), Victorian Energy Upgrades 2024 (n=18), Local Government 2024 (n=56), Transport 2024 (n=6).

* Very small base size, interpret with caution

↑ ↓ = Indicatively higher or lower than 2023 results at an 80% confidence interval

The commission's strengths

Key reasons for positive sentiment about the commission, in broadly descending order of mentions.



Fundamentally fulfilling its role as an effective, trustworthy regulator: Overwhelmingly, stakeholders felt the commission fulfilled its regulatory functions to a high standard, with this view particularly strong amongst the Government, Regulator, Agency sector. The commission was often described as professional, effective, reliable, transparent and dedicated to upholding high industry standards. The commission was also valued for its 'firm but fair' mandate, and was seen to be protecting the long-term interests of Victorian consumers.



Collaborative, proactive stakeholder engagement: Many described the commission as genuinely committed to engaging with industry, consumer groups, and the community to ensure all perspectives are heard and incorporated into its decision-making. Stakeholders, especially Community & Consumer groups, encouraged the commission to continue consulting deeply to help inform its decisions. Stakeholders appreciated its openness to feedback, dedication to working through issues and consulting on proposed regulatory changes.



Communicates clearly and responsively: Commission staff were praised for their open and honest dealings with stakeholders across all sectors, and their prompt and timely communication. Commission staff were described as helpful and able to explain complex issues well, making themselves available to discuss issues and clarify questions.



Consumers at the heart of its decision-making: On the whole, many felt the commission demonstrates genuine empathy for complex situations with its clear customer-centred framework that drives its decision-making. Stakeholders, particularly from Community & Consumer groups, praised the way decisions have been informed by engagement with their sector to understand complex social issues including family violence to provide better protections and outcomes for Victorians experiencing vulnerability.



Highly respected staff: Commission staff were respected and trusted by stakeholders across all sectors, commending their relationships with staff as professional, transparent and engaged. Staff were seen to hold appropriate industry knowledge and skills and be committed to delivering appropriate outcomes for the community.



High-quality, well-considered publications and advice: The commission's written reports, guidelines and advice was also seen as a strength across most sectors, with online resources described as detailed and comprehensive, e.g. the guidelines and process for Pricing Submissions and feedback in the Draft Determination were easy to understand, and the Energy Sustainability Scheme activity guide documentation was felt to be clear and provide sufficient guidance. Stakeholders appreciated the commission's efforts to offer guidance through information sessions and emails to relevant parties in preparation for changes in regulation and compliance.

The commission's weaknesses and areas for improvement

Key reasons for negative sentiment about the commission, in broadly descending order of mentions.



Does not adequately consider the flow-on impacts on businesses: In contrast to the positive feedback about the commission's engagement Community & Consumer groups, small businesses in the VEU sector and Local Government felt the commission would benefit from having a greater awareness of their challenging operating environments. In particular, some felt that the commission was not considering the impact of their decisions and requirements, e.g. the financial impacts of new rate caps, and businesses spending significant resources on regulation and compliance activities.



Customer service perceived by some as dismissive and too 'cut and dry': Stakeholders, particularly from the VEU and Energy sectors, expressed difficulty with the commission in regard to voicing their concerns, which they felt were not taken seriously or given appropriate consideration by the commission when raised. This has resulted in some stakeholders describing their relationship with the commission as poor, with some suggesting that a direct line of contact with the commission and more rapid provision of advice and support would help to mitigate this.



Low profile and lack of clarity around the commission's remit: A number of stakeholders raised concerns that the commission was 'invisible' to many consumers, and most would not know what it is and what it does, particularly amongst regional Victorians. Some felt that the commission's low profile may impact its effectiveness and strength as a regulator, and suggested more publicity of the commission's achievements could be a way to raise its profile. Some stakeholders were also uncertain of the commission's exact remit and felt more clarity around its role compared to other regulators would be valuable.



Lacking transparency in its decision-making process: Some stakeholders felt the commission's decisions should better reflect its mandate of independence, transparency and consistency, with some expressing concerns that some decisions appeared to lack objective judgement. This was primarily fuelled by what they see as commission decisions lacking a clear rationale.



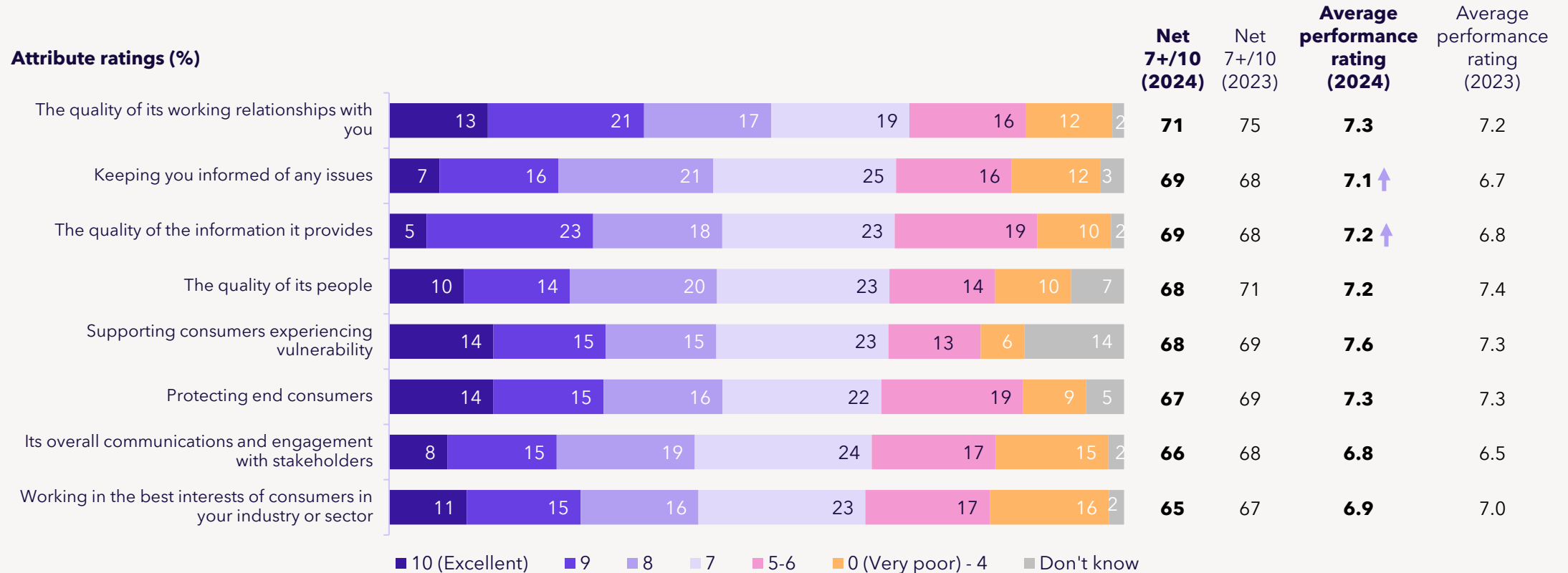
Unwilling to listen to other perspectives: Some stakeholders, particularly those in Local Government, felt engagement by the commission would benefit from more in-depth consultation and openness to their unique concerns. Some felt previous consultations lacked a genuine intention to collaborate, listen and resolve issues.



Moving the goalposts and providing inadequate guidance on decisions: Lack of clear direction on advice or guidance was mentioned by some stakeholders again this year (particularly among the Water sector). Some felt guidance papers and policies can be overly high-level or vague, and therefore open to interpretation and misunderstanding. Similar concerns around backtracking on decisions were also raised by some this year, notably the confusion stemming from changes to recommendations such as rate caps in contrast to previous recommendations from government.

Highest performing attributes

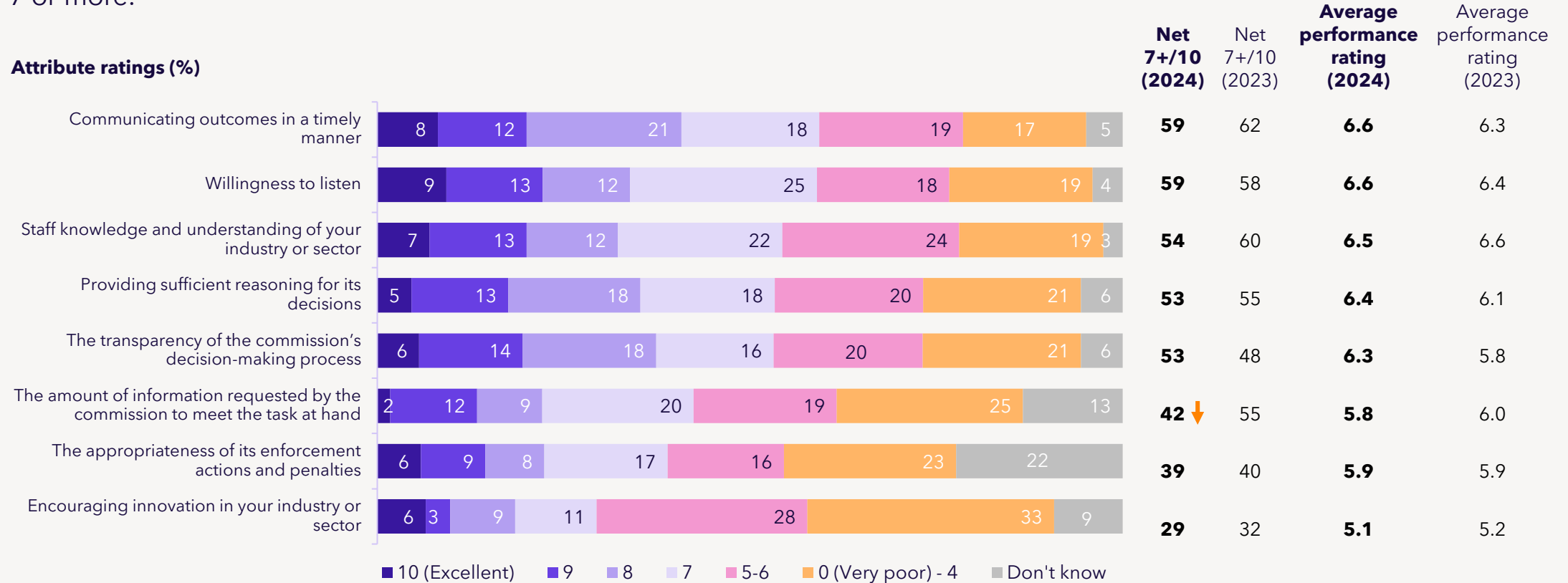
The commission performed best on the quality of its working relationships, keeping stakeholders informed of any issues and the quality of the information it provides, which has improved.



Q9. I'd now like you to rate the Essential Services Commission's performance on several broad attributes using a scale of 0 to 10 where 0 means you think they're doing a 'very poor' job and 10 means they are doing an 'excellent' job. There's also a 'don't know' option if you are not sure. // Base: All participants 2024 (n=162), 2023 (n=222).

Lower performing attributes

The commission performed relatively lower on encouraging innovation in stakeholders' industry, the appropriateness of its enforcement and penalties, and the amount of information requested by the commission - fewer than half rated these aspects as a 7 or more.



Q9. I'd now like you to rate the Essential Services Commission's performance on several broad attributes using a scale of 0 to 10 where 0 means you think they're doing a 'very poor' job and 10 means they are doing an 'excellent' job. There's also a 'don't know' option if you are not sure. // Base: All participants 2024 (n=162), 2023 (n=222).

↑ ↓ = Indicatively higher or lower than 2023 results at an 80% confidence interval



SEC Newgate Australia

Level 17, 35 Collins Street

Melbourne VIC 3000

W: www.secnewgate.com.au

P: 03 9611 1800