BULLETIN BOARD

2010/11 BUDGET

1 Introduction

On 1 July 2009 six industry bodies from both the electricity and gas markets merged to create the Australian Energy Market Operator (AEMO).

AEMO draws together the functions carried out by these organisations, incorporating management of the National Electricity Market (NEM) and the retail and wholesale gas markets of eastern and southern Australia and oversees system security of the NEM electricity grid and the Victorian gas transmission network. In addition, AEMO is responsible for national transmission planning, the operation of the national gas bulletin board and the establishment of a Short Term Trading Market for gas.

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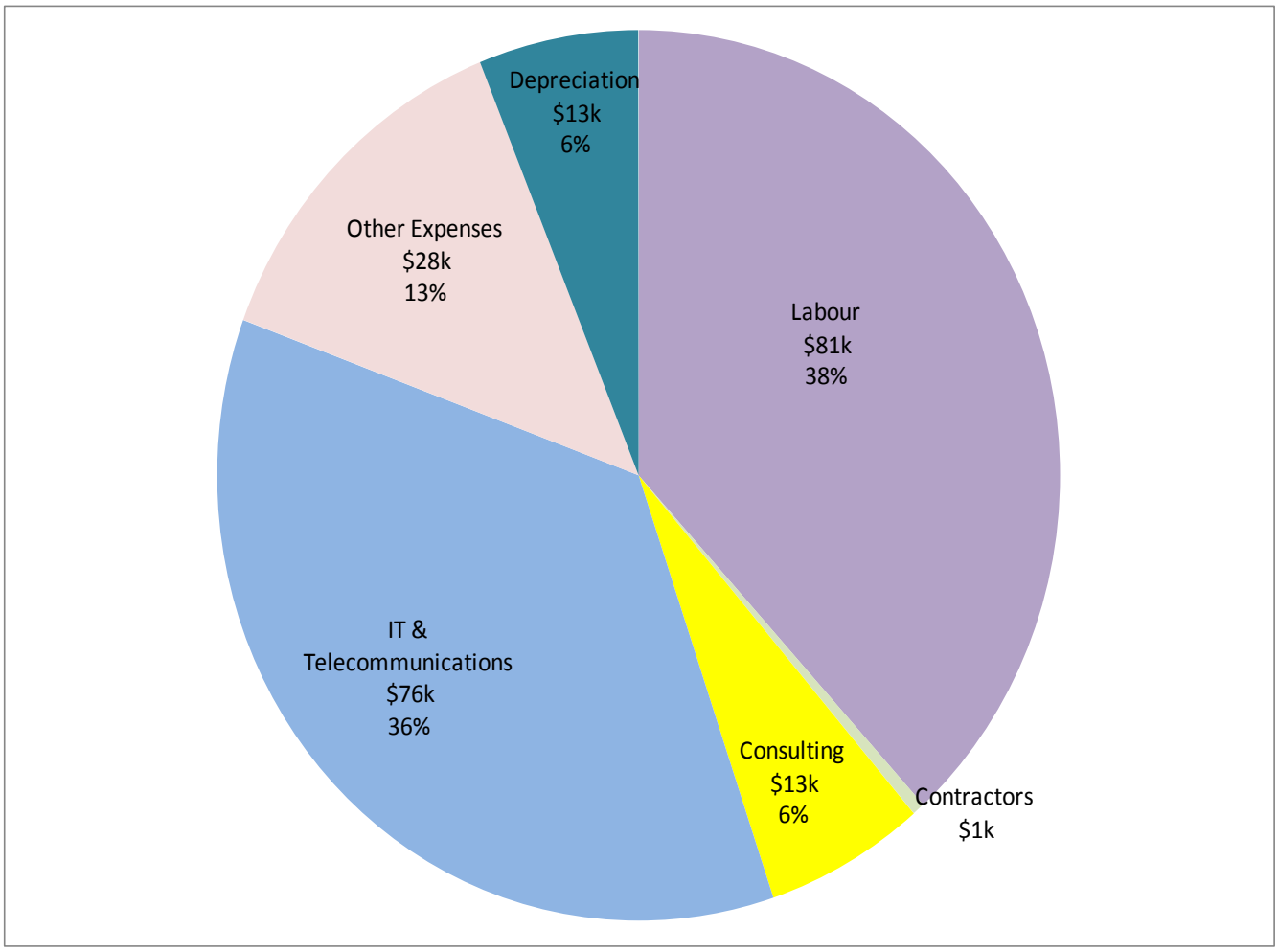
2 Bulletin Board Revenue and Expenses

	Budget 2009/10 ($'000)	Forecast 2009/10 ($'000)	Budget 2010/11 ($'000)
Revenue	188	175	123
Expenses			
Labour	70	62	81
Contractors	60	2	1
Consulting	4	3	13
IT & Telecommunications	61	80	76
Expenses - Other	-	13	28
Depreciation & Amortisation	8	9	13
Total Expenditure	203	170	212
Allocations			
AEMO Establishment costs	-	-	3
Total Allocations	-	-	3
Surplus/Deficit	(15)	5	(92)
Brought Forward Surplus/Deficit	15	87	92
Accumulated Surplus/Deficit	-	92	-

Key Points

- The Bulletin Board fees are budgeted to be lower in 2010/11 as a carried forward surplus has been used to lower the overall revenue requirement. Fees would then be expected to increase in 2011/12 to reach an annual break-even position.
- From 1 July 2009 the Bulletin Board has been allocated a portion of corporate costs, along with all of the other AEMO functions. Corporate costs include costs such as CEO and Board costs, legal, communications, risk, rent, insurance and finance costs.
- From 1 July 2010 AEMO will be recovering costs incurred in establishing AEMO from all of AEMO's electricity and gas functions. These costs will be recovered over 3 years and in 2010/11 a total of $3k will be recovered from Bulletin Board participants.
- Invoices for the 2010/11 year will be calculated following the finalisation of the 2009/10 actual costs. It is expected that the invoices for 2010/11 will be sent to Bulletin Board participants in August 2010.

Bulletin Board – 2010/11 Budgeted Expenditure ($0.21M)