



# Western Australia Gas Services Information 2018-19 AEMO Final Budget and Fees

**June 2018**

Australian Energy Market Operator Limited

# Executive Summary

## Introduction

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

AEMO's annual budget sets out the amounts that will be charged under the Gas Services Information rules (GSI), 114. This report provides a view of the final WA Gas Services Information (GSI) revenue and expenses for 2018-19.

### The key points of the 2018-19 final budget are:

- AEMO GSI revenue requirement is \$1.520m for 2018-19.
- AEMO will continue to manage our costs prudently to reduce the impact of fee increases to market participants, and we will identify further opportunities for efficiencies.

## 1.1 Summary of Revenue Requirement

Table 1 Summary of Revenue Requirement

Revenue Requirement	Actual 2017-18	Budget 2018-19	Estimate 2019-20	Estimate 2020-21
AEMO GSI revenue requirement (\$'000)	1,527	1,520 0%	TBC	TBC
ERA revenue requirement (\$'000)	207	70 -66%	TBC	TBC

## 1.2 Contact for inquiries

### AEMO contact for inquiries

For all queries on budget and fees, please contact:

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# 2. Western Australia (WA) GSI

## 2.1 Fees

Purpose of this function	<p>The GSI function includes the GBB (WA) and WA GSOO. The objectives of the GBB (WA) and WA GSOO is to ensure:</p> <ul style="list-style-type: none"> <li>• Security, reliability and availability of the supply of natural gas in the state.</li> <li>• Efficient operation and use of natural gas services in the state.</li> <li>• Efficient investment in natural gas services in the state.</li> <li>• Facilitation of competition in the use of natural gas services in the state.</li> </ul> <p>Similar to the GBB on the East Coast, the WA GBB is an information website hub to provide flow information on gas, transmission, storage, emergency management with supply disruptions, and demand in WA.</p> <ul style="list-style-type: none"> <li>• The WA GSOO is an annual planning document providing medium to long term outlook of gas supply and demand in WA, transmission and storage capacity in the State.</li> </ul>
Fees	<p>The current GSI recovery is \$1.527m.</p> <p>Total costs to be recovered in 2018-19 (\$1.520m) are similar to the 2017-18 level.</p>

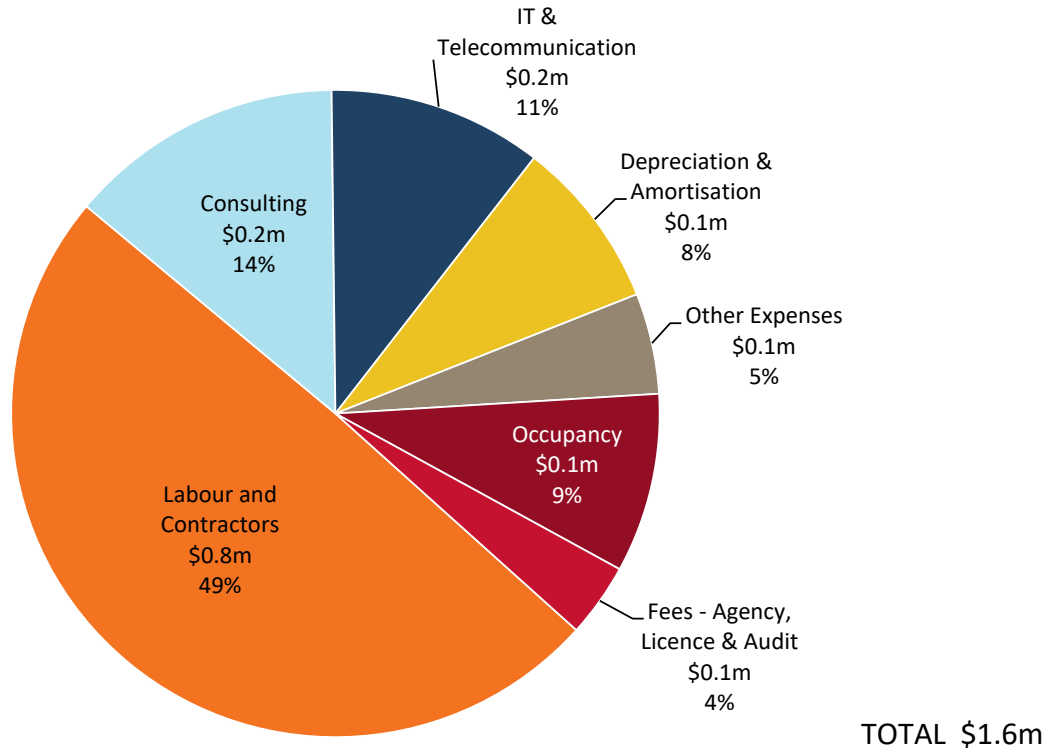
**Table 2 GSI projected fees**

Fee	Actual 2017-18	Budget 2018-19	Estimate 2019-20	Estimate 2020-21
GSI fee (\$'000)	1,527	1,520 0%	TBC	TBC

## 2.2 Revenue and Expenditure

The expenditure is detailed below in Figure 1 by expenditure category

**Figure 1 Expenditure by category 2018-19**



**Table 3 Profit and Loss statement 2018-19 and comparison**

	Budget	Budget	Variance	
	2017-18 \$'000	2018-19 \$'000	\$'000	%
Fees and tariffs	1,527	1,520	(7)	-0%
Other Revenue	0	0	0	#DIV/0!
<b>Total Revenue</b>	<b>1,527</b>	<b>1,520</b>	<b>(7)</b>	<b>-0%</b>
Labour and Contractors	715	806	91	+13%
Consulting	244	224	(19)	-8%
Fees - Agency, Licence & Audit	55	60	5	+9%
IT & Telecommunication	75	174	99	+132%
Occupancy	91	146	55	+60%
Other Expenses	136	82	(54)	-40%
Depreciation & Amortisation	745	139	(607)	-81%
<b>Total Expenditure</b>	<b>2,061</b>	<b>1,631</b>	<b>(431)</b>	<b>-21%</b>
<b>Surplus/(Deficit)</b>	<b>(534)</b>	<b>(111)</b>	<b>423</b>	
Brought Forward Surplus/(Deficit)	479	112	(368)	
<b>Accumulated Surplus/(Deficit)</b>	<b>(55)</b>	<b>1</b>		

# 3. Economic Regulator Authority (ERA)

Purpose of this function	to ensure that WA has a fair, competitive and efficient environment for consumers and businesses.
Fees	AEMO is required to recover the funding for the ERA from market customers and generators (i.e. pass through recovery). Total expenditure budgeted by the ERA to be recovered in 2018-19 is \$0.07m (-66% decrease) (2017-18: \$0.21m).
Other notes	For any questions on the ERA budget in 2018-19, contact Pam Herbener, Director, Corporate Services at <a href="mailto:pam.herbener@erawa.com.au">pam.herbener@erawa.com.au</a>

**Table 4 ERA revenue requirement**

Revenue Requirement	Actual 2017-18	Budget 2018-19
ERA revenue requirement (\$'000)	207	70 -66%

# List of Abbreviations

<b>Term</b>	<b>Definition</b>
<b>AEMO</b>	Australian Energy Market Operator
<b>ERA</b>	Economic Regulation Authority
<b>GSI</b>	Gas Services Information
<b>TBC</b>	To be Confirmed
<b>WA</b>	Western Australia