

# MINUTES

MEETING: Financial Consultative Committee 2022 – Meeting 2  
 DATE: Friday, 4 February 2022  
 TIME: 9.30am to 10.30am (AEDT)  
 LOCATION: By Teams

## ATTENDEES:

| NAME                   | COMPANY   |
|------------------------|---|
| Julie Williams (Chair) | AEMO  |
| Tony Chappel           | AEMO  |
| Jeff Forrest           | Transgrid   |
| Mike Hutchens          | Energy Queensland   |
| Jonathan Spink         | Pacific Hydro   |
| Alastair McKeown       | Energy Australia  |
| Raif Sarcich           | Victorian Department of Environment, Land, Water and Planning |
| Jonathan Wills         | NSW Department of Planning, Industry and Environment          |

## APOLOGIES:

| NAME             | COMPANY                    |
|------------------|----------------------------|
| Michael O'Rourke | Stanwell                   |
| Ian Brooksbank   | Hydro Tasmania             |
| Katrina Porteus  | Energy Consumers Australia |
| Mario Tieppo     | AEMO                       |

## GUESTS:

| NAME                | COMPANY |
|---------------------|---------|
| Violette Mouchaileh | AEMO    |
| Vanessa Hanna       | AEMO    |
| Gordon Dunsford     | AEMO    |
| Kate Reid           | AEMO    |
| Paul Johnson        | AEMO    |
| Stewart Waters      | AEMO    |

## Welcome

Ms Julie Williams, AEMO's Executive General Manager Finance, welcomed the attendees to the meeting.

Ms Williams introduced Vanessa Hannan who will be taking over her role on an interim basis as Executive General Manager Finance and Gordon Dunsford who has taken on the role of AEMO Executive General Manager Digital. Ms Williams then outlined the meeting agenda.

## **Review of minutes of previous meeting and action items**

Ms Williams asked if there were corrections or comments on the previous meeting Minutes. There were no comments and the Minutes of the previous meeting held on Thursday 28 October 2021 were accepted.

There were two outstanding action items from the previous meeting, all of which have been actioned and closed. Ms Williams asked if there were any questions or comments on the action items – none were raised.

## **Review of FCC Terms of Reference**

Mr Chappel, AEMO's Executive General Manager, Corporate Affairs discussed the proposed changes to the Terms of Reference (ToR) including the suggestion to review the ToR at the first meeting of each year. The ToR incorporating these changes was accepted by the committee. The ToR will be updated to reflect the annual review and placed on the AEMO website.

## **Financial Performance Q2 December 2021 Update**

Ms Williams provided an overview of AEMO Corporate KPI and Corporate Plan performance for the first 6 months to December 2021. Discussion was undertaken on some of the projects that are currently presenting an amber indicator.

Mr Jonathan Spink, Pacific Hydro asked how AEMO manages these operational and capital projects within the current AEMO organisational changes. Ms Williams explained that AEMO operates an Enterprise Portfolio Office (EPO) for governance and management of the investment programs. In addition, all large capital projects have a steering committee with Finance representation. These functions will continue to operate, and we are expanding the EPO to govern non-business as usual operating expenditure projects/programs to ensure prioritisation and management of investments with a total cost view.

Mr Alastair McKeown, Energy Australia asked with regards to the Corporate Plan performance what does organisation excellence look at and how is it registered. Ms Williams indicated that specific deliverables that evolve the way we work, are documented in the AEMO Corporate plan that we track performance against.

Mr Alastair Mc Keown enquired about AEMO organisational changes and whether we undertake any formal surveys across our business. Mr Chappel replied that we undertake internal surveys three times a year and offered to share some of those findings at the next meeting.

Mr Stewart Waters, AEMO's Manager Corporate Finance provided an update on AEMO financial performance for the first 6 months to December 2021.

Mr Alastair Mc Keown asked about IT and Telecom expenditure and relevant to the whole year, how much the overspend will be and whether we have any specific programs or actions to pull the budget back for the full year.

Mr Stewart explained that our four-year IT budget is \$47m and that the most recent forecast is that we will be around \$10m over budget with a contributing factor being that budget is understated. Mr Gordon Dunford, AEMO's Executive General Manager Digital added that AEMO is looking at cost reduction levers including both cost and usage demand.

## **Review of Corporate Plan Priorities 2022/23**

Mr Chappel discussed the current Australian energy landscape and outlined AEMO's proposed corporate plan 2022/23 four priority areas and associated deliverables.

Mr Alastair Mc Keown enquired when considering the ISP and fundamental changes being forecast, does AEMO have a 5 year or 10-year plan. Ms Williams stated that AEMO is looking at longer term financial requirements and a lot of work has already been undertaken to build that longer look, and in our budget forecast for 2022/23 an additional two years of forecasting will be provided.

Mr Jeff Forrest, TransGrid asked to what extent is AEMO operating post fee structure 2025 with regards to revenue forecasts. Mr Chappel stated that last year AEMO ran a fee structure review for participants that goes out 5 years. This review looks at the fee structure that different participants, including new participant types operate under. It is a requirement for this to be done every 5 years with the next round of consulting due to commence at the end of next financial year.

### **Draft Capital Program 2022/23**

Ms Violette Mouchaileh, AEMO Executive General Manager Reform Delivery, outlined AEMO draft capital program for 2022/23 including the reform workstreams under the 2025 NEM reform.

### **Draft Budget 2022/23 Discussion**

Ms Williams indicated that the draft AEMO budget for 2022/23 will be ready to present to this Committee no later than March 2022. Ms Williams suggested that we allocate a dedicated session to the 2022/23 budget including the capital program. AEMO will organise a 1-hour session to review the budget.

### **General Discussions**

Ms Williams reminded the Committee if they have any additional comments or questions to provide them to either Mr Chappel or herself. As this was Ms Williams last meeting, Ms Williams thanked the Committee and wished everyone the best for the future.

As there were no more questions or comments the meeting concluded at 10.35am.

### **Action items**

| <b>Item #</b> | <b>Action</b>   | <b>Responsibility</b> | <b>Due Date</b>                                 |
|---------------|---|-----------------------|---|
| 2.1           | Update the Terms of Reference and place onto AEMO website.      | AEMO                  | February 2022.                                  |
| 2.2           | Share some of the findings of AEMO internal staff surveys.      | AEMO                  | Next meeting of the FCC planned for March 2022. |
| 2.3           | Set the date for the next FCC meeting no later than March 2022. | AEMO                  | February 2022.                                  |