

# INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
ABN 53 327 061 410  
[enquiries@audit.sa.gov.au](mailto:enquiries@audit.sa.gov.au)  
[www.audit.sa.gov.au](http://www.audit.sa.gov.au)

## To the Chairperson Australian Energy Market Commission

### Opinion

I have audited the financial report of the Australian Energy Market Commission for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Australian Energy Market Commission as at 30 June 2025, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chairperson, the Chief Executive and the Head of Finance and IT.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Australian Energy Market Commission. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Responsibilities of the Chief Executive and the Commissioners for the financial report**

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

The Commissioners are responsible for overseeing the entity's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 26(2) of the *Australian Energy Market Commission Establishment Act 2004*, I have audited the financial report of the Commission for the financial year ended 30 June 2025.

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Energy Market Commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and the Chairperson about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue  
**Deputy Auditor-General**

25 September 2025

**Australian Energy Market Commission**  
**ABN 49 236 270 144**

**Annual Financial Statements**  
**for the year-ended**  
**30 June 2025**

**Simplified Disclosures**

## **Certification of the Financial Statements**

We certify that the:

- financial statements of the Australian Energy Market Commission (the **AEMC** or the **Commission**):
  - are in accordance with the accounts and records of the Commission;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Commission at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Commission for the financial year over its financial reporting and its preparation of financial statements have been effective.



.....

Geoffrey Rutledge

Chief Executive (appointed 11 August 2025)



.....

Christopher Brennan

Head of Finance & IT



.....

Anna Collyer

Chairperson

Date: 23 September 2025

## Australian Energy Market Commission

### Statement of Comprehensive Income

for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>Income</b>			
Contributions from participating jurisdictions	3.1	38,539	36,677
Sales of goods and services	3.2	903	690
Other income	3.3	688	2,396
<b>Total income</b>		<b>40,130</b>	<b>39,763</b>
<b>Expenses</b>			
Employee related expenses	4.1	26,388	24,334
Supplies and services	4.2	14,490	14,111
Depreciation and amortisation	5.1, 5.5	3,075	3,422
Interest expense	4.3	200	233
Other expenses	4.4	42	715
<b>Total expenses</b>		<b>44,195</b>	<b>42,815</b>
<b>Net result</b>		<b>(4,065)</b>	<b>(3,052)</b>
<b>Total comprehensive result</b>		<b>(4,065)</b>	<b>(3,052)</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the participating jurisdictions as owners.

# Australian Energy Market Commission

## Statement of Financial Position

as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b><u>Current assets</u></b>			
Cash and cash equivalents	6.2	3,117	5,831
Receivables	6.3	1,740	1,907
Other financial assets	6.4	7,617	7,616
<b>Total current assets</b>		<b>12,474</b>	<b>15,354</b>
<b><u>Non-current assets</u></b>			
Property, plant and equipment	5.1	13,060	16,664
Intangible assets	5.5	-	274
<b>Total non-current assets</b>		<b>13,060</b>	<b>16,938</b>
<b>Total assets</b>		<b>25,534</b>	<b>32,292</b>
<b><u>Current liabilities</u></b>			
Payables	7.2	721	1,421
Lease liabilities	7.3	2,707	2,653
Employee related liabilities	7.4	2,357	1,817
Other liabilities	7.5	907	804
<b>Total current liabilities</b>		<b>6,692</b>	<b>6,695</b>
<b><u>Non-current liabilities</u></b>			
Employee related liabilities	7.4	808	769
Lease liabilities	7.3	11,242	13,925
Provisions	7.6	915	961
<b>Total non-current liabilities</b>		<b>12,965</b>	<b>15,655</b>
<b>Total liabilities</b>		<b>19,657</b>	<b>22,350</b>
<b>Net Assets</b>		<b>5,877</b>	<b>9,942</b>
<b><u>Equity</u></b>			
Retained earnings		3,860	7,925
Contributed capital		2,017	2,017
<b>Total Equity</b>	8.1	<b>5,877</b>	<b>9,942</b>

The accompanying notes form part of these financial statements. The total equity is attributable to the participating jurisdictions as owners.

## Statement of Changes in Equity

*for the year ended 30 June 2025*

	Note	Contributed capital \$'000	Retained earnings \$'000	Total Equity \$'000
<b>Balance at 1 July 2023</b>		<b>2,017</b>	<b>10,977</b>	<b>12,994</b>
Net result for 2023-24		-	(3,052)	(3,052)
<b>Total comprehensive result for 2023-24</b>		<b>-</b>	<b>(3,052)</b>	<b>(3,052)</b>
<b>Balance at 30 June 2024</b>		<b>2,017</b>	<b>7,925</b>	<b>9,942</b>
Net result for 2024-25		-	(4,065)	(4,065)
<b>Total comprehensive result for 2024-25</b>		<b>-</b>	<b>(4,065)</b>	<b>(4,065)</b>
<b>Balance at 30 June 2025</b>	8.1	<b>2,017</b>	<b>3,860</b>	<b>5,877</b>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the participating jurisdiction as owners.



# Australian Energy Market Commission

## Statement of Cash Flows

for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b><u>Cash flows from operating activities</u></b>			
<u>Cash inflows</u>			
Receipts from participating jurisdictions		38,808	33,365
Sales of goods and services		1,150	2,466
Other receipts		23	4
Interest received		820	605
GST recovered from the ATO		1,579	1,593
<u>Cash outflows</u>			
Employee related payments		(25,768)	(24,014)
Payments for supplies and services		(16,170)	(15,972)
Interest paid		(197)	(253)
<b>Net cash from/ (used in) operating activities</b>		<b>245</b>	<b>(2,206)</b>
<b><u>Cash flows from investing activities</u></b>			
<u>Cash inflows</u>			
Proceeds from the sale of property, plant and equipment		-	7
<u>Cash outflows</u>			
Purchase of property, plant and equipment		(318)	(853)
Purchase of intangible assets		-	(7)
<b>Net cash (used in) investing activities</b>		<b>(318)</b>	<b>(853)</b>
<b><u>Cash flows from financing activities</u></b>			
Repayment of principal portion of lease liabilities		(2,641)	(2,499)
<b>Net cash (used in) financing activities</b>		<b>(2,641)</b>	<b>(2,499)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(2,714)</b>	<b>(5,558)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>5,831</b>	<b>11,389</b>
<b>Cash and cash equivalents at the end of the period</b>	6.2	<b>3,117</b>	<b>5,831</b>

The accompanying notes form part of these financial statements.

# **NOTES TO THE FINANCIAL STATEMENTS**

1.	About the Australian Energy Market Commission .....	10
1.1.	Basis of preparation.....	10
1.2.	Objectives and activities.....	10
1.3.	Economic dependency .....	11
2.	Commissioners, committees and employees .....	11
2.1.	Key management personnel.....	11
2.2.	Commissioners.....	12
2.3.	Committee members.....	12
3.	Income.....	13
3.1.	Contributions from participating jurisdictions.....	13
3.2.	Sales of goods and services .....	13
3.3.	Other income.....	14
4.	Expenses .....	15
4.1.	Employee related expenses.....	15
4.2.	Supplies and services .....	16
4.3.	Interest expense.....	16
4.4.	Other expenses .....	16
5.	Non-financial assets .....	17
5.1.	Property, plant and equipment by asset class.....	17
5.2.	Useful life and depreciation.....	17
5.3.	Property, plant and equipment owned by the Commission .....	18
5.4.	Property, plant and equipment leased by the Commission .....	18
5.5.	Intangible assets.....	18
6.	Financial assets.....	19
6.1.	Categorisation of financial assets .....	19
6.2.	Cash and cash equivalents.....	19
6.3.	Receivables .....	20
6.4.	Other financial assets.....	20
7.	Liabilities .....	21
7.1.	Categorisation of financial liabilities.....	21
7.2.	Payables .....	21
7.3.	Lease liabilities.....	21
7.4.	Employee related liabilities.....	22
7.5.	Other liabilities .....	23
7.6.	Provisions.....	23
8.	Other disclosures .....	24
8.1.	Equity .....	24
9.	Outlook .....	24
9.1.	Unrecognised commitments .....	24
9.2.	Contingent assets and liabilities .....	25
9.3.	Events after reporting period.....	25
10.	Disclosure of administered items .....	25

# 1. About the Australian Energy Market Commission

The Commission is a body corporate established under South Australian law.

The Commission does not control any other entity and has no interest in unconsolidated structured entities. The Commission has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

The objectives and activities of the Commission are detailed in note 1.2.

## 1.1. Basis of preparation

The financial statements are general-purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- South Australian Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the provisions of the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards, applying simplified disclosures.

For the purposes of preparing the financial statements, the Commission is a not-for-profit entity. The Commission is not subject to income tax. The Commission is liable for payroll tax, fringe benefits tax (**FBT**) and goods and services tax (**GST**).

The financial statements are prepared on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is identified in the notes to the financial statements. Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (**ATO**), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Cash flows include GST in the Statement of Cash Flows.

Assets that are to be sold, consumed or realised as part of the normal 12-month operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the Commission has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/ or accounting policy statements have required a change.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

## 1.2. Objectives and activities

### Objectives

The Commission was established on 22 July 2004 pursuant to the Australian Energy Market Commission Establishment Act 2004 (the **AEMC Establishment Act**). The Commission operates in Australia from a single office in Sydney, NSW.

The Commission's key functions under the AEMC Establishment Act, the National Electricity (South Australia) Act 1996, the National Gas (South Australia) Act 2008, and the National Energy Retail Law (South Australia) Act 2011, are to:

- a) consider and determine rule change requests made by stakeholder proponents, e.g. jurisdictions, market participants, private individuals, industry groups, think tanks etc;
- b) conduct energy market reviews on request of Energy Ministers or on the AEMC's own initiative; and
- c) provide advice on request from Energy Ministers.

#### **Activities**

The Commission undertakes the following activities:

- a) make and revise the energy rules;
- b) undertake reviews and provides advice to governments and others on improvements to regulatory and energy market arrangements;
- c) develop electricity guidelines and standards together with the Reliability Panel; and
- d) undertake major projects which may involve a combination of reviews and rule changes conducted over an extended period of time.

### **1.3. Economic dependency**

The continued existence of the Commission in its present form is dependent on Government policy in each of the jurisdictions who fund the AEMC, and the Commonwealth Government. Given this dependency on jurisdictional funding, the Commission is not in a position to borrow funds and retains capital and cash reserves sufficient to meet the majority of its liabilities and unrecognised contractual commitments.

To assist with revenue certainty, the Ministerial Council on Energy approves funding for the Commission for the next year and notes the three forward years based on the funding submission put forward by the Commission in August each year. In a letter to the Commission, dated 6 December 2024, the Ministerial Council on Energy advised the approval of funding of \$41.430m for the Core Budget of the Commission for the financial year 2025-26.

## **2. Commissioners, committees and employees**

### **2.1. Key management personnel**

Key management personnel of the authority include the Commissioners, the Chief Executive and members of the Executive Leadership Team who have responsibility for the strategic direction and management of the Commission.

Total compensation for key management personnel was \$4,639,000 (2024: \$4,464,000).

#### ***Transactions with key management personnel and other related parties***

The Commission is a statutory authority established pursuant to the *Australian Energy Market Commission Establishment Act 2004*.

The Commission is not owned or controlled by the South Australian Government. Related parties of the Commission include all key management personnel, their close family members and any entities controlled by those persons.

There were no transactions with key management personnel or other related parties during the financial year.

## 2.2. Commissioners

The following persons held the position of Commissioner during the financial year:

Anna Collyer (Chair)

Sally McMahon

Tim Jordan

Rainer Korte (appointed 30 September 2024)

Lana Stockman (appointed 30 September 2024)

### **Remuneration of Commissioners**

The number of Commissioners whose remuneration received or receivable falls within the following bands:	2025 No.	2024 No.
\$250,000 to \$269,999	1	-
\$290,000 to \$309,999	1	-
\$390,000 to \$409,999	-	2
\$410,000 to \$429,999	2	-
\$450,000 to \$469,999	-	1
\$710,000 to \$729,999	-	1
\$730,000 to \$749,999	1	-
<b>Total number of Commissioners</b>	<b>5</b>	<b>4</b>

Commissioners are appointed by the Governor of South Australia on the recommendation of the Minister for Energy and Mining following nomination by the Ministerial Council on Energy as appropriate in accordance with the *Australian Energy Market Commission Establishment Act 2004*.

The total remuneration received or receivable by Commissioners for the year was \$2,129,000 (2024: \$1,987,000). Remuneration of Commissioners reflects all costs of performing Commission member duties including sitting fees, salaries and wages, superannuation contributions, salary sacrifice benefits and fringe benefits and any net FBT paid or payable in respect of those benefits.

Commissioners respective travel days and times are dictated by the requirement for them to attend AEMC meetings, functions, and event schedules, including meetings and other internal and external stakeholder activity to carry out their roles. FBT is payable for a portion of travel from Commissioners state of residence.

## 2.3. Committee members

### **Remuneration of committee members**

Committee Members during the 2024-25 financial year were:

#### **Reliability Panel**

Tim Jordan (Chair)

Rainer Korte (Acting Chair, appointed 10 December 2024)

#### **Audit and Risk Management Committee (ARMC)**

David Pendleton (Chair, term ended 31 March 2025)

Stephen Horne (Chair, appointed 1 April 2025)

Angela Donohoe (appointed 1 May 2025)

Sally McMahon (Commissioner representative)

The number of external ARMC members (excluding the Commissioners) whose remuneration received or receivable falls within the following bands:	<b>2025 No</b>	<b>2024 No</b>
\$0 – \$19,999	3	2
<b>Total number of members</b>	<b>3</b>	<b>2</b>

The total remuneration received or receivable by external ARMC members (excluding the Commissioners) as of 30 June 2025 was \$23,000 (2024: \$23,000). Remuneration of external ARMC members (excluding the Commissioners) reflects all costs of performing ARMC member duties including sitting fees, salaries and wages, superannuation contributions, salary sacrifice benefits and fringe benefits and any net FBT paid or payable in respect of those benefits.

### 3. Income

Income is recognised to the extent it is probable that the flow of economic benefits to the Commission will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

#### 3.1. Contributions from participating jurisdictions

	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Operational funding	38,539	36,677
<b>Total contributions from participating jurisdictions</b>	<b>38,539</b>	<b>36,677</b>

The Commission's funding is provided through contributions by the participating jurisdictions within the meaning of the National Electricity Law and the National Gas Law and the National Energy Retail Law. All jurisdictions' contributions to the Commission are expenses of the respective State and Territory Governments and are not inter-agency transactions.

Contributions are recognised as an asset and income when the Commission obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

#### 3.2. Sales of goods and services

All revenue from the sale of goods and services is revenue recognised from contracts with customers.

	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Recovery of costs	903	690
<b>Total sales of goods and services</b>	<b>903</b>	<b>690</b>

Provision of staff secondment and corporate services for back-office support to customers requires the ongoing provision of services over the term of the agreement, for which recovery revenue is recognised over the time services are provided. This is because the employees' obligations are satisfied over time.

Payments are generally due monthly in arrears for the ongoing provision of staff secondment and corporate services. Revenue is based on recovery for the employment costs incurred and estimated on-costs if applicable in respect of the staff secondment services, or as provided for in the secondment agreement. Revenue for corporate services recovery is based on an agreed monthly amount.

### 3.3. Other income

	2025 \$'000	2024 \$'000
Administered funds transferred to the AEMC upon the winding up of the ESB	-	1,660
Interest income	688	736
<b>Total other income</b>	<b>688</b>	<b>2,396</b>

## 4. Expenses

### 4.1. Employee related expenses

	2025 \$'000	2024 \$'000
Salaries and wages	20,631	19,125
Long service leave	92	213
Annual leave	1,718	1,636
Employment on-costs – superannuation	2,406	2,087
Payroll and Fringe Benefits Tax	1,530	1,267
Relocation expenses	11	6
<b>Total employee related expenses</b>	<b>26,388</b>	<b>24,334</b>

Employees are appointed under common law contracts and are not employees under the South Australian Public Sector Act 2009.

Employee related expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

#### **Employment on-costs superannuation**

The superannuation employment on-cost represents the contributions made by the Commission to the superannuation plan in respect of the current services of current Commission staff.

#### **Employee remuneration**

The number of employees whose remuneration received or receivable falls within the following bands:	2025 No.	2024 No.
\$166,001 to \$171,000*	N/a	1
\$171,001 to \$191,000	7	13
\$191,001 to \$211,000	11	10
\$211,001 to \$231,000	6	5
\$231,001 to \$251,000	7	7
\$251,001 to \$271,000	5	5
\$271,001 to \$291,000	9	4
\$291,001 to \$311,000	3	2
\$311,001 to \$331,000	1	-
\$331,001 to \$351,000	-	1
\$351,001 to \$371,000	1	3
\$371,001 to \$391,000	2	-
\$391,001 to \$411,000	2	1
\$451,001 to \$471,000	1	-
\$491,001 to \$511,000	-	1
<b>Total number of employees</b>	<b>55</b>	<b>53</b>

\* This band has been included for the purpose of reporting comparative figures based on the executive base-level remuneration rate for 2023-24.

The total remuneration received by those employees for the year was \$13,898,000 (2024: \$12,656,000).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year, as established by the South Australia Department of Treasury and Finance. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any net FBT paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Commission.



## 4.2. Supplies and services

	2025 \$'000	2024 \$'000
Property expenses	18	49
Information technology expenses	5,386	2,855
Accounting, taxation, legal and internal audit expenses	127	224
Audit fees <sup>+</sup>	52	39
Contractor expenses <sup>#</sup>	373	988
Consultancy expenses <sup>#</sup>	5,475	5,534
Project support expenses <sup>*</sup>	251	387
General administration expenses	315	271
Short-term and low-value leases	39	33
Variable lease payments	630	596
Travel and accommodation expenses	470	497
Recruitment expenses	407	960
Staff training expenses	744	1,253
Other staff-related expenses	203	425
<b>Total supplies and services</b>	<b>14,490</b>	<b>14,111</b>

<sup>+</sup> Includes audit fees paid/ payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* of \$52,000 (2024: \$39,000). No other services were provided by the Audit Office of South Australia.

<sup>#</sup> Includes professional services such as economic advice, modelling, and legal advice directly related to project work on rule changes, market reviews and expert panels.

<sup>\*</sup> Includes stakeholder communication, venue hire, research data and statutory advertising directly related to project work on rule changes, market reviews and expert panels.

## 4.3. Interest expense

	2025 \$'000	2024 \$'000
Interest expense on lease liabilities	200	233
<b>Total interest expense</b>	<b>200</b>	<b>233</b>

The Commission does not capitalise interest expense.

## 4.4. Other expenses

	2025 \$'000	2024 \$'000
Disbursement of administered funds to other market bodies upon winding up of the ESB	-	640
Net loss/ (gain) from disposal of property, plant and equipment	42	75
<b>Total other expenses</b>	<b>42</b>	<b>715</b>

Any (gain)/ loss on disposal of property, plant and equipment is recognised at the date control of the asset is passed to the buyer and is determined after deducting the written-down value from the proceeds of the asset sale at the time.

## 5. Non-financial assets

### 5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

#### Reconciliation 2024-25

	Leasehold Improvement \$'000	Office Equip. & Furn. \$'000	IT Infrastructure \$'000	ROU- building \$'000	ROU-PPE \$'000	Work in Process \$'000	Total \$'000
Gross carrying amount	4,533	524	1,213	22,746	81	-	29,097
Accumulated Depreciation	(2,233)	(460)	(990)	(12,273)	(81)	-	(16,037)
<b>Carrying amount</b>	<b>2,300</b>	<b>64</b>	<b>223</b>	<b>10,473</b>	<b>-</b>	<b>-</b>	<b>13,060</b>
<b>Carrying amount at the beginning of the period</b>	<b>2,631</b>	<b>70</b>	<b>700</b>	<b>12,747</b>	<b>15</b>	<b>501</b>	<b>16,664</b>
Acquisitions	138	3	178	-	-	-	319
Disposal/ Write-offs	(20)	(2)	(960)	-	-	(501)	(1,483)
Depreciation adjustment for write offs	-	2	573	-	-	-	575
Actual Depreciation/ Amortisation (net movement in year)	(449)	(9)	(268)	(2,274)	(15)	-	(3,015)
<b>Carrying amount at the end of the period</b>	<b>2,300</b>	<b>64</b>	<b>223</b>	<b>10,473</b>	<b>-</b>	<b>-</b>	<b>13,060</b>

### 5.2. Useful life and depreciation

Depreciation is calculated on a straight-line basis. Property, plant and equipment depreciation is calculated over the estimated useful life as follows:

Class of Assets	Useful Life (years)
Plant and Equipment	10 – 20
Leasehold improvements	10 – 12
IT Infrastructure	2 – 5

The useful life of a right-of-use asset is the lease term.

#### Review of accounting estimates

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the period or method, as appropriate.

All non-current assets with a limited useful life are systematically depreciated/ amortised over their useful lives in a manner that reflects the consumption of their service potential.

### 5.3. Property, plant and equipment owned by the Commission

Property, plant and equipment owned by the Commission with a value equal to or in excess of \$2,000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Commission is subsequently measured at fair value.

#### ***Plant and equipment***

All items of plant and equipment owned by the Commission that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than 3 years have not been revalued. The carrying value of these items is deemed to approximate fair value.

#### ***Impairment***

Plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

### 5.4. Property, plant and equipment leased by the Commission

Right-of-use assets for property, plant and equipment leased by the Commission as lessee are measured at cost.

Short-term leases of 12 months or less and low-value leases, where the underlying asset value is less than \$15,000, are not recognised as right-of-use assets. The Commission has the following leases:

- a lease of 2,105.2 square metres for the current office premises with Dexus CPA Pty Ltd in Sydney CBD. The lease commenced on 1 February 2020 for a term of 10 years with an option to renew for another 5 years, which has not been taken up as at 30 June 2025;
- 3 car parking spaces with a 10-year lease term, with Dexus CPA Pty Ltd, commenced on 1 February 2020; and
- 8 HP printers with a 5-year lease term, with Data#3, installed in the office premises on 1 July 2020.

### 5.5 Intangible assets

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Computer software, at cost (deemed fair value)	3,248	3,248
Acquisitions	-	7
Write-offs	(214)	-
Accumulated amortisation	(3,034)	(2,981)
<b>Total intangible assets</b>	<b>-</b>	<b>274</b>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are between 4 to 5 years. The amortisation is calculated on a straight-line basis.

## Reconciliation 2024-25

	Intangible assets \$'000	Work in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	274	-	274
Acquisitions	-	-	-
Write-offs	(214)	-	(214)
Amortisation	(60)	-	(60)
Carrying amount at the end of the period	-	-	-

## 6. Financial assets

### 6.1. Categorisation of financial assets

	2025 Carrying amount \$'000	2024 Carrying amount \$'000
<b>Financial assets</b>		
Cash and cash equivalents	3,117	5,831
Other financial assets – Short Term Deposits	7,617	7,616
<b>Financial assets at amortised cost</b>		
Receivables	97	396
<b>Total financial assets</b>	<b>10,831</b>	<b>13,843</b>

Receivables as disclosed in this note do not include statutory amounts as these are not financial instruments. Prepayments are excluded as they are not financial assets.

### 6.2. Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash at bank and on hand	3,117	5,831
<b>Total cash and cash equivalents</b>	<b>3,117</b>	<b>5,831</b>

Cash and cash equivalents include cash at bank and cash on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash, and which are subject to insignificant risk in changes in value. Cash is measured at nominal value.

### 6.3. Receivables

	2025 \$'000	2024 \$'000
<b><u>Current receivables</u></b>		
<b><u>Contractual receivables</u></b>		
Receivables from sale of goods and services	-	167
<b>Total contractual receivables</b>	<b>-</b>	<b>167</b>
<b><u>Statutory receivables</u></b>		
GST receivable	439	637
Fringe benefits tax receivable	-	102
<b>Total statutory receivables</b>	<b>439</b>	<b>739</b>
Interest receivable	97	229
Prepayments	1,204	772
<b>Total receivables</b>	<b>1,740</b>	<b>1,907</b>

All receivables are non-interest bearing. They are held with the objective of collecting the contractual cash flows.

#### **Contractual receivables**

Contractual receivables arise in the normal course of selling goods and services to other government agencies and the public. Contractual receivables are normally settled within 30 days after the issue of an invoice, or the goods/ services have been provided under a contractual arrangement.

There are no impairment losses related to contracts with customers external to the Commission.

#### **Statutory receivables**

Statutory receivables do not arise from contracts with customers. They are related to taxes and tax equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables. Statutory receivables are not financial assets.

No impairment loss was recognised in relation to statutory receivables.

### 6.4. Other financial assets

	2025 \$'000	2024 \$'000
Short-term deposits	7,617	7,616
<b>Total other financial assets</b>	<b>7,617</b>	<b>7,616</b>

#### **Short-term deposits**

Short-term deposits are made for varying periods of six months and twelve months. The deposits are lodged with the ANZ bank and earn interest at the respective short-term deposit rates.

## 7. Liabilities

### 7.1. Categorisation of financial liabilities

	2025 Carrying Amount \$'000	2024 Carrying Amount \$'000
<b>Financial liabilities at amortised costs</b>		
Payables	684	607
Lease liabilities	13,950	16,578
<b>Total financial liabilities</b>	<b>14,634</b>	<b>17,185</b>

Payables as disclosed in this note do not include accrued expenses or statutory amounts, as these are not financial instruments.

### 7.2. Payables

	2025 \$'000	2024 \$'000
<b>Current</b>		
Contractual payables	-	607
Accrued expenses	655	777
<b>Statutory payables</b>		
Fringe benefits tax payable	21	-
Audit fee payable	45	37
<b>Total statutory payables</b>	<b>66</b>	<b>37</b>
<b>Total current payables</b>	<b>721</b>	<b>1,421</b>
<b>Total payables</b>	<b>721</b>	<b>1,421</b>

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 15 days from the date the invoice is received. All payables are non-interest-bearing. The carrying amount of contractual payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, as well as statutory fees and charges.

Statutory payables are carried at cost. They are not financial liabilities

### 7.3. Lease liabilities

	Note	2025 \$'000	2024 \$'000
Current lease liabilities		2,707	2,653
Non-current lease liabilities		11,242	13,925
<b>Total lease liabilities</b>	<b>5.4</b>	<b>13,949</b>	<b>16,578</b>

The Commission measures lease liabilities at amortised cost.

Lease liabilities are related to property, plant and equipment lease arrangements disclosed in note 5.4.

<b>Future lease payment maturity analysis</b>	<b>Note</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Not later than one year		2,760	2,629
Later than one year but not later than five years		11,189	11,993
Later than five years		-	1,956
<b>Total future lease payments</b>	<b>5.4</b>	<b>13,949</b>	<b>16,578</b>

The future lease payments are presented at nominal amounts.

## 7.4. Employee related liabilities

	<b>2025 \$'000</b>	<b>2024 \$'000</b>
<b><u>Current</u></b>		
Accrued salaries and wages	141	6
Annual leave	1,493	1,287
Long service leave	34	16
Employment on-costs	689	508
<b>Total current employee related liabilities</b>	<b>2,357</b>	<b>1,817</b>
<b><u>Non-current</u></b>		
Long service leave	721	687
Employment on-costs	87	82
<b>Total non-current employee related liabilities</b>	<b>808</b>	<b>769</b>
<b>Total employee related liabilities</b>	<b>3,165</b>	<b>2,586</b>

Long-term employee related liabilities are measured at present value and short-term employee related liabilities are measured at nominal amounts.

### **Long service leave**

The liability for long service leave is 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 using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are then applied to the Commission's employee details.

Key assumptions include whether the characteristics of employee remuneration, terms of service in accordance with employment contracts, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the Commission. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability.

The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has remained unchanged at 4.25% (2024 4.25%). This has resulted in no change to the reported long service leave liability.

The unconditional portion of the long service leave provision is classified as current as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service for NSW and 7 years for Victoria.

### **Employment on-costs**

Employment on-costs include payroll tax, workers compensation levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service

leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The Commission contributes to several externally managed superannuation schemes on behalf of employees. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid.

## 7.5. Other liabilities

	2025 \$'000	2024 \$'000
<b>Current</b>		
Unearned revenue	907	804
<b>Total other liabilities</b>	<b>907</b>	<b>804</b>

## 7.6. Provisions

	2025 \$'000	2024 \$'000
<b>Non-current</b>		
Provision for make good	915	961
<b>Total non-current provisions</b>	<b>915</b>	<b>961</b>
 <b>Carrying amount at the beginning of the period</b>	 961	 854
Remeasurement	(46)	107
<b>Carrying amount at end of the period</b>	<b>915</b>	<b>961</b>

Provisions are recognised when the Commission has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The Commission has no requirement to recognise a workers compensation provision as workplace injuries are insured through iCare insurance (NSW), Zurich (ACT), WorkCover (QLD), EML (VIC), Allianz West (WA) and ReturntoWorkSA (SA).

### ***Provision for make good***

The Commission has recognised a provision for make good as a result of its obligation to return refurbished leasehold improvements to their original condition at the end of its lease for the current office premises. In accordance with AASB 16 Leases, the initial provision for make good on the current office premises has been recognised as part of the right-of-use property.



## 8. Other disclosures

### 8.1. Equity

	2025 \$'000	2024 \$'000
<b>Contributed Capital</b>		
New South Wales	750	750
Victoria	556	556
Queensland	432	432
South Australia	173	173
Tasmania	54	54
Australian Capital Territory	36	36
Western Australia	14	14
Northern Territory	2	2
<b>Total contributed capital</b>	<b>2,017</b>	<b>2,017</b>
<b>Retained earnings</b>	<b>3,860</b>	<b>7,925</b>
<b>Total Equity</b>	<b>5,877</b>	<b>9,942</b>

The Ministerial Council on Energy Standing Committee of Officials meeting of 7 December 2006 approved the maintenance of a Capital reserve to meet any adverse funding situation or unexpected cash flows. Each State and Territory provided their portion of the funds for the Capital reserve, which is intended to be retained by the Commission for its lifetime or until sufficient reserves have been created through annual surpluses.

## 9. Outlook

### 9.1. Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO. If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

#### ***Contractual commitments to acquire property, plant and equipment***

	2025 \$'000	2024 \$'000
Not later than one year	-	144
Later than one year but not longer than five years	-	15
<b>Total capital commitments</b>	<b>-</b>	<b>159</b>

### Other contractual commitments

Other contractual commitments comprise IT managed services, software licenses, subscriptions and professional fees.

	2025 \$'000	2024 \$'000
Not later than one year	5,785	5,105
Later than one year but not longer than five years	743	164
<b>Total other contractual commitments</b>	<b>6,528</b>	<b>5,269</b>

## 9.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

On 16 August 2024, the AEMC was served with a summons for proceedings in the Supreme Court of NSW concerning the AEMC's determination on an administered price cap event compensation claim. The plaintiff is seeking orders to (among other things): have the AEMC's decision set aside and remitted to the AEMC to remake according to law; have the AEMC repay to the plaintiff costs charged; and that the AEMC pay the plaintiff's costs of the proceedings.

The hearing concluded on 3 September 2025. Judgment was handed down on 23 September 2025, with the plaintiff's summons being dismissed and the AEMC being awarded its costs. As at the date of reporting, the quantum of costs to be paid to the AEMC remains unknown.

## 9.3. Events after reporting period

There are no events occurring after 30 June 2025 that have a material financial implication on the financial statements.

## 10. Disclosure of administered items

The Energy Security Board (**ESB**) was established by the COAG Energy Council to coordinate the implementation of the reform blueprint produced by Australia's Chief Scientist, Dr Alan Finkel AO, and provide whole-of-system oversight for energy security and reliability to drive better outcomes for consumers. From March 2018 until June 2024, the Commission administered resources on behalf of the ESB. Contributions from the Commonwealth and States and Territories were held by the AEMC, and the Commission entered into contracts with suppliers on behalf of the ESB. Transactions and balances relating to the administered resources were not recognised as the Commission's income, expenses, cash inflows or cash outflows, assets or liabilities, and were disclosed separately in financial statements.

In May 2023, Energy Ministers approved establishing the Energy Advisory Panel (**EAP**) as a refocusing of the ESB to coordinate market bodies' advice to governments under the National Energy Transformation Partnership with effect from 1 July 2023. The AEMC does not administer funds on behalf of the EAP.

In March 2024, the Department of Climate Change, Energy, the Environment and Water directed that the remaining ESB funds administered by the Commission, net of disbursements to other market bodies, should be transferred to the AEMC as part of the funding for the Transmission Access Reform project. Consequently, the AEMC's controlled funds increased by \$1,660,000, from which the Commission was required to disburse funds to other market bodies as per the transition plan approved by Senior Energy Officials.

As at the time of reporting, there were no administered funds remaining.