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To the Chair Australian Energy Market Commission

Opinion

I have audited the financial report of the Australian Energy Market Commission (the Commission) for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Commission as at 30 June 2026, 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 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, the Chief Executive and the Head of Finance.

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 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 2026.

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 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 Chair 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

24 September 2026

Australian Energy Market Commission

ABN 49 236 270 144

**Annual Financial Statements
for the year ended
30 June 2026**

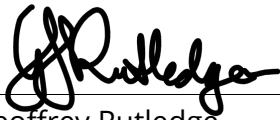
Simplified Disclosures

Australian Energy Market Commission

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



Madeleine Stewart

Head of Finance



Anna Collyer

Chair

Date: 22 September 2026

Australian Energy Market Commission

Statement of Comprehensive Income

for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
<u>Income</u>			
Contributions from participating jurisdictions	3.1	45,742	38,539
Sales of goods and services	3.2	748	903
Other income	3.3	549	688
Total income		47,039	40,130
 <u>Expenses</u>			
Employee related expenses	4.1	28,147	26,388
Supplies and services	4.2	11,739	14,438
Depreciation and amortisation	5.5	2,917	3,075
Interest expense	4.3	165	200
Other expenses	4.4	132	94
Total expenses		43,100	44,195
 Net result		 3,939	 (4,065)
 Total comprehensive result		 3,939	 (4,065)

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 2026

	Note	2026 \$'000	2025 \$'000
<u>Current assets</u>			
Cash and cash equivalents	5.2	6,809	3,117
Receivables	5.3	1,838	1,740
Other financial assets	5.4	7,617	7,617
Total current assets		16,264	12,474
<u>Non-current assets</u>			
Property, plant and equipment	5.5	10,546	13,060
Total non-current assets		10,546	13,060
Total assets		26,810	25,534
<u>Current liabilities</u>			
Payables	6.2	1,143	721
Lease liabilities	6.3	2,779	2,707
Employee related liabilities	6.4	2,958	2,357
Other liabilities	6.5	-	907
Total current liabilities		6,880	6,692
<u>Non-current liabilities</u>			
Employee related liabilities	6.4	743	808
Lease liabilities	6.3	8,409	11,242
Provisions	6.6	962	915
Total non-current liabilities		10,114	12,965
Total liabilities		16,994	19,657
Net assets		9,816	5,877
<u>Equity</u>			
Retained earnings		7,799	3,860
Contributed capital		2,017	2,017
Total equity	7.1	9,816	5,877

The accompanying notes form part of these financial statements.

The total equity is attributable to the participating jurisdictions as owners.

Australian Energy Market Commission

Statement of Changes in Equity

for the year ended 30 June 2026

	Note	Contributed capital \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 1 July 2024		2,017	7,925	9,942
Net result from 2024-25		-	(4,065)	(4,065)
Total comprehensive result from 2024-25		-	(4,065)	(4,065)
Balance at 30 June 2025	7.1	2,017	3,860	5,877
Net result from 2025-26		-	3,939	3,939
Total comprehensive result from 2025-26		-	3,939	3,939
Balance at 30 June 2026	7.1	2,017	7,799	9,816

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 2026

	Note	2026 \$'000	2025 \$'000
<u>Cash flows from operating activities</u>			
<i><u>Cash inflows</u></i>			
Receipts from participating jurisdictions		44,895	38,808
Sales of goods and services		785	1,150
Other receipts		23	23
Interest received		491	820
GST recovered from the ATO		870	1,579
<i><u>Cash outflows</u></i>			
Employee related payments		(27,248)	(25,768)
Payments for supplies and services		(12,620)	(16,170)
Interest paid		(165)	(197)
Net cash from/(used in) operating activities		7,031	245
<u>Cash flows from investing activities</u>			
<i><u>Cash inflows</u></i>			
Proceeds from the sale of property, plant and equipment		14	-
<i><u>Cash outflows</u></i>			
Purchase of property, plant and equipment		(595)	(318)
Net cash from/(used in) investing activities		(581)	(318)
<u>Cash flows from financing activities</u>			
Repayment of principal portion of lease liabilities		(2,758)	(2,641)
Net cash from/(used in) financing activities		(2,758)	(2,641)
Net increase/(decrease) in cash and cash equivalents		3,692	(2,714)
Cash and cash equivalents at the beginning of the period		3,117	5,831
Cash and cash equivalents at the end of the period	5.2	6,809	3,117

The accompanying notes form part of these financial statements.

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 based 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 are 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 provide 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 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 7 January 2026 the Ministerial Council on Energy advised the approval of funding of \$45.573m for the Core Budget of the Commission for the financial year 2026-27.

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 \$4,765,000 in 2025-26 and \$4,639,000 in 2024-25.

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.

Apart from the remuneration for key management personnel, the Commission did not have any material transactions with key management personnel, their close family members and/or their controlled or jointly controlled entities in 2024-25 and 2025-26.

2.2. Commissioners

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

Anna Collyer (Chair)

Sally McMahon

Tim Jordan

Rainer Korte

Lana Stockman

Remuneration of Commissioners

The number of Commissioners whose remuneration received or receivable falls within the following bands:	2026	2025
\$250,000 to \$269,999	-	1
\$290,000 to \$309,999	-	1
\$370,000 to \$389,999	1	-
\$390,000 to \$409,999	3	-
\$410,000 to \$429,999	-	2
\$710,000 to \$729,999	1	-
\$730,000 to \$749,999	-	1
Total number of Commissioners	5	5

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 \$2,309,000 (2025: \$2,129,000). 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 2025-26 financial year were:

Reliability Panel

Rainer Korte (Chair)
Sally McMahon

Audit and Risk Management Committee (ARMC)

Stephen Horne (Chair)
Angela Donohoe
Sally McMahon (Commissioner representative, term ended 31 July 2025)
Lana Stockman (Commissioner representative, appointed 1 August 2025)

The number of external ARMC members (excluding the Commissioners) whose remuneration received or receivable falls within the following bands:	2026	2025
\$1 - \$19,999	2	3
Total number of members	2	3

The total remuneration received or receivable by external ARMC members (excluding the Commissioners) as of 30 June 2026 was \$26,000 (2025: \$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

	2026	2025
	\$'000	\$'000
Operational funding	45,742	38,539
Total contributions from participating jurisdictions	45,742	38,539

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 from participating jurisdictions are recognised as income on receipt in accordance with AASB 1058. Prior to FY26, contributions received in advance were recognised in the period to which the funding related. Following a review of the funding arrangements, the Commission determined that recognition on receipt is the appropriate accounting treatment under AASB 1058. The impact of applying this policy to comparative periods was assessed as immaterial and comparative information has not been restated.

3.2. Sales of goods and services

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

	2026	2025
	\$'000	\$'000
Recovery of costs	748	903
Total sales of goods and services	748	903

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

	2026	2025
	\$'000	\$'000
Interest income	549	688
Total other income	549	688

4. Expenses

4.1. Employee related expenses

	2026 \$'000	2025 \$'000
Salaries and wages	21,706	20,631
Long service leave	249	92
Annual leave	1,895	1,718
Employment on-costs - superannuation	2,725	2,406
Payroll and Fringe Benefits Tax	1,554	1,530
Relocation expenses	18	11
Total employee related expenses	28,147	26,388

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:

	2026	2025
\$171,001 to \$177,000*	N/A	2
\$177,001 to \$197,000	11	9
\$197,001 to \$217,000	7	10
\$217,001 to \$237,000	8	8
\$237,001 to \$257,000	6	3
\$257,001 to \$277,000	4	9
\$277,001 to \$297,000	8	5
\$297,001 to \$317,000	3	3
\$317,001 to \$337,000	1	-
\$337,001 to \$357,000	-	1
\$357,001 to \$377,000	1	-
\$377,001 to \$397,000	-	3
\$397,001 to \$417,000	3	1
\$417,001 to \$437,000	1	-
\$437,001 to \$457,000	-	-
\$457,001 to \$477,000	1	1
Total	54	55

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2024-25.

The total remuneration received by those employees for the year was \$13,930,000 (2025: \$13,898,000).

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

	2026 \$'000	2025 \$'000
Property expenses	236	18
Information technology expenses	3,929	5,386
Accounting, taxation, legal, and internal audit expenses	360	127
Contractors*	395	373
Consultants*	4,247	5,475
Project support expenses	194	251
General administration expenses	226	315
Short term and low value leases	40	39
Variable lease payments	667	630
Travel and accommodation expenses	473	470
Recruitment expenses	134	407
Staff training expenses	498	744
Other staff-related expenses	340	203
Total supplies and services	11,739	14,438

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

4.3. Interest expense

	2026 \$'000	2025 \$'000
Interest expense on lease liabilities	165	200
Total interest expense	165	200

The Commission does not capitalise interest expense.

4.4. Other expenses

	2026	2025
	\$'000	\$'000
Net loss / (gain) from disposal of property, plant and equipment	14	42
Ex gratia payments	60	-
Other*	58	52
Total other expenses	132	94

** 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 \$58,200 (2025: \$52,000). No other services were provided by the Audit Office of South Australia.*

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. Assets

5.1. Categorisation of financial assets

	2026 Carrying amount \$'000	2025 Carrying amount \$'000
Financial assets measured at amortised cost		
Cash and cash equivalents	6,809	3,117
Other financial assets - Short Term Deposits	7,617	7,617
Contractual Receivables	74	97
Total financial assets	14,500	10,831

All financial assets are measured at amortised cost.

5.2. Cash and cash equivalents

	2026 \$'000	2025 \$'000
Cash at bank and on hand	6,809	3,117
Total cash and cash equivalents	6,809	3,117

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.

5.3. Receivables

	2026 \$'000	2025 \$'000
Current receivables		
Contractual receivables		
Interest receivable	74	97
Total contractual receivables	74	97
Statutory receivables		
GST receivable	426	439
Fringe benefits tax receivable	-	-
Total statutory receivables	426	439
Prepayments	1,338	1,204
Total receivables	1,838	1,740

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.

5.4. Other financial assets

	2026 \$'000	2025 \$'000
Short-term deposits	7,617	7,617
Total other financial assets	7,617	7,617

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.

5.5. 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 2025-26	Leasehold Improvement \$'000	Office Equipment & Furniture \$'000	IT Infrastructure \$'000	ROU - Building \$'000	Total \$'000
Gross carrying amount	4,533	540	997	22,638	28,708
Accumulated depreciation	(2,685)	(468)	(482)	(14,527)	(18,162)
Carrying amount	1,848	72	515	8,111	10,546
Carrying amount at the beginning of the period	2,300	64	223	10,473	13,060
Acquisitions	-	16	525	-	541
Disposal / Write-offs	-	-	(29)	(109)	(138)
Actual Depreciation & Amortisation (net annual movement)	(452)	(8)	(204)	(2,253)	(2,917)
Carrying amount at the end of the period	1,848	72	515	8,111	10,546

5.6. Useful life and depreciation

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

Class of asset	Useful life (years)
Plant and equipment	10-20
Leasehold improvements	10-12
IT Infrastructure	3-5

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.

5.7. 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 three 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.

5.8. 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; and
- 3 car parking spaces with a 10-year lease term, with Dexus CPA Pty Ltd, commenced on 1 February 2020.

5.9. Intangible assets

	2026 \$'000	2025 \$'000
Computer software, at cost (deemed fair value)	-	3,248
Write-offs	-	(214)
Accumulated amortisation	-	(3,034)
Total intangible assets	-	-

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 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 straightline basis.

6. Liabilities

6.1. Categorisation of financial liabilities

	2026 Carrying amount \$'000	2025 Carrying amount \$'000
Financial liabilities measured at amortised cost		
Contractual Payables	1,051	655
Lease liabilities	11,189	13,950
Total financial liabilities	12,240	14,605

All financial liabilities are measured at amortised cost.

6.2. Payables

	2026 \$'000	2025 \$'000
Current		
Contractual payables	1,051	655
Statutory payables	92	66
Total current payables	1,143	721
Total payables	1,143	721

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing.

Contractual payables

Contractual payables are liabilities that arises from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received.

Contractual payables are normally settled within 15 days from the date the invoice is received.

Statutory payables

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.

6.3. Lease liabilities

	Note	2026 \$'000	2025 \$'000
Current			
Lease liabilities		2,779	2,707
Non-current			
Lease liabilities		8,409	11,242
Total lease liabilities	5.8	11,188	13,949

	Note	2026 \$'000	2025 \$'000
Future lease payment maturity analysis			
Not later than one year		3,055	2,937
Later than one year but not later than five years		8,452	11,507
Later than five years		-	-
Total future lease payments	5.8	11,507	14,444

The future lease payments are presented at nominal amounts.

Lease liabilities are related to property, plant and equipment lease arrangements disclosed in note 5.5.

6.4. Employee related liabilities

	2026 \$'000	2025 \$'000
<u>Current</u>		
Accrued salaries and wages	178	141
Annual leave	1,740	1,493
Long service leave	266	34
Employment on-costs	774	689
Total current employee related liabilities	2,958	2,357
<u>Non-current</u>		
Long service leave	663	721
Employment on-costs	80	87
Total non-current employee related liabilities	743	808
Total employee related liabilities	3,701	3,165

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

Long service leave liability

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 for 2026: 4.75% (2025 4.25%).

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 ten years of service for NSW and seven years for Victoria.

Employment on-costs liabilities

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.

6.5. Other liabilities

	2026 \$'000	2025 \$'000
Current		
Unearned revenue	-	907
Total other liabilities	-	907

6.6. Provisions

	2026 \$'000	2025 \$'000
Non-current		
Provision for make good	962	915
Total non-current provisions	962	915
Carrying amount at the beginning of the period	915	961
Remeasurement	47	(46)
Carrying amount at the end of the period	962	915

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.

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.

7. Other disclosures

7.1. Equity

	2026 \$'000	2025 \$'000
Contributed Capital		
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
Total contributed capital	2,017	2,017
Retained earnings	7,799	3,860
Total Equity	9,816	5,877

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.

8. Outlook

8.1. 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.

Other contractual commitments

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

	2026 \$'000	2025 \$'000
Not later than one year	6,040	5,785
Later than one year but not longer than five years	379	743
Total other contractual commitments	6,419	6,528

8.2. Contingent assets and liabilities

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

At 30 June 2026, the Commission was involved in a matter for which the outcome remains uncertain. Based on information available at the reporting date, the potential financial exposure is approximately \$73,000. No provision has been recognised in the financial statements.

8.3. Events after reporting period

There are no events occurring after 30 June 2026 that have a material financial implication on the financial statements.