

Annual Report

FY25



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Acknowledgement of Country



'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan, a proud Aboriginal woman from the Wiradjuri people of the three-river tribe.

We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations Peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.

Read more about our [Reflect Reconciliation Action Plan](#) initiatives for FY25 on page 34 of this report.



READ OUR
RECONCILIATION
ACTION PLAN

Chair and CEO message

As the energy transition gathers pace, AEMO continues to work with stakeholders and deliver on key priorities

Energy is central to the lives of all Australians and a critical enabler of the national economy. As Australia's independent system and market operator and planner, AEMO is delivering on our strategic priorities in a fast-changing and increasingly complex external environment. In FY25, we continued to carry out our daily work to operate and plan Australia's energy systems and markets in the long-term interest of consumers, with respect to energy security, reliability, cost-effectiveness, and emissions reductions.

We started the financial year with an ambitious set of 53 initiatives underpinning the priorities of our Strategic Corporate Plan. Pleasingly, our 1,800 engaged and high performing staff delivered 43 of these with nine others in progress (with one initiative de-prioritised).

In a year marked by complexity and change, AEMO's control room staff maintained secure operations of the energy systems and markets. The National Electricity Market (NEM) and Wholesale Electricity Market (WEM) operational demand profile continued to widen at both extremes – with growth in underlying demand and rooftop solar setting new records.

To ensure that Australia's rapidly changing energy systems remain secure and reliable, we continued to invest in uplifting operational tools, and in cyber resilience across our processes and digital systems. A record volume of generation and storage projects were connected to the east and west coast power systems, with AEMO making significant improvements in NEM connection times and processes and improving coordination with the network provider in Western Australia.

Stakeholders were closely engaged on substantial market reforms for both the WEM and the NEM – an important part of AEMO's work to enable the energy transition. Independent research reflected AEMO's efforts to deepen relationships and trust, but also identified opportunities to improve our engagement efforts – a key focus for the coming year.

Our reports and publications delivered unique market insights and analysis, providing important market signals regarding required investment in the transitioning system. AEMO's FY25 financial performance reflects disciplined stewardship and operational maturity, with strategic initiatives delivered within budget.

Core operating costs remained stable as cost efficiency gains were delivered despite an increasingly complex environment. Expenditure growth was driven by reform delivery, digital uplift and new activities reflecting AEMO's evolving role.

Looking ahead, AEMO is scheduled to divest its transmission planning role in Victoria to VicGrid in November, including the transfer of Transmission Company Victoria. AEMO continues to support this change, communicating openly with employees and stakeholders throughout the process.

AEMO Services Ltd (ASL) supported investment under the NSW Roadmap and successfully delivered two significant CIS tenders. ASL welcomed Greg Medcraft as the new Chair, and rebranded to AusEnergy Services Ltd in July 2025.

We congratulate Merryn York, EGM System Design, on receiving the Order of Australia for her outstanding 30-year contribution to the energy sector. Merryn will retire in July 2025, with Nicola Falcon to be appointed as EGM System Design.

On behalf of the Board, we extend our thanks to retiring Directors Betsy Donaghey and Tony Concannon. They have both brought tremendous value to AEMO over eight years of service, including notable contributions to the People and Remuneration Committee and Zema Committee respectively.

AEMO's role continues to evolve in response to the challenges of the energy transition, but our focus on delivering on our responsibilities in the best interest of Australian consumers is unwavering. Our plans are outlined in our FY26 Strategic Corporate Plan, and we look forward to reporting on our progress in next year's Annual Report.



Mary O'Kane
AEMO Chair



Daniel Westerman
AEMO Chief Executive Officer

About us

Who we are and what we do

AEMO, the Australian Energy Market Operator, independently manages the day-to-day operation of Australia's energy systems and markets.

As Australia's independent system and market operator and system planner, our purpose is to ensure secure, reliable and affordable energy, and enable the energy transition in the long-term interests of all Australians.

Around 1,800 people work for AEMO across Australia, including engineers, scientists, economists, digital specialists and corporate support.

AEMO is a not-for-profit, independent market body with functions prescribed in national energy laws, rules and regulations. Membership comprises state and federal governments (60% interest) and energy industry participants (40% interest). Operating costs are recovered through fees paid by market participants, and through other funding mechanisms, such as fee-for service activities.

The organisation is governed by a Board of Directors, which oversees AEMO's activities, supported by a robust and fit-for-purpose governance framework. The Board delegates day-to-day management of AEMO to the CEO.

AEMO's functions have evolved and will continue to evolve, to ensure we continue delivering our core objectives while addressing the demands of more complex and transitioning electricity markets and systems.

We continue to fulfil our core responsibilities to operate systems and markets and plan the energy system of the future.

At the same time, we increasingly partner with governments to support the delivery of new investment in energy infrastructure to meet future needs.

AEMO carries out four primary functions:



Operate electricity and gas systems

- Real-time operations
- System service and security management, monitoring and review
- Engineering analysis, support and modelling
- Monitoring power system operating reserves, gas supply adequacy and operational forecasting
- Emergency and outage management
- Digital and cyber security (AEMO systems)



Operate wholesale energy markets

- Participant registrations and accreditation
- Market operations and procedures
- Metering, settlements, prudentials and payments
- Market monitoring, advice and analysis
- Modernising digital market systems



Plan and enable the energy system of the future

- Enable the energy transition through AEMO's planning and forecasting functions
- Energy system forecasting, modelling and planning
- Enable network connections
- Technical analysis and resource adequacy assessments
- Statutory and government policy support and integration
- Energy system and market reform consultation and project delivery



Support new investment

- Design and conduct tenders for generation, storage and firming infrastructure through the federal Capacity Investment Scheme (CIS)
- Map development pathways and tender plans in New South Wales
- Authorise renewable energy zone (REZ) network infrastructure in New South Wales

Executive Leadership Team



Daniel Westerman

Chief Executive Officer and Managing Director

Daniel commenced as CEO and Managing Director of AEMO in May 2021.

He oversees AEMO's strategy and operations, including collaboration with industry and policy-makers.

Under Daniel's leadership, AEMO has ensured a secure and reliable supply of electricity and gas for customers through increasingly complex operations across Australia's energy grids and developed a trusted set of roadmaps to transition Australia to a net zero energy system. Internally, AEMO has built a purpose-led and values-based culture, with strong uplifts in employee engagement, diversity and inclusion, customer orientation, and financial performance. AEMO is a trusted partner of both industry and governments.

Prior to joining AEMO, Daniel held a variety of senior executive roles with London-listed electricity and gas utility National Grid plc. after an earlier career with McKinsey & Company and Ford Motor Company.

Daniel holds degrees in Engineering and Mathematics from the University of Melbourne, and an MBA from Melbourne Business School. He is a Fellow of the Australian Academy of Technological Sciences and Engineering, a Chartered Engineer, and a Fellow of the Institute of Directors.



Gordon Dunsford

Executive General Manager Digital

Gordon has more than 25 years' experience in senior business and digital technology roles across a range of industry sectors both in Australia and overseas.

Prior to joining AEMO in 2022, Gordon held Chief Information and Technology Officer or similar roles at New South Wales Police Force, WaterNSW, Airservices Australia, Integral Energy, TransGrid and IBM.

He is leading the ongoing transformation of digital technologies and capabilities at AEMO, from the delivery of digital and data requirements of major programs of reform for the national energy market including in Western Australia, to cyber security and corporate enablement.

Gordon holds an MBA and is a graduate member of the Australian Institute of Company Directors.



Nicola Falcon

Interim Executive General Manager Western Australia

Nicola has more than 25 years' experience in the energy sector in Australia and overseas. In her role Nicola provides leadership support to real-time operations of WA power systems and markets, as well as the state's market reform and delivery program. She also provides critical technical information and insights to inform decision makers in planning the future gas and electricity system needs in WA.

In her prior role as Group Manager, Victorian Planning & Connections she led planning and investment in major transmission projects, network, and non-network services, and managed the connections process for new generators and loads.

Nicola holds graduate and post-graduate commerce degrees in Management Science from the University of Canterbury, and is passionate about providing equal opportunities for women in the energy sector.

Nicola will finish in her role as interim EGM WA and Strategy in August 2025, and transition to the role of EGM System Design.



Michael Gatt

Executive General Manager Operations

Michael has detailed experience in Australia's energy sector, including executive leadership experience across multiple disciplines. He has led delivery of extensive capital programs, including the commissioning of generators, construction of transmission lines and maintenance of a broad range of assets.

With a background in infrastructure and policy, and a passion for practical applications, Michael brings assets to life in the operation of complex grids and markets.

Michael has led AEMO's response through countless operational challenges, including market suspensions and significant power and gas system events.

He has qualifications in electrical engineering and commerce and is passionate about innovative ways to solve the challenges of the energy transition.



Vanessa Hannan

Executive General Manager Finance and Governance

Vanessa brings extensive finance and governance experience across the infrastructure and utilities sectors during times of fundamental structural change.

After starting her career in chartered accounting, Vanessa has led finance, corporate services and internal audit functions at top ASX-listed organisations across Australia and New Zealand.

Prior to joining AEMO, Vanessa held the role of Executive Director at Transurban Queensland while also leading Enterprise Finance for Transurban Group Limited. Vanessa was responsible for transforming several corporate functions during a period of significant merger and acquisition activity at Transurban. Vanessa previously held divisional CFO roles at Telstra and AGL.

Vanessa is a Chartered accountant and holds an MBA from UNSW Business School and a Bachelor of Commerce/Arts from Monash University.



Glenn Jackson

Executive General Manager People and Culture

Glenn has over 25 years of people and culture experience in the corporate services sector across Australia, the UK, and the US. Prior to joining AEMO, Glenn spent nearly eight years as Human Resources Director at Queensland Investment Corporation. Prior to this, he held executive-level human resources roles for Australian and global corporations, including Group Chief HR Officer for QBE, General Manager Talent and Capability for the National Australia Bank Group, and Director in the people practice of PwC.

Glenn holds an MBA and is passionate about inclusion, high performance, and enabling talented people to thrive. At AEMO he champions a range of programs to support AEMO to have the culture, leadership and capability it needs to manage the transition.



Violette Mouchaileh

Executive General Manager Policy and Corporate Affairs

Violette's extensive experience spans economic regulation, energy policy development, development of regulatory frameworks, market development and design, and market change implementation. She was Executive General Manager of Reform Delivery at AEMO before commencing her current position, with prior roles at AEMO in market design development, market change implementation and operations.

Violette formerly held roles driving energy market policy in the Federal Government and worked on competition policy initiatives at the Australian Energy Regulator (AER) and Australian Competition and Consumer Commission (ACCC).

Violette holds a Bachelor of Economics (Hons) from Latrobe University.



Merryn York AM

Executive General Manager System Design

Merryn brings deep industry experience of more than 30 years from a power system engineering background that includes generator connections, transmission planning, regulatory investment and the delivery of major transmission projects.

Formerly Merryn served as a Commissioner at the Australian Energy Market Commission (AEMC) and as Chief Executive of Powerlink Queensland.

Merryn holds a Bachelor of Engineering, a Master of Engineering Science and a Graduate Certificate in Applied Law from the University of Queensland. She is an Honorary Fellow of Engineers Australia, a Fellow of the Australian Academy of Technological Sciences and Engineering and a graduate member of the Australian Institute of Company Directors.

In November 2024, Merryn was appointed to the Board of New Zealand transmission company Transpower, and in June 2025, she was awarded a Member of the Order of Australia (AM) for significant service to the energy sector.

Merryn will step away from her AEMO executive role in August 2025.

Our strategic priorities and performance

In FY25, we continued to focus our efforts around the four priorities identified in our Strategic Corporate Plan.

1.

Operating today's systems and markets

Our most fundamental responsibility is to keep the lights on and the gas flowing, matching energy demand and supply in real time and settling trades with wholesale energy sellers and buyers.

We continue to modernise our operating systems, enhance cyber security and resilience, and reduce market and operational risks of the digital assets supporting our system and market operations.

	Measure	Target	Actual
System security	Operate within technical limits	100%	100%
	No system-wide blackout events	nil	✓
	Preventable load shedding	nil	✓
	Loss of system/market suspension due to preventable cyber incidents	nil	✓
	Operational forecast accuracy (NEM WEM)	80% 80%	94% 78%
Energy reliability	No region-wide loss of supply	nil	✓
	Achieve all material prudential supervision obligations	nil breaches	✓
Market management	Settlement statement issued and settled on time	100%	100%
	IT critical system availability	100%	100%
	IT Change Management success rate	97%	98%

2.

Navigating the energy future

Using and sharing the intelligence gathered through operations and preparing our technical and market reports to inform decision-making.

We collaborate with regulatory bodies, industry participants and consumers on reforms, and help identify and reduce barriers to investments in Australia's energy systems.

	Measure	Target	Actual
Energy system design	High priority projects and initiatives delivered to scope, on time and to budget	8	✓
	Delivery of the CIS Tender Program to the satisfaction of the Australian Government	Satisfied	✓
	FY25 Engineering Roadmap priority actions	75%	89%
	Delivery of NSW Consumer Trustee functions and obligations to the satisfaction of the NSW Government	Satisfied	✓
Connections	Improving Connections process and satisfaction	70%	80%
	Effective delivery of jurisdictional support services	85%	100%
Victorian transmission	Effective delivery of AEMO's Victorian declared network and <i>National Electricity (Victoria) Act</i> (NEVA) functions	85%	95%

Performance highlights

Each strategic initiative has short-term, medium-term and longer-term goals, supported by a series of initiatives that guide our work. Our FY25 Strategic Corporate Plan outlined 53 initiatives under the four priorities. AEMO met 43 of these initiatives and progressed nine, with one initiative de-prioritised.

The Strategic Corporate Plan also outlined key performance metrics, as shown.

3.

Engaging our stakeholders

Building trusted relationships between AEMO and governments, industry, business, communities and consumers.

We are committed to enhancing trust by engaging closely and transparently with stakeholders to understand their perspectives and jointly working to achieve positive energy transition outcomes.

	Measure	Target	Actual
Stakeholder trust and confidence	Improve stakeholders' perception of AEMO	70%	64%
Transparency and accountability	Enhance transparency, accountability, collaboration with stakeholders	70%	70%
Engagement on our core roles	Engage effectively on delivery of our core roles	70%	75%

4.

Evolving the way we work

Leading with our values of Character, Connection and Commitment to harness our expertise, build trusted relationships and deliver what needs to be done within AEMO.

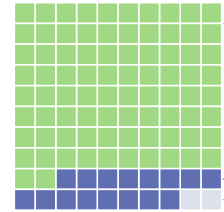
We are streamlining processes while ensuring they remain dynamic and agile, and uplifting digital and data capabilities. We aim to improve the ease with which people work with, and within, the organisation.

	Measure	Target	Actual
Health and safety	Maintain health and safety performance	Met targets	✓
Employee engagement	Employee engagement survey results	73%	77%
Budget	Achieved FY25 Budget	100%	✓
Governance	Meet all legal and reporting obligations	nil breaches	✓

FY25 at a glance

Strategic Corporate Plan initiatives

53



43

DELIVERED

9

PROGRESSING

1

DEPRIORITISED

Trust in AEMO
to do what we say
we'll do, as rated
by our
stakeholders:

91%

16%
COMPARED
TO FY24

Employee engagement



88%

3%
COMPARED
TO FY24

1,442 employees participated in the engagement survey, vs 1,180 in FY24.

Employee lost time injuries



NEM connections pipeline (gigawatts)



Application approvals

60
(15.9 GW)



Registration approvals

37
(9.2 GW)



Commissioning to full output

29
(4.4 GW)

Gas

Annual trades and volumes (petajoules)



Declared Wholesale Gas Market (DWGM)

224.8 PJ

Wholesale gas withdrawal

\$2.83 B

Wholesale gas purchased



Short Term Trading Market (STTM)

137.3 PJ

Wholesale gas withdrawal

\$1.79 B

Wholesale gas purchased



Gas Supply Hub (GSH)

61 PJ

Wholesale gas withdrawal

\$0.78 B

Wholesale gas purchased

Electricity

Annual trades and volumes (gigawatt hours)

WEM

17,919 GWh

Total energy traded

\$3.0 B

Total Market Value

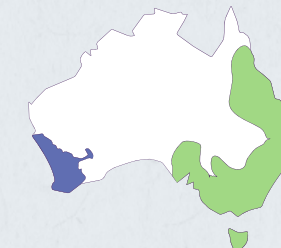
NEM

200,196 GWh

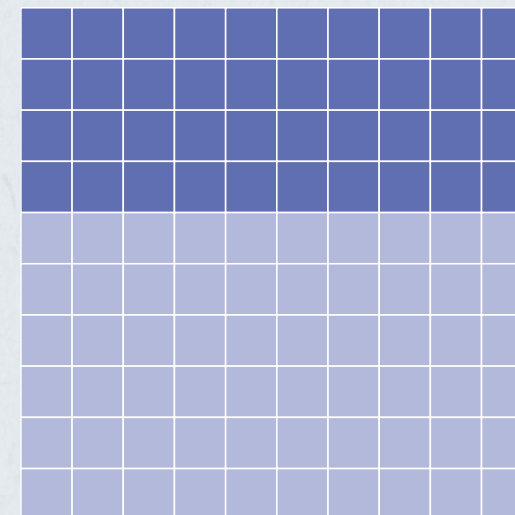
Energy purchased

\$25.4 B

Total Market Value



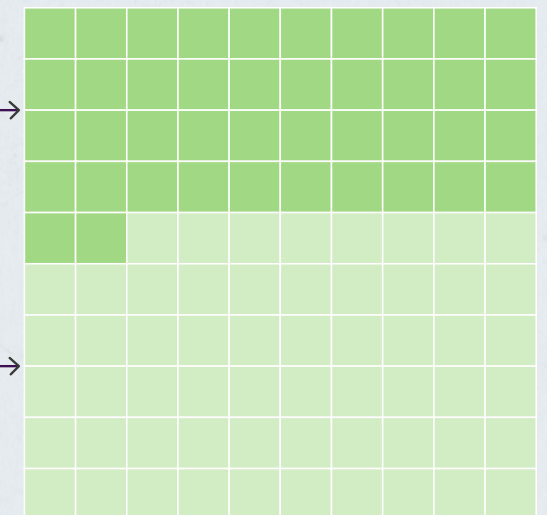
WEM



Renewable generation: **39.7%**
(wind, grid-scale solar, rooftop solar, batteries)

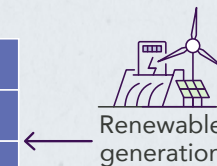
Thermal generation: **60.3%**
(coal, gas and distillate, landfill gas)

NEM

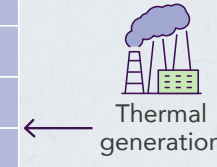


Renewable generation: **41.6%**
(wind, grid-scale solar, rooftop solar, batteries, hydro and biomass)

Thermal generation: **58.4%**
(coal, natural gas and liquid fuel)



Renewable generation



Thermal generation

Instantaneous renewable contribution records

WEM

85.1%

17 November 2024

NEM

75.6%

6 November 2024



Operating today's systems and markets

AEMO's operations team ensured reliable, secure and affordable energy supply for Australians, as the energy systems and markets continued to increase in complexity.

Operational conditions across FY25 highlight that Australia's energy transition from a power system designed on baseload and peaking generation to renewables and firming is well underway.

For the first time in the NEM, quarterly coal generation fell below 50% of total generation, while renewable generation reached a record 46% average quarterly share, with a peak 30-minute contribution of 75%.

Similarly, in Western Australia, peak renewable contributions hit 85%, while in South Australia, rooftop solar provided more than 110% of the state's total energy needs at one point in time, with operational demand falling to -205 megawatts (MW).

From the AEMO control room, our operators also experienced new records for maximum demand in four states – including a new 17-year Victorian winter record last broken in 2007.

At the end of the financial year, there were more than 4 million rooftop solar systems in Australia, with a total generation capacity of 23 GW.

Rooftop solar is now the largest energy generator, and periods of high rooftop solar combined with lower grid-scale electricity supply are leading to new record minimum operational demand levels. Rooftop solar and other consumer energy resources (CER) also provide opportunities to support energy reliability and power system security, which benefits all Australians.

As forecast by AEMO's 2024 Integrated System Plan (ISP), gas is playing an increasingly critical role as the ultimate backstop during periods of high demand and low renewable output.

In June this year, new records were set for gas powered generation (GPG) across the NEM and in Victoria, as GPG ramped up during two significant periods of low wind and low coal generation.

Throughout each of these operational milestones, AEMO's control room operators have worked with market participants and transmission and distribution network owners to ensure supply meets demand and energy systems remain secure.

To safeguard our ability to operate energy systems in the future, we are investing in our operational capabilities to address the increasing complexity and evolving risks of the energy transition. This includes strengthening operational readiness for key transition points, modernising operating systems and enhancing cybersecurity and resilience.

At the end of 2024, the Australian Government announced funding to uplift AEMO's core digital systems.

Overall, AEMO has delivered our core responsibilities in accordance with electricity, gas and other laws and rules to ensure secure, reliable and affordable energy for all Australians.

Business highlights

- ✓ Maintained energy system security and reliability
- ✓ NEM: \$25.4B energy traded
WEM: \$3.0B energy traded
- ✓ Over 110,000 settlement statements issued and settled on time
- ✓ Improved cyber preparedness and resilience
- ✓ Provided high quality market analysis and insights to inform stakeholders

WEM: record
**Minimum
operational demand**

511 MW

10 Nov 2024

WEM: record
**Maximum
operational demand**

4,486 MW

20 Jan 2025

NEM: record
**Minimum
operational demand**

10,073 MW

26 Oct 2024

State records
**Minimum
operational
demand**

NSW: 2,718 MW
16 Feb 2025

VIC: 1,504 MW
1 Jan 2025

TAS: 728 MW
25 Dec 2024

State records
**Maximum
operational
demand**

QLD: 11,144 MW
22 Jan 2025

VIC: 8,818 MW
25 Jun 2025

Working with industry to keep the lights on through WA heatwave

On 20 January 2025, heatwave conditions in Western Australia's main power grid, the South West Interconnected System (SWIS), pushed operational demand to a new all-time record of 4,486 MW, which was around 6% higher than the previous record.

To ensure secure and reliable power supplies for consumers through challenging conditions, AEMO activated 126 MW of additional capacity through demand-side participation, and Supplementary Capacity and Non-Co-optimised Essential System Services (NCESS) contracts. Without this targeted intervention, peak demand would have climbed even higher, challenging system security.

The additional critical reserves were made possible through extensive planning and engagement with market participants, underpinning the value of flexible procurement mechanisms in maintaining system reliability. These actions demonstrate how operating today's system requires both agility and foresight, especially during challenging and volatile conditions.

As the energy transition accelerates, maintaining system security and reliability during both high and low demand periods is a critical focus. To that end, since 2023, more than 850 MW of battery storage has begun operating in the SWIS, with more planned in FY26.

Gas-powered generation provides critical support

In FY25, gas played an increasingly important role, providing flexible and responsive generation during limited system conditions across the NEM.

In June 2025, low wind generation at the same time as coal unit outages saw GPG ramp up significantly, resulting in five of the top 10 highest winter GPG demand days in the last decade.

These remarkable events were subsequently surpassed on 26 June 2025, when similar challenges drove a new winter record for GPG demand and the fourth highest daily total on record for any time of year.

These recent events highlight how quickly gas demand can spike in response to changes in renewable output and thermal generation availability.

Notably, since 2021, peak GPG days in Victoria have shifted from summer to winter – a trend that reflects broader changes in the energy system and the growing role of gas across all geographies in balancing seasonal variability.

Investing in operating technology

Over the past 12 months, AEMO's control room operators have dealt with more outages and system issues reported by transmission networks and market participants. At the same time, legacy systems and complex processes are making it harder for AEMO's operations teams to work efficiently and ensure critical risks are mitigated.

Since 2022, AEMO has been investing in operational technology to enhance efficiency and automation, under the Operations Technology Program.

Upgrades to operational digital systems with the integration of new and improved processes will ensure the continuity of reliable and secure energy supply in an increasingly complex operating environment. In FY25 we mobilised new projects and commenced building long-term capabilities, including:

- Uplifting data quality and visibility for wind and solar farm availability, distributed photovoltaics forecasts and actuals, and marginal loss factor calculations, and improving the integrity of operational data with a new data quality reporting solution.
- Enhancing the NEM control room with new functionalities, including an upgraded market notices tool, improved modelling tools, and a new offline analysis tool.
- Upgrading the Victorian DWGM's Market Clearing Engine, ensuring we meet regulatory obligations with reduced risks including reduction of scheduling risks.
- Upgrading the Energy Market System in the WEM, which marks our first milestone in ensuring our essential operational tools are in place for the changing energy mix in the SWIS.

Integrating reforms into day-to-day operations

Frequency Performance Payments

In June 2025, AEMO launched the Frequency Performance Payments (FPP) reform, incentivising market participants with financial rewards or penalties based on whether their assets have had a helpful or unhelpful impact on system frequency.

FPP encourages facilities to maintain frequency within the normal range at the lowest cost to consumers.

AEMO worked closely with stakeholders to implement FPP, developing new procedures, updating systems and facilitating a non-financial operation phase allowing participants to understand FPP's financial implications before go-live.

This reform enhances transparency and efficiency in providing Regulation Frequency Control Ancillary Services (FCAS), improves cost allocation, and supports integrating inverter-based resources.

Supporting broader participation in electricity and ancillary markets

In May 2025 AEMO received its first application to utilise new Supervisory Control and Data Acquisition (SCADA) Lite services to participate in the electricity and ancillary markets. SCADA Lite enables smaller participants in the NEM to exchange real-time operational data directly with AEMO in a cost-effective and secure way.

Traditionally, real-time data exchange with AEMO (via network service providers) has been limited to larger entities due to cost and technology options, posing challenges for smaller generators and demand-side resources. SCADA Lite changes that by offering a secure, streamlined, and direct alternative for connecting to AEMO, saving costs and simplifying the path for participating in central dispatch.

SCADA Lite delivers benefits to market participants, consumers and AEMO including:

- **Unlocking market participation:** lowering the barrier to entry to allow a wider range of energy resources to play more of an active role in the NEM.
- **Improving real-time grid visibility:** the exchange of real-time operation data allowing AEMO to provide more accurate forecasting and system operations, contributing to a more resilient and responsive power system.
- **Enabling future reforms:** a foundational component of a major upcoming reforms, including changes to allow presently exempt resources such as virtual power plants (VPPs) to participate in NEM central dispatch.

Cyber security is key to a secure operating system

Cyber security of energy systems and markets is of critical importance. AEMO continues to invest in people, processes and technology to maximise our cyber defences against hostile actors and ensure resilience of system and market functions.

Four new cyber security functions were added to clarify and confirm AEMO's power system security obligations for the NEM, comprising planning and coordinating a NEM-wide response to cyber incidents affecting the NEM, supporting cyber preparedness and uplift, examining cyber risks and providing advice to government and industry, and facilitating the distribution of cyber security information.

In FY5 we delivered the annual Australian Energy Sector Cyber Security Framework (AESCSF) assessment program, helping support NEM, WEM and gas participants in understanding their current security capabilities and uplift requirements. Participation in this initiative is voluntary, and we have seen consistent participation year-on-year by critical energy organisations across NEM, WEM and gas market participants.

In addition, AEMO continued to uplift our strategic planning through ongoing dialogue with domestic and international security agencies, officials and experts.

Collaborating with industry to prepare for emergency response

Collaboration across industry, government, and critical infrastructure partners is an essential part of maintaining a secure and reliable energy system. Over the past year, AEMO participated in a series of emergency response exercises to strengthen system resilience and build trust and cooperation across the energy sector.

AEMO planned and hosted Trident II, a national cyber security exercise to test preparedness to respond to high impact cyber events, which brought together more than 580 participants from 26 market entities, all Australian jurisdictions, and 15 government agencies. Built around a credible cyber threat, the scenario tested collective responses to disruptions across operational, trading, and distribution systems.

With participation from the Australian Signals Directorate, the Department of Home Affairs, and key sectors such as telecommunications, the exercise reinforced sector-wide confidence in AEMO's ability to lead during a crisis under the Australian Energy Sector Cyber Incident Response Plan (AESCIIRP).

AEMO also led a gas supply emergency exercise to test the operational and communications coordination between industry, government, and emergency services.

Together, these exercises exemplify how working with others meaningfully enhances trust in AEMO and the broader energy system.

International collaboration

The challenges of the energy transition are not unique to Australia, and AEMO liaises regularly with other power system operators around the world to share our experience and learn from others.

AEMO is an active member of the International System Operator Network (ISON), a collaboration between six global system operators. This includes the California Independent System Operator (CAISO), Electric Reliability Council of Texas (ERCOT), EirGrid (Ireland), Energinet (Denmark), and the National Electricity System Operator (NESO - Great Britain).

In FY25, AEMO took part in a range of technical workshops, collaborated on international power system events, such as the Iberian Peninsula blackout in Europe, and facilitated secondments between organisations for in-depth engagement and knowledge exchange.

AEMO took part in ISON workshops between members and other stakeholders to share knowledge and foster collaboration on technical topics central to the energy transition, such as inverter performance, modelling tools, control room of the future, system restoration and system services.

Other engagements in FY25 looked at large load performance and modelling, dynamic security assessment tools and learnings from power system disturbance events.

In Australia, the AEMO ISON team visited two advanced renewable energy developments recognised as global pioneers: King Island's 6 MW grid capable of running on 100% renewable energy (Tasmania), and the Dalrymple Battery Energy Storage System (BESS) in South Australia, which demonstrates the capabilities of grid-forming inverters.

Navigating the energy future

AEMO is working with industry and governments to plan and prepare for changing energy sources, delivering system and market reforms and supporting critical investment.

In addition to keeping the lights on and the gas flowing, in FY25 AEMO continued to collaborate with stakeholders to plan future energy systems and markets and support new investments to enable the transition to net zero.

We completed the first half of the two-year cycle for the 2026 ISP. We provided valuable technical insights through publications such as the Gas Statement of Opportunities (GSOO) and Electricity Statement of Opportunities (ESOO), and an expanded WEM ESOO that included a system strength assessment detailing the investment needed to maintain future reliability.

Priority initiatives identified in the NEM and SWIS Engineering Roadmaps were delivered, helping prepare future power systems capable of operating at times of 100% renewable contributions.

The first annual Transition Plan for System Security was published in December, outlining the work underway to define capabilities and progress understanding of achieving system security in a low-emissions power system.

AEMO continued to support the Western Australian Government's Energy Transformation Strategy and enhance its systems to navigate the energy transition through the WA Reform Program, building on the successful launch of the new WEM in 2023.

We actively engaged to influence market reforms across numerous gas and electricity review and rule change processes, including proposing several reforms that were subsequently implemented through our reform delivery program.

Important NEM reforms were introduced, improving AEMO's ability to assess and manage reliability and security conditions, better integrate inverter-based resources and support greater market participation of renewable energy sources into the wholesale market.

Gas market reforms also progressed through the AEMC's rule change process, reflecting the critical role for gas in the future power system.

In partnership with industry, AEMO implemented reforms into market operations and embedded complementary processes, procedures and system changes - a critical part of reform delivery.

We successfully reduced the time taken for projects to work through the NEM connection process. Building on

momentum over the past two years, new records were set for the number of projects and new capacity across the three key phases of the connections process.

Looking forward, there are 53 GW of new generation and storage projects progressing through the NEM connections process, 38% more than at the same time last year.

The WEM also saw a record volume of connections with 956 MW of new capacity commissioned, including three new grid-scale batteries.

AEMO's subsidiary, Transmission Company Victoria (TCV), continued to advance early works for the Victoria – New South Wales Interconnector West (VNI West) transmission project.

In June, the Victorian Government introduced a Bill to enable the transfer of AEMO's unique transmission planning and connection role in Victoria to VicGrid, planned for November 2025.

AEMO is a key delivery partner for federal and state government energy investment schemes. ASL progressed tenders under the NSW Electricity Infrastructure Roadmap, and AEMO and ASL worked collaboratively to recommend more than 6 GW of generation projects (including over 3 GWh of hybrid storage) and 6 GWh of clean dispatchable projects to the Australian Government as part of the CIS.

Business highlights

- ✓ Delivered 38 high priority regulatory reform projects in the NEM and 19 projects in the WEM
- ✓ Delivered 33 priority initiatives in the NEM from the Engineering Roadmap
- ✓ 1.2 GW new batteries commissioned to full output
- ✓ Commissioned a record 4.4 GW of renewable generation and storage in the NEM
- ✓ Completed two CIS tenders – 25 projects representing 995 MW of dispatchable capacity and 6.4 GW of renewable generation

Delivering on our Engineering Roadmaps

AEMO's [Engineering Roadmaps](#) for the NEM and WEM aim to prepare Australia's main power systems for operation with high renewable contributions.

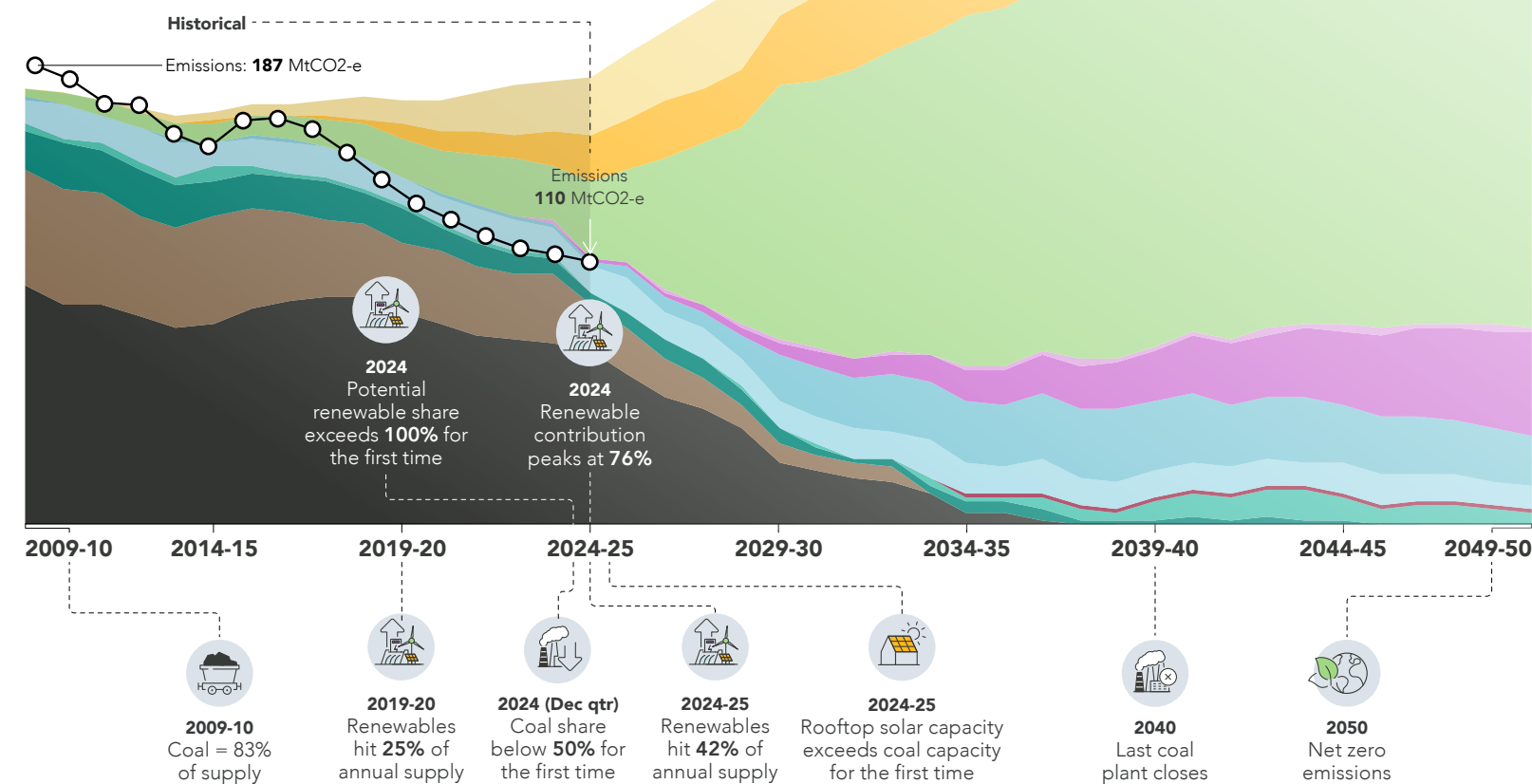
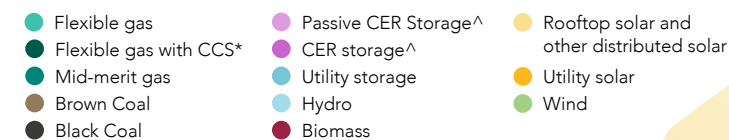
In the NEM, we delivered a step-change 33 of 37 priority actions compared to 17 delivered in FY24, supported by a commitment of \$15 million in grant funding from the Australian Renewable Energy Agency (ARENA).

Deliverables included technical advice for system restart, guidance to quantify synthetic inertia from grid-forming inverters, and risk assessment studies for the retirement of coal-powered generation.

AEMO also launched our Research Partnerships Initiative and published the first SWIS Engineering Roadmap to drive engineering initiatives for the transition of the power system in Western Australia.

The NEM in transition

Generation supply (ISP 2024)



Providing input into policy and regulatory reform

In FY25, AEMO actively contributed to ongoing market reform, including the NEM wholesale market review let by Dr Tim Nelson.

To inform policy and regulatory reform, AEMO provides technical analysis and operational insights, and detailed design considerations to inform reform options and design, and collaborate on regulatory or rule change proposals for consideration through rule change processes.

AEMO also works in partnership with the energy sector to implement changes to processes, procedures and IT systems necessary to give effect to the regulatory change.

8

AEMO-initiated rule change requests (NEM, WEM, east coast gas)

47

Submissions on reform processes to the AEMC, AER, Energy Policy WA (EPWA), and state and federal governments

Industry terminology explained

SCADA: Supervisory Control and Data Acquisition. A system that gathers real-time data from remote terminal units and other communication sources in the field and enables operators to control field devices from their consoles.

ST PASA: Short Term Projected Assessment of System Adequacy. A daily load forecast that shows expected demand two to seven days ahead of time.

MT PASA: Medium Term Projected Assessment of System Adequacy. A 24-month supply demand forecast, published weekly, with daily resolution.

A full glossary of terms can be found in the "Learn" section of the [AEMO website](#).

Reforming the NEM

AEMO’s NEM Reform Program sets out a roadmap and engagement framework for a collaborative, industry-wide program to implement essential market and technical reforms.

Open and transparent engagement and collaboration with stakeholders including consumer groups is fundamental to planning and implementing projects successfully.

In FY25, close to 200 stakeholder sessions were held, involving more than 1,300 industry attendees.

The program continued to evolve, enhanced by the delivery of high-level implementation assessments for key reforms, such as accelerating the deployment of smart meters and integrating price responsive resources as well as the development of a stakeholder impact assessment tool.

In addition to FPP and SCADA Lite, in FY25, AEMO delivered Retail Market Improvements and reached several key milestones for Enhancing Reserve Information, ST PASA procedure and initiatives including recall period and Improving security frameworks for the energy transition, which commence in the first half of FY26.

These reforms support:

- the integration of inverter-based resources on the system and greater market participation of renewable energy sources into the wholesale market
- the efficiency, accuracy, and reliability of retail metering and settlement processes, and
- AEMO’s ability to assess and manage reliability and security conditions in the NEM through greater visibility on energy availability and reserve levels, and procurement of security services to maintain power system security.

Over the past three years, the NEM Reform Program has delivered 18 key reforms with industry, supported by 400 industry engagement sessions involving approximately 5,000 attendees.

Consumers are the ultimate beneficiaries of a modernised electricity market that efficiently accommodates renewable energy sources, delivering reliable and lowest-cost energy across Australia.

Reforming East Coast Gas Markets

In recent years, AEMO has been asked by governments to play an expanded role in ensuring reliability in the East Coast Gas Markets, requiring changes to the National Gas Rules.

AEMO actively supported rule change processes by providing technical analysis and insights to support the AEMC’s development of the four Stage 2 east coast gas system reforms:

- reliability standard and associated settings,
- short- and medium-term projected assessment of system adequacy (ST and MT PASA),
- advanced notice of closure for gas infrastructure, and
- Supplier of Last Resort.

To inform development of the proposed gas PASA framework, AEMO finalised a dedicated report assessing the requirements for producing a ST and MT PASA and the adequacy of available information.

AEMO also implemented rule changes enabling renewable gases, including hydrogen and biomethane, to be integrated into the natural gas supply and regulatory framework.

Additional market development work progressed, including continued collaboration with the Australian Government on enabling anonymous delivery in the Gas Supply Hub and harmonising prudential settings across the facilitated gas markets. AEMO also worked with the ASX to finalise the Wallumbilla Natural Gas Futures contract, providing greater transparency on the forward price curve and improved liquidity at the Gas Supply Hub.

Governments are considering policy options to address possible supply shortfalls in the East Coast Gas Markets from 2028, including potential new measures for AEMO to be able to address these shortfalls as a last resort measure only. AEMO will work to implement any decisions made by governments and liaise with industry on these potential measures.

WA Reform Program

In FY25, AEMO continued to progress the Western Australian Government’s Energy Transformation Strategy and enhance its systems to navigate the energy transition through the WA Reform Program, building on the successful launch of the new WEM.

The program includes five major workstreams covering operations, digital, the Reserve Capacity Mechanism (RCM), distributed energy resources (DER) and future systems. Each program is focused on delivering targeted reforms or capability improvements to support affordable, secure, and reliable energy.

Key initiatives in FY25 included:

- progressing reforms to cost allocation for essential system services,
- enhancing dispatch and metering systems through the WA Operations Program,
- launching a market mechanism for the provision of flexible capacity,
- delivering improvements to the market surveillance data catalogue (MSDC) to improve data transparency and support compliance with market rules, and
- advancing participation and improved visibility of DER, including commencement of the ARENA-funded Project Jupiter DER integration project, along with project partners Western Power, Synergy and Energy Policy WA.

Delivery relied on strong collaboration with EPWA, the Economic Regulation Authority and industry stakeholders to align priorities and sequencing. The Major Projects Working Group (MPWG) was established to improve transparency and engagement on the WEM implementation roadmap and major projects, responding to stakeholder feedback and supporting governance and investment frameworks.

Connecting more projects into the NEM

Expediting new connections to the NEM while maintaining secure operations continues to be an important priority, and in the past year AEMO saw tangible benefits of collaboration with industry as more projects moved through application, contracts and construction, to registration and full commissioning.

With increases in efficiency across the connections process, AEMO registered and connected 37 new projects into the NEM, representing 9 GW of new generation and storage capacity – almost four times the GW registered last year. A steady and consistent pipeline of projects are progressing through application to commissioning, representing a further 53 GW of capacity. An increasing proportion of these projects are hybrid solar and battery projects, in addition to standalone batteries.

In collaboration with industry, AEMO progressed several reform initiatives to streamline the connections process. Efforts have been focused on developing optional pre-application support services for connection applicants and optimising the registration and commissioning phases of the connections process.

Solutions developed from these reform projects are being trialled on real connection projects across the NEM, and where successful, are embedded into AEMO's day-to-day operations. AEMO is also leading various government programs aimed at accelerating connections projects, further integrating improvements into the process.

While the connections process continues to evolve to connect an increasing volume of projects, project durations are being impacted by external factors including resourcing constraints, design changes due to market dynamics, financing, and rule and regulation changes. Addressing these challenges requires whole-of-sector efforts to ensure renewable generation and storage can meet emissions targets, and AEMO continues to work with industry to coordinate and facilitate change.

Integrating consumer energy resources

With one in three households nationally now hosting rooftop solar, CER – including rooftop solar, electric vehicles, and home batteries – are a transformative force in the energy transition.

When effectively supported by relevant frameworks and coordinated through enabling systems like VPPs, CER has the potential to reduce peak demand, lower energy bills, minimise the need for large-scale utility investments and support system security and resilience.

In FY25, AEMO continued our extensive collaboration with governments, industry, consumer representatives and others to enable the reforms, market settings and other actions needed to unlock the potential of and further integrate CER into Australia's electricity systems and markets.

This included advancing measures to support secure operations during minimum system load conditions and improved power system modelling of CER behaviour during power system disturbances to enhance future forecasting and management. AEMO co-designed a process with industry to establish a new CER Data Exchange for the NEM to support CER coordination.

We progressed implementation following NER rule changes to help consumers more effectively participate in the electricity market through the introduction of flexible trading arrangements and delivered on essential procedural and system changes to continue to integrate price responsive resources into the market. In WA, AEMO is working with EPWA and others to integrate DER within the SWIS through 'Project Jupiter', which will deliver many of the remaining WA DER Roadmap actions including amendments to Electricity System and Market Rules and regulations.

Close engagement in Australia's Energy Ministers' National CER Roadmap and Taskforce also continued, with AEMO experts seconded in-house to help directly inform its direction and delivery.

A snapshot of NEM Connections

		Applications approved	Approved registrations	Full output achieved
FY24	Number of projects	56	17	19
	GW capacity	12	2.4	2.2
FY25	Number of projects	60	37	29
	GW capacity	15.9	9.2	4.4

New record
29 projects delivered 4.4 GW of new renewable generation and storage in FY25.

Maintaining grid security through low demand periods

Australians continue to invest in rooftop solar at world-leading levels, with rooftop solar supplying half of total energy needs at certain times in the NEM.

As the overall contribution of rooftop solar generation grows, there are increasing periods where high volumes result in low demand from the grid. AEMO has a range of grid-level options it can implement to manage minimum demand events before consumers' rooftop solar output may need to be reduced or curtailed as a last resort.

Recognising a growing risk to power system security during periods of high rooftop solar output, last year AEMO introduced a Minimum System Load framework which includes using BESS to help manage minimum system load (MSL) in the grid.

The framework introduced new requirements to manage system security and includes various minimum load thresholds (MSL 1, MSL 2 and MSL 3) where AEMO would need to act to maintain system security, for example, when demand on the grid drops so low that it is at risk of black outs.

In late December, AEMO relied on the new transitional services framework in the NER to publish a Statement of Need to acquire transitional services to manage MSL conditions in Victoria and South Australia.

Specifically, AEMO is seeking to contract with BESS owners in these jurisdictions with grid-scale battery energy storage capacity greater than 15 megawatt hours (MWh) that may be interested in providing MSL Transitional Services.

This is in line with our objective of encouraging a market response wherever possible, thus minimising the need for directions and market interventions during a threat to system security.

Supporting government investment programs

AEMO with its subsidiary ASL has been engaged to support the roll-out of the Australian Government's Capacity Investment Scheme (CIS) as an adviser and tender delivery partner.

The CIS is a national program run by the Australian Government to encourage new investment in renewable capacity, such as wind and solar, as well as clean dispatchable capacity, such as battery storage.

ASL is seeking competitive tender bids for projects to deliver an additional 32 GW of capacity by 2030.

This will help fill expected reliability gaps as ageing coal power stations exit and help meet governments' renewable energy targets.

In FY25, ASL successfully completed three significant CIS tenders including:

- SA-VIC tender with the Australian Government announcing six projects representing 995 MW or 3,626 MWh of dispatchable capacity.
- Tender 1 – NEM generation announcing 19 projects to provide 6.38 GW of renewable generation (includes eight hybrid projects).

Tenders in progress

A further three CIS tenders opened in FY25:

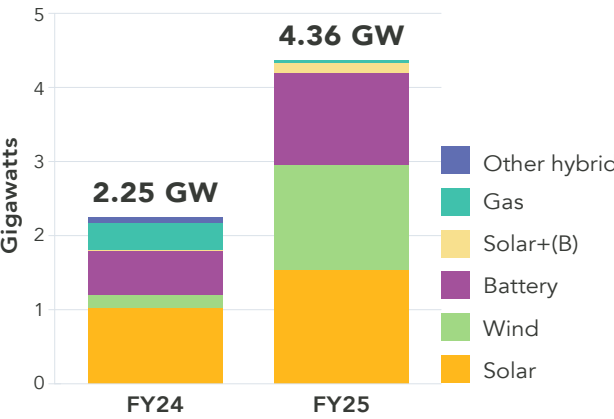
- WEM dispatchable seeking 2,000 MWh,
- dispatchable capacity 4 GW or 16 GWh, and
- 6 GW NEM renewable generation.

CIS tenders are expected to be progressively rolled out from 2023 through to 2027.

In New South Wales, ASL supported investment through tender delivery of Long-Term Energy Services Agreements (LTESAs) under the State's Electricity Infrastructure Roadmap incentive scheme.

In FY25 the fifth New South Wales Roadmap tender was finalised with three projects awarded LTESAs contributing over 1 GW of Long Duration Storage capacity and Access Rights recommended for the New South Wales South-West Renewable Energy Zone. Tender 6 also commenced seeking 1 GW of long duration storage projects.

New generation and storage in the NEM

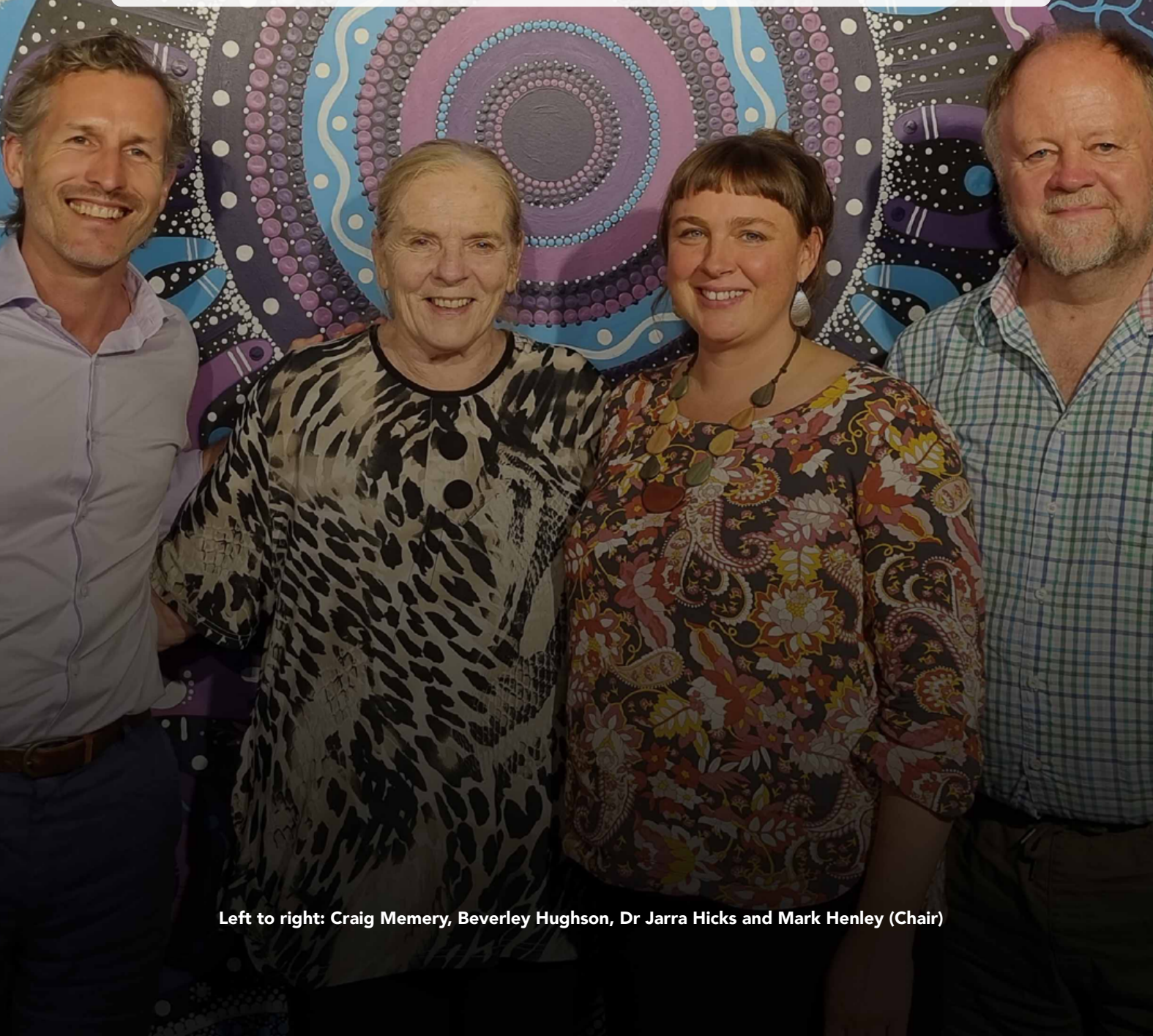


ISP Consumer Panel

To bring a broad consumer perspective to the development of the ISP, AEMO established the ISP Consumer Panel, comprising four members who are each highly informed about energy matters.

The [ISP Consumer Panel](#) ensures that a diverse range of consumer interests, needs and expectations are considered throughout the report's development. It represents a range of energy users including households, businesses, and communities across Australia, including those who are disadvantaged or often underrepresented.

Members advise AEMO throughout the ISP's development and prepare a report providing feedback on the Inputs, Assumptions and Scenarios Report (IASR) and draft ISP. In a parallel process, the [Consumer and Community Reference Group \(CCRG\)](#) also provides consumer and community focused insights and advice to AEMO on a range of energy issues, including ISP development. The CCRG's members represent a diverse range of stakeholders, from households and businesses to First Nations people, regional communities and agricultural and environmental groups.



Left to right: Craig Memery, Beverley Hughson, Dr Jarra Hicks and Mark Henley (Chair)

Consulting on a broader scope for the ISP 2026

In FY25, AEMO completed the first half of 2026 ISP development, in collaboration with market participants, consumer groups, governments, and network businesses. Produced every two years, the ISP is a roadmap for the transition of the NEM, outlining the mix of generation, storage and network investments required to meet both consumer needs and government energy and emissions targets between now and 2050.

In July 2025, AEMO published the 2025 IASR for use in 2025-26 forecasting and planning activities, including the 2026 ISP. AEMO spent nearly a year developing the 2025 IASR, considering over 120 stakeholder submissions throughout the process.

The process included consultation on the draft Electricity Network Options Report and Gas Infrastructure Options Report forming part of the IASR, which outline conceptual transmission and distribution expansion options to inform the ISP's development and include updates to existing options.

The 2026 ISP will expand to include more inputs and assumptions, including better integration of projected gas developments, improved demand forecasting, and CER opportunities.

This follows the Energy and Climate Change Ministerial Council April 2024 response endorsing the recommendations of a review by the Australian Government Government into the scope, function and form of the ISP.

Relevant recommendations were also implemented in the [Draft ISP Methodology](#), released by AEMO in March 2025, which sets out the market modelling and cost benefit analysis approaches in preparing the ISP.

A two-stage consultation process on the ISP Methodology provided an opportunity to ensure the approach is fit for purpose in the context of Australia's energy transition. The final [ISP Methodology](#) was published in June 2025.

Overall, in the past 12 months, AEMO received 241 submissions to the various ISP consultations, engaged with more than 1,100 people, and held 16 webinars and workshops.

Informing investment through reports and publications

AEMO, with stakeholders, developed a range of reports and publications related to our energy systems, markets and planning functions, which provided technical insights to inform policy and investment decisions.

Key publications included:



-  **[NEM Electricity Statement of Opportunities](#)**
(August 2024)
-  **[Victorian Annual Planning Report](#)**
(October 2024)
-  **[Draft Inputs Assumptions and Scenarios Report](#)**
(December 2024)
-  **[Transition Plan for System Security](#)**
(December 2024)
-  **[Western Australia Gas Statement of Opportunities](#)**
(December 2024)
-  **[Victorian Gas Planning Report](#)**
(March 2025)
-  **[East Coast Gas Statement of Opportunities](#)**
(March 2025)
-  **[Draft Electricity Network Options Report](#)**
(May 2025)
-  **[Draft Gas Infrastructure Options Report](#)**
(May 2025)
-  **[WEM Electricity Statement of Opportunities](#)**
(June 2025)

Engaging our stakeholders

At AEMO we are putting people at the centre of the energy transition.

As the energy transition progresses, the stakeholder landscape is evolving and growing. Tackling the increasingly complex challenges requires genuine collaboration and cooperation with and between market bodies, industry participants, governments and consumers.

People are at the heart of the energy transition and meeting energy consumers' evolving needs underpins AEMO's work.

Listening to our stakeholders and understanding their diverse perspectives ensures we can carry out our core roles while supporting households, businesses and communities now and into the future.

Our annual survey of stakeholders' perceptions and sentiment was expanded, and provided valuable insights to support ongoing improvement in engagement and consultation.

Those surveyed indicated increased trust in AEMO, but their perceptions of how well we are delivering against the national energy objectives fell to 60%.

As a trusted source of technical expertise for our stakeholders and jurisdictions, in FY25 we continued to engage transparently, openly and collaboratively to deliver priority outcomes. This included:

- building greater understanding of the energy transition with consumers and the community,
- diversifying the range of stakeholder input we hear and respond to through stakeholder research,
- engaging with community and landholders on the development of the VNI West project, and
- expanding our Energy Education program to improve the understanding of gas and energy systems and markets for almost 6,200 stakeholders representing industry, government and consumers.

In addition, we expanded communications and information channels, growing our "AEMO on Air" podcast audience with 21 podcasts downloaded almost 19,000 times.

From an engagement perspective, we undertook in-depth consultation with stakeholders on a range of complex topics including the IASR, Strategic Corporate Plan and Budget and Fees documents, NEM Reform initiatives, NEM Participant Fees, the development of AEMO's Rule Change Proposal regarding its Allowable Revenue Framework in the WEM, and a review of Forward Looking Loss Factors (FLLF).

We also established a new Consumer and Community Reference Group (CCRG), which provided valuable input on Weighted Average Cost of Capital (WACC), social licence and consumer-focused communications for the ISP, as well as a consumer perspective on our NEM participant fee setting.

Throughout the year we invited a diverse range of external stakeholders to discuss key topics with our Board and share external insights with our Senior Leadership Team (SLT), helping ensure our work reflects the valuable input of our stakeholders.

Business highlights

- ✓ Stakeholders rated AEMO's overall reputation at 75% in FY25 surveys
- ✓ 71% of stakeholders surveyed agreed that AEMO was meeting or exceeding their expectations
- ✓ In relation to effective delivery of its core roles (NEM operations, the ISP, NEM Reform, WA operations, NEM connections and onboarding) AEMO's combined rating was 75%+
- ✓ Energy Education courses attendance grew by 30%, with a satisfaction rating of 4.4 / 5



Listening to consumers and communities

In line with our commitment to meaningful engagement and to putting people at the centre of the energy transition, AEMO established a Consumer and Community Reference Group (CCRG) in October 2024.

The CCRG provides strategic insights and advice on a range of energy issues related to AEMO's system planning, reform and operational work, to further embed consumer and community perspectives in our early thinking, decision-making and outcomes.

As a diverse cohort of 10 consumer and community advocates, members draw on their experience working with and representing everyday households, large businesses, First Nations, regional communities, agricultural and environmental groups when taking part in targeted consultations.

Over the last year the group helped shape social licence considerations in AEMO's early transmission options planning with networks, provided input on a new ISP information toolkit for consumer audiences, and advised AEMO on greater reflection of consumer cost impacts in AEMO's participant fees review.

The CCRG also works with other members – including the 2026 ISP Consumer Panel – to offer advice in their specific areas of expertise, further strengthening AEMO's ability to consider the long-term interests of consumers across the full scope of our responsibilities.

Review of the WEM Allowable Revenue Framework

In FY25, AEMO proposed amendments to its Allowable Revenue framework under WA's regulatory framework. The proposed changes reflected concerns that the current revenue and fee determination framework is no longer fit for purpose in an environment of fast-paced transition and reform, with costs being increasingly difficult to forecast accurately.

There were a number of stakeholder concerns raised regarding the proposed amendments, focused primarily on the removal of independent regulation of AEMO's WEM budget process; however, many stakeholders also recognised that there were problems with the framework and that it required amendment. The proposed amendments were not accepted, and the Coordinator of Energy suspended the framework, pending its comprehensive review.

AEMO continues to engage collaboratively in the EPWA rule change process, engaging with stakeholders and other market bodies on the development of a replacement framework. The Coordinator's review is expected to conclude in the second half of 2025.

Independent of the rule change process, AEMO is also making changes to uplift transparency in WA. These include re-establishing the WA Strategic Energy Forum and initiating the Major Projects Working Group under the WEM's Market Advisory Committee (MAC).



Energy Education

Delivering reliable, considered and effective energy outcomes depends on a well-informed industry. AEMO's Energy Education program plays a vital role in building awareness and a deep understanding of Australia's complex energy systems and markets.

With the energy transition well underway, demand for energy education courses continued to grow over the past year. AEMO saw an increasing diversity of course attendees as stakeholders seek support to build a strong knowledge base as they navigate the complexities of the energy system and markets and prepare for the future.

Participants included representatives from state and federal governments, energy generators, retailers, distribution businesses, legal and regulatory bodies, consumer groups and the banking and finance sectors.

With 61 courses in total, we reached a broad cross-section of the energy sector with a combination of in-person, virtual and hybrid courses, in addition to self-paced eLearning modules available via the AEMO Learning Academy.

We delivered the first full year of an updated WEM course suite, supporting market participants' capability following market reform and enabling a deeper understanding of new market frameworks.

Responding to feedback, we re-introduced East Coast Gas courses to the education program, providing fit-for-purpose courses to build stakeholder understanding of the important role of gas in Australia's energy systems.

As the energy landscape continues to change, we are focused on accessible and valuable education, to ensure our stakeholders have the knowledge and tools needed to contribute confidently to Australia's energy transition.

Energy Education FY25



61 training courses – a 30% uplift



1,883 attendees at instructor-led courses



4,313 enrolments in on-demand eLearning



Courses available in **five states and territories** and virtual/on-demand

AEMO On Air



Downloads
18,908



Episodes
21

AEMO On Air has been embraced by a broad array of stakeholders, achieving nearly 19,000 downloads of 21 episodes.

With a new podcast recorded every few weeks, AEMO leverages the expertise of in-house experts to provide easily accessible information and “deep dives” on a range of energy-related topics including our key reports and publications.

The podcast provides valuable insights, in support of our goal to uplift the community's understanding of energy systems and markets and the energy transition.

Our most popular episodes include:

- The role of transmission in the energy transition – [listen](#)
- A roadmap for the energy transition: insights from the ISP – [listen](#)
- The critical role of natural gas in WA's energy mix – [listen](#).

Engaging with communities and landholders on VNI West

In FY25, AEMO subsidiary TCV continued engagement with landholders, Traditional Owners and communities on planning and early works for VNI West, an important project to build a new transmission line between Victoria and New South Wales.

The project remains highly complex and contested. Many community members and landholders have raised strong concerns, particularly about impacts on farming, biosecurity and mental health. These concerns remain front of mind as the project progresses.

AEMO conducted an extensive tender process to appoint a development partner to support early works and, subject to approvals, construct and operate VNI West. Throughout this process we actively sought input from community and industry stakeholders.

The Victorian Department of Transport and Planning invited public submissions on the Final Scoping Requirements for the Environmental Effects Statement (EES). Submissions reflected the range of community concerns, which are now being addressed through ongoing EES studies.

In May 2025, TCV rolled out a tailored Land Easement and Access Package, designed in consultation with landholders. The flexible engagement model reflects a commitment to a respectful and rights-based approach to land access and management, ensuring landholders' interests are upheld while facilitating environmental and technical assessments. This supports the timely progression of easement discussions and the delivery of crucial energy infrastructure in Victoria.

TCV also conducted an Expressions of Interest process for workforce accommodation, receiving strong local interest as part of its broader commitment to social value, local procurement and community engagement.

TCV is committed to continuing active engagement with communities and landholders, ensuring that all voices are heard and reflected as the project progresses.

Victorian transmission network role

The Victorian Government is progressing reforms to change the way transmission is planned and developed in Victoria, including through the Victorian Transmission Investment Framework.

The government's reforms include transferring responsibility for planning Victoria's declared shared network, and all AEMO's associated declared network functions, from AEMO to VicGrid in 2025. A Bill was introduced to the Victorian parliament in June 2025 to support these changes. TCV will also be transferred to VicGrid.

This will end AEMO's Victorian transmission network service provider role.

AEMO supports this change, which is planned for November 2025, and has communicated openly with staff, stakeholders, and communities throughout the process.



Listening to stakeholders

In FY25 AEMO conducted its sixth independent annual survey of stakeholders’ perceptions and sentiment in relation to our reputation, roles and performance against key attributes.

This reflects AEMO’s commitment to deliver better energy outcomes by listening, understanding and collaborating with our stakeholders.

Over the last year, stakeholder reputation research and reporting evolved as we extended the frequency and reach of key channels used to gather and action feedback.

Independent research firm SEC Newgate held in-depth interviews with 60 senior representatives from across the energy industry, governments, consumers and market bodies, to help guide AEMO’s ongoing stakeholder engagement approach.

The following table shows the percentage of stakeholders who rated AEMO more than 7/10 for key measures.

In addition to its annual research, in FY25 AEMO uplifted the way we undertake stakeholder metrics and measure tracking by introducing a new suite of ‘core roles’ surveys. These surveys gathered targeted feedback from more than 200 stakeholders on their experiences with AEMO across delivery of the ISP, NEM reforms, NEM operations and WA operations, planning and reform.

Key measure	Score 2022	Score 2023	Score 2024	Score 2025
Reputation score AEMO’s reputation score remained high but fell year on year (to the same level as 2023)	57	75	82	75
Net advocacy Indicates how likely a person is to speak well of AEMO – rated from -100 to +100, the score dropped from last year’s historic high	-13	-5	10	-1
Trust (metric A) Delivering on the National Electricity Objective (NEO) and National Gas Objective (NGO)	63	74	73	60
Trust (metric B) Trust in AEMO to “Do what it says it will do”	63	77	75	91

The outcome for all surveys, with the exception of WA, exceeded our target of 70%, demonstrating a high degree of stakeholder confidence in the delivery of AEMO’s core roles.

The results for the two surveys undertaken in WA were 62% in December 2024 and 69% in June 2025, indicating a slightly below target outcome and improvement over the six-month period, notwithstanding some feedback about improving operational and financial transparency.

Stakeholders also provided extensive qualitative feedback throughout the SEC Newgate annual research and online core roles surveys, which was broadly consistent across both studies, indicating a range of strengths and improvement opportunities.

AEMO will use the feedback received to continue to improve stakeholder engagement across the organisation and will continue to build on metrics and measures in future years.

Key strengths

- Operating the energy systems and markets (94% of respondents rated AEMO at 7/10 or higher)
- Continued efforts to improve stakeholder engagement and its willingness to work with stakeholders
- The leadership and capability of AEMO people
- High quality of deliverables, documents and analysis
- Trusted, authoritative voice in industry
- Open, transparent and forward looking

Improvement opportunities

- Increasing AEMO’s agility and embracing more risk in a fast-moving transition
- Continuing to improve collaboration and engagement, tailoring approaches to different stakeholder groups and seeking earlier engagement
- Need for measured optimism, assumptions and clearer communication to build understanding of the ISP
- Concerns about AEMO’s independence and a need to continue to enhance our credibility
- Continuing to increase organisational transparency, particularly around inputs to consultations, key market challenges, processes and organisational decision-making

Informing public debate

Given AEMO’s role at the heart of the energy transition, we have an important role to play to inform public discourse and policy discussions.

Consistent with that role, in FY25 AEMO actively participated in the Senate Committee inquiry on energy planning and regulation in Australia.

With 1,800 people around Australia, our engineers, scientists, economists and IT and digital specialists, regularly engage with industry, consumer and community groups government, regulators, and academia, to inform innovative thinking and responses to the challenges of the energy transition.

AEMO’s technical experts and senior leaders including CEO Daniel Westerman frequently participate on panels and speak in external forums to share AEMO’s analysis and insights on a range of important energy issues. The content of keynote speeches and presentations is generally shared on the AEMO website.

In FY25 key events included:

AEMO CEO speech at CEC Aust Clean Energy Summit

Daniel Westerman (July 2024)

AEMO CEO speech at AFR Energy and Climate Summit

Daniel Westerman (October 2024)

Australian Energy Week: Maintaining momentum

Merryn York (March 2025)

AEMO CEO speech at CEDA Climate and Energy Summit

Daniel Westerman (May 2025)

Australian Academy of Technology and Engineering

Daniel Westerman (June 2025)

Photos, top to bottom: AEMO CEO Daniel Westerman; Merryn York EGM Systems Design; WA Energy Minister Hon Amber-Jade Sanderson with Katie McKenzie; AEMO engineers Jack Burgemeister, Samuel Oosterholt and Chris Davies.



Evolving the way we work

Leading with our values of Character, Connection and Commitment, AEMO continues to harness our expertise to build capabilities and efficiently deliver our functions.

In FY25 we continued to focus on creating an internal culture that is high performing and inclusive. Our investment in workplace culture in recent years has helped us attract and retain top talent.

The AEMO Graduate program saw a record 6,000 applications compared to 750 four years ago, and we also worked with the Clean Energy Council to launch a graduate program for grid engineers.

We continued to invest in our people, with a strong focus on leadership skills and career development. Over 400 leaders participated in the leadership development curriculum throughout the year.

A focus on internal mobility resulted in a marked increase in internal moves, supporting both staff development and retention.

We continued to implement the AEMO Safety, Health and Wellbeing strategy, maturing safety settings through targeted audits, collaboration and consultation. We boosted safety engagement through a significant uplift in face-to-face safety sessions with staff across the business.

In line with commitments outlined in our Reflect Reconciliation Action Plan, we rolled out a First Nations engagement strategy to deepen cultural understanding, establish capacity building partnerships, and create pathways for meaningful First Nations engagement.

In April AEMO launched our first Disability and Accessibility Action Plan (DAAP), developed in collaboration with employees with disability, carers and key business leaders.

We continued to build a gender balanced organisation, increasing women's representation in leadership roles and making progress on closing the gender pay gap.

AEMO opened a new office in Adelaide designed to facilitate connection and collaboration, and progressed plans to upgrade offices in Hobart and Brisbane.

We saw a strong staff participation rate in the FY25 engagement survey, with an overall inclusion score of 88% reflecting ongoing improvements in staff engagement. AEMO is in the top quartile of engagement as measured against external benchmarks.

Systems and processes were modernised to reduce effort and cost and make it easier to do business with us. We continued to uplift corporate capability with the introduction of new tools including a new Finance Enterprise Resources Planning tool and a new Governance, Risk and Compliance platform.

We further matured organisational governance to enhance delivery and assurance of our work, with a key focus on advancing our risk and governance functions. In FY25, we delivered Year 1 of our comprehensive risk blueprint.

A sustained and significant focus on cyber risk and resilience has continued to strengthen digital oversight and investment. AEMO established a sustainability program and climate reporting in line with our commitment to transparent communication and delivery of a resilient and sustainable enterprise.

By carefully managing our costs and engaging in transparent budget processes, AEMO helps minimise its financial impact on consumers. We have steadily matured financial management and governance over the past three years, achieving full recovery of the NEM core accumulated deficit in FY25, meeting our commitment to market participants.

Business highlights

- ✓ Positive employee engagement: 77%
- ✓ Launched first Disability and Accessibility Action Plan
- ✓ Employee survey inclusion score of 88%
- ✓ Cleared the NEM core deficit and achieved our FY25 budget
- ✓ Delivered Year 1 of our comprehensive risk blueprint



Uplifting employee engagement and alignment

Following the launch of refreshed values of Character, Connection and Commitment in 2023, in FY25 AEMO continued our journey to build a workplace that is highly inclusive and values-led.

Enabled through a range of initiatives including regular CEO communications, an annual 'AEMO Connect' engagement event and the implementation of a suite of values-based leadership development programs, AEMO is proudly in the top quartile of engagement as measured against external benchmarks.

Specific achievements in the past year include:

- engagement of over 1,200 employees at the annual 'AEMO Connect' engagement forums in four states,
- facilitation of two face-to-face national senior leader alignment and development events, along with cross-functional business planning workshops,
- recognising outstanding achievement of our people through the annual 'AEMO Champion Awards' which attracted a two-fold increase in nominations from the prior year, and
- bi-monthly all-organisation Town Hall meetings, hosted by the CEO and reaching over 1,000 employees at each online session.

While we are proud of this progress, our focus is resolute as we strive to make AEMO an even better place to work.

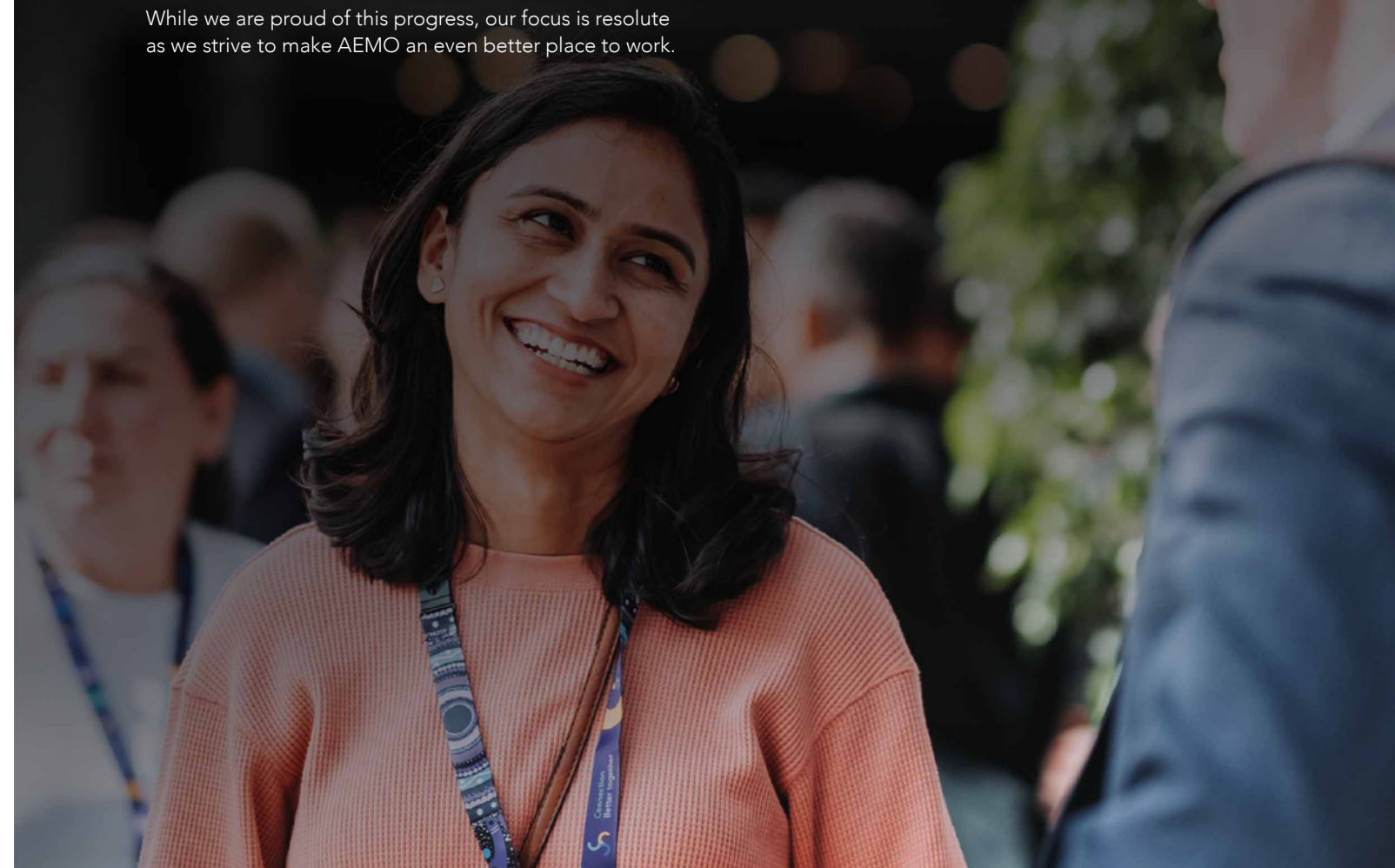
Building leadership capability

In FY25 we continued to focus on developing leadership capability, which is fundamental to AEMO's ability to meet our core responsibilities and foster an outstanding workplace environment.

A multi-faceted leadership development strategy, underpinned by AEMO's values and a set of future-focused leadership capabilities, facilitated engagement, connection and learning to a wide audience. Over the course of FY25, we have:

- developed over 400 participants through our 'Leading@AEMO' and 'Coaching@AEMO' core leadership programs, and 200 people leaders at the annual 'Leader Connect' event,
- built adaptive leadership skills and capacity in our top 50 senior leaders,
- facilitated accelerated development for top talent at mid and senior level via two targeted programs,
- connected over 50 pairs of mentors to strengthen career vision and cross-organisational development via AEMO's mPower program, and
- delivered team effectiveness workshops to seven senior leadership teams.

In the year ahead we will build on these initiatives to further mature the capability of our leaders across the organisation.



Reconciliation Action Plan

AEMO delivered on the commitments outlined in its Reflect Reconciliation Action Plan. Key achievements in FY25 include:

- BlackCard, an Indigenous owned training provider, delivered cultural capability training to AEMO's Board of Directors, Executive and Senior Leadership teams, the Reconciliation Action Plan Working Group and Diversity, Equity and Inclusion Committee.
- A cultural awareness e-learning module was launched and rolled out across the organisation to build knowledge and understanding of First Nations peoples, cultures and histories.
- Welcome to Country ceremonies were delivered by Traditional Custodians at all significant team events.
- AEMO commenced delivery of a First Nations engagement strategy to deepen cultural understanding, establish capacity building partnerships, and create pathways for meaningful First Nations engagement. The strategy focuses on six priority areas: clean energy policy development, on-the-ground capacity building, procurement, employment, volunteering opportunities and cultural awareness and learning.
- ASL actively engaged First Nations stakeholders and government to inform policy development and identify opportunities to support improved First Nations outcomes through tender processes.
- AEMO's Procurement Guidelines were updated to increase supplier diversity and support improved economic and social outcomes for First Nations people.
- A draft First Nations employment strategy was developed.

Diversity, equity and inclusion

In FY25 we continued to build a diverse workforce, actively fostering a safe, respectful and inclusive workplace to unlock the full potential of every individual and ensuring AEMO is better equipped to achieve our strategic priorities.

We launched our first AEMO Disability and Accessibility Action Plan (DAAP) which was developed in collaboration with employees with disability, carers and key business leaders. The DAAP details a roadmap to achieve our vision of becoming a disability-confident organisation over the next three years. It details four priority areas with measurable commitments ensuring that our approach to access and inclusion puts our people, external stakeholders and service users at the centre of all that we do.

We achieved an overall inclusion score of 88% in our annual people survey, reflecting a strong sense of belonging at AEMO, a belief that people can be their authentic selves and those from diverse backgrounds have equal opportunities to succeed.

Over the past 12 months, we achieved a 5.7% year-on-year reduction in the gender pay gap (based on internal analysis of average total remuneration by gender), and women's representation in leadership positions increased slightly overall, from 36% to 37%.

With refreshed gender equity targets, AEMO continued to invest in women's growth and career development with 25 women completing our Impact Program and a further 19 women completing the Australian Power Institute's professional development programs.

A formal six-month mentoring program was established and successfully paired executive leaders, including the CEO, with talented female mentees.

Investing in energy leaders of the future

The Zema Energy Studies Scholarship – named after AEMO's founding CEO, Matt Zema – fosters the next generation of energy leaders, with financial support, industry placements and mentoring for PhD students undertaking research in engineering, IT, and economics to address Australia's energy transition.

In FY25, nine scholars benefited as the program was expanded, reflecting its growing significance. The research program is delivered by Monash University, with governance oversight from AEMO. The program was established with significant funding contributions from the Australian Government, AEMO, and other donors.

Focusing on good governance

As AEMO's role and responsibilities have increased, group-wide governance has continued to evolve to deliver a robust, effective and consistent system of corporate governance.

A sustained and significant focus on cyber risk and resilience has continued to further strengthen digital oversight and investment. Additionally, AEMO has established a sustainability program and is preparing to meet the requirements of the Australian Sustainability Reporting Standards in FY26, in line with our commitment to transparent communication and delivery of a resilient and sustainable enterprise.

In FY25, we delivered Year 1 of our comprehensive risk blueprint, which sets the direction for more integrated and evolved risk management at AEMO.

The risk blueprint aligns strategic risks and AEMO's Strategic Corporate Plan, with a focus on embedding risk into strategic execution, managing risk and opportunity transparently in line with our appetite, enhancing responsiveness to critical risks and building a more mature culture and capability.

FY25 saw further maturing of Strategic Portfolio Management Governance. Important developments include:

- the FY25 Program Assurance Plan to independently assess the delivery performance of nominated major programs,
- the FY26-FY28 Integrated Investment Plan to prioritise and baseline the programs of work to be delivered,
- the quarterly Portfolio Performance Management Committee to oversee progress against the baselined investment plan, and the risks and issues affecting the delivery performance of the strategic portfolios, and
- refreshed Enterprise Portfolio Office framework and approach to align and simplify portfolio governance, investment planning, investment approval and delivery management, with an orientation towards active risk management and alignment to the new AEMO Enterprise Risk Management Framework.

For more detailed information on Governance and Risk, refer to the Financial Performance section of this report.

Consultation on NEM participant fees

AEMO primarily recovers the costs associated with performing its roles and functions through fees paid by market participants – including energy generators, producers, network businesses, and retailers – to participate in Australia's energy markets.

In the NEM, AEMO consults on and adjusts its budget and fees on an annual basis.

We must also review and determine the way these fees are structured and distributed between different market participant groups for each fee structure period, known as the [NEM Participant Fee Structure Review](#).

In FY25, AEMO commenced consultation on the fee structures for the next participant fee structure period to apply from July 2026. These fee structures will take into account changes to AEMO's roles and functions in recent years.

AEMO has been consulting with stakeholders and interested parties by offering stakeholder briefings, workshops and webinars and inviting feedback and submissions.

As fees may be passed on to consumers by market participants in some cases, we have also been engaging with our CCRG to inform the design of the NEM Participant Fee, as well as with the Financial Consultation Committee (FCC) to ensure transparency, efficiency and a strategic and collaborative process. The final fee structure will be published by 31 March 2026.

Transparency is central to our financial principles

At AEMO, we prioritise strong financial program delivery and risk governance to ensure financial stability, stakeholder trust and maintain a strong licence to operate.

Our annual budget is one of the ways we provide transparency over our costs, particularly as AEMO's responsibilities expand to respond to the challenges of the energy transition and emerging roles that key stakeholders, including industry and governments, ask of us. AEMO publishes its Budget and Fees annually following stakeholder engagement.

In FY25 consultation included engagement through the FCC, presenting at the Consumer Forum and opening the Budget and Fees for public submissions. Feedback was incorporated and material changes reflected in the final budget.

In FY25, AEMO continued to strengthen our financial management principles and discipline.

For more detailed information, refer to the Financial Performance section of this report.

Our financial principles

Developed in consultation with the Financial Consultation Committee, AEMO adheres to eight financial principles to ensure transparency, efficiency and fairness in the recovery of costs associated with operating Australia's energy market and systems.

	Efficient and cost-effective delivery		Low tolerance for funding risk on contracted activities
	Balanced and sustainable cost recovery		Debt to assets ratio less than 100%
	Clear, ringfenced participant and member funds		Liquidity ratio more than 50%
	Funding pathways for new investment		Budget to market participants in a timely way

Engaging with our Financial Consultation Committee

Established in 2021, the **Financial Consultation Committee** (FCC) plays a key role in AEMO's financial governance.

Comprising representatives from across industry, government, and consumer groups, the FCC enhances transparency and stakeholder understanding of AEMO's financial strategy.

The committee provides feedback on our corporate plan, budget assumptions, expenditure forecasts, and financial risks.

While the FCC is an advisory body and does not make decisions, its insights are an important part of our financial governance process and help ensure confidence in our cost management and fee structures.

Cost insights from international peer review

AEMO actively collaborates with other Independent System Operators (ISOs) through forums such as the International System Operator Network (ISON). These partnerships enable us to share technical knowledge, co-develop solutions, and support one another in addressing the challenges of the energy transition.

AEMO is focused on cost discipline while delivering on our responsibilities in the Australian energy system. Peer analysis provides insights as to how others are evolving to meet the challenges of the energy transition, helping identify where AEMO can be more effective and efficient in delivering its core functions, in the long-term interest of Australian consumers.

In FY25, AEMO completed some high-level analysis of our operating costs relative to comparable ISOs across Great Britain, the United States of America and Oceania. This targeted comparison provides insights into cost trends and helped identify opportunities for improvement.

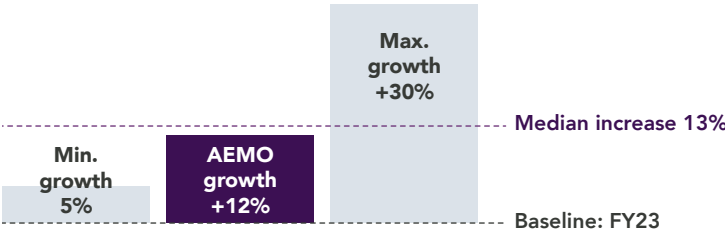
The ISOs were selected as peers for this comparison based on their functions and the amount of information publicly available. While the analysis provides useful insights, it is important to recognise that operators differ significantly in the physical characteristics of the systems they manage, the roles they deliver, and their regulatory environments.

AEMO's cost growth from FY23 to FY24 was 12%, broadly in line with the median cost growth seen amongst peers. The chart below shows AEMO's operating expenditure growth from FY23 to FY24, mapped against the peer data set.

AEMO projects an increase in FY25 operating expenditure, reflecting additional NEM connections and function costs and expanded CIS requirements. A peer comparison for FY25 will be carried out once final data is available for all peers.

With an ongoing focus on driving efficiency and prudence, AEMO will continue to undertake peer reviews in the future and look for opportunities to provide further transparency into our operating costs.

Opex growth: ISO peer comparison (FY23 vs FY24)



How does AEMO's scope of responsibility compare?

Independent System Operators (ISOs) around the world manage systems with a wide range of physical characteristics.

The size of Australia's networks operated by AEMO fall within the small to-mid range in terms of electricity demand, but with distinctive features.

The NEM is notable for its long transmission distances, reflecting geographic spread across eastern and southern Australia. In contrast, the WEM in Western Australia is a small, islanded grid, which has implications for maintaining reliability.

AEMO has a broader and more diverse role than most of our peer operators, in addition to operating two distinct electricity systems.

AEMO also performs the following functions.

-  **Plays a unique role in gas systems:** Managing gas wholesale and trading markets in the east and providing informational services in the west
-  **Markets and forecasting:** Gas forecasting role such as development of GSOO and operational role in Victoria
-  **Supports tender delivery for investment:** Australian Government CIS and New South Wales Roadmap
-  **Transmission network service provider function in Victoria:** Planned transfer to VicGrid in 2025

Financial performance

In FY25, AEMO demonstrated strong financial stewardship, achieving an outcome within budget while delivering on our strategic priorities.

A focus on prudent cost management enabled AEMO to clear the NEM Core accumulated deficit, meeting its commitment to market participants made in 2022.

AEMO’s financial outcomes reflect the ongoing challenge of operating critical energy markets and systems amid a period of structural change. Alongside its core operational and planning responsibilities, AEMO was tasked by governments to:

- support the expansion of new generation through major tenders under the Commonwealth Capacity Investment Scheme (CIS),
- strengthen reliability across the East Coast gas network,
- expand the scope of the ISP, and
- coordinate with industry on cyber security preparedness and response.

Despite unplanned operational risks and a tight labour market, AEMO achieved cost efficiencies across labour, consulting and digital relative to budget, while continuing to deliver on key Engineering Roadmap and market reform initiatives.

To support its evolving remit, AEMO invested in modernising corporate systems, including a new finance Enterprise Resource Planning system, and deepened its risk management, cyber resilience and treasury capabilities.

AEMO's business segments

Market fees-funded				Direct funded			Transmission
NEM Core	NEM Functions	East Coast Gas	WA Electricity and Gas	NEM Connections	CIS	NSW Roadmap	Vic TNSP

Corporate structure

AEMO Group includes AEMO Limited and its controlled subsidiaries:

- **AusEnergy Services Limited (ASL)**¹ – a company limited by guarantee (the other member being the state of New South Wales), and
- **Transmission Company Victoria (TCV)** – established to progress early works for the VNI West project

These entities are consolidated in AEMO Group’s statutory financial reporting.

Business segments²

AEMO’s financial reporting is structured across segments. While most services are funded by participant fees, direct revenue from governments, grants and fee-for-service contracts is an increasing part of AEMO’s financial profile.

AEMO continues to enhance financial transparency through regular engagement with the Financial Consultation Committee (FCC), the Economic Regulation Authority in WA, open budget consultation processes, and forums such as the NEM Reform Executive Forum.

1. ASL means the company limited by guarantee ACN 651 198 364 known as AEMO Services Limited until 10 July 2025 and AusEnergy Services Limited on and from that date.

2. AEMO's business segments differ from its corporate structure as CIS activities are performed by both AEMO Limited and ASL and the NSW Roadmap segment includes back office services provided to the Scheme Financial Vehicle for NSW.

FY25 operating performance³

Enterprise revenue

AEMO’s revenue increased in FY25, reflecting planned fee adjustments across core segments, cost recovery for reform implementation from prior years and funding to deliver new responsibilities supporting Australia’s energy transition.

Refer to Chart 4 for information on expenditure movements which underpins revenue recovery.

Chart 1: AEMO net revenue FY25, by segment⁴

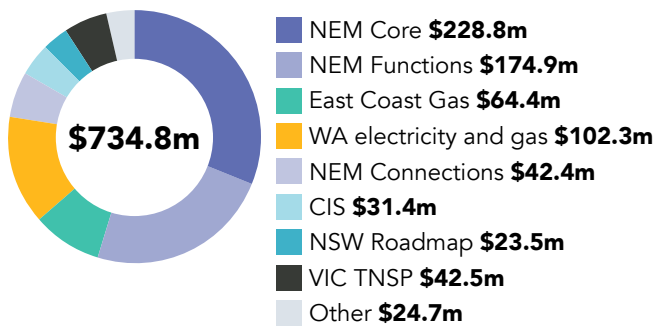
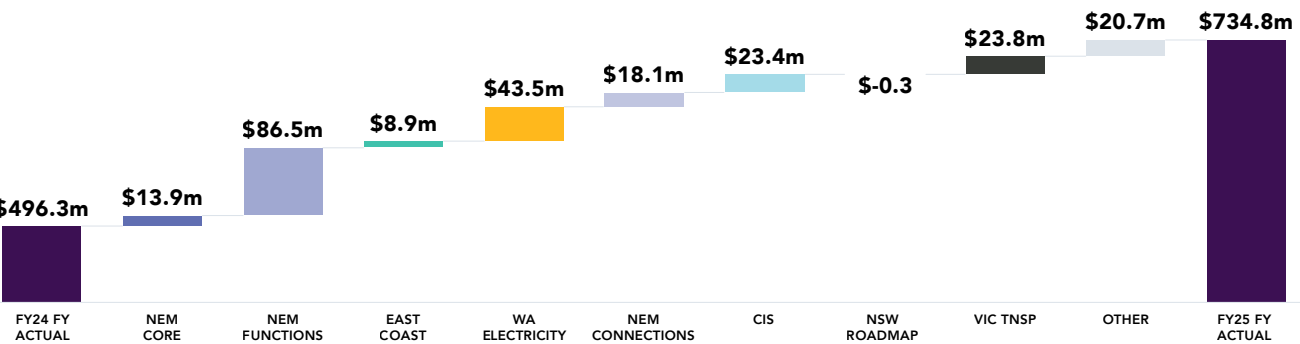


Chart 2: AEMO net revenue year-on-year, by segment⁵



- In FY25 core revenue sources included:
- **participant fees** across the NEM, WA Electricity and Gas, and East Coast Gas markets,
 - **cost recovery** for services delivered to proponents connecting to the grid (NEM and WEM),
 - **government payments or grants** for strategic programs, including the CIS and NSW Electricity Infrastructure Roadmap (NSW Roadmap), and
 - **Transmission Use of System (TUoS)** charges in Victoria.

Revenue collected from participants is aligned with the FY25 Budget and Fees determinations, with only minor variations from energy consumption trends. Surpluses or deficits are managed over time through adjustments to fee rates.

3. The Financial Performance Report is based on management reporting by segment and does not reflect certain account classifications and descriptions that apply in the Consolidated Financial Statements.

4. In FY25 this also included income associated with a government grant to uplift core digital systems to enhance energy security within 'Other' segment.

5. The year-on-year movement reflects the results of all segments, including an 'Other' segment. This represents the operations of the Corporate (head office) function, elimination adjustments and other non-trading segments which do not constitute individual business segments.

Market fees funded

- **NEM Core:** higher revenue due to a planned 4.5% fee increase under the three-year deficit recovery pathway and fee-for-service income from governments for specific initiatives.
- **NEM Functions:** growth reflects the commencement of cost recovery for reform-related initiatives and delivering an expanded ISP scope.
- **East Coast Gas:** higher revenue driven by new East Coast Gas Reform activities, offset by reduced fee rates in some gas markets.
- **Western Australia Electricity and Gas:** fees increased in line with ERA approved AR6 revenue cap for WEM Reform and SWIS operations.

Direct fees funded

- **NEM Connections:** revenue grew in line with higher project volumes and connection activity.
- **CIS (new reporting segment):** revenue reflects contracted recovery for services supporting the Commonwealth Capacity Investment Scheme.
- **NSW Roadmap (new reporting segment):** revenue reflects recovery by ASL as Consumer Trustee for performing its function in relation to the NSW Roadmap.

Transmission

- **Vic TNSP:** increased TUoS fees to recover network charges, easement tax, and settlement residue allocations.

Enterprise operating expenditure

AEMO’s operating expenditure increased in FY25, driven by the delivery of NEM and WEM market reforms and the commencement of new responsibilities. These costs are being recovered in accordance with approved fee structures.

Chart 3: AEMO operating expenses FY25, by segment

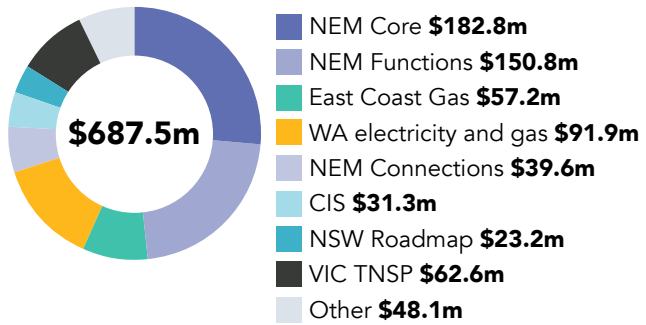
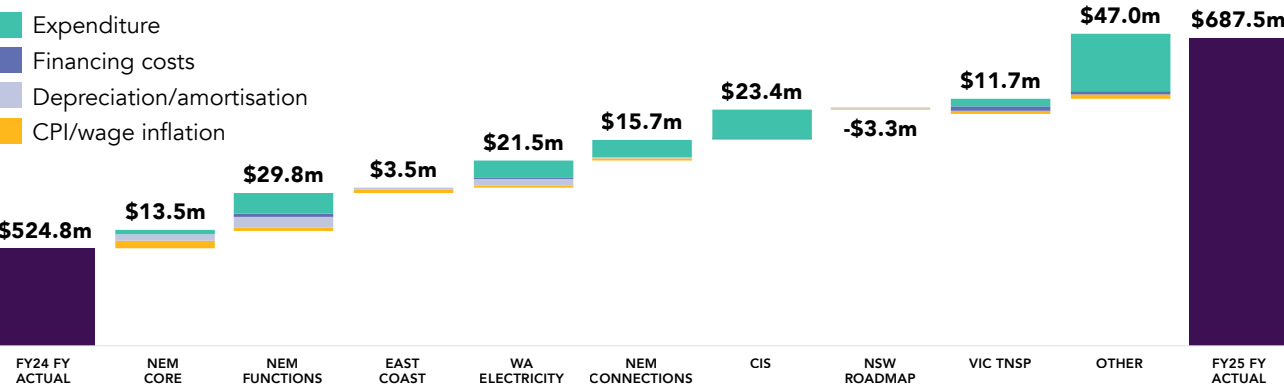


Chart 4: AEMO operating expenses year-on-year, by segment¹



AEMO’s operating expenditure reflects cost recovery in line with approved fee structures, ensuring expenditure is allocated to the relevant business segments and recovered from participants receiving the service. As a not-for-profit organisation, AEMO’s expenditure movement broadly aligns with revenue across segments, except where influenced by market-driven factors or planned surplus/deficit returns.

Market fees funded

- **NEM Core:** higher costs reflect investment in specialised resources and technology supporting energy transition initiatives.
- **NEM Functions:** increased expenditure due to depreciation and amortisation of previously commissioned reform projects, and continued investment in NEM Reform and National Transmission Planning.
- **East Coast Gas:** growth in labour and consulting costs targeted at gas adequacy and supply risk management.

- **WA Electricity and Gas:** expenditure aligned with the ERA’s approved revenue cap, including higher costs linked to WEM Reform.

Direct fees funded

- **NEM Connections:** increased labour and digital costs reflecting the ongoing growth in connection activity.
- **CIS:** costs reflect delivery of tenders and planning for future CIS activities.
- **NSW Roadmap:** costs relate to ASL’s role as NSW Consumer Trustee, facilitating energy transition services.

Transmission

- **Vic TNSP:** minor expenditure increase associated with due diligence for transfer to VicGrid and VNI West delivery preparation.

1. The year-on-year movement reflects the results of all segments, including an ‘Other’ segment. This represents the operations of the Corporate (head office) function, elimination adjustments and other non-trading segments which do not constitute individual business segments.

NEM Core

What AEMO delivers for this segment

AEMO’s core responsibility is to ensure the **safe, reliable, and secure operation of the National Electricity Market (NEM)**. Through this segment, AEMO delivers critical services that underpin system performance and value for all stakeholders.

- **Efficient NEM operations**, helping to minimise costs for market participants and ultimately consumers.
- **Reliable and secure energy supply**, keeping the lights on for households, businesses, and industry.
- **Operational readiness** through transition phases, maintaining system security as the energy mix evolves.
- **Market settlements processing**, facilitating over \$50 billion in annual transactions – equivalent to thousands of settlements every minute – to ensure accurate and timely financial flows across the energy system.

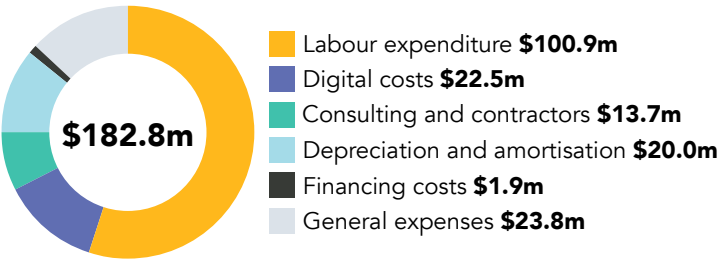
Who pays for these services

Registered market participants: market customers, wholesale participants and TNSPs.

Table 1: Profit and loss summary – NEM Core

	FY25 actual \$m	FY25 budget \$m	FY24 actual \$m	FY25 actual variance to budget \$m	FY25 variance to FY24 %
Revenue	228.8	231.1	214.9	(2.3)	6.5%
Operating Costs	182.7	209.6	169.4	(26.9)	8.0%
Annual Surplus	46.1	21.5	45.5	24.5	0.8%
Accumulated Surplus / (Deficit)	24.0	0.3	(21.5)	23.7	(211.6%)

Chart 5: Operating cost profile – NEM Core (\$m)



NEM Core activities are closely aligned with AEMO’s core legislated functions, underpinning the secure, reliable, and efficient functioning of Australia’s electricity systems and markets and enabling the broader energy transition.

Operating today’s systems and markets

In FY25, AEMO successfully delivered key technical initiatives and strengthened internal capability to support the secure operation of the power system amid rising complexity. This period was marked by record levels of renewable energy, peak demand events, and other factors that increased challenges for our day-to-day operations.

The integration of market reforms also prompted updates to AEMO’s operating processes and procedures, enhancing system responsiveness and adaptability.

These strategic and technical investments were achieved while maintaining strong financial discipline, enabling AEMO to fully recover the accumulated NEM Core deficit – a key financial commitment met in full.

Navigating the energy future

Released in August 2024, the 2024 NEM ESOO underscored the growing urgency of timely infrastructure delivery and rising risks to system security. AEMO has a critical role in enabling the energy transition, supporting essential investment while maintaining system reliability.

In FY25, AEMO advanced key components of the Engineering Roadmaps, progressing foundational reforms to support the energy transition.

System capability was further strengthened through the Operations Technology Program, which delivered critical tools such as:

- ASPECT – an offline analysis tool addressing inverter-based resource integration and system security,
- enhancements to the demand forecasting engine, and
- improvements to the market notice platform, enhancing operational visibility and user experience.

Delivering value through disciplined financial management

In FY25, AEMO delivered its operational mandate while maintaining strong financial discipline. Expenditure for the NEM Core segment was below budget, despite increased delivery demands and system complexity.

Key contributors to this underspend against budget included:

- lower labour costs, driven by recruitment challenges for specialised roles,
- a strategic shift towards early-career recruitment and internal capability development to build long-term workforce resilience, and
- reduced consulting expenditure, reflecting a targeted focus on high-impact, strategically aligned initiatives, and careful prioritisation to support core delivery outcomes.

At the end of FY25, AEMO achieved a full recovery of the NEM Core accumulated deficit with the segment reporting an annual surplus of \$46.1m. This disciplined approach reflects AEMO’s commitment to delivering value while navigating the challenges of Australia’s energy transition.

FY25: A turning point for NEM Core

In FY25 AEMO performed well against NEM Core objectives, achieving strong operational performance, capability uplift, and financial sustainability in parallel.

Operating revenue increased year-on-year, driven by a planned uplift in the NEM benchmark fee – a measure agreed with market participants to return the previously accumulated deficit.

Operating expenditure also rose year-on-year, primarily due to increased investment in:

- labour – to support core and emerging operational requirements,
- consulting and digital costs – aligned to strategic technology and engineering initiatives, and
- depreciation and amortisation – reflecting ongoing capital investment.

These investments supported delivery of the Engineering Roadmap, operating technology enhancements, and system reliability initiatives essential to managing the growing complexity of the NEM.

Looking ahead AEMO will continue to manage its costs prudently and efficiently, managing needed investments in operations and engineering capability with a stable and predictable fee envelope shared in advance with market participants.

NEM Functions

What AEMO delivers for this segment

- AEMO performs several functions and services to support the operation and evolution of the NEM, including:
- **NEM Reform:** managing the implementation of the Energy Security Board’s post 2025 electricity market design, including 1) resource adequacy mechanisms; 2) essential system services and ahead scheduling; 3) integration of DER and flexible demand; and 4) transmission and access.
 - **National Transmission Planner:** developing forecasting documents for the NEM including the biennial ISP.
 - **Electricity Retail Markets:** facilitating retail market competition in the east coast and southern states of Australia
 - **5 minute settlements:** operating and maintaining systems and procedures necessary for financial settlement of the national electricity market at five-minute intervals.
 - **Distributed Energy Resources (DER) program:** understanding and integrating high levels of DER into the Australian power system.
 - **Consumer Data Platform:** providing a data access service to government-operated energy comparison websites.
 - **Settlements Residue Auction Administration:** conducting auctions through the auction platform and process.

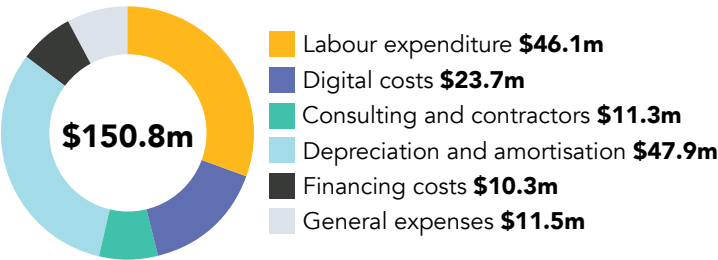
Who pays for these services

Registered participants: market customers, wholesale participants and TNSPs.

Table 2: Profit and loss summary – NEM Functions

	FY25 actual \$m	FY25 budget \$m	FY24 actual \$m	FY25 actual variance to budget \$m	FY25 variance to FY24 %
Revenue	174.9	167.6	88.4	7.3	97.9%
Operating Costs	150.9	163.8	121.1	(12.9)	24.6%
Annual Surplus / (Deficit)	24.0	3.8	(32.7)	20.3	(173.7%)
Accumulated Surplus / (Deficit)	3.7	(7.8)	(19.7)	11.5	(118.7%)

Chart 6: Operating cost profile – NEM Functions (\$m)



NEM Functions fund and operate initiatives that sustain and evolve the NEM, covering both capital investments and ongoing operating costs.

FY25 marked the shift from investment to operations, being the first year of significant cost recovery following major reform go-lives. Costs now include ongoing run costs, digital operations, and amortisation of prior capital spend while investment in reform also remains ongoing.

Major FY25 reform deliveries

1. Frequency Performance Payments (FPP)

- Went live 8 June 2025, replacing Causer Pays with a double-sided, five-minute incentive model.
- Rewards helpful frequency response in real time to assist with system stability; recovers costs from unhelpful contributors.

2. Retail market enhancements

- Net System Load Profile (NSLP) methodology upgraded.
- ISP uplift: better gas expansion modelling, distribution network scenarios, multi-sectoral modelling tools, social licence integration.
- Scope of Enhanced Locational Information (ELI) expanded for Transmission Reform.
- Forecasting improvements: more granular sub-regional data, bespoke industrial/data centre forecasts, PV rebound modelling, synthetic weather data.
- DER & Metering substitution procedures updated.
- 26 grid-scale batteries transitioned to bidirectional trading under IESS.

3. SCADA Lite (15 May 2025): lighter, secure, and cost effective real-time data solution enabling broader participation by smaller resources and emerging technologies.

4. Enhanced reserve information: better visibility of system tightness and supply availability to support participant decision-making.

Program momentum

FY25 saw the activation of 16 NEM Reform Program initiatives, with 9 projects active and set for completion by FY26.

Financial performance

- Revenue increased from FY24 to FY25 due to the commencement of recovery of major reform delivery costs in line with the fee trajectory agreed with market participants.
- Operating expenditure increase from FY24 to FY25 was driven by:
 - Higher labour and consulting spend for projects like FPP and ISP reform.
 - Increased depreciation/amortisation from delivered assets in the ISP framework review.

Strategic delivery

In recent years a number of reforms have been implemented which are now being embedded and operationalised in the market. In FY25 we continued to work with industry to deliver the next tranche of reforms.

AEMO continued to focus on the disciplined use of participant funds, to unlock value, enable cost recovery and advance system resilience in support of the ongoing market transformation.

East Coast Gas

What AEMO delivers for this segment

- AEMO performs several functions relating to the East Coast Gas markets, including:
- Monitoring and assessing the reliability and adequacy of gas supply in the East Coast Gas system (ECGS).
 - Operating the Victorian Declared Wholesale Gas Market (DWGM) and Declared Transmission System (DTS).
 - Operating the Short-Term Trading Market (STTM).
 - Operating the Gas Supply Hub, Day Ahead Auctions and Capacity Trading Platform.
 - Aggregating and displaying gas production and pipeline flow data across the ECGS on the Gas Bulletin Board (GBB).
 - Facilitating retail market competition.
 - Developing the *Gas Statement of Opportunities (GSOO)* and the *Victorian Gas Planning Report*.
 - Administering change proposals for the Operational Transportation Service Code.

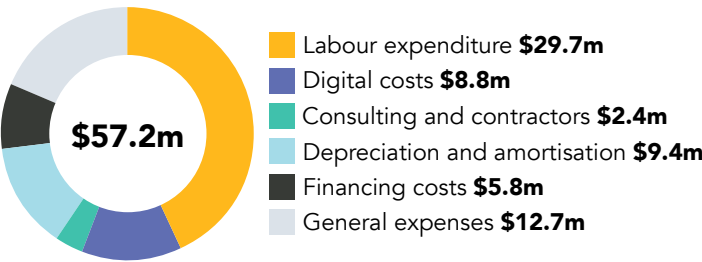
Who pays for these services

Participants in this segment include wholesale market participants in the DWGM and STTM, trading participants and auction participants, retail market participants, and gas bulletin board production facility operators.

Table 3: Profit and loss summary – East Coast Gas

	FY25 actual \$m	FY25 budget \$m	FY24 actual \$m	FY25 actual variance to budget \$m	FY25 variance to FY24 %
Revenue	64.4	52.8	55.5	11.5	16.0%
Operating Costs	57.2	57.3	53.7	(0.1)	6.5%
Annual Surplus / (Deficit)	7.2	(4.4)	1.8	11.6	300.0%
Accumulated Surplus	62.8	54.1	55.9	8.7	12.2%

Chart 7: Operating cost profile – East Coast Gas (\$m)



Gas market operations

Natural gas continues to play a critical role in Australia’s energy transition. It remains essential for residential heating in the southern states and provides a flexible and reliable source of backup generation as coal-fired power plants retire. As the national gas system operator, AEMO continues to expand its responsibilities across planning, operations, and market reform.

In FY25, AEMO maintained secure and reliable gas system operations while advancing significant market and regulatory developments. In line with the FY25 Corporate Plan AEMO also implemented strategic initiatives to address challenges identified in the 2024 and 2025 GSOO.

The March 2025 GSOO forecast peak day supply shortfalls in southern Australia from 2028, and more persistent seasonal gaps from 2029, without accelerated investment in production, infrastructure, and storage. The GSOO highlights the faster-than-anticipated decline in Bass Strait production and underscores the urgent need for new supply-side solutions, such as gas field developments, pipeline upgrades, storage capacity, and liquefied natural gas (LNG) import infrastructure.

Key initiatives in FY25 included:

- 1. Hydrogen market readiness:** implemented amendments to GSOO Procedures to incorporate hydrogen considerations, effective 31 July 2024. [AEMO | Amendments to GSOO Procedures](#).
- 2. Gas compensation reform:** updated compensation frameworks for the DWGM, ECGS, and the STTM, also effective 31 July 2024. See [AEMO | Amendments to the gas compensation regime for the DWGM, ECGS and STTM](#).
- 3. ASX Wallumbilla Futures launch:** supported the transition to a physically deliverable natural gas futures product on the ASX, launched 19 August 2024, enhancing market transparency and liquidity.
- 4. East Coast gas market reform:** contributed to Stage 2 reforms by delivering a government-commissioned report to support the assessment of a proposed rule change on system adequacy.

Financial performance

AEMO delivered a favourable financial result for the gas portfolio in FY25, driven primarily by strong performance in the DWGM capacity certificates auction. This followed the AEMC’s rule change, which prioritised capacity certificate allocation through auction mechanisms, resulting in higher-than-expected demand amid tight eastern gas supply conditions.

Revenue for FY25 was higher than FY24 and budget, driven primarily by the new East Coast Gas Reform and increased Capacity Certificate Auction revenue.

Operating expenditure increased year-on-year, reflecting AEMO’s continued investment in workforce capability and strategic initiatives. Labour costs rose with the expansion of the Gas Market Operations and Solutions teams, aligned with the participant fee structure. Consulting costs also increased, supporting work in energy forecasting, market operability, and sector coupling initiatives.

Western Australia Electricity and Gas

What AEMO delivers for this segment

AEMO’s responsibilities derive from its statutory functions under Western Australian and national energy laws, as set out in formal regulation. In summary, AEMO performs a range of functions for the WA WEM:

- Market operations: operating and settling the Reserve Capacity Mechanism and managing the buying and selling of electricity in the Short-Term Energy Market.
- Power system operations: maintaining the SWIS in a secure and reliable state, working alongside the network operator (Western Power) and generation facility owners.

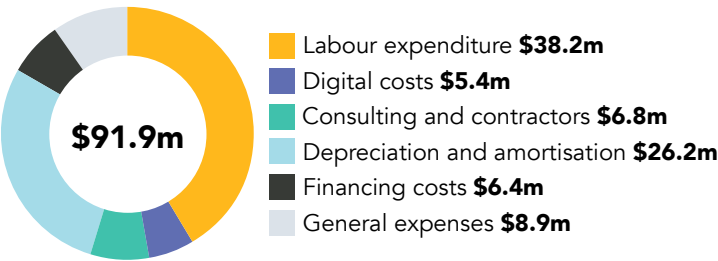
Who pays for these services

Participants in this segment include market participants, shippers, production facility operators, distributors.

Table 4: Profit and loss summary – WA

	FY25 actual \$m	FY25 budget \$m	FY24 actual \$m	FY25 actual variance to budget \$m	FY25 variance to FY24 %
Revenue	102.3	102.7	58.8	(0.4)	73.9%
Operating Costs	91.9	92.8	70.4	(1.0)	30.4%
Annual Surplus / (Deficit)	10.4	9.8	(11.6)	0.6	(189.7%)
Accumulated Surplus / (Deficit)	2.4	0.9	(8.0)	1.5	(130.0%)

Chart 8: Operating cost profile – WA (\$m)



FY25 marked the final year of the AR6 regulatory period under the Economic Regulation Authority’s (ERA) allowable revenue and forecast capital expenditure framework. AEMO successfully delivered its operational and reform commitments within the approved revenue cap.

This year also represented a pivotal transition for Western Australia – the first full year of operating under reformed WEM which went live on 1 October 2023, to the initiation of critical forward-looking reforms to support the next phase of the energy transition in the SWIS.

Key FY25 achievements included:

- Publication of the 2024 WA Gas Statement of Opportunities (Dec 2024), incorporating DomGas Inquiry recommendations.
- Release of the 2025 WA Electricity Statement of Opportunities (June 2025), providing critical forecasting insights.
- Timely and budget-aligned delivery of the RCM 2024 releases, completing deferred WEM Reform scope.
- On-time enhancements to Outage Management and Commissioning Test Plans.
- Implementation of Urgent FCESS Cost Review (Stage 1) within schedule and budget.
- Successful delivery of RCM Flexible Capacity Certification – Release 1, backed by positive external assurance.
- Commencement of Flexible Certification Release 2 and Peak & Flexible CCA projects, now in testing.
- Launch of Contingency Lower Procurement and Metering System Upgrade initiatives.
- Publication of the SWIS Engineering Roadmap (August 2024), with implementation underway on key initiatives including System Strength, Synthetic Inertia, and Operational Transition Points.
- Formal approval of Project Jupiter (DER) by the AEMO Board, with a Joint Development Agreement signed with Western Power and Synergy.
- Completion of long-running WEM Reform and early DER program initiatives.
- Delivery of MSDC Phase 2, and commencement of MSDC3.
- First meeting of the MPWG, where AEMO presented the WA Reform Implementation Roadmap.
- Commencement of RCM Relevant Level Method improvements to support future capacity adequacy.

Financial performance

Revenue in FY25 was aligned to budget and higher than FY24, reflecting cost recovery for the new wholesale market launch and increased investment activity.

Operating expenditure remained below budget, despite being higher than the previous year, primarily due to strategic capital outlays tied to the Dispatch Engine uplift and Digital Platform Enablement programs.

NEM Connections

What AEMO delivers for this segment

This segment covers AEMO’s connections, registrations and onboarding activities in the NEM, which include:

- Assessing and negotiating performance standards to ensure power system security.
- Providing information on establishing or modifying connections to the transmission and distribution networks in the NEM.
- Contributing to the assessment of simulation models of power system plant and associated control systems.
- Commissioning and post-commissioning activities.
- Registering and onboarding new connecting parties.

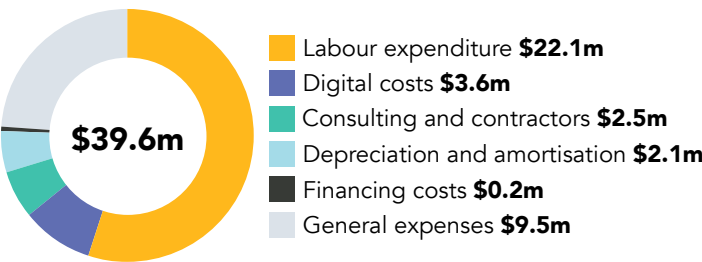
Who pays for these services

Connection and registration fees are charged to the connecting/registering market participant.

Table 5: Profit and loss summary – NEM Connections

	FY25 actual \$m	FY25 budget \$m	FY24 actual \$m	FY25 actual variance to budget \$m	FY25 variance to FY24 %
Revenue	42.4	44.5	24.3	(2.1)	74.5%
Operating Costs	39.6	45.6	23.9	(6.0)	65.7%
Annual Surplus / (Deficit)	2.8	(1.1)	0.4	4.0	600.0%
Accumulated Surplus	3.2	1.7	0.1	1.5	3,100.0%

Chart 9: Operating cost profile – NEM Connections (\$m)



The number of new generation and storage assets connecting to the NEM continued to grow at pace in FY25, reflecting accelerating momentum in Australia’s energy transition.

The volume of projects actively progressing through the connection process rose by 23%, from 43.0 GW in FY24 to 53.0 GW:

- AEMO received 86 new connection applications, up from 74 in the previous year.
- Of these, 60 projects (15.9 GW) were approved, a 30% increase in approved capacity year-on-year.

Progress also accelerated across registration and commissioning milestones:

- 37 projects (9.2 GW) were approved for registration (up 260% from FY24).
- 29 projects (4.4 GW) completed commissioning and reached full output – double the connected capacity compared to FY24.

Connections activities are funded directly by project proponents and reported separately from NEM Core to enhance transparency. In FY25, rising volumes drove a 74% increase in connections revenue, with outcomes closely aligned to budget.

Despite growing complexity, AEMO maintained consistent assessment timeframes and delivered key efficiency improvements:

- Application assessment time reduced to 9.5 months (down 4%).
- Commissioning to full output improved by 40%, down to 3.9 months.
- Registration timelines held steady at 5.6 months.

Financial performance

Operational expenditure came in below budget due to delayed reform initiatives and digital upgrades, enabling AEMO to reprioritise specialist resources toward core delivery.

These outcomes reflect a step-change in delivery maturity, underscoring the industry’s commitment to a faster, more transparent, and scalable connections process in support of the energy system transformation.

Capacity Investment Scheme

What AEMO delivers for this segment

In 2023 the Australian Government engaged AEMO to support the roll-out of the CIS as an advisor and tender delivery partner, leveraging the capabilities across AEMO Group in energy market design, financial risk management and tender governance and probity. The CIS is designed to attract and accelerate investment in renewable energy infrastructure across Australia to deliver the energy transition.

AEMO has engaged its subsidiary ASL to support the roll out of CIS.

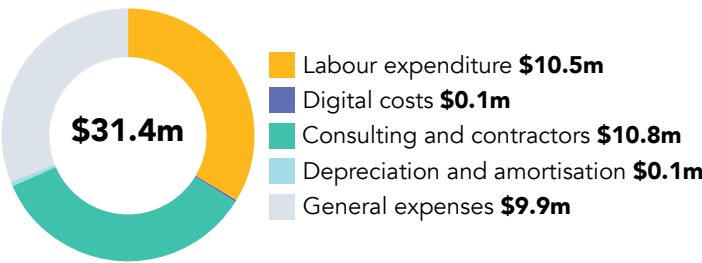
Who pays for these services

Commonwealth CIS: cost recovery from the Australian Government.

Table 6: Profit and loss summary – CIS

	FY25 actual \$m	FY25 budget \$m	FY24 actual \$m	FY25 actual variance to budget \$m	FY25 variance to FY24 %
Revenue	31.4	42.8	8.0	(11.4)	292.5%
Operating Costs	31.4	42.8	8.0	(11.4)	292.5%
Annual Surplus / (Deficit)	-	-	-	-	0.0%
Accumulated Surplus / (Deficit)	-	-	-	-	0.0%

Chart 10: Operating cost profile – CIS (\$m)



In 2025, ASL continued to support the roll-out of the CIS as an advisor and tender delivery partner alongside AEMO, bringing together expertise in energy market design, management, and procurement. Three CIS tenders were completed, including CIS SA-VIC Tender for dispatchable capacity, CIS NEM Tender 1 for generation, and CIS WEM Tender 2 for dispatchable capacity. CIS NEM Tender 3 for dispatchable capacity and CIS NEM Tender 4 for generation also commenced and are scheduled to conclude in FY26.

Expenditure in FY25 was favourable to budget due to lower than budgeted consultancy incurred to support the CIS National tender program.

NSW Roadmap

What AEMO delivers for this segment

NSW Roadmap activities include coordinating planning of long-term investment in generation and storage in NSW, designing and conducting competitive tenders to facilitate this investment, and undertaking authorisation of REZ transmission infrastructure. These services are carried out in accordance with the obligations of the NSW Consumer Trustee role conferred on ASL by the NSW Government. This includes a duty to protect the long-term financial interests of NSW electricity consumers.

The NSW Roadmap segment also includes back office activities performed for the Scheme Financial Vehicle for NSW.

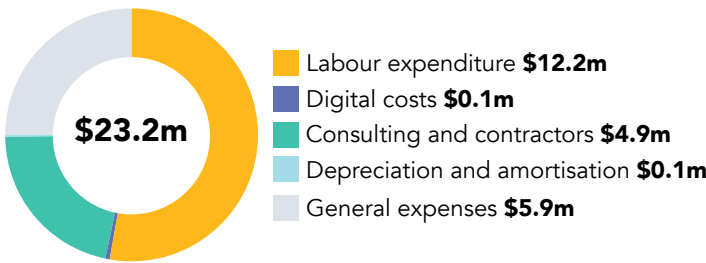
Who pays for these services

NSW Roadmap activities: costs are recovered via the funding mechanism in the NSW Electricity Infrastructure Fund.

Table 7: Profit and loss summary – NSW Roadmap

	FY25 actual \$m	FY25 budget \$m	FY24 actual \$m	FY25 actual variance to budget \$m	FY25 variance to FY24 %
Revenue	23.5	30.6	23.8	(7.1)	(1.3%)
Operating Costs	23.2	30.6	26.5	(7.4)	(12.5%)
Annual Surplus / (Deficit)	0.3	-	(2.7)	0.3	(111.1%)
Accumulated Surplus	0.3	-	2.2	0.3	(86.4%)

Chart 11: Operating cost profile – NSW Roadmap (\$m)



In FY25, ASL completed NSW Tender Round 5 for Long Duration Storage (LDS) and access rights in the South West (SW) REZ. This was the first competitive tender ASL has conducted for NSW REZ access rights. ASL also commenced NSW Tender Round 6 for LDS which is scheduled to conclude in FY26.

In December 2024 and March 2025 respectively, ASL published the SW REZ Access Fee Determination and the redacted Central-West Orana REZ Access Fee Determination and Guidelines. In addition, ASL made and published the statutory authorisation decision for the Hunter Central Coast REZ Network Infrastructure Project recommendation submitted by EnergyCo and provided written notice to the AER to set the maximum capital cost amounts.

ASL also undertook substantive work to prepare the 2025 Infrastructure Investments Outlook (IIO) Report for publication in August 2025 and developed the inaugural Generation Investment Outlook for NSW which complements the IIO by analysing the current project pipeline and forecasting how projects may progress through approvals, financing and construction.

Expenditure was favourable to budget due to a deferral of NSW Tender 6 that was initially budgeted to conclude in FY25.

Victoria Transmission Network Service Provider (Vic TNSP)

What AEMO delivers for this segment

AEMO has declared network functions in Victoria, where we are responsible for ensuring the Victorian shared transmission network is developed in an efficient way for the benefit of all Victorian electricity consumers. Our roles include planning future requirements for the declared shared network (DSN), authorising and contracting for augmentation of the DSN, procuring system strength and other shared transmission services in Victoria, and managing Victorian connection applications.

AEMO is also responsible for the delivery of the early works of the Victoria – New South Wales Interconnector West (VNI West) project through a wholly owned subsidiary, Transmission Company Victoria (TCV).

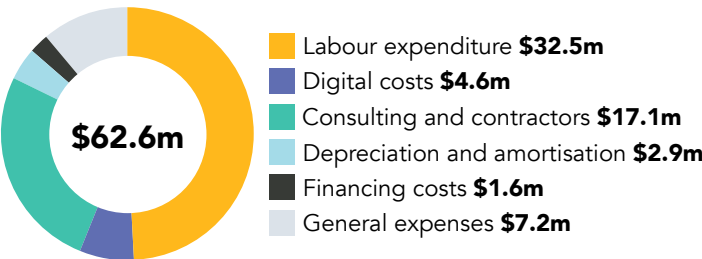
Who pays for these services

Participants in this segment include Victorian network users and various government bodies.

Table 8: Profit and loss summary – Vic TNSP¹

	FY25 actual \$m	FY25 budget \$m	FY24 actual \$m	FY25 actual variance to budget \$m	FY25 variance to FY24 %
Revenue	883.5	890.3	757.3	(6.8)	16.7%
Network Charges	841.1	823.9	738.8	17.2	13.8%
Net Revenue	42.5	66.5	18.6	(24.0)	128.8%
Operating Costs	62.6	69.8	50.9	(7.3)	22.9%
Annual Surplus / (Deficit)	(20.1)	(3.4)	(32.3)	(16.8)	(37.8%)
Accumulated Surplus / (Deficit)	(4.1)	(9.8)	15.8	5.7	(126.1%)

Chart 12: Operating cost profile – Vic TNSP (\$m)



1. Table 8 represents the result of the entire business segment with no adjustment for discontinued operations as a result of the transfer.

AEMO continued its declared network functions for Victoria in FY25 which included network services activities such as system strength procurement, releasing the invitation to tender for Stage 1 and commencing market sounding for Stage 2. Achievements under the RDP1 program include completion of Mortlake Turn in live line works and Koorangie BESS Commercial Operation.

AEMO also progressed the delivery of two key projects

- 1. VNI West:** AEMO has been progressing the early works of the VNI West project for the construction of a new 500 kilovolts (kV) double circuit transmission line from Bulgana (connecting to Western Renewables Link (WRL)) to the Murray River north of Kerang (which connects into the TransGrid network). FY25 key milestones included finalisation of the proposed easement, commencement of the EES, running a tender process for a TNSP development partner, and ongoing landholder and community engagement.
- 2. Western Renewables Link:** AEMO is working with its development partner AusNet to progress the delivery of the project on an uprated scope that included the construction of a new 500 kV double circuit transmission line in Victoria from Sydenham to Bulgana. Key milestones delivered in FY25 included the release of the EES on 30 June, focused landholder and community engagement and tendering for a prospective construction partner.

AEMO has also been working closely with VicGrid to prepare for the transfer of the declared network functions to VicGrid as part of the changes outlined further below.

Financial performance

Revenue increased in FY25 against FY24 as AEMO was no longer required to return any prior year surplus, so the annual surplus/deficit returned to a more balanced position. Regular TUoS fee was charged to recover network charges, easement tax and consideration of settlement residue. FY25 revenue is lower than budget predominantly due to intra-regional settlement residue driven by higher than budgeted spot prices in Victoria and constraints in the transmission network preventing lower-priced Victorian flow into NSW.

Operating expenditure was higher in FY25 than in FY24 due to continued progression of the WRL and VNI West projects. Labour costs were lower than budget due to demand for specialist resources which in turn led to higher consulting costs to ensure ongoing delivery across planning, connection and other major Victorian projects.

AEMO’s future role in Victoria

The Victorian Government is progressing reforms to change the way transmission is planned and developed in Victoria. The Victorian Transmission Investment Framework reforms propose that all of AEMO’s associated declared network functions will be transferred to VicGrid from AEMO. A Bill to enable this transfer was introduced to the Victorian Parliament in 2025 with the transfer expected to take effect on 1 November 2025.

Investment program delivery

Each year, AEMO invests in critical initiatives across its core operating segments – Western Australia, the NEM and East Coast Gas – and enterprise-wide internal capabilities to strengthen systems, uplift capability, and support Australia's energy transition.

These investments are guided by AEMO's Integrated Investment Plan (IIP) and governed through a transparent, disciplined process. Priorities are:

- Planned and optimised by the Portfolio Performance Management Committee, with input from executive representatives across all portfolios.
- Reviewed and approved by a dedicated Investment Committee, which meets monthly to assess project proposals at key decision points.

AEMO's planning is grounded in regular engagement with industry, government, and other stakeholders. Forums such as the NEM Reform Delivery Committee and the WA Strategic Energy Forum ensure that industry and consumer needs are considered when investment decisions are made. The investment budget is published annually in the budget and fees document. Expenditure relating to FY25 is outlined in the table below.

Table 9: AEMO’s investment expenditure summary

	FY25 actual \$m	FY25 budget \$m	FY24 actual \$m	FY25 variance to budget \$m	FY25 variance to FY24 \$m
NEM and East Coast Gas reforms	43.5	74.0	48.9	30.5	5.4
WEM reform	23.4	32.0	41.7	8.6	18.3
Market operations system modernisation	29.7	37.0	28.8	7.3	(0.9)
Business systems modernisation	30.6	37.0	47.9	6.4	17.3
Capital expenditure	127.2	180.0	167.3	52.9	40.1
Project related operating costs funded by AEMO	38.8	38.8	16.7	0	(22.1)
Total investment expenditure	166.0	218.8	184.0	52.9	18.0

In FY25, AEMO delivered 78 strategic projects, reinforcing our commitment to reliability, innovation, and maintaining sector-wide trust. These projects reflect our role not only as a system and market operator, but as a trusted partner in shaping Australia's energy future. Key achievements across each segment include (but are not limited to) the following:

Portfolio	Scope	Delivered in FY25
NEM and East Coast gas reforms	Delivery and implementation of reforms, including: • NEM Reform Program initiatives, as outlined in the NEM Reform Implementation Roadmap, • East Coast Gas reforms, • initiatives to enable reforms to be integrated and managed, and • regulatory reform initiatives outside the scope of the two programs above.	AEMO delivered a range of critical market, system, and technology initiatives in FY25, supporting enhanced market efficiency, participant access, and energy system transformation. Notable achievements include: • Frequency Performance Payments (FPP): successfully implemented the FPP framework, with rule changes now in effect. Payments and penalties are active based on five-minute participant performance, regulation FCAS costs are now performance-based, and the clawback process is fully automated. • SCADA Lite Services (NEM): launched secure, streamlined SCADA Lite data services to enable smaller market participants to transmit real-time operational data directly to AEMO, improving system visibility and inclusivity. • Renewable Gas Stage 2: delivered the second stage of the Renewable Gas Program, advancing system readiness for the integration of biomethane and hydrogen into Australia's existing gas networks. • ISF 0.5 – Security Services Settlement: implemented a temporary settlement solution to support newly procured power system security services under the Improving Security Frameworks (ISF) program. This provides the foundation for the full release and rule commencement on 2 December 2025.
WEM reform	• Delivery and implementation of further reforms, under pinned by the Energy Transformation Strategy to facilitate the energy transition in Western Australia. • Planning for the integration of distributed (or consumer) energy resources and new technologies into the SWIS. • Delivering strategic and foundational initiatives to improve the effectiveness of the WEM operations.	AEMO continued to implement significant components of the Wholesale Electricity Market (WEM) Reform Program, enhancing market transparency, efficiency, and capacity management. Key achievements include: • Market Surveillance Data Catalogue (MSDC): delivered the latest MSDC release under WEM Reform, enabling external stakeholders to monitor WEM performance and providing AEMO teams with a structured, validated view of critical market data. • Reserve Capacity Mechanism Enhancements: implemented changes to support the certification of new capacity for the 2025 Reserve Capacity Cycle. Further reforms scheduled for Q3 will enable the assignment of Peak and Flexible Capacity and the calculation of Reserve Capacity Prices, in line with rule changes introduced under the WA Government's ESM framework. • FCESS Market Rule Changes Operationalised: delivered rule changes to the Frequency Co-optimised Essential System Services (FCESS) markets, reducing provisioning costs and aligning cost recovery with causer-pays principles. • Outage Intention Reporting: delivered system changes to support the first publication of the Interim Annual Consolidated Outage Intention Report, as required under Section 3.19 of the Electricity Statement of Market Rules (ESM).

Market operations system modernisation	Upgrades to AEMO’s operational digital systems and the integration of new and improved operational processes into digital systems, to ensure the continuity of reliable and secure energy supply in an increasingly complex operating environment.	AEMO delivered key improvements in operational data integrity, control room functionality, and system reliability to support secure and efficient energy system operations across both the NEM and WEM. Key achievements included: • Improved Data Quality and Forecasting Accuracy: enhanced visibility and data integrity for wind and solar farm availability, distributed photovoltaics (DPV) forecasts and actuals, and marginal loss factor (MLF) calculations. – Introduced a new data quality reporting solution to improve the reliability of operational data across the system. • Operational Tool and Process Integration: uplifted control room capability with improvements to the NEM Market Notices tool and advanced modelling tools. – Delivered a new offline analysis tool to support deeper monitoring and analytical insight for system operators. • Regulatory Compliance and Market System Resilience: continued focus on meeting regulatory obligations and managing operational risks, including: – A reduction in scheduling risks through the upgrade of the Victorian DWGM’s Market Clearing Engine. – Achieving the first major milestone in Upgrading the Energy Market System (EMS) within the WEM.
Business systems modernisation	• Modernisation of AEMO’s business systems to ensure they are contemporary and support business efficiency, management and transparency. • Cyber security uplifts to address cyber risks and issues. • Digital lifecycle upgrades to ensure AEMO’s business systems remain fit-for-purpose.	AEMO delivered a series of critical internal initiatives in FY25 to strengthen its enterprise systems, reduce operational risk, and uplift cyber resilience, supporting more efficient execution of its corporate and strategic objectives. Key achievements include: • Enterprise Systems Modernisation: – Successfully delivered a new Finance system, which went live on 9 July 2025. – Implemented a new Governance, Risk & Compliance (GRC) system to improve oversight and assurance. – Completed planning for a new Project and Portfolio Management (PPM) system, to be delivered in FY26, supporting improved delivery of the Integrated Investment Plan (IIP). • Business Technology Resilience: delivered lifecycle upgrades and system enhancements across AEMO’s business technologies, reducing operational risk and improving system reliability. • Cybersecurity Uplift: strengthened AEMO’s cybersecurity posture through a suite of targeted initiatives, achieving: – Enhanced compliance with regulatory standards. – Measurable risk reduction. – Improved mitigation of cyber threats. – Faster incident response and recovery capability.

Financing

AEMO has a capital investment program and working capital requirements which support AEMO performing its roles and responsibilities across operating and investing activities.

AEMO’s capital investments and short-term working capital requirements are facilitated through debt financing. Financing large capital projects with debt enables AEMO to recover capital costs from market participants through operating expenditure over a period of years once the asset has started its expected useful life.

AEMO optimises the risk and cost of its capital structure by:

- ensuring adequate working capital and standby liquidity,
- undertaking debt refinancing well in advance of maturity to provide optionality,
- seeking to diversify tenor and funding sources, and
- where possible, seeking concessional debt facilities for specific initiatives.

Recognising the ongoing investment requirements to support AEMO’s evolving roles and strategic objectives, in FY25 AEMO progressed plans to mature and diversify its debt portfolio.

AEMO revised and rebalanced its borrowings to support a mix of fixed and floating interest rates, and a diverse and cost-effective capital structure.

At 30 June 2025, AEMO has a syndicated bank debt facility of \$542.5m with National Australia Bank, Australia and New Zealand Banking Group, Commonwealth Bank of Australia, and Westpac Banking Corporation. The facility has a floating interest rate. During FY25, AEMO refinanced all its syndicated bank debt facilities in accordance with its capital management plan to extend facility maturity dates and establish a new facility, Facility A1, for the Gas Trading Fund3 to increase accessible liquidity.

To support capital diversification AEMO has a \$300m five-year, fixed rate, \$300m Australian Dollar Medium Term Note (A\$MTN/Bond). In FY25 Moody’s Credit Agency confirmed AEMO’s Aa2/Stable credit rating.

In April 2025, AEMO implemented its interest rate hedging program to manage its interest rate risk exposure and rebalance its fixed/floating interest rate debt mix. The program is designed to match AEMO’s debt profile and will be reviewed annually.

Volumes and tenors of AEMO’s debt facilities as at 30 June 2025 are set out below. The maturity profile of the total available debt of \$842.5m at 30 June 2025 is as follows.

Chart 12: Debt maturities as at 30 June 2025

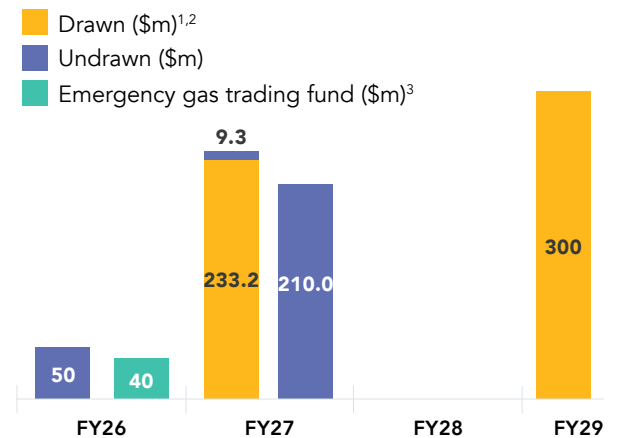
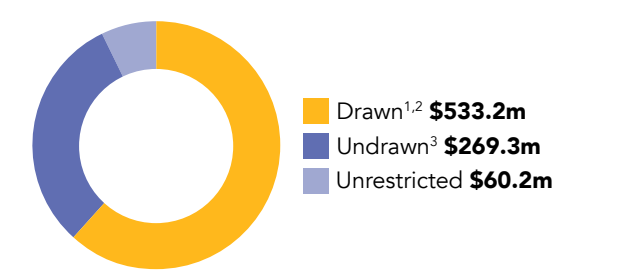


Chart 13: Financing and liquidity at 30 June 2025



At 30 June 2025, AEMO has \$329.5m available liquidity, comprising unrestricted cash and undrawn bank debt.

Notes:
1. Excludes a loan agreement with Federal Treasury to fund the amended scope of the Consumer Data Right (CDR) program. The loan balance at 30 June 2025 was \$3.9m, fully drawn.
2. Excludes a loan from the Clean Energy Finance Corporation to finance AEMO’s early works on the VNI West project.
3. Undrawn amount in Chart 13 excludes the Emergency Gas Trading Fund facility of \$40.0m undrawn as at 30 June 2025. AEMO is required by the National Gas Law to have funds available to trade in natural gas to maintain or improve the reliability or adequacy of gas supply in the East Coast Gas system. These funds are ringfenced.

Financial performance

Total income for AEMO in FY25 was \$734.9m which was an increase of \$238.8m or 48.1% from FY24. The increase in fees and charges related to agreed fee uplifts for the NEM and WEM to accommodate increased operating costs and the impact of reform delivery in prior periods on items like depreciation and amortisation. AEMO also received fee income from new activities like CIS and higher income from the VicTNSP function as the requirement to return a prior period surplus has diminished.

Total expenditure was \$687.7m which was an increase of \$163.1m or 31.1% from FY24. This is predominantly

due to higher expendtiure within those segments for which AEMO has received associated funding. AEMO also incurred expenditure in performing new activities for which associated funding mechanisms are in place.

Further detail is provided in the discussion on operating performance earlier in the report on pages 10 to 17.

The table below includes the surplus from discontinued operations. Further information on discontinued operations is disclosed in Note 23 to the consolidated financial statements.

Table 10: AEMO Group profit and loss sheet summary

	FY25 actual \$m	FY24 actual \$m	FY25 variance to FY24 \$m	FY25 variance to FY24 %
Fees and charges	537.0	392.2	144.8	36.9%
Connections revenue	48.8	39.2	9.6	24.5%
Capacity certificate auctions	18.4	13.5	4.9	36.3%
Other revenue	75.7	41.7	34.0	81.5%
Total revenue	679.9	486.6	193.3	39.7%
VicTNSP net revenue				
Transmission use of systems	778.7	659.5	119.2	18.1%
Settlement residue revenue	(17.4)	17.9	(35.3)	(197.2%)
Negotiated services	80.7	59.7	21.0	35.2%
Network charges	(850.1)	(748.5)	(101.6)	13.6%
Total VicTNSP net revenue	(8.1)	(11.4)	3.3	(28.9%)
Net revenue	671.8	475.2	196.6	41.4%
Other income	63.1	20.9	42.2	201.9%
Total income	734.9	496.1	238.8	48.1%
Labour	325.3	269.7	55.6	20.6%
Consulting and contracting	129.9	67.1	62.8	93.6%
Information technology	72.3	66.2	6.1	9.2%
Other expenses	38.5	24.4	14.1	57.8%
Depreciation and amortisation	108.4	88.6	19.8	22.3%
Financing costs	13.2	8.6	4.6	53.5%
Total expenditure	687.7	524.6	163.1	31.1%
Annual surplus / (deficit)	47.2	(28.5)	75.7	(265.6%)
Accumulated surplus / (deficit)	73.2	26.6	46.4	173.1%

Financial position

AEMO's current assets increased due to an increase in TUoS and Connections receivables at the end of the financial year. Increased cash is driven by higher security deposits and prepayments. Non-current assets continue to increase due to the ongoing spend in the project space uplifting AEMO's digital infrastructure, including the VNI West early works.

Total liabilities increased due to outstanding network charges of \$71.0m at June 2025 and an increase in the security deposits and prepayments liability.

Similar to FY24, spend was primarily in NEM Reform, Operations Technology and WEM Reform programs. The VNI West capital spend continued to grow the non-current assets as the project progressed.

Total liabilities increased, in line with assets. The cash increase is offset by an increase in the security deposits and prepayments liability. In FY25, AEMO drew down debt for the VNI West project via the CEFC.

Table 11: AEMO consolidated balance sheet summary

	FY25 amended \$m	FY25 held for sale \$m	FY25 actual \$m	FY24 actual \$m	FY25 actual variance to FY24 \$m	FY25 actual variance to FY24 %
Cash and cash equivalents	369.7	24.7	394.4	352.8	41.6	11.8%
Other current assets	141.5	100.3	241.8	159.5	82.3	51.6%
Non-current assets	583.6	64.1	647.7	600.7	47.0	7.8%
Total assets	1,094.8	189.1	1,283.9	1,113.0	170.9	15.4%
Current liabilities	460.6	115.8	576.4	447.6	128.8	28.8%
Borrowings	574.5	-	574.5	577.1	(2.6)	(0.5%)
Other non-current liabilities	27.0	0.3	27.3	29.5	(2.2)	(7.5%)
Total liabilities	1,062.1	116.1	1,178.2	1,054.2	124.0	11.8%
Net assets	32.7	73.0	105.7	58.8	46.9	79.8%
Contributed capital			7.1	7.1	-	-
Participant Compensation Fund reserve			11.8	11.5	0.3	2.6%
Other reserves			12.6	12.7	(0.1)	(0.8%)
Accumulated surplus / (deficit)			73.2	26.6	46.6	175.2%
Non-controlling interest			1.0	0.9	0.1	11.1%
Total equity			105.7	58.8	46.9	79.8%

Cash flow

AEMO’s net increase in cash available during FY25 relates to the increase in the need for security deposits and prepayments from market participants as collateral to trade on the respective markets. Payments for intangible assets and property, plant and equipment were below FY24 due to the project stage and timing of activities within the project portfolio. Cash outflows for financing increased as AEMO repaid loan amounts in FY25.

Table 12: AEMO consolidated cash flow summary	FY25 actual \$m	FY24 actual \$m	FY25 variance to FY24 \$m	FY25 variance to FY24 %
Receipts from customers and government grants	1,651.0	1,374.0	277.0	20.2%
Payments to suppliers and employees	(1,506.2)	(1,294.1)	(212.1)	16.4%
Net receipt of participant security deposits	80.3	71.3	9.0	12.6%
Interest received	11.9	7.8	4.1	52.6%
Net cash inflows from operating activities	237.0	159.0	78.0	49.1%
Net payments for intangible assets and property, plant and equipment	(153.9)	(175.3)	21.4	(12.2%)
Net cash outflows from investing activities	(153.9)	(175.3)	21.4	(12.2%)
Interest paid	(30.4)	(34.4)	4.0	(11.6%)
Net borrowings (repaid) / drawn down	(2.8)	138.2	(141.0)	(102.0%)
Repayments of lease liabilities	(8.3)	(9.8)	1.5	(15.3%)
Net cash (outflows) / inflows from financing activities	(41.5)	94.0	(135.5)	(144.1%)
Net increase in cash held	41.6	77.7	(36.1)	(46.5%)

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Governance and risk

Corporate governance

AEMO is an independent, not-for-profit company limited by guarantee. AEMO’s functions are prescribed in its Constitution and in legislative instruments, such as the National Electricity Law/ Rules and National Gas Law/ Rules, and the Electricity System and Market Rules in Western Australia.

AEMO is accountable to the Energy and Climate Change Ministerial Council (ECMC). The ECMC appoints AEMO Directors (other than the Managing Director) following a recommendation by an independent selection panel. AEMO provides reports to the ECMC on AEMO’s performance against the priorities set out in the Strategic Corporate Plan.

A robust and effective Board governance framework enables the Board and its Committees to balance oversight of AEMO’s policies, budget, fee structures and long-term strategy with assurance of management’s delivery of AEMO’s key organisational objectives and responsibilities, including business performance, risk management, stakeholder engagement and compliance. The Board Governance Framework contains appropriate conflicts protocols to manage perceived or actual conflicts arising from AEMO’s government and industry membership and its multiple roles.

As AEMO’s role and responsibilities have increased, both for AEMO and indirectly via AEMO subsidiaries, group-wide governance has continued to evolve to deliver a robust, effective and consistent system of corporate governance. Initiatives to enhance group governance policy, risk reporting and broader corporate governance continue and are contributing to an enhanced standard of governance across the group.

AEMO is committed to ensuring an effective corporate governance framework is in place and has continued to refine its approach to corporate governance, informed by the ASX Corporate Governance Principles and Recommendations, Australian Institute of Company Directors’ Not-for-Profit Good Governance Principles, independent governance review recommendations and overseas trends, adapted as required to AEMO’s corporate structure and constitution.

AEMO’s corporate governance framework and key governance documents, including charters and policies, are available on [AEMO’s website](#).

Role of the Board

AEMO is governed by a Board of Directors responsible for the performance of AEMO’s statutory functions, having regard to the applicable market objectives, and within a detailed framework of energy laws and rules.

AEMO’s Members have no power under its Constitution to influence the performance of AEMO’s statutory functions and powers, which is the responsibility of the Board. The *Corporations Act* and AEMO’s Constitution apply to AEMO, inclusive of rules relating to Director duties, management of Director conflicts and corporate reporting requirements.

The Board regularly reviews the charters and policies that underpin AEMO’s corporate governance practices to ensure they remain appropriate, reflect high standards of corporate governance and meet regulatory requirements. Following a governance review, all AEMO Board and Committee charters were updated and approved.

Composition of the Board

The Board Governance Framework contains appropriate conflicts protocols to manage perceived or actual conflicts arising from AEMO’s government and industry membership and its multiple roles.

In accordance with AEMO’s Constitution, the chair of the Board and the majority of directors must be independent. The Board of Directors of AEMO during FY25 are set out in the Directors’ Report, including those directors who served for part of the year. As at 30 June 2025, AEMO had 10 board directors, comprising an independent chair, the managing director and chief executive officer and eight non-executive directors. Based on a review of director interests, positions and relationships, seven directors (including the chair) are classified as independent.

Board succession

The selection process for a new chair or non-executive directors is overseen by the Board Nomination Committee with the interview short list, interview process and recommendations for appointment made by the Australian Government’s Energy Appointments Selection Panel. In addition to the core skills and experience required by AEMO’s Constitution, other factors such as independence, diversity elements, and succession planning are considered as part of the selection process.

AEMO’s Members (Government and Industry) must endorse the Energy Appointments Selection Panel’s appointment recommendations before they are submitted to the ECMC for approval.

Directors are eligible for reappointment for a term of up to four years. Director reappointments are recommended by the chair to AEMO’s Members at the annual general meeting. Following Member approval, a formal request is submitted to federal and state energy ministers for decision.

Prior to starting in their position, directors undergo a structured induction program. The tailored induction program features briefing sessions with executives and senior managers on key aspects of AEMO’s operations, and site visits. Directors are provided with a letter of appointment and a Deed of Access, Indemnity and Insurance, AEMO’s Constitution, Board Charter, Board Committee Charters, key corporate policies, and an overview of AEMO’s strategic objectives and operations.

Board responsibilities

AEMO’s Constitution and Board Charter set out the role and responsibilities of the Board. Its key responsibilities include:

- approving corporate strategies including the Strategic Corporate Plan, the annual budget, major capital expenditure and financial plans and monitoring of compliance with AEMO’s reporting obligations (including climate-related disclosures),
- overseeing and monitoring organisational performance and the implementation of AEMO’s strategic goals and objectives,
- overseeing the integrity of AEMO’s accounting and corporate reporting systems, including the external audit,

- appointing and assessing the performance of the CEO and overseeing executive leadership succession plans,
- assessing senior executive performance against measurable and qualitative indicators,
- instilling AEMO values and monitoring AEMO organisational culture including approval of AEMO’s Code of Conduct,
- ensuring alignment of remuneration and people management policies with AEMO’s purpose, values, strategic objectives and risk appetite,
- approving AEMO’s risk appetite and overseeing processes to identify significant risks facing AEMO, and ensuring that appropriate and adequate control, monitoring and reporting mechanisms are in place,
- ensuring the effectiveness of AEMO’s governance systems and practices,
- monitoring compliance with ethical, legislative and regulatory requirements including energy laws and rules, workplace health and safety, diversity and inclusion, environmental, climate, sustainability, corporate governance and reporting obligations,
- approving the statutory appointment and replacement of the Company Secretary, and
- ensuring an appropriate framework is in place for Management to report adequate and relevant information to the Board.

In performing their role, Directors may access:

- any information they consider necessary to fulfil their responsibilities and to exercise independent judgement when making decisions,
- management personnel, to seek further information,
- auditors, both internal and external, to seek explanations and information from them without management present,
- organisational records in accordance with their Deed of Access, Indemnity and Insurance,
- the Group Company Secretary about any matter related to their role as director, and
- independent professional advice, at AEMO’s expense, to help them carry out their duties, provided they have the prior approval of the chair, which will not be unreasonably withheld.

Board development

Directors are encouraged to continue their education and development by attending training and education relevant to their role. Briefings and workshops are also regularly held in conjunction with Board meetings.

FY25 performance assessment outcomes

During FY25, an external, independent review of the Board's performance was conducted examining the Board's culture and effectiveness, to identify strengths and areas for development.

The review confirmed that the Board was highly capable, strategic, and engaged, with a clear governance structure, providing effective oversight of financial and operational performance and demonstrating a commitment to risk management and cybersecurity and an evolving focus on a long-term strategic framework. A focus for FY26 will be further strengthening and developing Board strategic planning activities.

Risk management

Robust risk governance is critical to AEMO's resilience and ability to deliver its strategic priorities. Through FY25, AEMO has been undertaking an integrated risk transformation aimed at strengthening AEMO's risk management foundations and embedding risk intelligence across its operating model. Key achievements to date included:

- **Embedding risk into decision-making** processes by strengthening the linkages between risk, strategy and integrated business planning. This included aligning AEMO's Corporate Plan initiatives with the top risks to ensure that appropriate actions to manage and mitigate risk are actively underway and integrated with strategic delivery.
- **Implementing AEMO's new Governance, Risk and Compliance (GRC) platform**, which acts as a single source of truth for risk and compliance information, and beginning to unlock its potential through targeted onboarding, training and adoption across the organisation.
- **Evolving AEMO's risk culture** to be more proactive, adaptive, and responsive to the dynamic challenges and opportunities presented by the energy transition. This transformation was supported by an initial organisation-wide risk culture measurement which provided valuable insights into current risk behaviours and areas for improvement. These insights have informed the development of a comprehensive uplift plan that will strengthen risk capability and reinforce accountability across the organisation.

- **Strengthening risk governance** by implementing a new risk business partnering model and establishing a consistent model and approach for Line 1 risk champions to support effective risk management at AEMO. This is aligned to the 'Three Lines' model, a practical framework that clarifies how different teams work together to identify, manage and oversee risk at AEMO.
- **Providing targeted risk support** for key corporate programs and projects, including operational planning, cyber defence and reform agenda, enabling risk-informed decision-making that aligns with AEMO's strategic objectives and risk appetite.
- **Leading an enterprise-wide Artificial Intelligence (AI) risk assessment and broader governance efforts**, to ensure AI technologies are implemented responsibly, securely and in alignment with AEMO's risk appetite, legal and regulatory obligations and broader operating context. This reflects AEMO's commitment to proactively manage the risks and opportunities associated with emerging technologies, and to embed robust governance practices that support ethical, transparent and accountable AI adoption across the organisation.
- **Uplifting the broader fraud and corruption settings**, in line with the Australian Government's Fraud and Corruption Framework, reinforcing AEMO's commitment to ethical conduct, transparency and accountability across all areas of the organisation.

Prioritising top risks

AEMO operates in a rapidly evolving context, characterised by the inherent complexities facing the energy sector. AEMO's top risks reflect this changing context and represent the most significant strategic and operational challenges to delivering its purpose. In FY25, AEMO has remained focused on actively managing these risks while identifying and responding to emerging threats.

This included deepening understanding of AEMO's top risk drivers, establishing initial key risk indicators and tolerances to better inform decision-making and improving our risk technology capabilities through the implementation of the GRC platform.

These efforts continue to position risk as a strategic enabler, supporting informed and confident decision-making aligned with AEMO's purpose to ensure secure, reliable and affordable energy and enable the energy transition in the long-term interests of consumers.

AEMO's top risks

			
1	2	3	4
Operating today's systems and markets	Navigating the energy future	Engaging our stakeholders	Evolving the way we work
System and market security and reliability: Increasing supply/demand volatility, extreme weather events, and rapid changes to the energy system and market. Cyber security: Evolving cyber threats against Australia's critical energy infrastructure.	Energy system transition: Inherent complexities and uncertainty in planning for Australia's energy transition. Market and regulatory reform: Policy and regulatory complexity, market transformation required to support operations and enable the transition. Transformation and change: Increasing volume and complexity of large-scale change programs.	Stakeholder trust and confidence: Rapidly evolving stakeholder expectations across consumers, market participants, industry groups and government.	Right capabilities and talent: Changing skill and capability mix required, now and into the future. Technology, systems, processes and data: Addressing technical debt and increasing operational requirements. Financial sustainability: Complexity in financial governance and funding arrangements. Workplace health and safety: Changing safety risk profile as AEMO's role and functions evolve.

Sustainability

Our approach to ESG

AEMO is committed to building our strategic response to Environment, Social and Governance (ESG) matters, and preparing to meet the mandatory AASB S2 climate-related requirements of the recently legislated Australian Sustainability Reporting Standards (ASRS) from FY26.

The Australian Accounting Standards Board (AASB), issuers of the ASRS, has taken a ‘climate-first’ approach, indicating that while climate is the focus of this initial version of the legislation, other sustainability disclosures, such as those related to nature and biodiversity, may eventually become mandatory. AEMO is therefore following a similar climate-first approach to compliance and has established an enterprise-wide sustainability framework and program. The results of a 2024 materiality assessment, which included consultation with key stakeholders to determine our priority sustainability topics, are guiding our reporting on key sustainability impacts, risks, and opportunities. Further information regarding this materiality assessment is provided on pages 71-73.

In FY25, our sustainability program focused on:

- uplifting our internal understanding of the ASRS and addressing reporting gaps,
- developing our sustainability strategy,
- delivering multiple workstreams that prepare us to meet the ASRS requirements from FY26, and
- developing our sustainability assurance framework, in line with the ASRS requirements.

AEMO is also committed to continued efforts towards identifying risk associated with Modern Slavery across our business and supply chain, and ensuring we have in place an evolving and appropriate response to those risks. We publish an annual Modern Slavery Statement, made in accordance with the *Modern Slavery Act*, that is available on our website and which sets out the actions taken by AEMO to assess and address these Modern Slavery risks.

Our position on climate change

AEMO supports the Australian Government's climate change objectives.

Our statutory functions are guided by the relevant market objectives, which include, for example, in the case of the National Electricity Objective, furthering the achievement of emissions reduction targets such as the Australian Government's objective to achieve net zero by 2050.

Addressing climate change is complex and requires a collaborative response by government, business, and the community. As Australia’s independent energy system and market operator and system planner, and adviser to governments and industry, AEMO has a key role to play as our energy systems transform in coming years.

Enabling the energy transition

While our sustainability program is focused on minimising the environmental footprint of AEMO’s operations and mitigating the risks posed to our organisation by climate change, we also have a broader role to play in supporting the energy transition. ‘Navigating the energy future’ is one of AEMO’s strategic priorities underpinned by initiatives laid out in our Strategic Corporate Plan, including the following:

- Publishing the Integrated System Plan (ISP) every two years, a roadmap for the energy transition in the National Electricity Market (NEM) over at least the next 20 years. It outlines the lowest-cost pathway of essential generation, storage and transmission infrastructure to meet consumers’ forecast energy needs for secure, reliable and affordable energy, and to achieve net zero emissions targets. This supports the government and industry to plan and invest in infrastructure to meet current and future energy needs.
- Providing independent technical insights to investment requirements and oppirtunities. Reports such as the Electricity Statement of Opportunities (ESOO) and the Gas Statement of Opportunities (GSOO) are important planning and forecasting tools that support investors and governments to make informed decisions on both the east coast and west coast. AEMO is working with governments, industry and market bodies to inform, deliver and embed market and system reforms. One of the major areas we are working on with government and industry is better integration of consumer energy resources (CER) into market and system design in the NEM, through the development of the national CER Roadmap to unlock CER at scale.
- In Western Australia, we support the Western Australian Government’s Energy Transformation Strategy through Project Symphony, and Distributed Energy Resources (DER) Roadmap, and we continue to collaborate with industry on Project Jupiter, a three-year project to support the accelerated integration of rooftop solar, home and community.
- Acting as the advisor to and tender delivery partner for the federal Capacity Investment Scheme (CIS), and ASL’s continued role for the NSW Electricity Infrastructure Roadmap tenders to support new investment in generation, storage and firming infrastructure.
- Delivery of priority initiatives from the Engineering Roadmap in preparation for 100% instantaneous renewable penetration.

Responding to Australia’s emerging climate reporting regulations

In FY25, we made significant advancements in our preparation to comply with Australia’s new mandatory climate-related disclosure requirements. These required preparatory activities were identified in a gap assessment of our climate-related practices and policies against the AASB S2 Climate-related Disclosures standard. Some of the activities we have undertaken ahead of our first mandatory reporting year in FY26 are summarised below.

Climate-related risk and opportunity assessment

A changing climate poses both physical and transition risks and opportunities for AEMO, and the energy industry more broadly. Our electricity and gas planning and forecasting functions support the design of Australia’s future energy system, as energy markets, networks and operations continue to evolve in preparation for very high penetrations of renewable energy.

This year we undertook an assessment and prioritisation of potential climate-related risks and opportunities relevant to our business, operations and value chain.

This risk assessment was conducted by reviewing our business model and value chain for key dependencies related to climate, analysing our risk management framework and policies, conducting best-practice benchmarking and holding interviews with relevant stakeholders.

The risk and opportunity prioritisation process was supported by climate scenario analysis (outlined below) which is a requirement of the ASRS and will help inform our climate disclosures in 2026.

Identified climate-related risks and opportunities were prioritised in alignment with the AASB S2 requirements. For each risk and opportunity, an overall prioritisation rating was calculated by combining an inherent risk rating (considering likelihood and consequence) with additional criteria including qualitative factors such as relative importance to primary users and sector considerations.

This prioritisation process enabled the ranking of identified climate-related risks and opportunities to guide AEMO’s climate risk mitigation strategy and inform climate scenario analysis.

The table below discloses our highest priority climate-related risks, including an overview of descriptions and time horizons.

	Risk theme	Risk/opportunity description	Time horizon ¹
PHYSICAL	Acute	The increasing frequency and intensity of acute weather events , and their variability across geographies, may challenge AEMO’s ability to effectively forecast and model demand, as well as maintain system security and reliability	Short to long
	Market	Existing market settings may be insufficient or not fit for purpose to facilitate the delivery of energy outcomes that meet current and emerging customer expectations	Short to long
TRANSITION	Policy and Legal	Legal risk from breach of fiduciary responsibilities related to ASRS requirements could lead to fines and legal costs, and reputational damage	Short to medium
	Technology	New lower carbon technologies in the Australian energy network are not developed quickly enough to meet jurisdictional decarbonisation and renewable energy targets, resulting in reliance on more carbon-intensive energy-producing technologies beyond current forecasts, and reputational risk	Short to medium

¹ The time horizons used for these risk and opportunities are indicated as: Short <5 years (~2030), Medium 5-15 years (~2040), Long > 15 years (~2050)

Climate scenario analysis

Climate scenario analysis is a critical element in AEMO’s assessment of the climate resilience of our strategy and business model. In 2025, AEMO conducted a climate scenario analysis assessment to stress-test our business strategy and evaluate our risk exposure under varying climate outcomes, including those related to both a low emissions and high emissions future.

This analysis focused on the impacts of our climate-related risks and opportunities on AEMO’s key assets, operations and people. By testing the functions we perform against climate-related hazards across different time horizons and temperature scenarios, we can identify current and potential vulnerabilities and understand the impacts of our most significant climate-related physical and transition risks and opportunities.

The outputs from this scenario analysis were then tested on AEMO’s existing corporate financial model to assess the impacts of climate-related risks and opportunities on our financial prospects across time horizons and under different emissions scenarios. In 2026 we will further develop, and report on, the results of this scenario analysis and financial modelling.

System analysis

In our role as system planner AEMO also conducts assessments of the resilience of the broader energy system to climate-related risks, which includes forecasting exercises across multiple time horizons. The impact of these transition risks and opportunities on the energy system are considered as part of our ISP scenario exercises. Short-term impacts of climate and weather-related physical risks on the energy system are assessed through seasonal readiness reports; medium-term physical impacts through the ESOO and GSOO, and longer-term impacts of physical risks as part of the ISP process. These assessments consider the impact of climate outcomes and weather events, across multiple scenarios. Climate factors considered include the effects of temperature on demand and generator capacity, bushfires affecting operational function, weather patterns affecting wind-turbine and solar plant output, and rainfall affecting hydro generation.

In general, AEMO and the systems and markets we operate face a heightened vulnerability to climate-related physical risks under higher temperature futures, as is the case for other system operators and utilities. We will continually assess and respond to these risks as part of our enterprise risk management processes.

Climate governance review

As part of our preparations to comply with the ASRS, an external consultant was contracted to conduct a governance review which compared AEMO’s existing climate governance systems with the AASB S2 requirements. This review identified existing structures and processes that comply with the AASB’s requirements and provided recommendations for further action to ensure full compliance by FY26.

AEMO is committed to addressing the recommendations from this review, which include but are not limited to the implementation of a Sustainability Steering Committee (SteerCo) to offer strategic direction and guidance to AEMO’s Executive Leadership Team (ELT) and Finance, Risk, and Audit Committee (FRAC). The Sustainability SteerCo, which includes executive and management representation, is responsible for reporting the progress of AEMO’s sustainability strategy and program of work, and ensuring that AASB S2-related requirements are included on the agendas of AEMO’s governing bodies, business divisions and relevant management, to provide adequate oversight of climate-related matters.

Our commitment to reducing our environmental footprint

AEMO is committed to developing pathways to minimise the environmental impacts of our operations and activities.

In FY25 we conducted a baseline greenhouse gas (GHG) emissions assessment, which included our scope 1, 2 and 3 emissions. This calculation is performed in line with the GHG protocol, the globally accepted standardised framework for measuring and managing emissions.

Our Scope 1 and 2 emissions boundaries focus on facilities over which we have ‘operational control’ and emissions from purchased energy, including our administrative offices, control rooms, and the Victorian Gas Transmission System (GTS) Operating facility².

Our Scope 3 emissions boundary focuses on our indirect emissions. It has been selected in alignment with the GHG Procotol’s technical guidance for calculating Scope 3 emissions, including consideration for the materiality of these indirect emissions with regards to our carbon footprint, our ability to influence them and energy industry guidance.

As AEMO does not have operational control of energy assets outside of the GTS Operating facility, such as generation facilities or transmission lines, emissions related to power systems and usage fall outside of our emissions boundary. Our largest drivers of emissions are those produced at the GTS Operating facility (Scope 1), and our purchased goods and services (Scope 3, Category 1).

	FY25
Scope 1 GHG emissions, including those produced at the Victorian GTS Operating facility (t CO2e)	39,024.61
Scope 2 GHG emissions (t CO2e)	2,723.72
Scope 3 GHG emissions ³ (t CO2e)	46,489.47
Total emissions (t CO2e)	88,237.79

- We are committed to reducing our carbon footprint, by:
- identifying opportunities and setting targets to reduce the environmental impact of our operations,
 - engaging and empowering our people to take action to realise these opportunities, and
 - learning from best practice by engaging with experts and market leaders.

While we are in the early stages of our journey, we have undertaken a number of initiatives that support our organisational carbon reduction ambitions, in addition to the work that we are doing on behalf of the energy industry to enable net zero by 2050. These include:

- In FY24 we relocated staff based in our Melbourne head office into a 6-star NABERS rated building. The building also holds a 5-star Green Star performance rating.
- In FY26, we will relocate our Brisbane-based staff into a 6-star Green Star Design rated building, which also has a 5-star NABERS rating. The building’s operations are carbon neutral.
- We encourage staff use of video conferencing to reduce emissions associated with business travel.
- We enable the reduction of our travel-related emissions by purchasing carbon offset credits for all flights taken by staff.
- We are investigating emissions reduction opportunities related to AEMO’s purchased good and services.

As we continue our journey to better integrate climate considerations across our business, we will look to develop additional metrics and targets that will monitor AEMO’s climate-related risks and opportunities. We intend to develop decarbonisation pathways to reduce our emissions ahead of considering carbon neutrality for our operations through the Australian Government’s Climate Active certification.

ESG materiality assessment

In 2024 we performed our first materiality assessment as part of our commitment to further embedding sustainability and climate change considerations across our business operations and value chain.

The outputs of this materiality process guide our sustainability strategy, inform reporting, ensure that we address the sustainability-related issues that matter most to stakeholders, provide meaningful insights, enhance transparency and improve decision-making.

In line with best practice, we undertook a double materiality assessment. Double materiality captures two dimensions:

- Impact materiality: which identifies material ESG topics from the perspective of actual and potential impacts generated by AEMO on the economy, environment, and people.
- Financial materiality: which identifies material ESG topics from the perspective of risks and opportunities that affect or could affect AEMO’s financial position, financial performance and cash flows, access to finance or cost of capital.

The impact materiality approach was informed by the Global Reporting Initiative (GRI) standards, while the financial materiality approach was informed by the International Sustainability Standards Board (ISSB).

Stakeholder engagement is fundamental to the materiality assessment process. By engaging a diverse range of internal and external stakeholders through surveys, interviews and workshops, we identified, validated and prioritised the ESG topics which have the most significant impacts, risks and opportunities for AEMO. Internally, we identified representatives across our business units and functions to participate in the materiality process.

² Per guidance received from the Clean Energy Regulator in relation to the requirements of the National Greenhouse and Energy Reporting (NGER) Scheme, AEMO currently has responsibility for reporting emissions produced within the Victorian GTS Operating facility. We report these emissions annually in line with the requirements of the NGER.

³ Scope 3 GHG emissions calculation considers categories 1 – 8, as defined by the GHG protocol.

The following topics identified through the materiality assessment are key areas of focus for AEMO’s future strategic sustainability direction and reporting, and have been aligned to the United Nations Sustainable Development Goals (SDGs).

	Material topic	Material topic definition	Relevant SDGs
ENVIRONMENTAL	Energy transition	Governments have set 2050 as the target for a net zero economy, with each jurisdiction having interim emissions and renewable energy targets to meet that deadline. As Australia’s independent energy system and market operator and system planner, AEMO has an important role in working closely with stakeholders to provide planning and forecasting information to support investment in future power systems built on renewable energy generation connected with new transmission, backed up by gas, hydro and batteries.	  
	Climate resilience and adaptation	Climate resilience and adaptation refers to how AEMO adjusts to current and future climate change-related physical and transition risks and incorporates climate change into our business strategy, risk framework and other internal processes and activities. This includes AEMO’s operational emissions footprint and energy usage, strategies in place to decarbonise our operations and resilience of the energy systems and markets AEMO manages.	 
SOCIAL	Community and stakeholder engagement	Australians will experience significant change through the energy transition, and open and active collaboration between governments, industry and consumers will be needed. AEMO must engage closely and transparently with our stakeholders, such as through the ISP Consumer Panel, to address the challenges and take advantage of the opportunities the transition offers, and to consider consumer perspectives in our planning and ways of working.	 
	Health, safety, wellbeing and training	AEMO has a responsibility to ensure healthy and safe work conditions for our employees, contractors, and members of the public. Safe work conditions include both prevention of physical and mental harm, and the promotion of health and wellbeing. Employee engagement, retention and attraction is strategically important to AEMO and it is therefore critical that AEMO ensures opportunities are offered to employees to uplift internal capability and provides opportunity for professional and personal development. This includes setting up the organisation, and our workforce, to be equipped for future changes and requirements.	  
	Energy access and affordability	AEMO’s purpose is to help ensure access to secure, reliable and affordable energy, and enable the energy transition for the benefit of all Australians. AEMO must embed within our operations and value chain a consumer-focused mindset regarding decision-making and ways of working to drive consumer-centric thinking and outcomes to support electricity affordability and accessibility and provide overall confidence in the energy system.	 
	Diversity, equity and inclusion	AEMO’s approach to promoting diversity (e.g. age, ethnicity, nationality, religion, disability, gender, sexual orientation), inclusion and equal opportunity at work impacts our employees and community. It provides AEMO with access to a larger and more diverse talent pool, and benefits society more broadly as equity promotes social stability and supports further economic inclusion and development. This also includes respecting and valuing Australia’s First Nations Peoples’ continuing cultures, deep knowledge and unique perspectives of lands, waters, seas and the natural environment and supporting First Nations Peoples to have equitable access to energy and to mutually benefit from the changes that are happening, socially, economically and culturally.	 

	Material topic	Material topic definition	Relevant SDGs
GOVERNANCE	Corporate governance, compliance, ethics and integrity	Given the scope and significance of the role we play in the energy industry, AEMO is subject to scrutiny of our governance practices. It is important to ensure that a robust corporate governance structure is embedded strongly throughout AEMO, including through our structures and policies. This includes compliance and conformance with relevant domestic and international laws, regulations and reporting frameworks, as well as anticipating and understanding shifts that emerge within the global and domestic regulatory and policy environment. Promoting trust and transparency with our stakeholders is paramount.	
	Power system reliability	As the system and market operator, AEMO is responsible for maintaining system security and reliability. This includes investing in people, processes, governance and operational technologies to respond to the operational and reliability challenges resulting from an increasingly complex and dynamic energy environment, particularly during the energy transition.	   
	Cyber security and data protection	Part of AEMO’s responsibility to operate energy systems and markets is to ensure robust cyber security strategy, protections and response plans are in place across the industry to ensure energy reliability. AEMO is also responsible for collaborating with government and industry partners to support market participants in understanding and improving their security maturity and resilience. Cyber security and data protection also includes the management and protection of internal data, systems and information from malicious or unauthorised cyber threats.	 
	Digitalisation and innovative technology	As Australia’s energy system changes, it is essential that AEMO has the processes, data, technology, and digital infrastructure to enable the transition and maintain reliable energy supply, and that it has the cyber security capabilities to address ongoing and escalating threats.	   
	Financial governance and cost efficiency	As AEMO is primarily funded by market participants, it is essential that stakeholders have confidence in AEMO’s financial governance, financial management and cost efficiency and that they feel AEMO is sufficiently transparent and accountable about our financial position and management, such as through our regular engagement with the Financial Consultation Committee. This is particularly important as we lead a wave of investment to support the industry’s transition.	 

Directors' report

For the financial year ended 30 June 2025



The directors present their report on the consolidated entity consisting of the Australian Energy Market Operator Limited (AEMO or the Company) and the entities it controlled at the end of, or during, the financial year ended 30 June 2025. Throughout the report, the consolidated entity is referred to as the group.

AEMO is a not-for-profit public company limited by guarantee, incorporated under the *Corporations Act 2001*. AEMO's membership structure comprises state and federal governments (60%) and energy industry participants (40%). Registered energy market participants are eligible to become industry members of AEMO.

AEMO has a statutory right to recover its costs of performing its statutory functions.

AEMO's Constitution states that each member must contribute to the Company's property if the Company is wound up during, or within one year after the cessation of, the member's membership on account of:

- payment of AEMO's debts and liabilities contracted before they ceased to be a member,
- the costs of winding up,
- adjustment of the rights of the contributories among themselves,

an amount not to exceed \$1.00.

At 30 June 2025, the total maximum amount that members of the Company are liable to contribute under the Constitution if AEMO is wound up is \$95.

The year in review

A review of AEMO's objectives, strategy, principal activities and performance measures for the year is on pages 10 - 37 of this report. Further details of AEMO's operations are provided in the Financial Statements on pages 38 to 63 of this report.

Directors

The following directors form AEMO’s Board during FY25 and up to the date of this report, unless otherwise stated.



Professor Mary O’Kane AC, BSc (Qld), PhD (ANU)

Non-executive Independent Chair
Chair, Nominations Committee
Member, People Committee
Member, Technical, Markets and Systems Committee
Participant, Other Board Committees ex officio
Member, Capacity Investment Scheme Investment Committee
Director, AusEnergy Services Ltd

Date of appointment: 2 April 2024

Chair, Sydney Health Partners Board; Chair, Mary O’Kane & Associates Pty Ltd; Chair, Australian Centre for Excellence in Antarctic Science Advisory Board; Chair, University of Tasmania Institute of Marine & Antarctic Studies Advisory Board; Member, Australian Antarctic Science Council; Chair, FFG Austrian Research Promotion Agency COMET Panel; Member of Advisory Board, NSW Reconstruction Authority; Chair, Business Events Sydney Ltd, Director AusEnergy Services Limited, Interim Chief Commissioner, Interim Australian Tertiary Education Commission.

Mary was the Chair of the NSW Independent Planning Commission from 2018-2024, NSW Chief Scientist & Engineer from 2008-2018; and Vice-Chancellor of the University of Adelaide from 1996-2001. For the last 25 years, Mary has served on many Australian and overseas boards and committees in the public and private sectors, especially related to research, engineering, ICT, energy, and international development.



Daniel Westerman BEng (Hons), BSc, MBA, CPEng, FTSE, FIEAust, FloD

Managing Director and CEO
Director, Transmission Company Victoria Pty Ltd
Participant, Other Board Committees ex officio
Chair Capacity Investment Scheme Investment Committee
Director, AusEnergy Services Ltd

Date of appointment: 17 May 2021

Daniel Westerman commenced as CEO and Managing Director of AEMO in 2021. He oversees AEMO’s strategy and operations, including collaboration with market participants and policy-makers.

Under Daniel’s leadership, AEMO has ensured a secure and reliable supply of electricity and gas for customers through increasingly complex operations across Australia’s energy grids and developed a trusted set of roadmaps to transition Australia to a net zero energy system.

Internally, AEMO has built a purpose-led and values-based culture, with strong uplifts in employee engagement, diversity and inclusion, and financial performance. AEMO is a trusted partner of both industry and governments. Prior to joining AEMO, Daniel held a variety of senior executive roles with London-listed electricity and gas utility, National Grid plc., after an earlier career with McKinsey & Company and Ford Motor Company.

Daniel holds degrees in Engineering and Mathematics from the University of Melbourne, and an MBA from Melbourne Business School. He is a Fellow of the Academy of Technological Sciences and Engineering, a Chartered Engineer and a Fellow of the Institute of Directors.



Julieanne Alroe BEcon, MAICD

Non-executive Independent Director
Member, Finance, Risk and Audit Committee
Member, Technical, Markets and Systems Committee

Date of appointment: 1 June 2021

Chair, Urban Utilities Water 2032 and Beyond Advocacy Committee; Member, University of Queensland Senate; Director, Gardior Pty Ltd; Member, Committee for Brisbane Advisory Board; Member, Queensland Business Hall of Fame Advisory Committee.

Julieanne Alroe is a professional non-executive director. She retired in June 2018 from Brisbane Airport Corporation (BAC) where she had held the position of CEO and Managing Director since 1 July 2009. She was the Chair of ERM Power Ltd from 2018 until it was sold to Shell in late 2019. She was also the Chair of Infrastructure Australia for five years until August 2021.

Julieanne was granted an Honorary Doctorate from Griffith University (honoris causa) in December 2016. She is a Fellow of the Queensland Academy of Arts and Sciences and a member of the Chief Executive Woman (CEW).



Anthony (Tony) Concannon BSc (Hons), FAICD, FIMechE, AMIET

Non-executive Non-independent Director
Member, Finance, Risk and Audit Committee
Member, Technical, Markets and Systems Committee

Date of appointment: 1 May 2017

CEO and ownership interest, Reach Solar Energy (and related development companies); Member, Clean Energy Finance Corporation, Rewiring the Nation Advisory Committee.

Tony Concannon has more than 35 years’ experience in the power sector and is a chartered power engineer with international experience in governance, investor relations, operations management, finance, and risk management. He was an Executive Director of International Power plc (2004-11), CEO for IPR Australia and CEO Asia Pacific region for GDF SUEZ Energy until Q1 2014, and is a previous Chairman of the Electricity Supply Association of Australia (now known as the Energy Council of Australia).

He is the Chair of the Zema Scholarship Fund Committee and has held this position since 1 December 2021.



Elizabeth (Betsy) Donaghey BSc, Msor

Non-executive Non-independent Director
Chair, People Committee
Member, Technical, Markets and Systems Committee

Date of appointment: 1 May 2017

Director, Amplitude Energy Limited; Director, Ampol Ltd.

Betsy Donaghey is a professional director and former executive whose career has focused on the energy and resource sectors. An engineer by training, Betsy held senior executive positions in strategy, marketing, and business development at BHP Petroleum, Woodside Petroleum, and EnergyAustralia.

She is a past director of Imdex Ltd and St Barbara Limited. She also served on the Solar Flagship Council and the Board of the Australian Renewable Energy Agency. She is also a member of the Zema Scholarship Fund Committee.



Nino Ficca BEn(Hons), Advanced Management Program Harvard USA, GradDip Mgt, MAICD, FIEAust

Non-executive Non-Independent Director
Chair, Technical Markets and Systems Committee
Member, People Committee

Date of appointment: 1 February 2019

Director, APA Group Limited; Director, APA Infrastructure Limited; Member, Deakin University Council; Co-Founder and Director, TasRex; Chair of EastLink/ Horizon Roads.

Nino Ficca has extensive senior executive experience in strategic and operational roles within the energy sector, including in the National Electricity Market and gas markets. He served as Managing Director of AusNet Services Limited and its predecessors, SP AusNet and SPI Powernet, from 2001 to 2019.

An electrical engineer by training, Nino has a deep understanding of energy transmission and distribution grids, and their importance in underpinning effective markets and maintaining secure, reliable and high-performing systems. Nino is also the past Chairman of the Energy Networks Association, and a past Chair of CIGRE Australia. He is also a member of the Zema Scholarship Fund Committee.



Anne Nolan B. Econ(Hons), M. Econ

Non-executive Independent Director
Chair, Finance, Risk and Audit Committee
Member, Technical, Markets and Systems Committee

Date of appointment: 1 February 2019

Director, Fremantle Ports Authority; Director, Western Australia Symphony Orchestra; Director, Western Australia Venues & Events.

Anne Nolan has had a distinguished career with the Western Australian public service sector, leading the Department of Finance and the Department of State Development and serving as the Deputy Director-General, Cabinet and Policy Division, in the Department of Premier and Cabinet. She was the inaugural Chief Executive of the Independent Market Operator for the WA Wholesale Electricity Market (WEM).

She is an economist with broad public policy experience in microeconomic reform, energy, infrastructure, tax and Commonwealth-State relations. As Chief Executive of the Office of Energy from 2002 to 2006, Anne was responsible for driving the reform agenda that saw the introduction of a competitive electricity market in the WEM, an independent third-party network access regime and the disaggregation of Western Power.



Kathryn Presser AM BA (Acc), Grad Dis CSP, MBA, FAICD, FCPA, FCIS, FGIA

Non-executive Independent Director
Member, Technical, Markets and Systems Committee
Member, Finance, Risk and Audit Committee

Date of appointment: 9 January 2023

Non-Executive Director and Chair of Audit Committee, Police Credit Union; Chair of the Walford Anglican School for Girls Foundation; Chair of Risk and Performance Committee, Department for Energy and Mining, South Australia; Non-Executive Director and Chair of Audit and Risk Committee, National Reconstruction Fund Corporation (NRFC); Non-Executive Director and Chair of Audit and Risk Committee, Renascor Resources Limited.

Kathryn Presser has over 30 years' experience in executive roles, having worked in industries including resources, aviation, hospitality, banking and finance, and in accounting advisory and audit firms where she has had extensive experience in the management of financial transactions, governance, risk management and strategic planning.

She had over 20 years' experience in ASX Top 200 listed oil and gas company Beach Energy as the CFO/Company Secretary, where she directed large financing transactions, major capital raising and several mergers and acquisitions.



Christine (Chris) Williams MA LLB, GAICD

Non-executive Independent Director
Member, Finance, Risk and Audit Committee
Member, Capacity Investment Scheme Investment Committee
Member, Technical, Markets and Systems Committee

Date of appointment: 9 January 2023

Chair, Port of Newcastle Property Trust Group; Director, St Andrews Cathedral School Foundation Limited; Chair, Sydney Chamber Opera Inc; Director, Housing All Australians Limited.

Christine Williams is a professional lawyer, General Counsel and business executive with over two decades of experience. Christine has extensive experience as an mergers and acquisitions and funds management lawyer and senior business executive in the infrastructure, property, and financial services industries.

Christine was General Counsel for BT Asset Management Property Group and, until recently, an Executive Director and Global General Counsel for the Macquarie Group infrastructure and real asset funds management division for 21 years. Her responsibilities at Macquarie included transactional, investment and risk management activities in electricity generation and electricity and gas transmission and distribution in Australia.

Christine is currently a non-executive director of not-for-profit organisations supporting indigenous education, the performing arts and affordable housing.



Kee Wong BE (Hons), MBA, GradD Computing (D)

Non-executive Independent Director
Member, People Committee
Member, Technical, Markets and Systems Committee
Chair of Information Exchange Committee

Date of appointment: 1 June 2021

Managing Director, E-Centric Innovations Pty Ltd; Director, Carsales.Com (ASX: CAR); Non-Executive Director, Walter Eliza Hall Institute; Director, Nomura Research Institute Australia & New Zealand; Director, Australian Business Growth Fund.

Kee Wong is an experienced entrepreneur, investor, advisor and experienced non-executive Director with qualifications in engineering, information technology and business.

He joined IBM in 1994 as a senior executive running part of its e-business group in the Asia Pacific region, including Australia and New Zealand. In 1999, he founded E-Centric Innovations, an IT/Management consulting firm, and went on to establish several businesses. As adviser to the Victorian Government, Kee helped develop an R&D venture which resulted in a new global joint venture between Xerox and VicTrack to commercialise new technology that will remotely monitor the structural health of bridges.

Amongst previous Board positions, he was also Chairman of the Australian Information Industry Association (AIIA), a Deputy Chairman of Asialink and a Director of LaunchVic. He is also a member of the Zema Scholarship Fund Committee

The Constitution requires that a majority of Directors, including the Chair, must be independent. Schedule 2 of the Constitution defines the independence requirements for Directors. Information pertaining to Directors' benefits is detailed later in this report.

Company secretaries

Janice Bale was appointed Company Secretary of AEMO on 5 November 2021.
Qualifications: B.Bus (Monash), CPA, FGIA, GAICD, GradDip ACG, Chartered Secretary.

Joseph Restifo was also appointed Company Secretary of AEMO on 2 November 2023.
Qualifications: LLB (Hons), BA(UWA), GradDip ACG, Chartered Secretary.

Meetings of directors

The number of meetings of the company’s Board of Directors and of each Board committee held during FY25, and the number of meetings attended by each director, are noted in the following table.

Table 1: Number of meetings and Director attendance in FY25

	Board meetings		People meetings		Finance, Risk & Audit meetings		Technical, Markets & Systems meetings		Special Board meetings	
	A	B	A	B	A	B	A	B	A	B
Mary O’Kane	8	8	4	4	4*	4*	4	4	1	1
Julieanne Alroe	8	8	-	-	5	5	4	4	1	1
Tony Concannon	6	8	-	-	4	5	4	4	1	1
Betsy Donaghey	8	8	4	4	-	-	4	4	1	1
Nino Ficca	7	8	4	4	-	-	4	4	1	1
Anne Nolan	7	8	-	-	5	5	3	4	1	1
Kathryn Presser	8	8	-	-	5	5	4	4	1	1
Daniel Westerman	8	8	4*	4*	4*	4*	4	4	1	1
Christine Williams	8	8	-	-	5	5	4	4	1	1
Kee Wong	7	8	3	4	-	-	4	4	1	1

A: Number of meetings attended.
B: Number of meetings held during the time the director held office or was a member of the committee during the year which they were eligible to attend.

The Board held eight scheduled meetings during the financial year.

All directors are members of the Technical, Markets and Systems Committee. The Chair, and the Managing Director and CEO attend all committee meetings ex-officio (denoted with an *), unless specified otherwise. Where a director is not a committee member, their attendance at meetings is not reflected in the table above. When a director is unable to attend a meeting, they endeavour to provide written comments prior to the meeting.

Remuneration

Non-executive director remuneration

In FY24 the Board engaged an external remuneration advisor to independently benchmark non-executive director remuneration. Based on this independent advice, AEMO recommended to its members at the Annual General Meeting (AGM) a revised director remuneration amount to apply for a period of three years until the 2026 AGM. The recommendation was approved by AEMO’s members at its AGM in November 2023 and remains in place for FY25. The amount includes fees paid to the director chairing the Information Exchange Committee, and projected increases over a three-year period.

The current remuneration amount is \$1.6 million a year. With external advice, the Board annually determines the portion of remuneration to be applied to non-executive directors.

Non-executive director remuneration is designed to ensure that the Board attracts directors with the necessary skills, expertise and capability and that directors maintain objectivity and independence. Non-executive directors are not eligible for performance-based or ‘at risk’ remuneration.

Table 2: Non-executive director and committee member remuneration in FY25

Role	Number of roles	FY25 \$'000	FY24 \$'000
Board Chair	1	250	240
Board Member	8	109	105
Finance, Risk & Audit Committee Chair	1	26	25
Finance, Risk & Audit Committee Member	4	13	12
People Committee Chair	1	21	21
People Committee Member	3	11	10
Technical, Markets & Systems Committee Chair	1	21	21
Technical, Markets & Systems Committee Member	8	11	11
Information Exchange Committee Chair	1	60	60

Non-executive director remuneration in FY25		
Remuneration expense	FY25 \$'000	FY24 \$'000
Short-term benefits	1,423	1,267
Post tenure benefits	122	131
Other long-term benefits	-	-
Termination benefits	-	-
Total	1,545	1,398

Executive key management personnel

Executive key management personnel are those, whether on an interim basis or for the full financial year, who serve as Chief Executive Officer or in other Board-designated key management roles as listed below.

Table 3: Key FY25 executive personnel

Name	Title	Period of appointment
Daniel Westerman	Managing Director and Chief Executive Officer	17 May 2021 – present
Michael Gatt	EGM – Operations	17 Aug 2020 – present
Kate Ryan	EGM – WA & Strategy	2 Feb 2022 – 20 September 2024
Nicola Falcon	EGM – WA & Strategy	23 September 2024 – present
Vanessa Hannan	EGM – Finance & Governance	25 Feb 2022 – present
Merryn York	EGM – System Design	14 Mar 2022 – present
Gordon Dunsford	EGM - Digital	31 January 2022 – present

Remuneration of executive key management personnel

Remuneration for executive key management personnel is made up of:

- a fixed annual reward (base salary plus superannuation)
- a variable short-term incentive of the fixed annual reward.

The fixed annual reward for executive key management personnel is informed by an external evaluation of role accountabilities and complexity, advice from remuneration and benefits specialists, and other information including comparisons to similar roles and contemporary recruitment market norms. Other factors considered include an executive’s skills and experience and internal relativities.

The Board approves the fixed annual reward for executive key management personnel and any increase to the fixed annual reward during the incumbent’s tenure, taking into consideration market movement and individual performance.

The fixed annual reward for key management roles and personnel is reviewed annually by the Board, although AEMO has no contractual obligation to provide an annual increase.

AEMO’s short-term incentive framework is designed to incentivise AEMO’s executive personnel to deliver outcomes aligned to the delivery of AEMO’s Corporate Plan. Short-term incentives are subject to meeting annual performance targets, as agreed between the executive personnel and Managing Director and Chief Executive Officer, or between the Managing Director and Chief Executive Officer and the Board.

The short-term incentive is set between 40% and 60% of the executive key management personnel fixed annual reward, and is based on annual targets across two areas, which are equally weighted:

- delivery against AEMO’s corporate scorecard, which includes key performance indicators related to AEMO’s overall performance, and which is approved annually by the Board
- an individual scorecard, which includes key performance indicators related to the achievement of Strategic Corporate Plan priorities.

Short-term incentive outcomes are reviewed and approved by the Board’s People Committee at the conclusion of the financial year. Short-term incentives are paid in cash.

FY25 executive key management personnel remuneration

Based on their performance against their annual targets in FY25, AEMO key management personnel received short-term incentive payments of an average 51.6% against the maximum opportunity of 60% of their fixed pay.

Remuneration of Executive Key Management Personnel for FY25 performance is set out below. For privacy, individual remuneration is aggregated.

Table 4: FY25 executive key management personnel remuneration by pay band

Remuneration range	Executive key management personnel	Short-term incentive	Post employee benefits	Other long-term benefits	Termination benefits	Total
\$’000	Number	\$’000	\$’000	\$’000	\$’000	\$’000
\$500 - \$1,000	3	1,770	75	396	-	2,241
> \$1,000	4	4,912	117	605	-	5,634
Total	7	6,682	192	1,001	-	7.875

Table 5: FY24 executive key management personnel remuneration by pay band

Remuneration range	Executive key management personnel	Short-term incentive	Post employee benefits	Other long-term benefits	Termination benefits	Total
\$’000	Number	\$’000	\$’000	\$’000	\$’000	\$’000
\$500 - \$1,000	4	2,995	110	350	-	3,435
> \$1,000	1	1,589	27	169	-	1,785
Total	5	4,584	137	499	-	5,220

Events since the end of the financial year

Other than as disclosed elsewhere in this annual report, there has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that has significantly affected, or may significantly affect, the Company’s operations, the results of those operations, or the Company’s state of affairs, in the future years.

Auditor independence

PricewaterhouseCoopers is AEMO Group’s external auditor.

The Board of Directors is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 87.

Rounding of amounts

The Group is of a kind referred to in the Australian Securities & Investment Commission Legislative Instrument 2016/191, relating to the ‘rounding off’ of amounts. As a result, amounts have been rounded to the nearest one hundred thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.



Mary O’Kane
Chair
22 September 2025

Consolidated financial statements

For the year ended
30 June 2025

Australian Energy Market Operator Limited
ABN 94 072 010 327



Auditor's Independence Declaration

As lead auditor for the audit of Australian Energy Market Operator Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Energy Market Operator Limited and the entities it controlled during the period.

Matthew Probert
Partner
PricewaterhouseCoopers

Melbourne
22 September 2025

[pwc.com.au](https://www.pwc.com.au)

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Consolidated statement of profit or loss

For the year ended 30 June 2025

	Notes	2025 \$m	2024 \$m
Income			
Revenue from contracts with customers	5	632.2	456.7
Other income	6	63.0	20.9
Total income		695.2	477.6
Operating expenses			
Consulting and contracting	7(a)	115.5	61.4
Employee benefits and related costs	7(b)	311.8	261.1
Impairment expense	7(c)	10.6	3.0
Information technology	7(d)	72.3	66.2
Insurance		2.9	3.3
Liquification and storage services		8.3	7.8
Training and conferences		3.4	1.9
Office expenses		4.4	2.3
Other expenses	7(e)	8.0	5.5
Total operating expenses		537.2	412.5
Operating surplus		158.0	65.1
Depreciation and amortisation	7(f)	108.2	88.6
Net finance expense	7(g)	13.4	8.6
Surplus / (deficit) before income tax		36.4	(32.1)
Income tax expense		-	-
Surplus / (deficit) from continuing operations		36.4	(32.1)
Surplus from discontinuing operations	23(b)	10.8	3.6
Surplus / (deficit) for the year		47.2	(28.5)
<i>Surplus / (deficit) for the year</i>			
Controlling interest		47.1	(27.7)
Non-controlling interest	28(b)	0.1	(0.8)
		47.2	(28.5)
<i>Surplus / (deficit) for the year arises from:</i>			
Continuing operations		36.3	(31.3)
Discontinuing operations	23(b)	10.8	3.6
		47.1	(27.7)

The Consolidated statement of profit or loss should be read with the accompanying notes.

Consolidated statement of other comprehensive income

For the year ended 30 June 2025

Notes	2025 \$m	2024 \$m
Surplus / (deficit) for the year	47.2	(28.5)
Other Comprehensive Income		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of cash flow hedges	(0.3)	-
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurement of net defined benefit	0.1	0.1
Other comprehensive income for the year, net of tax	(0.2)	0.1
Total comprehensive income for the year	47.0	(28.4)
<i>Total comprehensive income for the year</i>		
Controlling interest	46.9	(27.6)
Non-controlling interest	0.1	(0.8)
	47.0	(28.4)
<i>Total comprehensive income for the year arises from:</i>		
Continuing operations	36.1	(31.2)
Discontinuing operations	10.8	3.6
	46.9	(27.6)

The Consolidated statement of other comprehensive income should be read with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2025

Notes	2025 \$m	2024 \$m
Assets		
Current assets		
Cash and cash equivalents	8	369.7
Receivables	9	136.6
Inventory	10	4.9
Total current assets excluding assets classified as held for sale	511.2	512.3
Assets classified as held for sale	23(c)	189.1
Total current assets	700.3	512.3
Non-current assets		
Receivables		0.4
Property, plant and equipment	11	102.5
Intangible assets	12	477.0
Defined benefit superannuation		3.7
Total non-current assets	583.6	600.7
Total assets	1,283.9	1,113.0
Liabilities		
Current liabilities		
Payables	13	351.9
Borrowings	14	0.9
Derivative financial instruments	15(a)	0.1
Prepaid settlements and deposits	16	51.2
Lease liabilities	17(a)	7.2
Employee provisions	18	49.5
Other provisions and liabilities	19	0.7
Total current liabilities excluding liabilities relating to assets held for sale	461.5	448.5
Liabilities relating to assets held for sale	23(c)	116.1
Total current liabilities	577.6	448.5
Non-current liabilities		
Borrowings	14	573.6
Derivative financial instruments	15(a)	0.2
Lease liabilities	17(a)	14.6
Employee provisions	18	8.6
Other provisions and liabilities	19	3.6
Total non-current liabilities	600.6	605.7
Total liabilities	1,178.2	1,054.2
Net assets	105.7	58.8
Equity		
Contributed capital	20(a)	7.1
Accumulated surplus		73.2
Reserves	20(b)	24.4
Capital and reserves - controlling interest	104.7	57.9
Non-controlling interest	28(b)	1.0
Total equity	105.7	58.8

The Consolidated statement of financial position should be read with the accompanying notes.

Consolidated statement of changes in equity

As at 30 June 2025

Note	Controlling interest				Non-Controlling Interest \$m	Total Equity \$m
	Contributed Capital \$m	Accumulated Surplus \$m	Reserves \$m	Total \$m		
Balance at 1 July 2023	7.1	55.0	23.4	85.5	1.7	87.2
Deficit for the year	-	(27.7)	-	(27.7)	(0.8)	(28.5)
Other comprehensive income	-	0.1	-	0.1	-	0.1
Total comprehensive income for the year	-	(27.6)	-	(27.6)	(0.8)	(28.4)
Transfer to / (from) reserves20(b)	-	(0.8)	0.8	-	-	-
Balance at 30 June 2024	7.1	26.6	24.2	57.9	0.9	58.8
Balance at 1 July 2024	7.1	26.6	24.2	57.9	0.9	58.8
Surplus for the year	-	47.1	-	47.1	0.1	47.2
Other comprehensive income	-	0.1	(0.3)	(0.2)	-	(0.2)
Total comprehensive income for the year	-	47.1	(0.3)	46.9	0.1	47.0
Transfer to / (from) reserves20(b)	-	(0.5)	0.5	-	-	-
Balance at 30 June 2025	7.1	73.2	24.4	104.7	1.0	105.7

The Consolidated statement of changes in equity should be read with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2025

Notes	2025 \$m	2024 \$m
Cash flows from operating activities		
Receipts from customers	728.5	562.8
Receipts from customers - Victorian TNSP function	902.0	811.2
Receipts from Government grants	20.5	-
Payments to suppliers and employees	(586.0)	(470.8)
Payments for network charges	(920.2)	(823.3)
Net receipts from prepaid settlements	80.3	71.3
Interest received	11.9	7.8
Net cash inflows from operating activities8(b)	237.0	159.0
Cash flows from investing activities		
Payments for property, plant and equipment	(66.2)	(59.9)
Payments for intangible assets	(87.7)	(115.4)
Net cash outflows from investing activities	(153.9)	(175.3)
Cash flows from financing activities		
Interest paid	(30.4)	(34.4)
Proceeds from borrowings	38.1	439.0
Repayment of borrowings	(40.9)	(300.8)
Payments of lease liabilities (principal)	(8.3)	(9.8)
Net cash (outflows) / inflows from financing activities	(41.5)	94.0
Net increase in cash and cash equivalents	41.6	77.7
Cash and cash equivalents at the beginning of the financial year	352.8	275.1
Cash and cash equivalents at the end of the year8(a)	394.4	352.8
Cash flows of discontinued operations23(b)		

The Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. Corporate information and key events

The consolidated entity ('The Group') consists of the Australian Energy Market Operator Limited (AEMO) and its subsidiaries, AusEnergy Services Limited¹ (formerly AEMO Services Limited) and Transmission Company Victoria Pty Ltd ('Subsidiaries').

AEMO is the independent energy market and system operator for the National Electricity Market (NEM) and the Western Australia Wholesale Electricity Market (WEM), and national transmission planner for the NEM. It also operates gas markets and systems. It is a not-for-profit public company limited by guarantee, incorporated and based in Australia, with State and Federal Governments holding 60% of voting rights, and energy industry members holding 40% of voting rights.

AusEnergy Services Limited provides advisory services to governments and to AEMO. In 2022 the New South Wales (NSW) Government conferred the role of the NSW Consumer Trustee on AusEnergy Services Limited under the *NSW Electricity Infrastructure Investment Act 2020* (EII Act)². In 2023 AEMO was engaged to support the roll-out of the Australian Government's Capacity Investment Scheme (CIS) as tender delivery partner. AEMO is the head contractor with the Commonwealth, and there is a sub-contract with AusEnergy Services Limited in relation to the delivery of the CIS services. AusEnergy Services Limited is a not-for-profit company limited by guarantee comprising AEMO (with 70% of voting rights) and the NSW State Government (with 30% voting rights).

Transmission Company Victoria Pty Ltd (TCV) was incorporated on 24 February 2023. It is wholly owned by AEMO and is a for-profit company limited by shares. TCV is undertaking early works for the Victorian segment of the [Victoria to NSW interconnector West \(VNI-West\) project](#).

The address of the Group's registered office is Level 12, 171 Collins Street, Melbourne, VIC 3000. The consolidated financial statements of the Group for the year ended 30 June 2025 were authorised for issue by the Directors on 18 September 2025. The Directors have the power to amend and reissue the financial statements.

1. AusEnergy Services Limited was previously known as AEMO Services Limited. Its name change was effective 10 July 2025.
2. The role of NSW Consumer Trustee supports the delivery of the [NSW Electricity Infrastructure Roadmap](#)

2. Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- The Victorian Government continued progressing reforms to change the way transmission is planned and developed in Victoria. The Victorian Transmission Investment Framework reforms propose that all AEMO's declared network functions, which are performed within the Victorian Transmission Network Service Provider (VicTNSP) operating segment will be transferred to VicGrid, a Statutory Body Corporate within the Victorian Department of Energy, Environment and Climate Action. Legislation to enable this transfer was introduced to the Victorian Parliament on 18 June 2025 with the transfer expected to take effect on 1 November 2025. Consequently, the assets and liabilities of the VicTNSP operating segment, including TCV, are classified as 'held for sale' in the Consolidated statement of financial position, and its results are reclassified as discontinued operations in the Consolidated statement of profit or loss.
- On 30 June 2025, AEMO entered into a grant agreement with the Commonwealth, represented by the Department of Climate Change, Energy, the Environment and Water, to undertake a specified program aimed at upgrading core digital systems and strengthening energy security. Corresponding grant income associated with this agreement has been recognised in the Consolidated statement of profit or loss.

3. Basis of preparation

This note provides a list of potentially material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in other notes. These policies have been consistently applied to all the years presented, unless otherwise stated. The presentation of comparative amounts has been restated where applicable, to conform to the current year presentation.

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The following principles and policies have been applied:

- Accruals basis** - assets, liabilities, equity, income, and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.
- Historical cost convention** - except for certain financial assets and liabilities (including derivative instruments) and the defined benefit pension plan which are measured at fair value, the consolidated financial statements have been prepared on a historical cost basis.
- Presentation of foreign currency** - Australian Dollars, which is the Group's functional currency.
- Transactions and balances in foreign currency** - translated into the functional currency using the exchange rates at the dates of the transactions. All foreign exchange gains and losses are presented in the Consolidated statement of profit or loss on a net basis within other expenses.
- Rounding** - the Group is of a kind referred to in the Australian Securities & Investment Commission (ASIC) Legislative Instrument 2016/191, relating to the 'rounding off' of amounts. As a result, amounts have been rounded to the nearest one hundred thousand dollars, or in certain cases, to the nearest dollar.
- Income tax** - both AEMO and AusEnergy Services Limited individually are not subject to income tax, as they are treated as public authorities under Australian law. AEMO was granted an income tax exemption for 10 years from 1 July 2018 to 30 June 2028, and AusEnergy Services Limited was granted an income tax exemption for 5 years from 1 July 2021 to 30 June 2026. TCV is subject to income tax.
- Goods and Services Tax (GST)** - transactions are recognised net of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. The net amount of GST recoverable from, or payable to, the taxation authority is included within receivables or payables in the Consolidated statement of financial position. Operating cash flows are presented on a GST gross basis where applicable. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority, are separately presented as an operating cash flow.
- Classification between current and non-current** - in the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over or settled within the next twelve months, being the Group's operational cycle.
- Impairment of assets** - property plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate

that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped into categories with similar asset attributes and future benefits to the Group. In some cases, these categories correlate to operating segments. Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through the Consolidated statement of profit or loss.

Critical accounting estimates and assumptions

Impairment testing methodology

The Group is subject to several external forces that will impact the life of its assets. This includes external regulatory and social factors and technology change. To respond to the range of potential outcomes that can result from these factors, where impairment indicators are present, the Group has adopted a scenario analysis approach to determining the recoverable amount of its assets.

i. New and amended standards adopted by the Group

Accounting policies are selected and applied in a way that ensures the resulting financial information satisfies the concepts of relevance and reliability. The Group has applied the following mandatory new amendments for its annual reporting period commencing 1 July 2024. The application of these accounting standards / pronouncements has no material impact on the amounts recognised in prior periods.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* AASB 101

ii. Consolidation

The consolidated financial statements comprise the financial statements of AEMO (the parent) and its subsidiaries over which the Group has the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date control is obtained by the Group and cease to be consolidated from the date the group ceases to have control.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits or losses resulting from intragroup transactions have been eliminated in full.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated statement of profit or loss, Consolidated statement of changes in equity and Consolidated statement of financial position respectively.

Critical accounting estimates and assumptions

Control assessment of the Scheme Financial Vehicle

The Scheme Financial Vehicle serves as a contractual counterparty of NSW Roadmap energy service agreements. The Group does not control any of the operations of the Scheme Financial Vehicle as there is no evidence of the Group having the ability to direct any relevant business activities. It is on this basis that the Scheme Financial Vehicle is not consolidated into the financial statements of the Group as at 30 June 2025.

iii. Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities, and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group has an accumulated surplus of \$73.2 million (2024: \$26.6 million). In assessing the appropriateness of the going concern assumption, the Directors have considered:

- The Group has cash balances of \$369.7 million (2024: \$352.8 million) of which \$35.5 million is unrestricted (2024: \$76.1 million).
- The Group’s statutory powers to recover all costs associated with its specific statutory functions from relevant participants, as well as any under recoveries in the next financial year or subsequent financial years. The Group achieves cost recovery by including surpluses or deficits in future budgets and applying these to future fee recoveries for specific AEMO statutory functions.
- The Group had \$122.7 million net current assets at 30 June 2025 (2024: \$63.3 million)
- The Group had \$388.8 million of undrawn debt facilities at 30 June 2025 (2024: \$229.3 million)

iv. Critical accounting estimates

Preparation of the consolidated financial statements requires the use of certain critical accounting estimates and requires management to exercise judgement in the application of the accounting standards and the Group’s accounting policies. All judgements, estimates and assumptions are based on most current facts and circumstances and are reassessed on an ongoing basis. Actual results may differ for these estimates under different assumptions and conditions. This may affect financial results and the carrying amount of assets and liabilities to be reported in the next and future periods.

Significant judgements and key estimates and assumptions in applying accounting standards and the Group’s accounting policies are set out in the respective notes to the consolidated financial statements.

4. Segment information¹

2025 \$m	NEM Core	NEM Functions	NEM Connections	East Coast Gas	WA	Vic TNSP	AEMO Services ²	Total segments
Continuing operations								
Income	228.8	174.9	42.4	64.4	102.3	2.8	54.9	670.5
Operating expenses	(176.3)	(122.5)	(39.6)	(56.9)	(65.9)	(33.8)	(54.8)	(549.8)
Operating surplus / (deficit)	52.5	52.4	2.8	7.5	36.4	(31.0)	0.1	120.7
Depreciation / amortisation	(6.9)	(28.3)	-	(3.9)	(26.1)	-	(0.1)	(65.3)
Net finance (expense) / income	0.5	(0.1)	-	3.6	0.1	0.1	0.2	4.4
Annual surplus / (deficit) for continuing operations	46.1	24.0	2.8	7.2	10.4	(30.9)	0.2	59.8
Discontinued operations (Note 23)	-	-	-	-	-	10.8	-	10.8
Annual surplus / (deficit)	46.1	24.0	2.8	7.2	10.4	(20.1)	0.2	70.6
2024 \$m								
Continuing operations								
Income	214.9	87.7	24.3	55.5	58.8	-	31.8	473.0
Operating expenses	(165.7)	(95.3)	(23.9)	(53.5)	(49.5)	(35.9)	(34.5)	(458.3)
Operating surplus / (deficit)	49.2	(7.6)	0.4	2.0	9.3	(35.9)	(2.7)	14.7
Depreciation / amortisation	(4.2)	(25.0)	-	(3.3)	(21.3)	-	(0.2)	(54.0)
Net finance (expense) / income	0.5	(0.1)	-	3.1	0.4	-	0.2	4.1
Annual surplus / (deficit) for continuing operations	45.5	(32.7)	0.4	1.8	(11.6)	(35.9)	(2.7)	(35.2)
Discontinued operations (Note 23)	-	-	-	-	-	3.6	-	3.6
Annual surplus / (deficit)	45.5	(32.7)	0.4	1.8	(11.6)	(32.3)	(2.7)	(31.6)

1. Refer to the Financial Performance Report for further information for each operating segment. There are minor differences between the mapping used for management and financial reporting for income / expenses.
2. AEMO Services operating segment represents AusEnergy Services Limited in its capacity as the Consumer Trustee, back-office services provided to the Scheme Financial Vehicle for NSW and the role AEMO and AusEnergy Services Limited have in the delivery of the CIS.

\$m	2025			2024		
	Total segment result	Adjustments / eliminations ³	Consolidated Profit or Loss	Total segment result	Adjustments / eliminations ³	Consolidated Profit or Loss
Continuing operations						
Income	670.5	24.7	695.2	473.0	4.6	477.6
Operating expenses	(549.8)	12.6	(537.2)	(458.3)	45.6	(412.7)
Operating surplus	120.7	37.3	158.0	14.7	50.2	64.9
Depreciation / amortisation	(65.3)	(42.9)	(108.2)	(54.0)	(34.4)	(88.4)
Net finance (expense) / income	4.4	(17.8)	(13.4)	4.1	(12.7)	(8.6)
Annual surplus / (deficit) for continuing operations	59.8	(23.4)	36.4	(35.2)	3.1	(32.1)
Discontinued operations (Note 23)	10.8	-	10.8	3.6	-	3.6
Annual surplus / (deficit)	70.6	(23.4)	47.2	(31.6)	3.1	(28.5)

3. Inter-segment transactions are eliminated upon consolidation and reflected in the “adjustments / eliminations” column. This category also includes the operations of the Corporate (head office) function and other non-trading segments which do not constitute individual operating segments.

The Group’s Executive Leadership Team (ELT), consisting of the Managing Director and Chief Executive Officer, and Executive General Managers, examines the Group’s performance by differentiating how the Group recovers its costs from relevant participants. The ELT primarily uses a measure of surplus / (deficit) to assess the performance of the operating segments. Refer to the Financial Performance Report for an analysis of the performance of each operating segment. The Group has identified seven reportable business segments:

i. National Electricity Market (NEM Core)

Managing power system security and reliability, market operations and systems, wholesale metering, settlements and prudential supervision, near-term energy forecasting and planning services.

ii. NEM Functions

National transmission planning, management of five-minute settlements, trading in the Settlements Residue Auction, management of the NEM2025 Reform Program, facilitation of retail market competition, provision of a consumer data platform, integrating Distributed Energy Resources into the NEM.

iii. NEM Connections

NEM Connections covers AEMO’s connections, registrations and onboarding activities within the NEM.

iv. East Coast Gas

The Group performs several functions in East Coast Gas, including operating the Victorian Declared Wholesale Gas Market (DWGM), facilitating the Short-Term Trading Market (STTM) and day ahead auctions, facilitating retail market competition, developing the Gas Statement of Opportunities, operating the Gas Supply Hub and Capacity Trading Platform and administering change proposals for the Operational Transportation Service Code.

v. Western Australia Electricity and Gas (WA)

A range of functions are performed for the Western Australia wholesale electricity and gas markets, including operating and settling the Reserve Capacity Mechanism and managing the buying and selling of electricity in the STTM, Load Following Ancillary Service Market and Balancing Market. In addition, WA has responsibilities for operating the Southwest Interconnected System, working alongside the network operator (Western Power), and generation facility owners. The Group also has several functions under the Gas Services Information rules.

vi. Victorian Transmission Network Service Provider (VicTNSP)

AEMO has declared network functions in Victoria, including planning the declared shared network. TCV was established to progress early works for the VNI West project, a proposed new transmission line between the states of Victoria and NSW.

AEMO’s Transmission Use of System (TUoS) charges recover the costs for providing prescribed shared transmission services in Victoria. The TUoS revenue requirement and its allocation to each prescribed service category is determined in accordance with the National Electricity Rules (NER), AEMO’s Revenue Methodology and AEMO’s Pricing Methodology.

As described in Note 2 it is expected that AEMO’s declared network functions will be transferred to VicGrid from AEMO on 1 November 2025, see Note 23 for further details.

vii. AEMO Services

AEMO Services is a key partner in the implementation of the NSW Electricity Infrastructure Roadmap through its role as the NSW Consumer Trustee. In FY24 AEMO was contracted by the Australian Government to deliver tender services for the CIS. AEMO Services’ expertise in tender delivery services is being leveraged to deliver key aspects of the CIS.

5. Revenue from contracts with customers

The Group derives revenue in the following major revenue streams:

	2025 \$m	2024 \$m
Fees and tariffs	537.0	392.2
Connections revenue	32.2	24.4
Managed services revenue	8.7	9.5
Other revenue	4.5	7.9
Cost recoveries from Government	31.4	9.2
Capacity certificate auctions	18.4	13.5
Total revenue from contracts with customers	632.2	456.7

Refer to Note 23 for revenue associated with the discontinued operation.

Revenue recognised over time is \$537.0 million (2024: \$392.2 million) and revenue recognised at a point of time is \$95.2 million (2024: \$64.5 million).

Fees and tariffs: Operating on a cost-recovery basis, electricity and gas markets revenue is received through fees and charges levied on relevant participants. Each fee is limited to recovering the costs of providing that service, with over or under recoveries in a particular year able to be recovered prospectively. Revenue is recognised over time with the exception to registration fees which is recognised at a point in time.

Connections revenue: Received for the provision of assessment and other services to, new market entrants based upon published rates. Revenue is recognised at a point in time when the service is provided.

Managed services revenue: Recognised at a point in time under the terms of the engagement. The Group does not have an enforceable right to payment for performance completed to date. Fees for these services are variable based on performance and are dependent upon the nature of the services being provided.

Other revenue: Other revenue includes ad hoc payments such as voluntary payments relating to frequency control ancillary services and other miscellaneous services. Participant Compensation Fund (PCF) contributions are also recognised within other revenue in accordance with the NER and National Gas Rules (NGR). Upon reaching the maximum allowable contributions, the fund will cease to increase until such time that a triggering event occurs, and participants claim compensation from the relevant fund. Other revenue is recognised at a point in time when the service is provided.

Cost recoveries from Government: Generally received for the provision of advisory services. Revenue is recognised at a point in time when the service is provided.

Capacity certificate auctions: Under the NGR, the Group manages the sale of certificates through an auction process and retains the auction proceeds as revenue. A certificate allows its owner priority shipping when there is congestion in the gas pipelines. An auction only occurs when the Group is notified of excess capacity within the market. Revenue from capacity certificate auctions is recognised at a point in time when an auction occurs.

6. Other income

	Note	2025 \$m	2024 \$m
Government grant income		37.6	-
Other income		2.8	-
Electricity Infrastructure Fund income		20.9	19.7
Rental income	17(b)	1.7	1.2
Total Other income		63.0	20.9

Government grant income: During the year funding was received from the Australian Renewable Energy Agency to assist in the advancement of operational capability for NEM to operate with 100% renewables. Commonwealth funding was also received to support AEMO to uplift core digital systems to enhance energy security.

Other income: Other income represents the difference between the proceeds received and the fair value of a concessional loan. Refer to Note 14 for further information.

Electricity Infrastructure Fund income: This funding represents a reimbursement of costs incurred while acting in the capacity of the NSW Consumer Trustee.

Rental income: Represents sublease income from one of AEMO Group’s State offices. Lease contracts include consumer price index increases, but there are no other variable lease payments that depend on an index or rate. Rental income from operating leases where the Group is a lessor is recognised on a straight-line basis over the lease term.

7. Expenses

Refer to Note 23 for expenses associated with the discontinued operation.

a. Consulting and contracting

	2025 \$m	2024 \$m
Contractors	65.8	29.9
Consulting	41.2	25.6
Legal fees	8.5	5.9
Total consulting and contracting	115.5	61.4

Consulting and contracting represents costs incurred for technical expertise to support new and ongoing programs aimed at strengthening and redesigning operations, including corporate functions. Consulting and contracting costs have increased in the current reporting period due to the continued growth of existing projects and the commencement of some large projects.

b. Employee benefits and related costs

	2025 \$m	2024 \$m
Wages and salaries	279.1	238.0
Other employee benefits and entitlements expense	65.4	53.9
Less: labour capitalised	(40.7)	(36.8)
Other employee related costs	8.0	6.0
Total employee benefits and related costs	311.8	261.1

Employee benefits are recorded in the Consolidated statement of profit or loss net of capitalised labour costs. Capitalised labour occurs when employees are working on the installation of property, plant and equipment and projects developing intangible assets. It includes all costs related to employment including salaries and wages inclusive of performance incentives, taxes, leave entitlements, and worker compensation premiums.

c. Impairment expense

	Note	2025 \$m	2024 \$m
Trade receivables	21(c)	0.9	(0.4)
Property, plant and equipment	11	-	0.8
Intangible assets	12	9.7	2.6
Total impairment expense		10.6	3.0

d. Information technology

	2025 \$m	2024 \$m
Asset maintenance	10.8	8.2
Software support	37.1	31.6
Cloud services	21.5	23.9
Telecommunications	2.9	2.5
Total information technology	72.3	66.2

e. Other expenses

	2025 \$m	2024 \$m
Directors’ fees	2.3	2.2
Repairs and maintenance	1.3	1.3
Subscriptions	3.1	2.0
Other	1.3	-
Total other expenses	8.0	5.5

f. Depreciation and amortisation

	Note	2025 \$m	2024 \$m
Depreciation	11	26.2	19.6
Amortisation	12	82.0	69.0
Total depreciation and amortisation		108.2	88.6

g. Net finance expense

	Note	2025 \$m	2024 \$m
Interest income		(11.3)	(7.7)
Total interest income		(11.3)	(7.7)
Borrowing costs		30.2	24.6
Lease interest expense	17(b)	0.9	1.0
Less: interest capitalised		(6.4)	(9.3)
Total finance expenses		24.7	16.3
Total net finance expense		13.4	8.6

Interest income is calculated by applying the effective interest rate to the gross carrying amount of cash and cash equivalents monthly. Interest income is recognised when it is earned.

Borrowing costs consist of interest and other costs that the Group incurs in connection with borrowing activities. Borrowing costs are recognised as expenses in the period in which they are incurred, except to the extent that they are primarily related to the production of property, plant and equipment and intangible assets, when they are capitalised during the period that is required to complete and prepare the asset for its intended use.

8. Cash and cash equivalents

Current assets	2025 \$m	2024 \$m
<i>Unrestricted cash and cash equivalents</i>		
Cash at bank	35.5	76.1
<i>Restricted cash and cash equivalents</i>		
Cash at bank	7.8	11.4
Grant funding	-	1.0
Security deposits and early settlement proceeds	314.5	253.0
Participant Compensation Fund (PCF)	11.9	11.3
Total cash and cash equivalents	369.7	352.8

Unrestricted cash at bank represents the Group’s operating funds. Restricted cash and cash equivalents represents:

- Amounts held on behalf of market participants
 - Settlement accounts to operate the market
 - Funding received from grantors that must be used for the purpose for which it was intended. Grant funding represents the funding provided by the Government for specific energy industry projects
- Security deposits and early settlement proceeds received from market participants and are held in accordance with the relevant market rules.
 - PCFs are collected under the NEM, DWGM and STTM for compensation to affected participants arising from scheduling errors.

a. Reconciliation of cash and cash equivalents at the end of the financial year to the Consolidated statement of financial position

	Note	2025 \$m
Cash and cash equivalents at the end of the financial year from continuing operations		369.7
Cash and cash equivalents relating to the disposal group	23	24.7
Cash and cash equivalents at the end of the financial year		394.4

b. Reconciliation of surplus/(deficit) to net cash flows from operating activities

	Note	2025 \$m	2024 \$m
Surplus / (deficit) for the year		47.2	(28.5)
Impairment expense	7(c)	10.6	3.0
Depreciation and amortisation	7(f)	108.2	88.6
Interest expense	7(g)	24.7	16.3
Non-cash defined benefit expense		0.1	0.1
<i>Change in operating assets and liabilities</i>			
(Increase) in receivables		(82.6)	(12.4)
(Increase) / decrease in inventory		(0.1)	2.4
(Increase) in defined benefit superannuation asset		(0.2)	(0.1)
Increase in payables		162.8	66.0
(Decrease) / increase in prepaid settlements and deposits		(42.3)	14.7
Increase in employee provisions		8.6	8.9
Net cash inflows from operating activities		237.0	159.0

Refer to Note 23 for further information on the operating cashflows associated with discontinuing operations.

9. Receivables

Current assets	Note	2025 \$m	2025 \$m	2024 \$m	2024 \$m
Trade receivables from contracts with customers	21(c)	13.1		10.7	
Allowance for expected credit loss	21(c)	(1.2)		(0.8)	
			11.9		9.9
GST receivable			22.5		-
Accrued revenue			56.1		119.9
Prepayments and other receivables			46.1		24.9
Total current receivables			136.6		154.7

Trade receivables largely comprise wholesale market settlement transactions that have occurred but are yet due to be settled. They are due for settlement within 30-90 days and are therefore all classified as current. Trade receivables are recognised at the amount of consideration that is unconditional, with only the passage of time required before payment is due. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Accrued revenue is recognised where the Group has provided services to the customer but has yet to invoice the customer at reporting date.

Prepayments and other receivables represent payments made for services to be provided or consumed in future months. The current balance comprises a receivable for Commonwealth grant funding.

Critical accounting estimates and assumptions

Accrued revenue

The Group recognises revenue once the core services to participants in the markets have consumed the benefits in line with the Group performing its obligations. The Group estimates consumption between the last invoice date and the end of the reporting period when determining revenue for the financial period. Various assumptions and financial models are used to determine the estimated consumption. The key assumptions and estimates include:

- Electricity consumption and fees of electricity consumed
- Gas consumption and fees of gas consumed

Fair value of receivables

Due to the short-term nature of current receivables, their carrying amount is the same as their fair value, less any allowance for expected credit losses (loss allowance). Collectability of receivables is reviewed on an ongoing basis. A specific expected loss allowance is recognised when there is objective evidence that an individual trade receivable is impaired. Debts that are known to be uncollectable are written off.

Impairment and risk exposure

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due. Expected credit losses on trade receivables are presented as impairment losses within the Consolidated statement of profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item. Refer to Note 21(c) for further information.

10. Inventory

Current assets	2025 \$m	2024 \$m
Inventory	4.9	4.8
Total inventory	4.9	4.8

Under the NGR AEMO was conferred the role of supplier of last resort within the DWGM and as such, is required to store liquified natural gas. The gas is recognised at the lower of cost and net realisable value, which is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

11. Property, plant and equipment

Non-current assets \$m	Technology infrastructure	Leasehold improvements	Land and buildings	Assets under construction	Right-of-use assets	Total
At 1 July 2023						
Cost	66.1	28.8	20.5	25.8	47.2	188.4
Accumulated depreciation and impairment	(62.7)	(20.6)	(8.0)	-	(29.1)	(120.4)
Net book amount	3.4	8.2	12.5	25.8	18.1	68.0
Year ended 30 June 2024						
Opening net book amount	3.4	8.2	12.5	25.8	18.1	68.0
Additions	-	-	2.6	56.8	16.2	75.6
Transfers	44.9	3.9	-	(48.8)	-	-
Impairment (Note 7(c))	(0.1)	(0.7)	-	-	-	(0.8)
Depreciation (Note 7(f))	(7.9)	(2.3)	(0.5)	-	(8.9)	(19.6)
Closing net book amount	40.3	9.1	14.6	33.8	25.4	123.2
At 30 June 2024						
Cost ¹	59.1	32.0	23.1	33.8	63.4	211.4
Accumulated depreciation and impairment ¹	(18.8)	(22.9)	(8.5)	-	(38.0)	(88.2)
Net book amount	40.3	9.1	14.6	33.8	25.4	123.2
Year ended 30 June 2025						
Opening net book amount	40.3	9.1	14.6	33.8	25.4	123.2
Additions	-	-	-	66.8	2.8	69.6
Assets classified as held for sale (Note 23)	-	-	(2.6)	(61.5)	-	(64.1)
Transfers	22.9	3.1	-	(26.0)	-	-
Depreciation (Note 7(f))	(14.3)	(2.5)	(0.5)	-	(8.9)	(26.2)
Closing net book amount	48.9	9.7	11.5	13.1	19.3	102.5
At 30 June 2025						
Cost	82.0	35.1	20.5	13.1	66.2	216.9
Accumulated depreciation and impairment	(33.1)	(25.4)	(9.0)	-	(46.9)	(114.4)
Net book amount	48.9	9.7	11.5	13.1	19.3	102.5

1. During the previous reporting period, assets with a nil net book amount were written off as they were no longer in use. This impacted the technology infrastructure and leasehold improvements classifications.

Property, plant and equipment captures physical technology infrastructure and hardware components including servers, storage, and network equipment relating to the Group's wholesale, retail, and corporate systems. The land and buildings asset category incorporates the land and building the Group owns, and the fit-out costs of our State offices.

The right-of-use assets reflects the Group's leased State offices. Rental contracts are typically made for fixed periods but may have extension options.

Accounting Policy

- Property, plant and equipment measurement**
- stated at historical cost, net of accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Consolidated statement of profit or loss during the reporting period in which they are incurred.
- Right-of-use assets measurement** - measured at cost, comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date, less any lease incentives received, and any initial direct costs.
- Carrying value** - An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. The residual values and useful lives are reviewed and adjusted if appropriate, at each financial year end. An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated statement of profit or loss.

- Depreciation methods and useful lives** - depreciation of assets is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over its expected useful life. Land is not depreciated. Estimates of remaining useful life are made on a regular basis for all assets, with reassessments for major items where warranted. Depreciation is charged to the Consolidated statement of profit or loss from the month the asset commences service. Expected useful lives are as follows:

IT systems hardware	3-7 years
Furniture and equipment	3-5 years
Office and technology infrastructure	7-10 years
Building	30 years
Building fit-out	aligned with lease agreement
Right-of-use assets	aligned with lease agreement

Refer to Note 3 for the Group’s policy regarding impairment of assets.

Critical accounting estimates and assumptions

Useful lives and residual values of property, plant and equipment

The Group reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of these assets.

Judgement is applied to estimate service lives and residual values of our assets, and these are reviewed annually. If useful lives or residual values need to be modified, the depreciation expense changes as from the date of reassessment until the end of the revised useful life (for both the current and future years).

12. Intangible assets

	Market software				
Non-current assets \$m	Electricity	Gas	Other technology	Assets under construction	Total
At 1 July 2023					
Cost	183.0	52.2	311.2	220.8	767.2
Accumulated amortisation and impairment	(166.6)	(48.8)	(129.7)	-	(345.1)
Net book amount	16.4	3.4	181.5	220.8	422.1
Year ended 30 June 2024					
Opening net book amount	16.4	3.4	181.5	220.8	422.1
Additions	-	-	-	123.2	123.2
Transfers	114.5	8.0	137.4	(259.9)	-
Impairment (Note 7(c))	-	-	(2.6)	-	(2.6)
Amortisation (Note 7(f))	(18.4)	(2.9)	(47.7)	-	(69.0)
Closing net book amount	112.5	8.5	268.6	84.1	473.7
At 30 June 2024					
Cost ¹	172.3	41.0	448.6	84.1	746.0
Accumulated amortisation and impairment ¹	(59.8)	(32.5)	(180.0)	-	(272.3)
Net book amount	112.5	8.5	268.6	84.1	473.7
Year ended 30 June 2025					
Opening net book amount	112.5	8.5	268.6	84.1	473.7
Additions	-	-	-	95.0	95.0
Transfers	15.5	5.6	25.4	(46.5)	-
Impairment (Note 7(c))	(2.4)	-	(7.3)	-	(9.7)
Amortisation (Note 7(f))	(22.6)	(3.0)	(56.4)	-	(82.0)
Closing net book amount	103.0	11.1	230.3	132.6	477.0
At 30 June 2025					
Cost	187.8	46.6	474.0	132.6	841.0
Accumulated amortisation and impairment	(84.8)	(35.5)	(243.7)	-	(364.0)
Net book amount	103.0	11.1	230.3	132.6	477.0

1. During the previous reporting period assets with a nil net book amount were written off as they were no longer in use. This impacted the market software and other technology asset classifications.

Delivery of the Group’s core functions requires significant investment in internally generated intangible assets, which the Group classifies as software developed assets. The main areas of intangible asset investments in the current year include:

- Modernisation of technology platforms within the gas and electricity systems and databases; and
- Development and implementation of regulatory rule changes related to energy market reform (includes Gas Reform, WEM Reform Program, WEM Distributed Energy Resources and NEM 2025)

Accounting Policy

- **Measurement** - only costs that are directly attributable to a project's development phase and meet the requirements of AASB 138 Intangible Assets are recognised as intangible assets. Development costs not meeting these criteria are expensed to the Consolidated statement of profit or loss as incurred. Following the initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

Costs associated with maintaining software applications or technical support are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software controlled by the Group are recognised as intangible assets. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

- **Carrying value** - the fair value of intangible assets reflects market participants expectations at the acquisition date about the probability that the expected future economic benefits embodied in the asset will flow to the Group. As the Group has the right to recover, the carrying value does not differ materially to the fair value. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in the Consolidated statement of profit or loss when the asset is derecognised.

- **Amortisation methods and useful lives** - amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in the Consolidated statement of profit or loss from the month the asset commences service. Expected useful lives are as follows:

Market Systems including Gas, Electricity and STTM	5-10 years
Other technology:	
Infrastructure software	3-7 years
Business applications software	5-7 years

Refer to Note 3 for the Group's policy regarding impairment of assets.

Critical accounting estimates and assumptions

Useful lives and residual values of intangible assets

The Group reviews its estimate of the useful lives and residual values of assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of these assets.

Judgement is applied to estimate service lives and residual values of our assets, and these are reviewed annually. If useful lives or residual values need to be modified, the amortisation expense changes as from the date of reassessment until the end of the revised useful life (for both the current and future years).

13. Payables

Current liabilities	2025 \$m	2024 \$m
Trade payables	15.2	15.6
Accrued network charges	-	57.7
Participant security deposits and prepayments	252.9	133.1
GST payable	-	3.8
Capital project accruals	9.1	10.6
Revenue received in advance	4.4	18.9
Employee benefit and related accruals	44.6	36.0
Other creditors and accruals	25.7	25.5
Total payables	351.9	301.2

Trade payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments. The amounts are unsecured and are usually paid within 30 to 90 days of recognition.

Accrued network charges represent network charges that have become due but are not yet paid. These have been classified in the current period within liabilities relating to assets held for sale.

Participant security deposits relate to credit support provided by the NEM and Gas Supply Hub participants and are repayable on demand.

Electricity settlement prepayments relate to NEM weekly settlements and are early receipts from NEM market participants. Participant security deposits have increased in FY25 due to an increase in electricity spot prices in June 2025 which required additional collateral from market participants to trade in the markets.

Other creditors and accruals represent goods and services received from suppliers which have yet to be invoiced at the end of the reporting period.

The carrying amounts of payables are considered to be the same as their fair values, due to their short-term nature.

14. Borrowings

Unsecured	2025			2024		
	Current \$m	Non-current \$m	Total \$m	Current \$m	Non-current \$m	Total \$m
Federal Treasury loan	0.9	3.0	3.9	0.9	3.9	4.8
Syndicated bank loan	-	233.2	233.2	-	273.2	273.2
CEFC loan	-	38.1	38.1	-	-	-
A\$MTN						
Drawn		300.0		-	300.0	
Less: transaction costs		(0.7)		-	(0.9)	
		299.3	299.3		299.1	299.1
Total borrowings	0.9	573.6	574.5	0.9	576.2	577.1

Nature and classification of borrowings

The Federal Treasury loan is a concessional loan that was provided by the Department of Treasury and Finance specifically to finance the development of a Consumer Data Right portal which provides Australian consumers with a choice on how their energy data is used and shared.

The CEFC loan is a concessional loan provided by the Clean Energy Finance Corporation (CEFC) via its Rewiring the Nation Fund specifically to finance the early works for the VNI West project, including community, landholder and Traditional Owner consultations, and ongoing investigations into the corridor and ultimate route.

The Group has access to a \$542.5 million Syndicated Facility Agreement (SFA) and a \$300.0 million Australian Dollar Medium Term Note (A\$MTN), which are available for general corporate purposes. The SFA is a revolving facility with multiple tranches split across varying tenors.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Accounting policy

Borrowings are initially recognised at fair value and subsequently recognised at amortised cost. Any difference between the initial cost and the redemption value is recognised in the Consolidated statement of profit or loss over the period of the borrowings using the effective interest rate method. Fees paid upon the establishment

of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Specific to concessional loans, the difference between the proceeds received and the fair value of the loan is recognised as other income. Where conditions are attached to it, the other income is deferred and recognised when those conditions are met.

Borrowings are removed from the Consolidated statement of financial position when the obligation specified in the loan agreement is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party, and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated statement of profit or loss as net finance expense.

Fair value

The fair values of borrowings are not materially different from their carrying amounts, since either the:

- interest payable on those borrowings is close to current market rates, or
- borrowings are of a short-term nature.

With respect to concessional loans, the fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate.

Unsecured	2025 (\$m)		2024 (\$m)	
	Carrying value	Fair value	Carrying value	Fair value
Federal Treasury loan	3.9	3.9	4.8	4.8
Syndicated bank loan	233.2	233.2	273.2	273.2
CEFC loan	35.8	38.1	-	-
A\$MTN	299.3	299.3	299.1	299.1
Total borrowings	572.2	574.5	577.1	577.1

Risk exposure

Details of the Group’s exposure to risks arising from current and non-current borrowings are set out in Note 21.

15. Derivative financial instruments

a. Amounts recognised in the Consolidated statement of financial position

2025 \$m	Current liabilities	Non-current liabilities	Total liabilities
Interest rate swaps – cash flow hedges	0.1	0.2	0.3
Total derivative financial instruments	0.1	0.2	0.3
2024 \$m			
Interest rate swaps – cash flow hedges	-	-	-
Total derivative financial instruments	-	-	-

b. Hedging reserve

The table below details the Group’s hedging reserve movement during the year:

	Hedging reserve \$m
Closing balance at 30 June 2024	-
Add: change in fair value of hedging instrument recognised in Other comprehensive income	0.2
Less: reclassified from Other comprehensive income to profit or loss	(0.5)
Balance at 30 June 2025	(0.3)

c. Amounts recognised in the Consolidated statement of profit or loss

In addition to the amounts disclosed in the reconciliation of hedging reserves, the following amounts were recognised in the Consolidated statement of profit or loss in relation to derivatives:

	2025 \$m	2024 \$m
Hedge ineffectiveness of interest rate swaps – amount recognised in other gains / (losses)	-	-

d. Effects of hedge accounting on the Consolidated financial position and performance

The effects of the hedging instruments on the Group’s financial position and performance are disclosed in Note 21(b).

Measurement

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument. The Group enters interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its borrowings therefore the hedged item is identified as a proportion of the outstanding borrowings up to the notional amount of the swaps. Since all critical terms matched during the year, there is an economic relationship.

Hedge ineffectiveness for interest rate swaps may occur due to:

- the credit value / debit value adjustment on the interest rate swaps which is not matched by the borrowing, and
- differences (if any) in critical terms between the interest rate swaps and borrowings.

Hedge ineffectiveness in relation to the interest rate swaps was negligible for 2025. Refer to Note 21 for a sensitivity analysis of derivatives.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the hedging reserve within equity. The gain / (loss) relating to the ineffective portion is recognised immediately in the Consolidated statement of profit or loss within other expenses. Amounts accumulated in equity are accounted for as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the interest rate swaps, if any, are included within the initial cost of the asset.
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within net finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the Consolidated statement of profit or loss..

Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as ‘held for trading’ for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

16. Prepaid settlements and deposits

	2025 \$m	2024 \$m
Current liabilities		
Declared Wholesale Gas Market (DWGM)	23.2	44.8
Short Term Trading Market (STTM)	26.0	47.5
Western Australia Wholesale Electricity Market (WEM)	2.0	1.1
Total prepaid settlements and deposits	51.2	93.4

Prepaid settlements and deposits relate to gross prepaid settlement payments received in advance from DWGM, STTM and WEM market participants voluntarily, to mitigate against the risk of breaching their credit limits. This enables them to continue trading in their respective markets in accordance with their respective market rules. Market participants can elect to apply their prepayment

against their upcoming settlements or rollover the prepayment to the next period. Once the physical cash has been received, a corresponding liability is recognised in the Consolidated statement of financial position. Prepaid settlements and deposits have decreased in the current financial year due to lower gas prices compared to those within the prior financial year.

17. Lease liabilities

a. Amounts recognised in the Consolidated statement of financial position

The Consolidated statement of financial position shows the following amounts in relation to leases:

	2025 \$m	2024 \$m
Lease liabilities		
Current	7.2	6.4
Non-current	14.6	19.9
Total lease liabilities	21.8	26.3

The total cash outflows for leases in 2025 was \$8.3 million (2024: \$9.8 million).

b. Amounts recognised in the Consolidated statement of profit or loss

The Consolidated statement of profit or loss shows the following amounts relating to leases:

	Notes	2025 \$m	2024 \$m
Rental income from the subleasing of right-of-use assets	6	1.7	1.2
Interest expense (included in net finance expense)	7(g)	(0.9)	(1.0)

Accounting policy for lessee accounting

The Group assesses whether a contract is or contains a lease at inception of the contract. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments are allocated between principal and finance expense. The finance expense is charged to the Consolidated statement of profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease payments are discounted using the interest rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever there is a change in the lease term, payment or there are lease modifications.

Payments associated with short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets are recognised on a straight-line basis as an expense in the Consolidated statement of profit or loss over the term of the lease.

Accounting policy for lessor accounting

The Group has entered into a lease agreement (head lease) for a property, with a part of this property being sublet to an external party. As the risks and rewards of ownership of the head lease right-of-use asset have not transferred to the sublessee, the sublease is deemed an operating lease. Rental income is recognised on a straight-line basis across the life of the sublease agreement. Costs related to the head lease right-of-use asset, such as depreciation, finance expense and impairment, continue to be recognised by the Group as a finance lease.

Critical accounting estimates and assumptions

Lease term

Where lease arrangements contain options to extend the term or terminate the contract, the Group assesses whether it is ‘reasonably certain’ that the option to extend or terminate the contract will be made. Consideration is given to the prevalence of other contractual arrangements and or the economic circumstances relevant to the lease contract, which may indicate the likelihood of the option being exercised. Lease liabilities and right-of-use assets are measured using the reasonably certain contract term.

Lease discount rates

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The discount rate is established on lease commencement and is not changed during the lease term unless there has been a modification to the lease that impacts the remaining lease payments.

18. Employee provisions

	2025 \$m	2024 \$m
Current liabilities		
Annual leave	24.1	21.1
Long service leave	25.4	24.5
Total current employee provisions	49.5	45.6
Non-current liabilities		
Long service leave	8.6	5.4
Total non-current employee provisions	8.6	5.4
Total employee provisions	58.1	51.0

Accounting policy

Liabilities for annual leave and long service leave (LSL), including on-costs (payroll tax, superannuation and workers compensation), that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees’ services up to the end of the reporting period. These are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated statement of financial position.

The Group also has liabilities for LSL that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the discount rates on the website of the Department of Treasury and Finance at the end of the reporting period. Remeasurements because of experience adjustments and changes in assumptions are recognised in the Consolidated statement of profit or loss.

Employee provisions are presented as current liabilities in the Consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Critical accounting estimates and assumptions

Long service leave provisions

LSL provisions involve assumptions based on the expected tenure of existing staff, patterns of leave claims and payout, future salary movements and future discount rates, and are subject to ongoing assessment by the Group.

19. Other liabilities and provisions

Current liabilities	2025 \$m	2024 \$m
Make good provision	0.7	1.0
Total current other liabilities and provisions	0.7	1.0
Non-current liabilities		
Make good provision	3.6	4.2
Total non-current other liabilities and provisions	3.6	4.2
Total other liabilities and provisions	4.3	5.2

The carrying values of other liabilities and provisions are a reasonable approximation of fair value.

20. Capital and reserves

a. Capital contributions

The company was originally incorporated as the National Electricity Market Management Company Limited (NEMMCO) on 10 May 1996 to operate the NEM. As part of the establishment of a single, industry-funded national energy market operator, NEMMCO was renamed Australian Energy Market Operator Limited and various functions of the Victorian Energy Networks Corporation (VENCorp), the Electricity Supply Industry Planning Council (ESIPC), the Gas Market Company (GMC), the Gas Retail Market Operator (GRMO) and Australian Energy Market Operator (Transitional) (AEMO(T)) were transferred, under legislation, to AEMO on 1 July 2009. Amendments were also made to the Constitution of AEMO effective 1 July 2009, changing the structure of AEMO such that Governments hold 60% of voting rights and industry members hold 40%.

b. Reserves

\$m	PCF reserve	Land reserve	Business combination reserve	Hedging reserve	Total
At 1 July 2023	10.9	3.8	8.7	-	23.4
Transfer from accumulated surplus	0.6	0.2	-	-	0.8
As at 30 June 2024	11.5	4.0	8.7	-	24.2
Revaluation	-	-	-	0.2	0.2
Reclassification to profit or loss	-	-	-	(0.5)	(0.5)
Other comprehensive income	-	-	-	(0.3)	(0.3)
Transfer from accumulated surplus	0.3	0.2	-	-	0.5
As at 30 June 2025	11.8	4.2	8.7	(0.3)	24.4

PCF reserve - Under the NER, the Group is required to pay compensation to market participants for scheduling errors. The funds received from market participants each year is segregated within a participant compensation fund (PCF) reserve. The balances for all PCFs, except the NEM PCF, have reached the funding requirements under the relevant rules. No further PCF fees will be charged for these markets unless there is a claim against the funds, however interest will continue to be earned on these funds.

Land reserve - The land reserve has been established to recover the cost of the purchase of the Norwest land from participants over a 30-year period.

Business combination reserve - The assets and liabilities of VENCorp, which managed the main Victorian gas network and gas market, were transferred to AEMO at no cost. This reserve cannot be distributed and is therefore held within a business combination reserve.

Hedging reserve - The hedging reserve includes the cash flow hedge reserve and the costs of the hedging reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in Note 15.

21. Financial risk management

The Group’s risk management is predominantly controlled by Group policies approved by the Board of Directors, which identify and evaluate financial risks. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and use of derivative and non-derivative financial instruments.

Risk	Exposure arising from	Measurement	Management of Risk
Market risk	Long-term borrowings at variable rates	Sensitivity analysis	- Forecast debt positions - Refinancing - Renewals of existing positions - Combination of fixed and floating interest rates - Interest rate swaps
Credit risk	- Cash and cash equivalents - Derivative financial instruments - Trade receivables - Accrued revenue - Debt instruments	- Aging analysis - Credit ratings	- Cash investments being held only in tier one Australian banks - Credit limits - Treasury Policy for derivative instruments
Liquidity risk	- Borrowings - Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

a. Derivatives

Refer to Note 15 for further information regarding derivative financial instruments.

b. Market risk

The Group holds long-term syndicated bank debt facilities with a floating rate, which are denominated in Australian dollars and are held within Australia’s largest financial institutions. Currently, 41% of the Group’s borrowings are composed of floating rate borrowings (2024: 47%), but this risk is managed through interest rate swaps entered into during the year. Generally, the Group enters into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

The Group’s borrowings and receivables are carried at amortised cost. The composition of borrowings between variable and fixed rate is captured below:

	Note	2025		2024	
		\$m	Total %	\$m	Total %
Variable rate borrowings		233.2	41%	273.2	47%
Fixed rate borrowings – maturity dates					
Less than 1 year		0.9	-%	0.9	-%
1 – 5 years		340.4	59%	303.0	53%
Borrowings	14	574.5	100%	577.1	100%

Instruments used by the Group

Interest rate swaps currently in place cover all (2024 – nil%) of the variable loan principal outstanding, amending the less than 1 year exposure to interest rates to 100% fixed, and the 2–3-year exposure to 75% fixed. The swap contracts require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the group’s financial position and performance are as follows:

	2025 \$m	2024 \$m
Carrying amount (net liability)	(0.4)	-
Notional amount		
< 1 year	233.2	-
2 -3 Years	100.0	-
> 5 years	100.0	-
Hedge ratio	100%	n/a
Change in fair value of outstanding hedging instruments since 1 July (gain / (loss))	(0.4)	-
Change in value of hedged item used to determine hedge effectiveness (gain / (loss))	(0.3)	-

Sensitivity

The Consolidated statement of profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and net finance expense from variable rate borrowings because of changes in interest rates.

A 100 basis points (100 bps) increase / decrease* is used (2024: 100 bps), and represents the Group’s assessment of the changes in interest rate over the short term:

\$m	Note	Carrying amount		Impact on post-tax result*			
		2025	2024	+ 100 bps 2025	- 100 bps 2025	+ 100 bps 2024	- 100 bps 2024
Cash and cash equivalents	8	369.7	352.8	3.7	(3.7)	3.5	(3.5)
Borrowings	14	(233.2)	(273.2)	(2.3)	2.3	(2.7)	2.7
Interest rate swaps	15	(0.4)	-	2.5	(2.5)	-	-
Net exposure		136.2	79.6	3.9	(3.9)	0.8	(0.8)

* Holding all other variables constant

c. Credit risk

Credit risk arises from cash and cash equivalents and contractual cash flows of debt instruments carried at amortised cost. Credit is managed on a Group basis by adopting the policy of dealing with creditworthy counterparties and / or obtaining sufficient collateral or bank guarantees, where appropriate, as a means of mitigating the risk of loss. For conducting investments and financial instrument activities, the Group policy is to only transact with counterparties that have a credit rating of AA- (of Standard & Poor’s) or Aa3 (Moody’s), or higher. Ongoing credit evaluation is performed on the financial condition of participants and, where appropriate, an allowance for expected loss is raised. The Group does not have any significant credit risk exposure to any single customer or any group of customers. The Group’s investments in debt instruments are considered to be low risk investments. The credit ratings of the issuer are monitored for credit deterioration.

Security and guarantees

For market participants, the Group obtains security in the form of either bank guarantees or physical cash that is held by the Group in a term deposit on their behalf. These can be called upon in appropriate circumstances if the market participant is in default under the relevant rules / agreement.

Impairment of financial assets

The Group has:

- trade receivables from the provision of services for Connections participants that are subject to the expected credit loss model; and
- debt instruments carried at amortised cost

Whilst cash and cash equivalents are also subject to the impairment requirements of AASB 9 *Financial Instruments* (AASB 9), there was no identified loss.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all applicable trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of participants and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. There is minimal credit risk exposure on energy market transactions because the Group holds bank guarantees or security deposits that can be drawn upon if a market participant defaults on a payment.

On that basis, the loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows:

2025 \$m	Note	Not past due	Past due:				Total
			0 – 30 days	31 – 60 days	61 – 90 days	Past 90 days	
Expected loss rate		-	-	-	-	100%	
Gross carrying amount – trade receivables	9	11.1	0.6	0.1	0.1	1.2	13.1
Loss allowance	9	-	-	-	-	1.2	1.2

2024 \$m	Note	Not past due	Past due:				Total
			0 – 30 days	31 – 60 days	61 – 90 days	Past 90 days	
Expected loss rate		-	-	-	-	42.0%	
Gross carrying amount – trade receivables	9	6.6	1.7	0.3	0.2	1.9	10.7
Loss allowance	9	-	-	-	-	0.8	0.8

The loss allowance for trade receivables as at 30 June reconcile to the opening loss allowance as follows:

\$m	Notes	2025	2024
Opening loss allowance as at 1 July		0.8	1.2
Increase in loss allowance recognised in profit or loss during the year	7(c)	1.2	0.8
Unused amount reversed	7(c)	(0.3)	(1.2)
		0.9	(0.4)
Receivables written off during the year as uncollectible		(0.5)	-
Closing loss allowance at 30 June	9	1.2	0.8

Debt instruments

All of the Group’s debt instruments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited. Management considers ‘low credit risk’ where there is a low risk of default, and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Critical accounting estimates and assumptions

Expected credit loss on trade receivables

The Group applies the simplified approach described within AASB 9 for measuring expected credit losses, which uses a lifetime of expected loss allowance for trade receivables. The expected loss rates are based on the payment profiles of market participants and proponents over historical periods, and the corresponding historical credit losses experienced. Factors to estimate the loss rate are based on a risk assessment performed for each customer segment, and macroeconomic factors affecting the ability of customers to settle.

d. Liquidity risk

Liquidity risk is managed by maintaining adequate cash reserves and banking facilities, by monitoring and forecasting cash flow and where possible by arranging liabilities with longer maturities and by investing surplus funds in highly liquid markets. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

The Group monitors rolling forecasts of the Group’s liquidity reserve (comprising the undrawn borrowing facilities noted below) and cash and cash equivalents (Note 8) on the basis of expected cash flows. These take into consideration the level of liquid assets necessary to meet operational and capital needs throughout the reporting period. The Group also monitors liquidity ratios and maintains the debt financing arrangements.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	Facility Limit \$m	Tenor (Yrs.)	Maturity	Drawn 2025 \$m	Undrawn 2025 \$m	Drawn 2024 \$m	Undrawn 2024 \$m
Floating rate							
Syndicated loans							
Facility A ¹	50.0	1	18/05/2026	-	50.0	-	50.0
Facility A1 ²	40.0	1	18/05/2026	-	40.0	-	-
Facility C ³	242.5	1.8	18/09/2026	233.2	9.3	242.5	-
Facility D ³	210.0	1.8	18/09/2026	-	210.0	30.7	179.3
Fixed rate							
Federal Treasury loan ⁴	6.2	4	30/06/2029	3.9	-	4.8	-
A\$MTN	300.0	5	06/12/2028	300.0	-	300.0	-
CEFC loan	120.0	8	15/07/2032	38.7 ⁵	81.3	-	-
Total				575.8	390.6	578.0	229.3

1. \$50.0 million was refinanced in May 2025
2. Facility is required by under National Gas Law to enable trading in natural gas and to maintain, or improve, the reliability or adequacy of gas supply in the East Coast Gas system
3. Facilities were refinanced in December 2024
4. \$1.1 million was repaid in June 2025
5. This reflects the actual notional drawdown from the loan facility.

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Note	< 1 year \$m	1–5 years \$m	> 5 years \$m	Total contractual cash flows \$m	Carrying amount (assets) / liabilities \$m
At 30 June 2025						
Non-derivatives						
Payables	13	351.9	-	-	351.9	351.9
Borrowings	14	76.6	578.8	-	655.4	574.5
Lease liabilities		8.0	10.3	0.3	18.6	21.8
Total non-derivatives		436.5	589.1	0.3	1,025.9	948.2
At 30 June 2024						
Non-derivatives						
Payables	13	301.2	-	-	301.2	301.2
Borrowings	14	31.0	644.6	-	675.6	577.1
Lease liabilities		8.0	18.0	0.6	26.6	26.3
Total non-derivatives		340.2	662.6	0.6	1,003.4	904.6

22. Capital risk management

The Group’s objectives when managing capital are to safeguard its ability to continue as a going concern and maintain an optimal capital structure to reduce the cost of debt.

Under the terms of the syndicated loan, the Group is required to comply with the reporting requirement of a liquidity ratio greater than 0.5 at the end of each annual reporting period. The Group has complied with the reporting requirements throughout the reporting period, the liquidity ratio being 1.21 (2024: 1.14).

23. Discontinuing operations

a. Description

As described in Note 2 it is expected that all AEMO’s declared network functions will be transferred to VicGrid from AEMO on 1 November 2025. Consequently, the associated assets and liabilities of the VicTNSP operating segment (including those held within TCV) that will be transferring to VicGrid, have been presented as held for sale and as a discontinued operation within the 2025 financial statements. Financial information relating to the discontinued operation for the reporting period is set out below.

b. Financial performance and cash flow information

The financial performance and cash flow information presented below are for the year ended 30 June:

	2025 \$m	2024 \$m
Revenue	889.7	767.0
Network charges	(850.1)	(748.5)
Net revenue	39.6	18.5
Other income	0.1	-
Total income	39.7	18.5
Operating expenses	28.8	14.7
Operating surplus	10.9	3.8
Depreciation and amortisation	(0.2)	(0.2)
Net finance expense	0.2	-
Surplus before income tax	10.9	3.6
Income tax expense	(0.1)	-
Surplus after income tax of discontinued operation	10.8	3.6
Other comprehensive income from discontinued operation	-	-
Net cash outflows from operating activities	(44.7)	(7.4)
Net cash outflows from investing activities	(60.8)	(25.5)
Net cash outflows from financing activities	(0.5)	(0.1)
Net decrease in cash generated by the discontinued operation	(106.0)	(33.0)

c. Details of the transfer

The following assets and liabilities, at their carrying value, were reclassified as held for sale in relation to the discontinued operation as at 30 June 2025:

	2025 \$m
Cash and cash equivalents	8(a) 24.7
Receivables	100.3
Property, plant and equipment	11 64.1
Total assets of discontinued operation	189.1
Payables	114.7
Employee provisions	1.4
Total liabilities of discontinued operation	116.1
Net assets of discontinued operation	73.0

24. Related party transactions

a. Subsidiaries

Interests in subsidiaries are set out in Note 28.

b. Key management personnel compensation

The key management personnel (KMP) were determined to be all Directors, the Managing Director and Chief Executive Officer, along with operational Executive General Management (EGM) personnel, in a consistent manner to the prior year. Refer to the Directors report for a list of the KMP of the Group during the financial year ended 30 June 2025.

	2025 \$m	2024 \$m
Short-term employee benefits	8,105,928	5,850,620
Post-employment benefits	315,149	267,706
Long-term benefits	1,000,569	499,172
Total key management personnel compensation	9,421,646	6,617,498

The short-term benefits disclosed above include \$2,278,174 (2024: \$1,260,000) payable under a short-term incentive scheme which were unpaid at year end and are included in other creditors and accruals. The leave obligations disclosed in Note 18 include obligations payable to KMP of \$585,913 (2024: \$499,172). Detailed remuneration disclosures are provided in the Remuneration section of the Directors Report.

25. Commitments

Commitments at balance date represent contractual arrangements for the Group’s:

- major investment programs;
- operational arrangements required under the National Gas Rules; and
- capital leases for office buildings.

At 30 June the Group had the following commitments:

	2025 \$m	2024 \$m
Not later than one year	105.0	67.5
Later than one year but not later than five years	11.0	10.5
Later than five years	2.6	-
Total commitments	118.6	78.0

26. Contingent assets and liabilities

The Company has no contingent assets or liabilities as at 30 June 2025 (2024: nil).

27. Parent company financial information

a. Summary financial information

The individual financial statements for AEMO show the following aggregate amounts:

Summarised statement of financial position	Notes	2025 \$m	2024 \$m
Assets			
Current assets		695.2	533.0
Non-current assets		583.7	575.8
Total assets		1,278.9	1,108.8
Liabilities			
Current liabilities		576.8	447.9
Non-current liabilities		600.3	605.3
Total liabilities		1,177.1	1,053.2
Net assets		101.8	55.6
Equity			
Contributed capital	20(a)	7.1	7.1
Reserves	20(b)	24.4	24.2
Accumulated surplus		70.3	24.3
Total equity		101.8	55.6
Surplus / (deficit) for the year		46.8	(26.1)
Total comprehensive income for the year		46.6	(26.1)

b. Contingent liabilities of AEMO

AEMO did not have any contingent liabilities as at 30 June 2025 (2024: nil).

c. Contractual commitments of AEMO

Commitments at balance date represent contractual arrangements for AEMO:

- major investment programs;
- operational arrangements required under the National Gas Rules; and
- capital leases for office buildings.

At 30 June AEMO had the following commitments:

	2025 \$m	2024 \$m
Not later than one year	96.3	67.5
Later than one year but not later than five years	11.1	10.5
Later than 5 years	2.6	-
Total commitments	110.0	78.0

d. Determining the parent company financial information

The financial information for AEMO has been prepared on the same basis as the consolidated financial statements except for accounting for investments in subsidiaries, which are accounted for at cost in the financial statements of AEMO.

28. Investment in subsidiaries

a. Summary financial information

The Group’s principal subsidiaries at reporting date are set out below. Their principal activities are described in Note 1. The countries of incorporation are also their principal place of business:

Name	Country of Incorporation	Controlling interest and voting power held (%)		Ownership interest held by non-controlling interests (%)	
		2025	2024	2025	2024
AusEnergy Services Limited	Australia	70	70	30	30
Transmission Company Victoria Pty Ltd ¹	Australia	100	100	n/a	n/a

1. Refer to Note 23 regarding discontinued operations

b. Non-controlling interest

Set out below is summarised financial information for AusEnergy Services Limited, which is the only subsidiary that has a non-controlling interest. The amounts disclosed are before intercompany eliminations.

	2025 \$m	2024 \$m
Summarised statement of financial position		
Current assets	11.6	10.8
Current liabilities	(7.8)	(7.4)
Current net assets	3.8	3.4
Non-current assets	0.4	0.6
Non-current liabilities	(0.7)	(0.9)
Non-current net liabilities	(0.3)	(0.3)
Net assets	3.5	3.1
Accumulated non-controlling interest	1.0	0.9
	2025 \$m	2024 \$m
Summarised statement of profit or loss and other comprehensive income		
Income	48.8	31.8
Expenses	(48.3)	(34.5)
Surplus / (deficit) for the year	0.5	(2.7)
Other comprehensive income	-	-
Total comprehensive income	0.5	(2.7)
Surplus / (deficit) allocated to non-controlling interest	0.1	(0.8)
	2025 \$m	2024 \$m
Summarised statement of cash flows		
Net cash inflows / (outflows) from operating activities	0.2	(0.8)
Net cash inflows / (outflows) from investing activities	-	-
Net cash inflows / (outflows) from financing activities	-	(0.2)
Net increase / (decrease) in cash and cash equivalents	0.2	(1.0)

29. Remuneration of auditors

During the year, the following fees were paid or payable to the auditor of the Group, PricewaterhouseCoopers Australia (PwC).

	2025 \$	2024 \$
Audit of financial reports	427,005	392,500
Other assurance services	1,315,000	1,167,075
Other non-audit services	15,000	20,000
Total services provided by PwC	1,757,005	1,579,575

Other assurance services includes the statutory energy market audit, which commenced prior to PwCs appointment as Group auditor.

30. Events occurring after balance date

Other than as disclosed elsewhere in this report, there has not arisen in the interval between the end of the financial year and the date of this report any matter or circumstance that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs, in the future years.

Consolidated entity disclosure statement

As at 30 June 2025

Entity name	Entity type	Country of Incorporation	% of share capital held	Tax esidency
Australian Energy Market Operator Limited	Body Corporate	Australia	N/A	Australian ¹
AusEnergy Services Limited	Body Corporate	Australia	N/A ²	Australian ³
Transmission Company Victoria Pty Ltd ⁴	Body Corporate	Australia	100%	Australian
Zema Scholarship Fund ⁵	Trust	N/A	N/A	Australian ⁶

Notes:
1. Australian Energy Market Operator Limited was granted an income tax exemption for 10 years from 1 July 2018 to 30 June 2028
2. Voting rights are apportioned 70% to Australian Energy Market Operator Limited but this does not represent share capital held
3. AusEnergy Services Limited was granted an income tax exemption for 5 years from 1 July 2021 to 30 June 2026
4. Refer to Note 23 regarding discontinued operations
5. Australian Energy Market Operator Limited is the Trustee to the Zema Scholarship Fund. The Zema Scholarship Fund is not consolidated into the consolidated financial statements of Australian Energy Market Operator Limited on the grounds of immateriality
6. The Zema Scholarship Fund is a charity endorsed to access an income tax exemption

Directors' declaration

The Directors of Australian Energy Market Operator Limited declare that:

1. The consolidated financial statements, comprising the Consolidated statement of profit or loss, the Consolidated statement of other comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, and accompanying notes on pages 94 to 127, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards as described in Note 3 to the financial statements and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 3 to the financial statements.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. In the Directors' opinion, the Consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Mary O'Kane
Chair
22 September 2025

Independent Auditors' Report



Independent auditor's report

To the members of Australian Energy Market Operator Limited

Our opinion

In our opinion:

The accompanying financial report of Australian Energy Market Operator Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2025
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of profit or loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

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Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/apzlwnoy/ar3_2024.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Matthew Probert
Partner

Melbourne
22 September 2025

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Australian Energy Market Operator Limited

ABN 94 072 010 327

www.aemo.com.au



AEMO

AUSTRALIAN ENERGY MARKET OPERATOR

