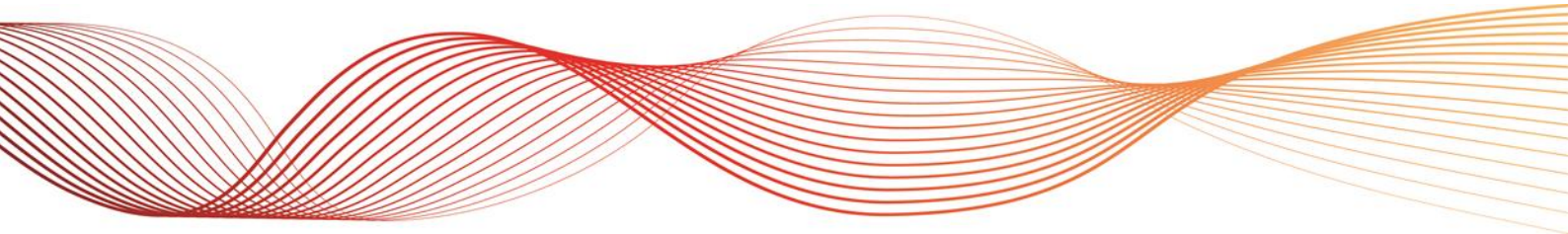




# GAS BULLETIN BOARD FINAL BUDGET AND FEES 2016-17

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# EXECUTIVE SUMMARY

## 1.1 Introduction

AEMO operates on a cost recovery basis as a company limited by guarantee under the Corporations Act (2001). AEMO fully recovers its operating costs through fees paid by participants.

AEMO has a broad range of functions and each is underpinned by a fee structure developed in consultation with stakeholders and in line with the national rule requirements. The fee structures detail how AEMO will calculate fees and who will be charged.

AEMO's annual budget sets out the amounts that will be charged under these fee structures.

The 2016-17 final Gas Bulletin Board (GBB) budget provides a view of the 2016-17 revenue and expenses, and estimates for the following four-year period. In budgeting for 2016-17, AEMO has continued to apply strong commercial discipline to control costs to reduce the impact of fee increases to market participants.

## 1.2 Contacts

For stakeholder questions regarding the contents of this report, please do not hesitate to contact:

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# GAS BULLETIN BOARD

## 1.3 Fees

Development work continued on the Gas Bulletin Board (GBB) in 2015-16, with introduction of a new Curtis Island zone to capture Liquefied Natural Gas (LNG) information, interface improvements to support usability, and back-end improvements to improve storage and validation of GBB datasets.

On 17 December 2015, the Australian Energy Market Commission (AEMC) also made a final Rule determination to further improve the information provided to the East Coast Gas Market via that GBB. Effective 6 October 2016, the new Rule will see a broader scope and resolution of data published for GBB production, transmission and storage facilities. AEMO is actively engaging with stakeholders to coordinate these changes.

These development projects, coupled with higher depreciation and IT hosting costs, have resulted in an increase in budgeted expenditure for the 2016-17 financial year. Forward year expenditure is estimated to reduce once GBB Rule Change project work is completed.

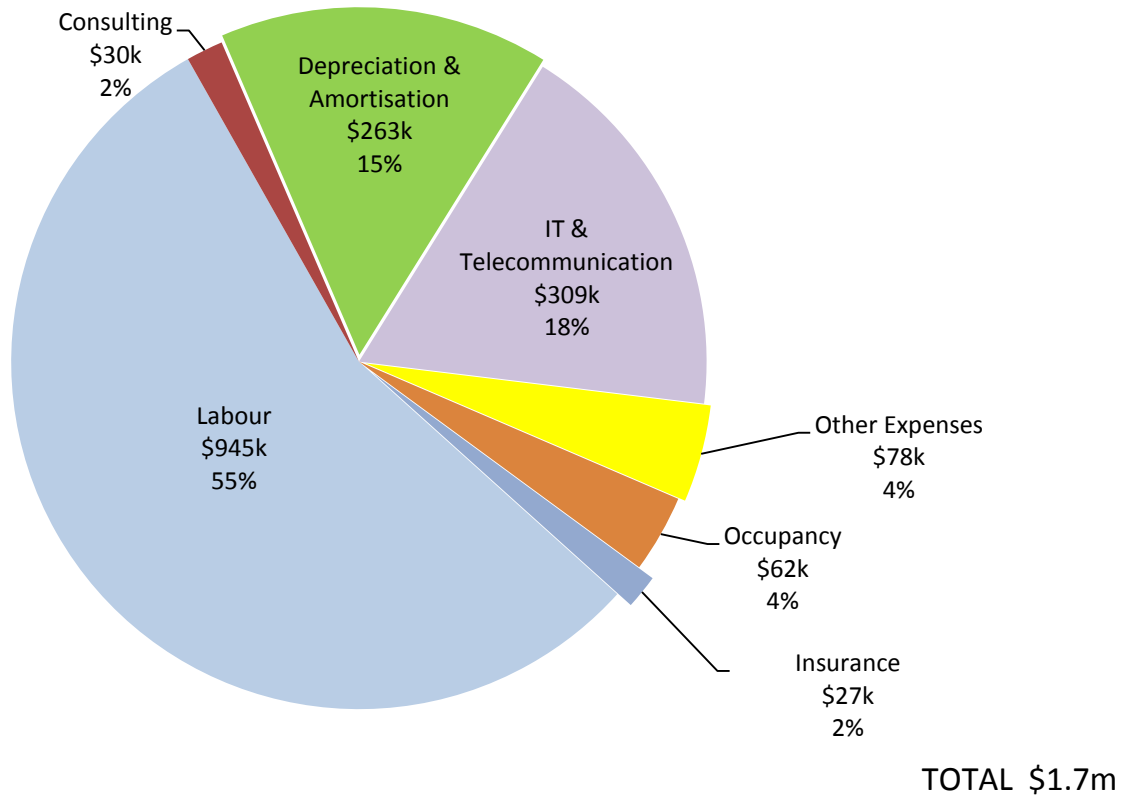
**Table 1 Projected revenue requirement**

Fee	Actual 2015-16 (\$'000)	Budget 2016-17 (\$'000)	Estimate 2017-18 (\$'000)	Estimate 2018-19 (\$'000)	Estimate 2019-20 (\$'000)	Estimate 2020-21 (\$'000)
Gas Bulletin Board	1,441	1,646 +14%	1,383 -16%	1,396 +1%	1,420 +2%	1,384 -3%

### 1.4 Revenue and Expenditure

The expenditure is detailed below in Figure 1 by expenditure category

Figure 1 Expenditure by category 2016-17



**Table 2 Profit and Loss statement 2016-17 and comparison**

	Budget	Forecast	Budget	Variance to Budget	
	2015-16 \$'000	2015-16 \$'000	2016-17 \$'000	\$'000	%
Other Revenue	1,441	1,630	1,646	205	+14%
<b>Total Revenue</b>	<b>1,441</b>	<b>1,630</b>	<b>1,646</b>	<b>205</b>	<b>+14%</b>
Labour	755	677	945	190	+25%
Contractors	2	12	6	3	+145%
Consulting	29	22	30	0	+1%
Fees - Agency, Licence & Audit	3	3	5	2	+69%
IT & Telecommunication	260	246	309	49	+19%
Occupancy	50	49	62	12	+23%
Insurance	23	22	27	4	+17%
Other Expenses	61	58	78	16	+26%
Depreciation & Amortisation	244	253	263	19	+8%
<b>Total Expenditure</b>	<b>1,429</b>	<b>1,342</b>	<b>1,724</b>	<b>296</b>	<b>+21%</b>
<b>Surplus/(Deficit)</b>	<b>12</b>	<b>288</b>	<b>(79)</b>	<b>(91)</b>	
Brought Forward Surplus/(Deficit)	(113)	(209)	79	192	
<b>Accumulated Surplus/(Deficit)</b>	<b>(101)</b>	<b>79</b>	<b>(0)</b>		

**Key Points:**

- Revenue for 2016-17 is estimated to be \$0.2M (14%) higher than the 2015-16 budget.
- Expenditure for 2016-17 is estimated to be \$0.3M (21%) higher than 2015-16 budget. This is mainly due to:
  - **Labour costs (+\$0.2m)**  
Labour costs budgeted to increase in 2016-17 due to higher resources allocated to this function.
  - **IT and Telecommunication (+\$0.05M)**  
IT Telecommunication costs are budgeted to increase in 2016-17 due to a full year's cost of IT hosting, support and licence for the new bulletin board site compared to nine months in 2015-16.

*Note – all amounts quoted in this document are nominal dollars unless otherwise stated and all amounts are exclusive of GST.*