



WHITEPAPER

Why AI is the new stakeholder.

Considerations for communications strategy, reputation management, and government policy development

Contents

Introduction	03
AI is kinder to corporate reputation than traditional media, but has a long memory	03
AI is creating a wider set of influencers able to shape public discourse but also empowering communications and policy managers to engage effectively	04
AI can be a force multiplier but it needs good data	05
AI has team leaders reviewing team skills and some are fundamentals	06
Conclusion	08
About Medianet and Public Sector Network	09

As more people use AI tools to search for information, conduct tasks, create content, and interact with companies and governments, both challenges and opportunities arise for those responsible for public communications and policy development. AI can power and accelerate market research, content development, and outreach, but it can also make brand, reputation, and issues more difficult to manage.

In fact, AI itself has become a stakeholder that needs to be managed, including pointing it to the right information, defining how it makes decisions, and correcting it when it makes mistakes.

Medianet and Public Sector Network hosted a recent industry event where senior executives from Endeavour Energy and the City of Sydney joined a panel discussion. This paper, based on insights from the panellists, explores the ways AI is changing how communications and policy executives prioritise their efforts, select engagement channels, and develop their teams' skills.

AI is kinder to corporate reputation than traditional media, but has a long memory

Medianet research has found that query responses from large language models (LLMs) such as ChatGPT, Gemini, and Claude skew more positively in sentiment towards organisations than the coverage those organisations receive in traditional media coverage.

According to Amrita Sidhu, Managing Director of Medianet, when comparing LLM responses to media coverage, some organisations are hitting 97-100% positive sentiment in the LLM citations versus 40-50% positive sentiment in traditional media channels (TV, radio and print news).

"This is because LLMs have a long memory and they pull from a wide range of sources, including an organisation's own materials, so traditional media can be more balanced or critical in coverage."

Amrita Sidhu
Managing Director, Medianet

As an example, she points to Medianet research focused on the public sentiment around an Australian state's road safety, policy, and maintenance programs. In mainstream media, the sentiment was 57% negative coverage, but when LLM models were asked about the transport programs, the responses were only 14% negative. This was because the LLMs were referencing not only current media coverage but also the state's own published materials going back years.

57%

negative sentiment in mainstream media coverage of the state's transport programs

14%

negative sentiment when LLM models were asked about the same transport programs

While this sounds positive for corporate reputation, it can be a double-edged sword as it means a negative media story can keep popping up in AI searches long after it disappears from the news cycle, posing challenges for long-term issues and reputation management.

AI is creating a wider set of influencers able to shape public discourse but also empowering communications and policy managers to engage effectively

AI tools, particularly when used with social media platforms, can be used to help shape narratives, create content at scale, and amplify information (but also misinformation). They make it easier for more individuals and groups to spread large volumes of highly engaging politically focused messaging, policy critiques, and advocacy content almost instantly. This can be a positive for communications and policy directors. It means organisations can have a broader reach beyond traditional media and have more control over the message delivery. By understanding how AI-driven recommendation systems prioritise content, communications managers can create content to amplify their reach and make their spokespeople social influencers in their own right. It also allows them to engage with audiences through influential, trusted third parties on social channels.

On the downside, AI and social media tools can also accelerate the spread of misinformation. AI-driven recommendation systems and algorithms also prioritise emotionally charged content, can reinforce existing beliefs and polarise views, and bots and synthetic personas can change which narrative individuals encounter without their full awareness.

However, another benefit is that AI tools can monitor the public discourse and measure public sentiment in social media channels as well as traditional media in real time. This allows communications and policy directors to spot trending issues and respond quickly, develop and quickly adapt messaging and policy points, and identify people having the most impact on the public response to engage with them.

AI-enabled monitoring can also be used to identify specific audience demographics' interests, values and concerns, and then help tailor and personalise policies and messages – and determine the most effective channels – to communicate with different audiences. This is critical for public and private organisations trying to engage with the public broadly.

One such organisation is Endeavour Energy, which distributes electricity to power homes and businesses based in the Blue Mountains, Western Sydney, the Illawarra and South Coast of NSW. Said Vida Cheeseman, Endeavour's former Head of Corporate Communications, "We operate in an enormously diverse environment, powering the lives of 2.8 million people living in communities where more than 150 different languages are spoken. In addition to our day-to-day operations, we have to respond to massive weather events like bushfires and floods. How we engage our customers and stakeholders, how we share information with them, and how we understand what they need from us is increasingly fragmented. So, a large focus for us is managing our own channels to ensure they're relevant by targeting the right communities with the right information when they need it in the way that they want it, and that may include being in the right language."

Vida spoke to how the public's use of AI is changing Endeavour Energy's communications approach, including the design of its own platforms, based on how its customers source information. "When a weather event hits, we need to share updates in real time with our customers. Over the past few years, we've built up our own channels, with particular focus on our website. We co-designed it with customers to understand exactly what they want, but now we're reviewing it again to be sure that we're not just considering Search Engine Optimisation, but also AI search tools.

"In that way, AI is a new stakeholder in its own right, in that it needs to be fed the right information and correct data. We're thinking deeply about questions and terms that customers and other stakeholders are actually using in AI searches and optimising website copy around those and running campaigns using particular search teams to feed the LLMs. We're also feeding those insights into Endeavour Energy's own internal AI model that also draws data from customer satisfaction surveys, social media sentiment and its overall knowledge base to help customer contact centre teams provide timely responses.

"But equally, AI's not a stakeholder on its own. We also know coverage in media outlets like newspapers and TV channels has a big impact on AI search results, so communicating through traditional media outlets is still very important as well. You've got to have that multi-channel approach. Especially if there is misinformation around a particular issue, having the correct information that's easily accessible and is being shared by all of your key stakeholders with all of the key influencers, at the same time, is critical."

Vida Cheeseman

Former Head of Corporate Communications, Endeavour Energy

AI can be a force multiplier but it needs good data

The City of Sydney also services a diverse stakeholder base of residents, businesses, workers and tourists, and a broad portfolio covering everything from the traditional 'roads, rates and rubbish' services to major events and public spaces. Karl Herger, Chief Marketing and Communications Officer, City of Sydney, spoke about how intentionality is driving his approach to AI.

"With AI, we need to be even more intentional around how we structure and publish our content, how we optimise and surface it for AI searches, and even how we structure our team to ensure content is accurate, consistent and up to date. For example, recently we found AI search was referencing one of our old campaigns and sending users to a 404 page, so it's important to manage your content repositories to be indexed properly by LLMs because AI tools are machines and should not be expected to 'figure it out' on their own," said Karl.

He also raised the issue of data management, explaining, “AI can potentially help filter noisy or unrepresentative social sentiment from issues that deserve a response, but only if it is trained on a reliable knowledge base supported by clean data. Having good data hygiene with a model for structuring data is important. A communications or policy team may have voice-of-customer data from a CRM here, and a listening solution there, as well as media monitoring over here, all with rich data. These systems and data may not be unified and may even be managed by different parts of the business. But if you can bring the data together and teach your people to manage and use it as part of an AI program to track issues and sentiment, and create and amplify content, AI can be a force multiplier.”

Amrita from Medianet agrees with the idea of good data being critical.

“It’s a case of ‘bad data in, bad data out’ as usual, but then the human intelligence that sits across the top is also important. You need a team that can look at these very large datasets and define how they are then fed into AI as inputs, how and what decisions will then be made by AI, and then what the purpose and quality are of the AI outputs.”

Amrita Sidhu
Managing Director, Medianet

THE GOVERNMENT FRAMING

Jennifer Arnold, Head of Advisory, Public Sector Network, explained that governments in Australia are also taking a human-centric approach to AI programs by taking the stance that AI should augment roles rather than replace them, and having a human lens across decision making. The government AI policies provide a good framework for private organisations as well in how they address the need for transparency and accountability in AI decision making, what decisions AI influences, and what impacts it has on citizens, staff, services and public trust.

AI has team leaders reviewing team skills and some are fundamentals

Generative AI tools that create images, videos, code, or text, and AI functionality embedded in common software (Microsoft, Adobe, Canva, Salesforce, etc.), are now part of everyday life for communications and policy managers. This is seeing leaders re-assess their employees’ skills and shifting around the team role mix. Similarly to how government is approaching AI as augmenting roles, many leaders are having their teams use AI to streamline the more mundane tasks to liberate their time for more value-added, high-impact work. However, AI is also creating new roles in communications and policy teams – such as data management – and also requiring the need for considerable up-skilling.

Karl said that the City of Sydney team retains some specialisation, particularly around media relations, but that the entire team's AI skills are being uplifted and not just in the technical sense.

"People who are going to get the best results from using AI are those that also understand the civic process and ethics, who have breadth of perspective. They'll be able to better prompt the machine and differentiate good output from bad output. They'll also know to ask AI to verify the sources and make sure the research results are sound. So, we're aiming to ground our team's AI use in those basic principles that we all learned when we did journalism or communications degrees."

Karl Herger

Chief Marketing and Communications Officer, City of Sydney

Vida explained that Endeavour is rolling out AI training across the entire organisation that covers the governance model and collaboration across teams to ensure the right information goes in the central data repositories and the voice of the customer is retained. She said, "This governance is critical because we never want any team to publish something without human review because AI doesn't know our customers the way that we do, and doesn't know exactly what they're facing day to day – whether that be vulnerability because they can't pay their bills, or whether they're trying to educate a son or daughter on energy tips, or they just got household batteries and want to know how to use them. So, training on that process and the understanding of our customers is as important as the general AI technical training."

All of the panellists also spoke to the cultural and mindset shift that needs to happen around embracing AI as a new way of conducting day-to-day work, similar to the shift that happened around the introduction of email and social media. They pointed to the fact that with the right guidelines and governance in place, it can give teams the space and opportunity to be curious and to try new approaches to see what does and doesn't work.

Jennifer spoke about how government agencies, which tend toward being culturally highly risk-averse, are setting up AI sandboxes – safe environments for people to play with new tools and low-risk datasets – so that their teams can build their skills and test new use cases and theories using approved tools without risk of anything leaking into the real world.

Medianet is doing exactly that. Amrita explained:

“Medianet launched a labs environment, which any team member can produce and test new AI functions. If those functions prove useful, they may be rolled into our full platform production to be used by our customers. This experimentation benefits our teams, who get really excited seeing their product go from concept to offering, and benefits our customers because we can bring new innovations to the market faster (which is what customers now expect).”

Amrita Sidhu
Managing Director, Medianet

Conclusion

AI is reshaping the operating environment for communications and policy managers by changing how information is found, interpreted, amplified and trusted. It creates new challenges for reputation and issues management as it draws on long histories of published material, surfaces information outside traditional news cycles, and can accelerate the spread of misinformation or negative narratives. It also raises practical questions around data quality, governance, transparency and accountability.

At the same time, the panel made clear that AI is not simply a risk to be contained. When managed intentionally, it can be a powerful force multiplier for communications and policy teams. With clean data, well-maintained content, clear governance, human review and appropriately trained teams, AI can help organisations better understand audiences, monitor emerging sentiment, tailor messages, respond faster during critical events, and improve public engagement. The opportunity is not to shift all strategy development, decision making and content development over to AI, but to use it to inform, streamline and augment work by treating it as a new stakeholder.

medianet.

About Medianet

Medianet is Australia's leading media intelligence platform, delivering integrated media release distribution, media contacts database access, media monitoring, and analysis in one comprehensive solution. Trusted by clients across the corporate, advocacy, and government sectors, Medianet connects communications professionals with journalists, newsrooms, and digital creators across Australia and New Zealand. The platform enables organisations to share timely, newsworthy stories, track media mentions in real time, and measure their communication impact.

www.medianet.com.au



About Public Sector Network

Public Sector Network is a research company and insights exchange platform for government professionals. PSN connects public sector leaders to share knowledge, collaborate on solutions, and drive innovation in government services. Through events, workshops, and online communities, PSN fosters a culture of continuous learning and improvement in the public sector.

www.publicsectornetwork.com