

AusNet Services 2027-32 Electricity Transmission Revenue Proposal

Public Forum

17 December 2025

Acknowledgement of Country

Jarrood Ball

AER Board Member

AER welcome and introductions

Jarrold Ball

AER Board Member



Agenda

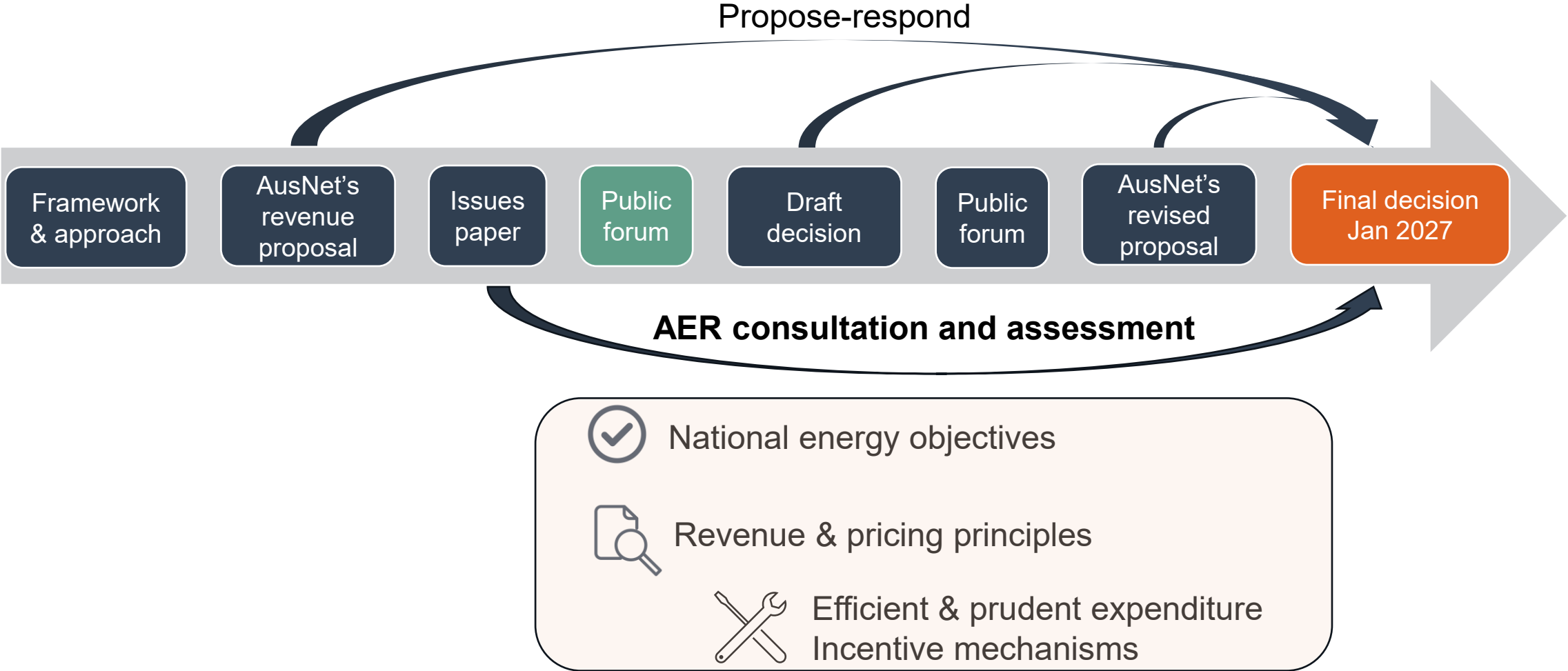
Topic	Speaker	Duration
Welcome and Acknowledgment of country	Jarrod Ball AER Board member	10 min
Overview <ul style="list-style-type: none">- Our regulatory framework- The transmission system in Victoria		
AusNet's proposal and our preliminary issues	Kris Funston EGM, Network Regulation, AER	10 min
TSAP insights	Glenn Orgias & Andrew Richards Transmission Stakeholder Advisory Panel	10 min
CCP insights	Mike Swanston & David Prins Consumer Challenge Panel 34	10 min
AusNet's Next steps in consumer engagement	Lucy Holder Customer Engagement Manager, AusNet	5 min
Facilitated discussion	Kris Funston EGM, Network Regulation, AER	10 min
Closing remarks and next steps	Jarrod Ball AER Board member	5 min

Overview

Jarrold Ball
AER Board Member



Our regulatory framework



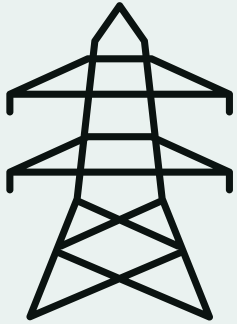
The transmission system in Victoria

Victoria's declared shared network



AusNet

Operates, maintains & replaces the existing network



VicGrid

Plans, develops & expands the network

Developments in Victoria's transmission system



Diversification in the location of generation



Changing demand and supply patterns



System strength and climate resilience

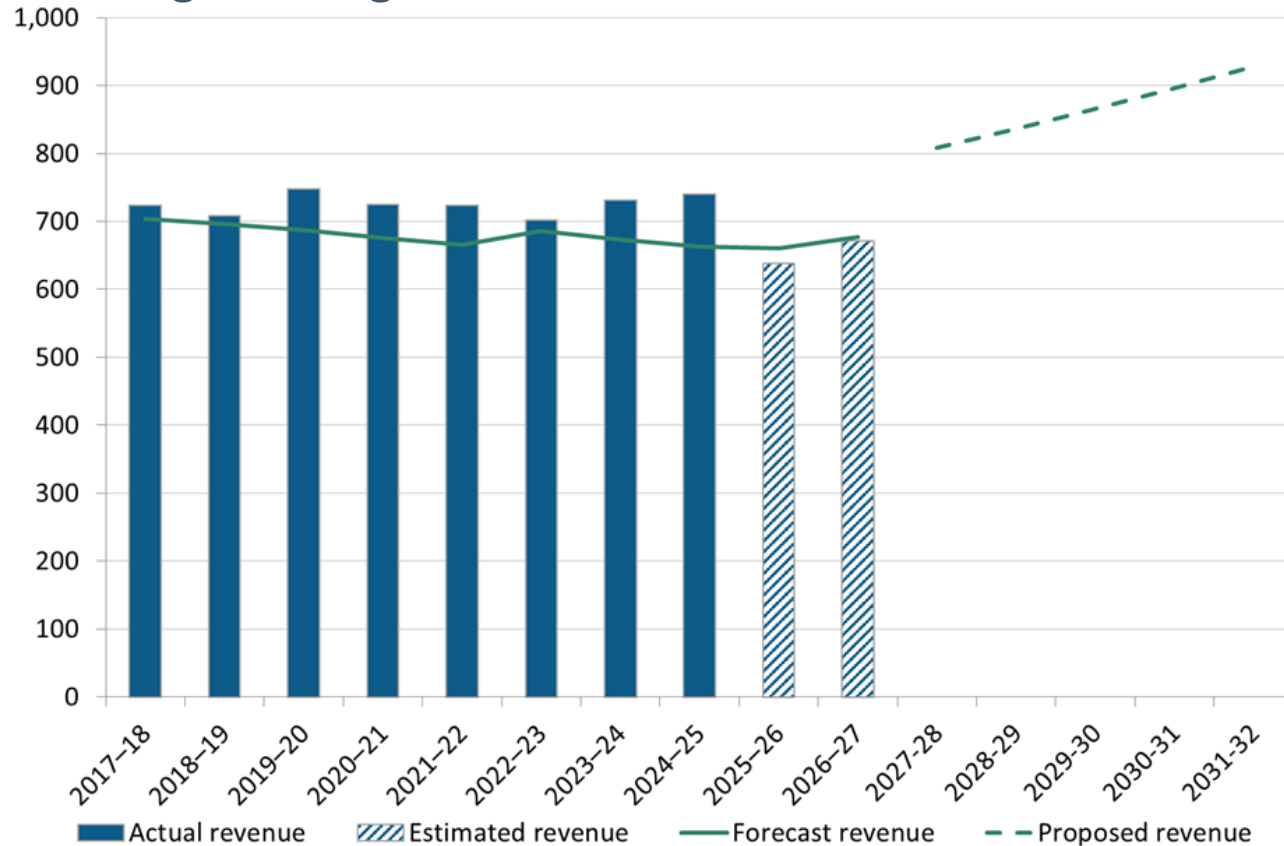
AusNet's proposal and our preliminary issues

Kris Funston

EGM, Network Regulation, AER

AusNet's revenue and bill impacts

Changes in regulated revenue over time



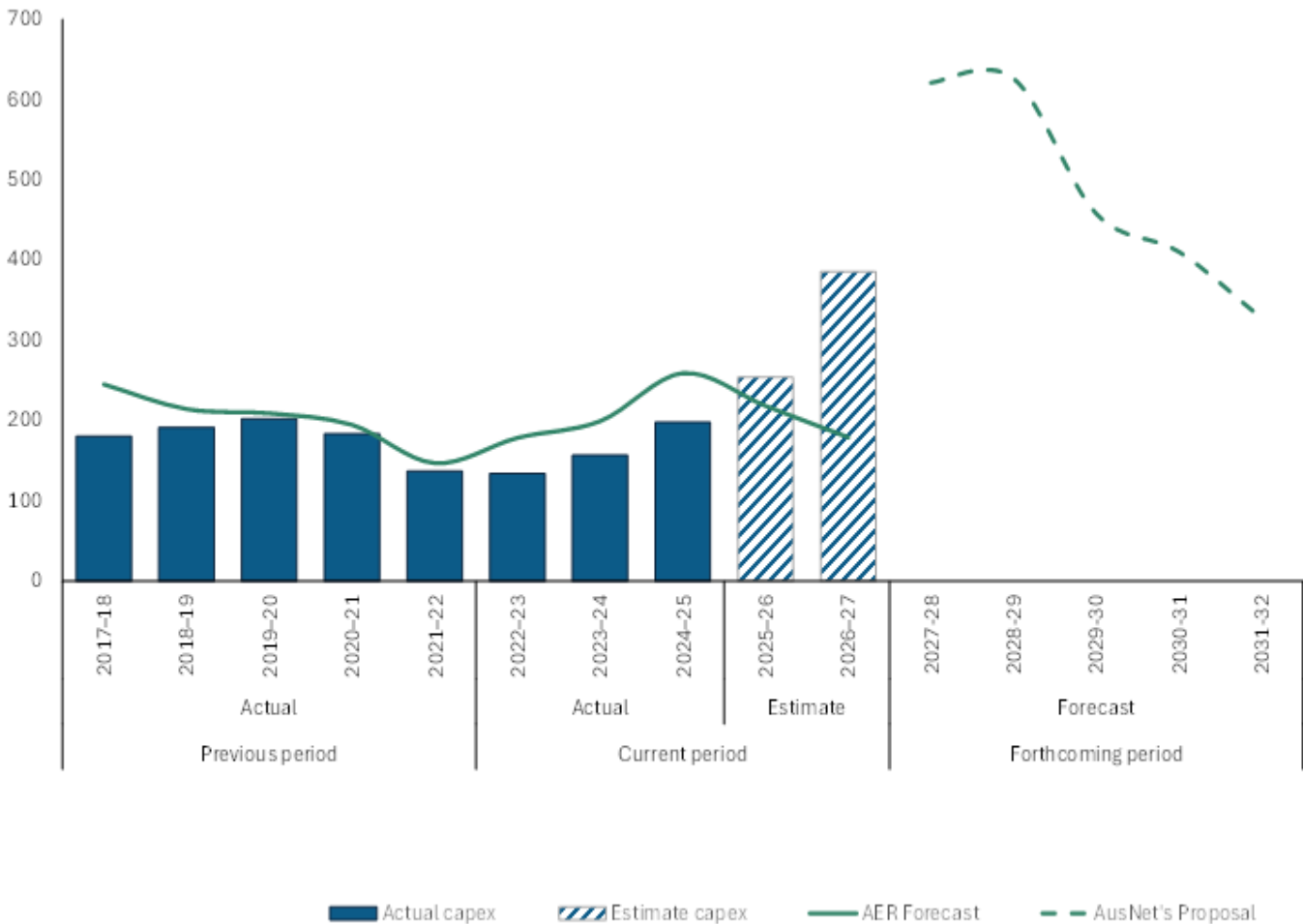
Proposed revenue

Maximum allowed revenue (MAR)	\$4,696 million (nominal, smoothed) 60% ↑ from current (2022–27) allowance
Drivers of MAR increase	59%↑ due to higher capital and operating expenditure 41%↑ due to inflation and regulated rate of return

Estimated bill impacts

Residential bill impact	\$8↑ per annum (average over 2027-32)
Small business bill impact	\$21↑ per annum (average over 2027-32)

AusNet’s forecast and actual capital expenditure overtime (\$ million, 2026–27)



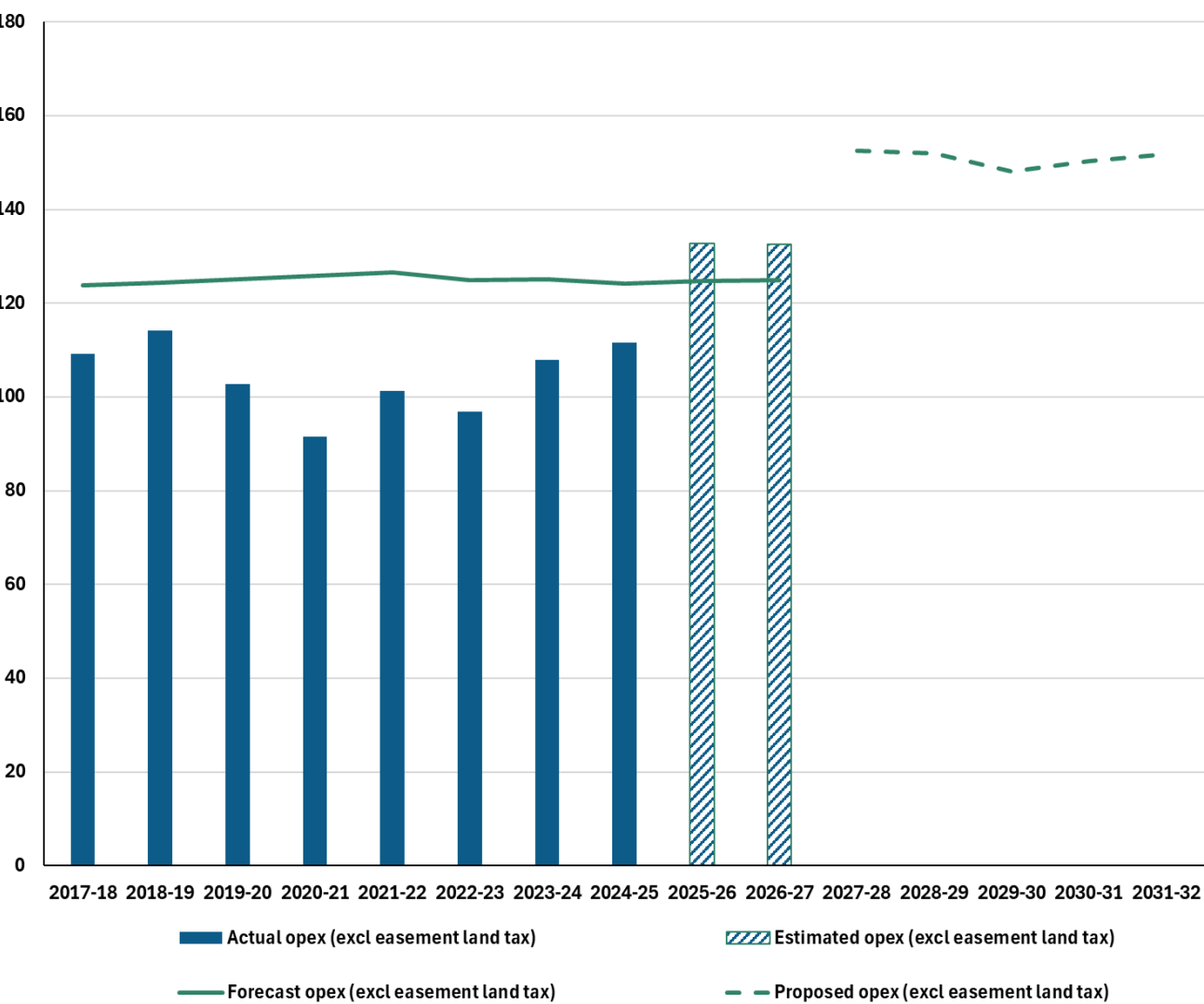
Key capex figures (\$ million, 2026–27)

Category	Forecast (2027-32)	Difference from 2022-27*
Total capex	\$2,440m	↑ \$1,318M (117%)
Major station projects	\$1,121m	↑ 136%
Asset replacement	\$655m	↑ 77.8%
Compliance & resilience	\$250m	↑ 482.2%
ICT and Digitalisation	\$256.1m	↑ 89.3%

*actual/estimated expenditure

Source: AER analysis; RIN.
Note: Estimates only for 2025–26 and 2026–27.

AusNet’s operating expenditure (\$million, 2026–27)



Key opex figures (\$ million, 2026–27)

Total opex forecast exc. easement land tax	\$754.7M	\$173.0M (29.7%) ↑ than actual/est.
Drivers of forecast opex increase	Choice of base year (2025–26) explains ~80% of opex ↑	
	Step changes (\$68.3M) (9.0% of total opex) ➤ Digital capability uplift & cyber security (\$62.1M) ➤ Landholder engagement (\$6.2M)	

Preliminary issues

- Asset condition and efficient replacement expenditure
- Prudent replacement expenditure
- Efficient operating expenditure
- Uncertainty mechanisms

TSAP insights

Glenn Orgias & Andrew Richards

Transmission Stakeholder Advisory Panel (TSAP)

TSAP Findings on AusNet TRR 2027–32

- Strong support for safety-first, maintenance of current reliability, and a no gold-plating approach
- Major step-change in investment driven by ageing assets & energy transition
- Deliverability is a key risk: workforce, supply chains, outages
- Affordability concerns – need transparency on bill impacts
- Strong coordination required between AusNet, VicGrid & AEMO
- Contingent projects supported with strong consumer governance
- Engagement satisfied AER Better Resets expectations

CCP Insights

Mike Swanston & David Prins

Consumer Challenge Panel 34 (CCP34)

Next steps in consumer engagement

Lucy Holder

Customer Engagement Manager, AusNet

AusNet Transmission Engagement | Next Steps

Transmission Revenue Reset (TRR) 2027-32-specific engagement

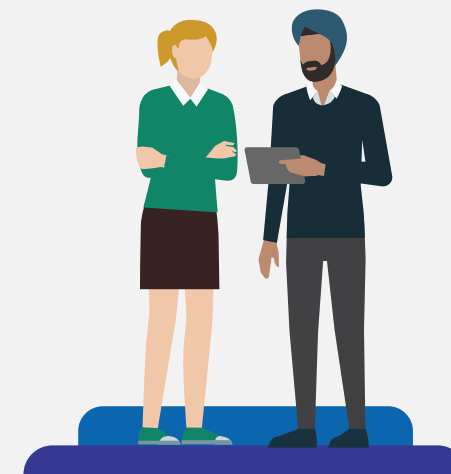
- **Transmission Stakeholder Advisory Panel (TSAP) continues to meet** in its current form until Revised Proposal is submitted in August 2026.
- **Additional engagement as-needed** (pending AER feedback).
- **From Aug 2026**, TSAP terms of reference are refreshed. Group continues to meet through TRR 2027-32 regulatory period.

“Business as usual” engagement continues, incl.:

- **Everyday interactions** with customers, landholders, communities and developers
- **Landholder satisfaction** research
- **Energy Sentiments** research
- Customer Consultative Committee
- Via **the Energy Charter**, Ag & Energy Taskforce, Better Practice Social Licence Guideline & others
- **Leveraging others’ engagement and research insights** e.g. Energy Consumers Australia, Victorian electricity and gas distributors.

More information

- Please send any **questions on our proposal** to engagement@ausnetservices.com.au
- For **more detail** on our engagement visit www.communityhub.ausnetservices.com.au/transmission-revenue-reset-2027-2032-engagement



Facilitated Discussion

Kris Funston

EGM, Network Regulation, AER



Next Steps

Milestone	Date
Regulatory proposal submitted to the AER	31 October 2025
AER published an issues paper	12 December 2025
AER holds a public forum	17 December 2025
Submissions on regulatory proposals close	13 February 2026
AER publishes draft determination decision	30 June 2026
AER holds a pre-determination conference	July 2026
Revised regulatory proposal submitted to AER	31 August 2026

Submission details

- We invite interested parties to make submissions on the Issues Paper by **5pm AEDT, Friday, 13 February 2026.**
- Submissions should be emailed to AERresets2027-32@aer.gov.au

