

# Draft Decision

## AusNet Services electricity transmission determination 2027 to 2032

(1 April 2027 to 31 March 2032)

### Attachment 3 Operating expenditure

June 2026

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### **Amendment record**

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1	30 June 2026	26

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## 3 Operating expenditure

Operating expenditure (opex) refers to the operating, maintenance and other non-capital expenses incurred in the provision of network services. Forecast opex is one of the building blocks we use to determine a service provider's annual total revenue requirement.

This attachment outlines our assessment of AusNet Services (AusNet) proposed opex forecast for the 2027–32 regulatory control period.

### 3.1 Draft decision

Our draft decision is to not accept AusNet's total forecast opex of \$2,169.3 million<sup>1</sup> for the 2027–32 regulatory control period as we are not satisfied it reasonably reflects the opex criteria.<sup>2</sup> A large component of AusNet's total opex forecast relates to easement land tax (\$1,414.6 million), with the remainder of the proposal being \$754.7 million. Our alternative estimate of opex (excluding the easement land tax) is \$734.6 million, which is \$20.1 million or 2.7% lower than AusNet's forecast. We consider this difference to be material, and consequently, that AusNet's total forecast opex does not satisfy the opex criteria.<sup>3</sup> Consequently, our draft decision, based on our alternative estimate, includes total forecast opex of \$2,149.2 million, which we consider reasonably reflects the opex criteria.

This difference is primarily driven by our alternative estimate not including or including lower alternative estimates for AusNet's proposed step changes. We discuss our reasons in Section 3.4.4.

Our draft decision is:

- \$456.5 million (27.0%) higher than the opex forecast we approved in our final decision for the 2022–27 regulatory control period.
- \$220.8 million (11.4%) higher than AusNet's actual (and estimated) opex in the 2022–27 regulatory control period.

These significant increases are largely due to the increases in forecast easement land tax, but also due to AusNet's base year opex being higher than the forecast allowance in the 2022–27 regulatory control period, and the inclusion of a digital step change. Easement land tax accounts for 65.8% or \$1,414.6 million of our draft decision total forecast opex. This is a 33.6% or \$355.6 million increase to the easement land tax forecast we approved for the current period. We discuss easement land tax in detail in Section 3.4.5.1.

Our draft decision without easement land tax is:

- \$100.9 million (15.9%) higher than the opex forecast we approved in our final decision for the 2022–27 regulatory control period.

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<sup>1</sup> All dollar values are in March \$2026-27 terms unless stated.

<sup>2</sup> Includes debt raising costs.

<sup>3</sup> NER cl.6A.6.6(c)-(d).

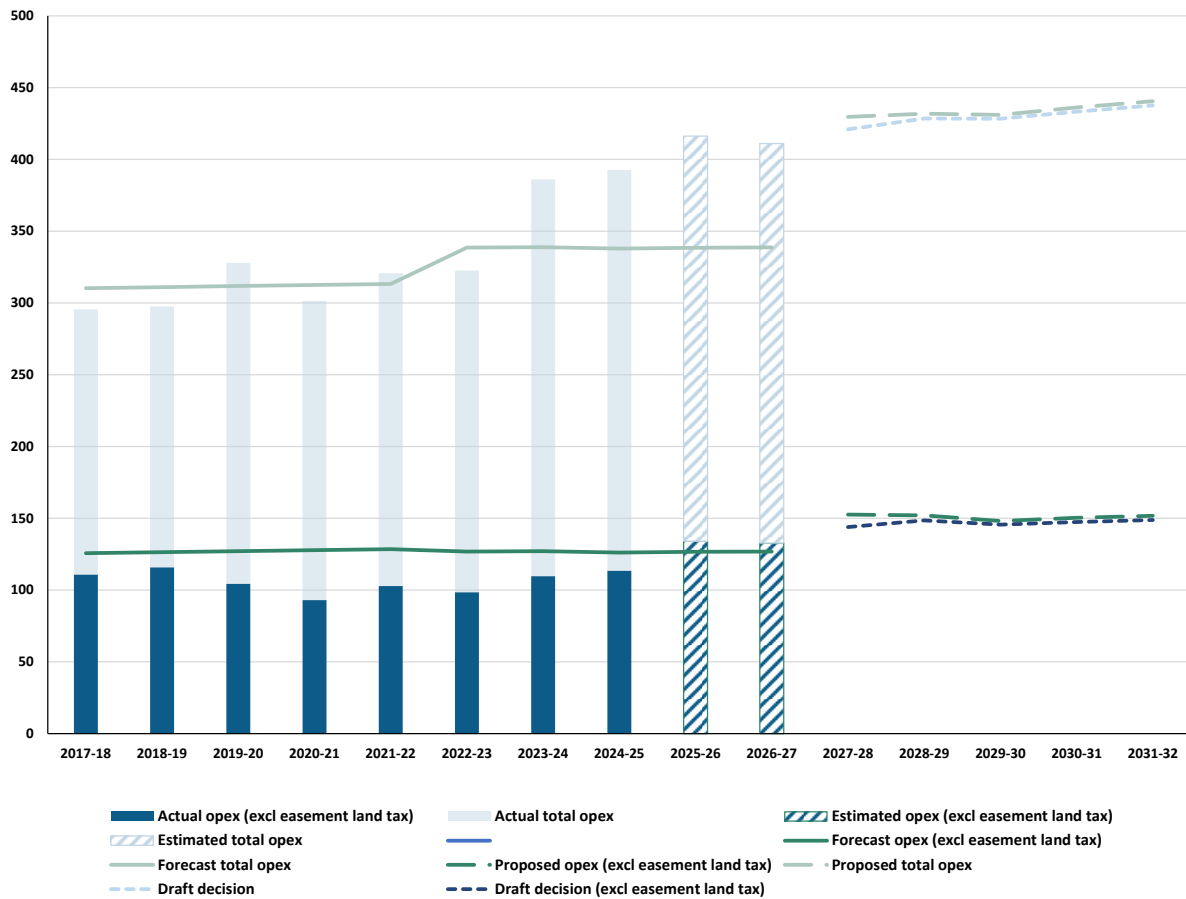
- \$146.2 million (24.9%) higher than AusNet’s actual (and estimated) opex in the 2022–27 regulatory control period.

We note that AusNet’s forecast actual and estimated opex (excluding easement land tax) for the 2022–27 regulatory control period is also \$45.3 million or 7.1% lower than the opex forecast we approved for this period.

In our final decision we will update our alternative estimate of total opex to reflect actual opex for 2025–26. Our draft decision is based on the estimate of base year opex included in AusNet’s initial proposal, because actual data for 2025–26 was not available at the time the proposal was submitted. We will also update for any required mechanical adjustments (e.g. latest inflation and labour price growth forecasts).

In Figure 3.1 we compare our alternative estimate of opex, with and without easement land tax, to AusNet’s proposal for the next regulatory control period. We also show the forecasts we approved for the last two regulatory control periods and AusNet’s actual and estimated opex over these periods.

**Figure 3-1 Historical and forecast opex (\$million, 2026-27)**



Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AER PTRM and opex allowance data for previous AusNet Services transmission determinations; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values are in \$2026–27 unless otherwise stated

Table 3.1 sets out AusNet’s opex proposal, our alternative estimate for the draft decision and the differences between these forecasts.

**Table 3-1 Comparison of AusNet's opex proposal and our alternative opex estimate (\$million, 2026–27)**

	AusNet's initial proposal	Our alternative estimate	Difference (\$)
<b>Based on reported opex in 2025–26</b>	<b>2,060.4</b>	<b>2,063.9</b>	<b>3.5</b>
Total Base year adjustment (non-recurrent digital opex)	-29.4	-11.9	17.5
2025–26 to 2026–27 increment	1.0	1.1	0.0
Remove category specific forecasts	-1,407.1	-1,422.2	-15.1
Trend: Output growth	-	-	-
Trend: Price growth	14.1	13.1	-1.0
Trend: Productivity growth	-9.4	-7.9	1.6
<b>Total trend</b>	<b>4.7</b>	<b>5.2</b>	<b>0.6</b>
Step change: Digital (inc SaaS, etc)	62.1	41.5	-20.6
Step change: Landholder Engagement	6.2	-	-6.2
AEMO participant fees	-	22.0	22.0
<b>Total step changes</b>	<b>68.3</b>	<b>63.4</b>	<b>-4.8</b>
Easement land tax	1,414.6	1,414.6	-
AEMO participant fees	22.0	-	-22.0
Growth Assets Roll In	22.0	22.0	-
<b>Category specific forecasts</b>	<b>1458.6</b>	<b>1,436.6</b>	<b>-22.0</b>
<b>Total opex, excluding debt raising costs</b>	<b>2156.4</b>	<b>2,136.1</b>	<b>-20.3</b>
Debt raising costs	12.9	13.1	0.2
<b>Total opex, including debt raising costs</b>	<b>2169.3</b>	<b>2,149.2</b>	<b>-20.1</b>

Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of '0.0' and '-0.0' represent small non-zero amounts and '-' represents zero.

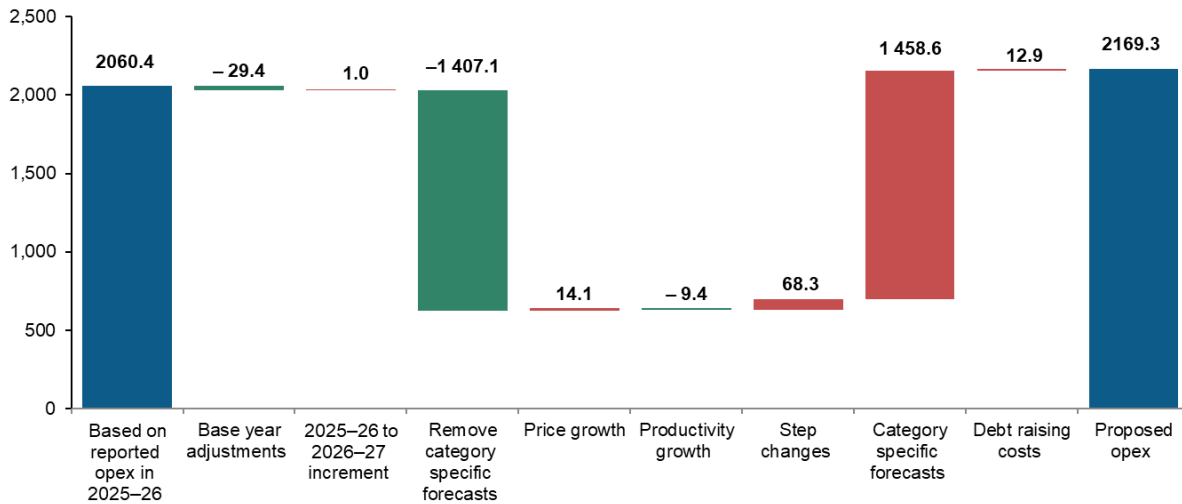
The key differences between AusNet's forecast opex proposal, which we have not accepted, and our alternative estimate are that we have not included the landholder engagement step change and have included a lower alternative estimate for the Digital step change for reasons outlined in Section 3.4.4.

## 3.2 AusNet's proposal

AusNet applied a base–step–trend approach to forecast opex for the 2027–32 regulatory control period, which is consistent with our standard approach.

AusNet’s approach to applying our base–step–trend approach is set out in Table 3.1. In Figure 3.2 below we show the different components that make up AusNet’s opex forecast.

**Figure 3-2 AusNet’s opex forecast (\$ million, 2026-27)**



Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025.

Note: Numbers may not add up to totals due to rounding. Values are in \$2026–27 unless otherwise stated.

### 3.2.1 Stakeholder views

We received submissions on the AusNet opex proposal from: AusNet’s Transmission Stakeholder Advisory Panel (TSAP), Consumer Challenge Panel 34 (CCP34) and the Victorian Government.

Submissions were generally supportive of the structure of AusNet’s opex proposal, but asked the AER to test the efficiency, proportionality and consumer impact of key elements. The TSAP considered AusNet’s overall capital and operating expenditure forecasts to be reasonable and evidence based.<sup>4</sup> It supported AusNet’s use of 2025–26 as the opex base year, subject to the additional opex incurred in that year being efficient.<sup>5</sup> The TSAP also supported AusNet’s digital and cyber-security initiatives, while asking for clearer customer value and assurance that AusNet’s role does not duplicate AEMO’s role.

CCP34 considered that the main increase in opex is driven by easement land tax, which it characterised as an external and non-controllable cost that should be separated from assessments of AusNet’s underlying operating efficiency. CCP34 considered AusNet’s opex forecast to be broadly consistent with the efficient costs of a prudent transmission operator, subject to AER scrutiny of specific step changes.<sup>6</sup> CCP34 asked the AER to test the base year, digital and cyber-related step changes, capex/opex double counting, and the scope of any efficiency benefit sharing scheme (EBSS) exclusions.<sup>7</sup>

<sup>4</sup> TSAP, *Submission on AusNet’s Transmission Reset Review Proposal 2027–2032*, December 2025, p. 19.

<sup>5</sup> TSAP, *Submission on AusNet’s Transmission Reset Review Proposal 2027–2032*, December 2025, p. 14.

<sup>6</sup> CCP34, *Consumer Engagement Report*, February 2026, pp. 11–12, 36.

<sup>7</sup> CCP34, *Consumer Engagement Report*, February 2026, pp. 11, 40.

The Victorian Government's opex comments focused on affordability and cyber security. It asked the AER to ensure consumers only pay for efficient and necessary expenditure, and to scrutinise whether AusNet's proposed cyber security uplift is justified and proportionate.<sup>8</sup> It noted that operating expenditure for cyber security and Advanced Energy Management System programs forms part of AusNet's proposed \$62.1 million step change.<sup>9</sup>

### 3.3 Assessment approach

Our role is to decide whether to accept a TNSP's total opex forecast. We must form a view about whether a TNSP's forecast of total opex 'reasonably reflects the opex criteria'.<sup>10</sup> In doing so, we must have regard to the opex factors specified in the National Electricity Rules (NER).<sup>11</sup>

The *Expenditure forecast assessment guideline* (the Guideline), together with an explanatory statement, sets out our assessment approach in detail.<sup>12</sup> While the Guideline provides for greater regulatory predictability, transparency and consistency, it is not mandatory. However, if we make a decision that is not in accordance with the Guideline, we must state the reasons for departing from the Guideline.<sup>13</sup>

Our approach is to assess the TNSP's forecast opex over the regulatory control period at a total level, rather than to assess individual opex projects. To do so, we develop an alternative estimate of total opex using a 'top-down' forecasting method, known as the 'base-step-trend' approach.<sup>14</sup> We compare our alternative estimate with the TNSP's total opex forecast to form a view on the reasonableness of the TNSP's proposal. If we are satisfied the TNSP's forecast reasonably reflects the opex criteria, we must accept the forecast.<sup>15</sup> If we are not satisfied, we must not accept the forecast and substitute the TNSP's forecast with our alternative estimate that we are satisfied reasonably reflects the opex criteria.<sup>16</sup>

In making this decision, we consider the reasons for the difference between our alternative estimate and the business' proposal, and the materiality of the difference. Further, we take into consideration interrelationships between opex and the other building block components of our decision.<sup>17</sup>

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<sup>8</sup> CCP34, *Consumer Engagement Report*, February 2026, p. 36.

<sup>9</sup> Hon Lily D'Ambrosio MP, *Submission - AusNet Services 2027–32 electricity transmission revenue proposal*, March 2026, p. 5.

<sup>10</sup> NER, cl. 6A.6.6(c).

<sup>11</sup> NER, cl. 6A.6.6(e).

<sup>12</sup> AER, *Expenditure forecast assessment guideline for electricity transmission*, October 2024; AER, *Expenditure forecast assessment guideline, Explanatory statement*, October 2024.

<sup>13</sup> NER, cl. 6A.2.3(c).

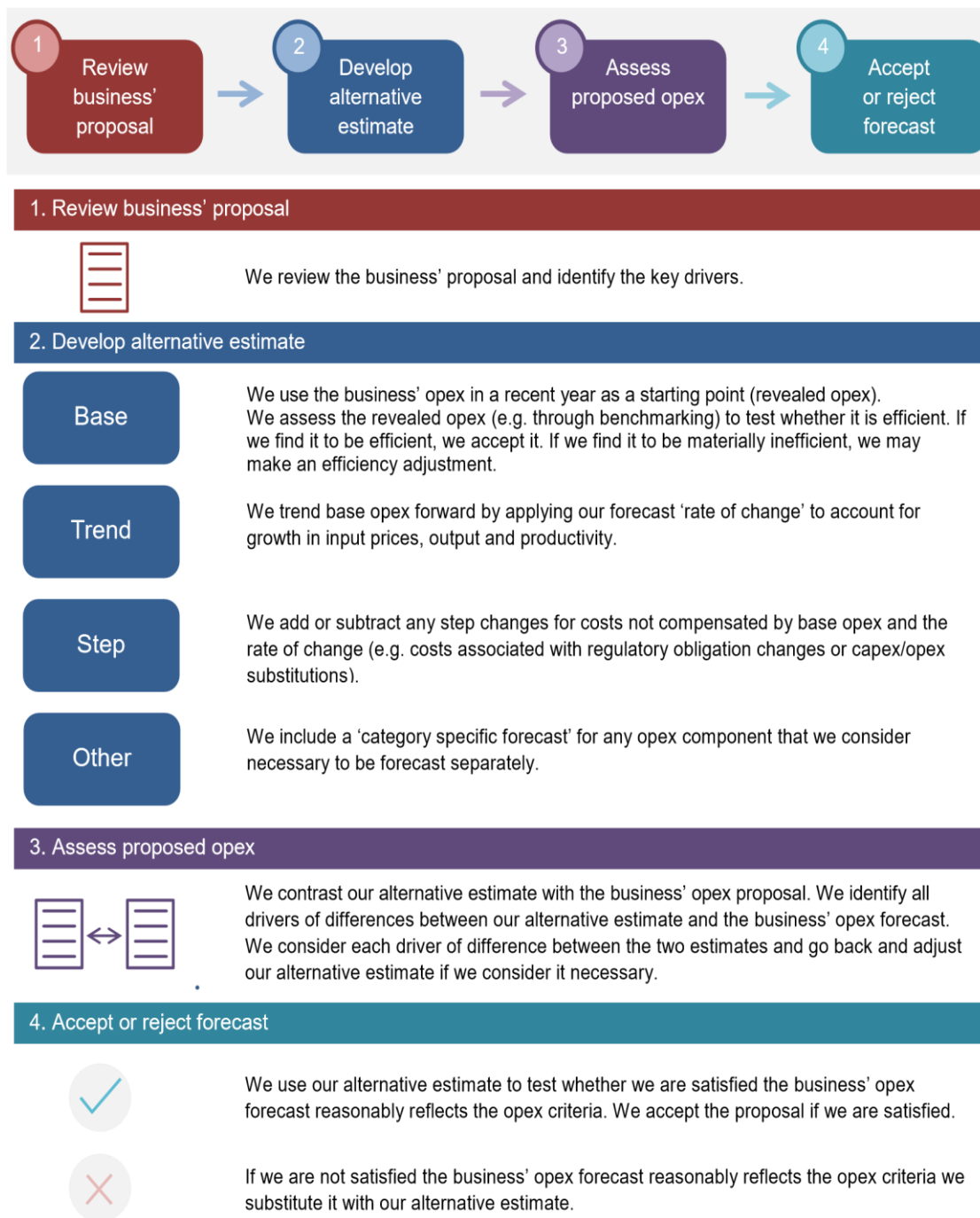
<sup>14</sup> A 'top-down' approach forecasts total opex at an aggregate level, rather than forecasting individual projects or categories to build a total opex forecast from the 'bottom up.'

<sup>15</sup> NER, cl. 6A.6.6(c) and 6A.14.1(3)(i).

<sup>16</sup> NER, cl. 6A.6.6(d) and 6A.14.1(3)(ii).

<sup>17</sup> NEL, s. 16(1)(c).

**Figure 3-3 Base-step-trend forecasting approach**



### 3.3.1 Interrelationships

In assessing AusNet Services' total forecast opex we considered other components of its proposal and our draft determination, including:

- the efficiency benefit sharing scheme (EBSS) carryover—the level of opex used as the starting point to forecast opex (the final year of the current regulatory control period, 2026–27) should be the same as the level of opex used to forecast the EBSS carryover. This consistency ensures that the business is rewarded (or penalised) for any efficiency gains (or losses) it makes in the final year the same as it would for gains or losses made in other years

- the operation of the EBSS in the 2027–32 regulatory control period, which provides AusNet Services an incentive to reduce opex in the base year
- the impact of cost drivers that affect both forecast opex and forecast capital expenditure (capex). For instance, forecast labour price growth affects forecast capex and our forecast price growth used to estimate the rate of change in opex
- the approach to assessing the rate of return, to ensure there is consistency between our determination of debt raising costs and the rate of return building block
- concerns of electricity consumers identified during AusNet’s engagement with consumers.

## 3.4 Reasons for draft decision

Our draft decision is to not accept AusNet’s total forecast opex of \$2,169.3 million for the 2027–32 regulatory control period. Our alternative estimate is \$2,149.2 million, which is \$20.1 million lower than AusNet’s proposal. Easement land tax is a material component of AusNet’s total opex forecast and is unchanged between AusNet’s proposal and our alternative estimate. Without easement land tax, AusNet’s proposed opex forecast is \$754.7 million, compared with our alternative estimate of \$734.6 million. This means our alternative estimate is \$20.1 million, or 2.7%, lower than AusNet’s proposal. Therefore, we consider that AusNet’s total forecast opex does not satisfy the opex criteria.

Table 3.1 (above) sets out AusNet’s proposal, our alternative estimate that has informed this draft decision, and the difference between our alternative estimate and the proposal.

The main drivers for this difference are also set out in section 3.1, and we discuss each of the components of our alternative estimate, and our assessment of AusNet’s proposal, below. Full details of our alternative estimate are set out in our opex model, which is available on our website.<sup>18</sup>

### 3.4.1 Base opex

This section provides our view on the prudent and efficient level of base opex that we consider AusNet would need for the safe and reliable provision of electricity services over the 2027–32 regulatory control period. We discuss the choice of base year in section 3.4.1.1 and set out our analysis of the efficiency of base year opex in section 3.4.1.2.

#### 3.4.1.1 Proposed base year

AusNet proposed a base year of 2025–26 and base year opex of \$412.1 million. This equates to \$2,060.4 million over the five years of the next regulatory control period.

AusNet’s base year actual/estimated opex is \$74.3 million, or 22.0% (\$3.9 million or 3.0% excluding easement land tax), higher than the forecast opex approved for that year and

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<sup>18</sup> The opex model is available from the [AusNet Services Transmission - Determination 2027-32](#) project page.

\$49.4 million, or 13.6% (\$27.1 million or 26.2% excluding easement land tax), higher than the average actual opex over the period 2022–23 to 2024–25.<sup>19</sup>

AusNet submitted that 2025–26 is the most suitable base year because:<sup>20</sup>

- actual audited data will be available in time for the final decision.
- there were no abnormal events in 2025–26 that would make it unrepresentative of their typical operating environment.
- AusNet considered the 2025–26 regulatory year to best reflect current and future operating conditions, capturing uplifts to AusNet’s network planning capability
- 2025–26 is the first full regulatory year that reflects AusNet’s updated organisational structure for its transmission business.

Our expectation for a network’s opex proposal is that a business should use a base year for which audited actual opex is available.<sup>21</sup> In practice, this typically means the third year of the current regulatory control period since this will be the most recent year for which audited actual opex data is available at the time a network submits its regulatory proposal. In AusNet’s case, that would be 2024–25. However, as noted by AusNet, actual opex in 2025–26 will be the first full regulatory year that reflects AusNet’s updated organisational structure for its regulated transmission line of business.

While there will be year-to-year fluctuations in reported opex over the current regulatory period, we do not generally have concerns with the choice of base year due to the interaction with the EBSS, provided we find AusNet’s opex in the base year to be efficient, which we discuss in the next section.<sup>22</sup> We consider it feasible to use 2025–26 as the base year as it will be based on actual audited opex in AusNet’s revised proposal.

In our alternative estimate for the draft decision, we have updated the base opex amount for 2025–26 to \$412.8 million, or \$2,063.9 million over the next regulatory control period. The difference between AusNet’s proposed amount and our alternative estimate is because we have used actual inflation for the year to March 2026 (from the Australian Bureau of Statistics) and the Reserve Bank of Australia’s forecast of inflation for the year to March 2027, from its May 2026 Statement on monetary policy.

### 3.4.1.2 Efficiency of base year opex

As summarised in section 3.3, and in the Guideline, our preferred approach for forecasting opex is to use a revealed cost approach. This is because opex is largely recurrent and stable at a total level. Where a transmission business is responsive to the financial incentives under the regulatory framework, the actual level of opex it incurs should generally provide a good estimate of the efficient costs required for it to operate a safe and reliable network and meet its relevant regulatory obligations. However, we do not rely on an assumption that the

<sup>19</sup> AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AER, *AER decision - AusNet Tx PTRM - 2025-26 RoD update - February 2024 storms cost pass through*, September 2025; AER analysis.

<sup>20</sup> AusNet Services, *TRR 2027-32 Revenue Proposal*, November 2025, p.127.

<sup>21</sup> AER, *Better Resets Handbook – Towards consumer-centric network proposals Update*, July 2024, p. 25.

<sup>22</sup> See Attachment 5 Efficiency Benefit Sharing Scheme for further information.

business's revealed opex is efficient. We examine the trend in opex and use our top-down benchmarking tools, and other assessment techniques, to test whether the business is operating efficiently historically and particularly in the base year.

Overall, we consider that AusNet's benchmarking performance supports the view that it has used opex efficiently to maintain and operate its network. Based on its historical opex, we consider that AusNet responds to the incentives provided by the EBSS and continues to deliver ongoing efficiencies, with total expenditure remaining below its allowance.

Additionally, we consider that incentive schemes such as the EBSS play an important role in promoting ongoing efficiencies, which in turn may help reduce overspends in future regulatory periods.

We consider a range of information when assessing base opex efficiency. This includes AusNet's actual opex over time and performance versus its opex allowance and its performance under our range of benchmarking tools, as reported in our annual benchmarking reports. Our benchmarking analysis for electricity transmission networks is limited by the small sample size of transmission businesses in the National Electricity Market (NEM), and the availability of relevant international data, among other things. It also does not consider all the operating environment factor differences between the networks. Reflecting this, we have taken the benchmarking analysis into account but not solely relied on it in forming a view on the efficiency of AusNet's 2025–26 estimated opex.

Analysis of actual and estimated opex, as illustrated in Figure 3-1, shows that AusNet's opex has been historically lower than its opex allowance, and is only expected to exceed its allowance in 2025–27 by a relatively small amount. The overspend is expected to be \$7.4 million (5.8%) for 2025–26 and \$6.0 million (4.7%) for 2026–27.

We have used a variety of economic benchmarking tools to test the efficiency of AusNet's opex (excluding easement land tax). Benchmarking broadly refers to the practice of comparing the economic performance of a group of service providers that all provide the same service as a means of assessing their relative performance over time.

Our preferred approach is to benchmark a transmission business's efficiency over a period and compare trends over time using our multilateral total and partial factor productivity (MTFP and MPFP) models. This works with the EBSS and mitigates incentives to shift costs between years. We consider this is a better approach than looking at the efficiency of a single year (such as the base year) as this recognises that opex is generally recurrent, but with some degree of year-to-year fluctuation. Our annual benchmarking reports include information about the use and purpose of economic benchmarking, and details about the techniques we use to benchmark the efficiency of transmission businesses in the National Electricity Market (NEM).<sup>23</sup>

Our analysis shows that AusNet has either stable or improved comparative performance over the 2006–2024 benchmarking period and has consistently ranked well across a number of

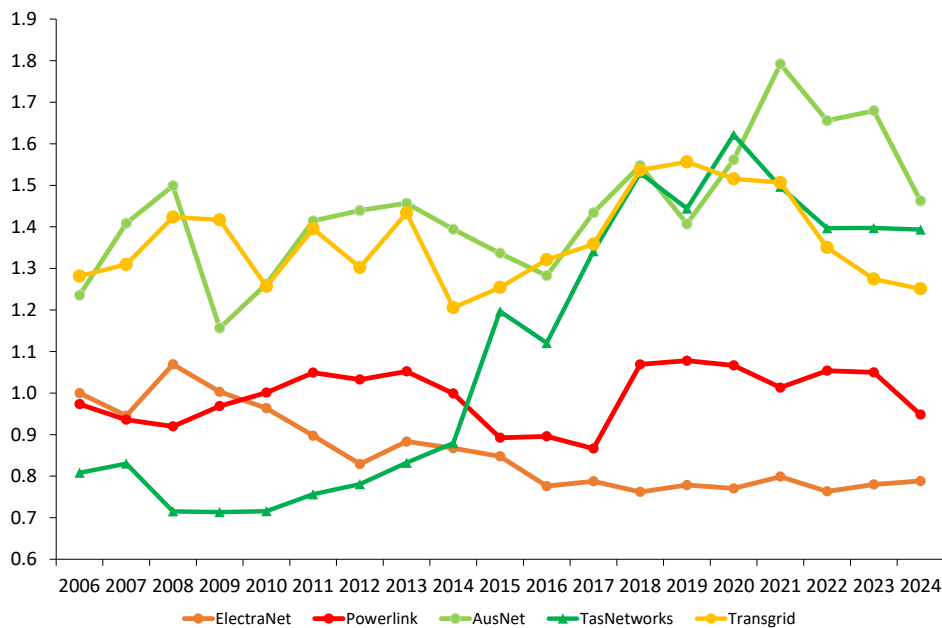
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<sup>23</sup> AER, *2025 Annual Benchmarking report – Electricity transmission network service providers*, November 2025.

measures. Our *2025 Annual Benchmarking Report* for transmission shows that, in summary, relative to other regulated transmission businesses in the NEM, AusNet:

- was first in terms of opex MPFP in recent years and relatively high ranking in other years, as shown in Figure 3-4 below.<sup>24</sup>
- had improved its relative performance over time in terms of MTFP, which measures both capital and opex inputs, as shown in Figure 3-5 below.
- performed reasonably well for various total cost and cost category partial performance indicators (PPIs) over the 2006–24 period.<sup>25</sup>

**Figure 3-4 Multilateral Opex Partial Productivity (MPFP)**



The benchmarking analysis over the 2006–24 benchmarking period shows that AusNet's relative efficiency, in terms of opex MPFP, has increased significantly over 2016–2021 but saw declines in subsequent years.<sup>26</sup> On this measure, AusNet has performed relatively well compared to other networks, ranking between first and third across the benchmarking period. In contrast, while AusNet's capital MPFP had a relatively stable trend, it ranked between fourth and fifth during the period.

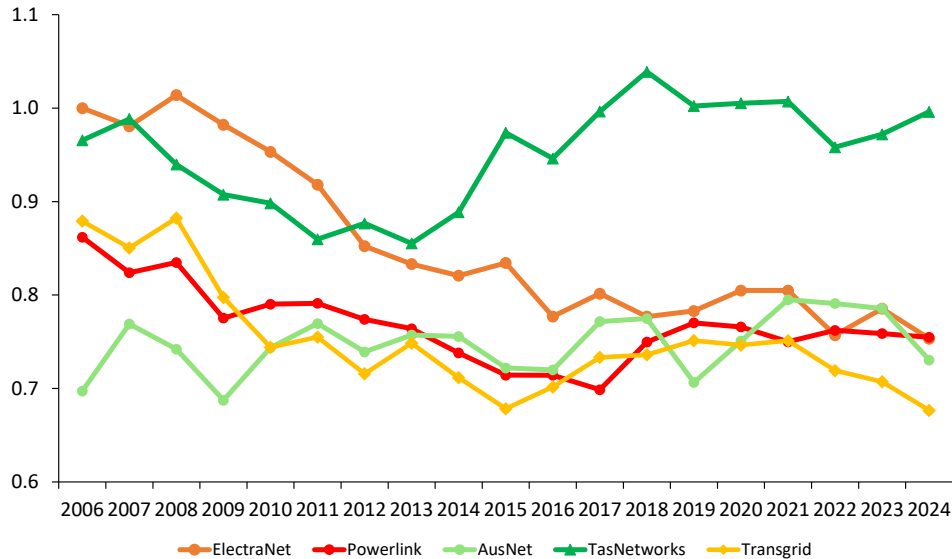
<sup>24</sup> AER, *2025 Annual Benchmarking report – Electricity transmission network service providers*, November 2025.

<sup>25</sup> AER, *2025 Annual Benchmarking report – Electricity transmission network service providers*, November 2025.

<sup>26</sup> AER, *2025 Annual Benchmarking report – Electricity transmission network service providers*, November 2025.

Combining opex and capital inputs, AusNet’s productivity measured in terms of MTFP has largely ranked in the middle of all networks for the majority of the 2006–2024 period.<sup>27</sup> However, its MTFP has declined since 2021, primarily driven by declining opex MPFP.

**Figure 3-5 Multilateral Total Factor Productivity (MTFP)**



AusNet’s PPI results show that it performs well on most measures, recording one of the lowest costs in 3 of the 4 PPI categories. However, AusNet has relatively high cost per circuit length compared with other networks, ranking in the upper range across the series. This may be partly explained by the relatively high connection density in AusNet’s network, requiring higher expenditure per kilometre of circuit length.

AusNet’s estimated opex in its proposed base year is higher than the average of the benchmarking period and is above the average of actual opex incurred in the current regulatory period. However, this does not appear to change the general upward trend and AusNet’s high ranking in opex MPFP. Considering the factors above, we have used AusNet’s base year opex in our alternative estimate for this draft decision.

### 3.4.2 Adjustments to base year opex

AusNet proposed adjustments to its reported base year opex of –\$5.9 million or –\$29.4 million over the regulatory control period. This opex relates to ICT non-recurrent project implementation opex (\$2.4 million) and Software as a Service (SaaS) cost (\$3.5 million).

We have considered these proposed adjustments and in our alternative estimate we have adjusted opex in the base year by subtracting \$2.4 million for the non-recurrent project implementation opex as proposed by AusNet. (see Section 3.4.2.2).

<sup>27</sup> AER, 2025 Annual Benchmarking report – Electricity transmission network service providers, November 2025.

Our guidance on the treatment of SaaS costs for the current period is to align the accounting treatment of expenditure within a period with the approved expenditure for that period. Our decision for AusNet’s 2022–27 total forecast opex was made prior to the change in accounting treatment for SaaS to be reported as opex. Therefore, in our alternative estimate we have removed AusNet’s SaaS costs from 2025–26 base year reported opex, in contrast to AusNet including SaaS in their reported opex and then applying a base adjustment.

This ensures consistency with the actual reported opex used in the EBSS calculations, ensuring gains/losses for this period are calculated accordingly. It is also consistent with the approach for the treatment of SaaS costs in recent decisions and has been agreed to by AusNet.<sup>28</sup>

### 3.4.2.1 Final year increment

Our standard practice to calculate final year opex is to add the estimated change in opex between the base year and the final year of the current regulatory control period to the base year opex amount.

We have added \$0.2 million for the final year increment in our alternative estimate, increasing our alternative estimate by \$1.1 million over the 2027–32 regulatory control period.

### 3.4.2.2 Remove non-recurrent digital implementation opex

AusNet proposed a decrease in base opex of \$5.9 million (\$29.4 million over the 2027–32 regulatory control period), to reflect non-recurrent digital implementation expenditure. This opex relates to ICT project implementation opex (\$2.4 million) associated with digital programs and SaaS costs (\$3.5 million).

As discussed above, we have removed the \$3.5 million SaaS costs from reported opex in our alternative estimate.<sup>29</sup> The \$2.4 million ICT non-recurrent digital implementation opex has been removed as a base adjustment to ensure AusNet’s proposed ICT Digital step change is only for incremental ICT costs to the base year and total forecast opex reflects the efficient ongoing expenditure required.

AusNet’s response to an information request identified that all non-recurrent ICT opex for the 2027–32 regulatory control period was SaaS related and had been included in their ICT Digital step change.<sup>30</sup> AusNet also confirmed that there was no ICT non-recurrent digital implementation opex forecast for the 2027–32 regulatory control period and the proposed incremental ICT Digital step change had not accounted for these costs in the base year.

We note the \$2.4 million base adjustment is not a one-off cost reduction, does not represent an efficiency gain and is applied to ensure the ICT Digital step change reflects only the

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<sup>28</sup> AusNet, *Response to AER information request IR#003, Treatment of SaaS costs for 2022–27 regulatory control period*, December 2025.

<sup>29</sup> The removal of \$3.5 million in SaaS costs from reported opex is a placeholder pending AusNet providing updated regulatory accounts (AIO) reconciling to this amount provided in Information Request #03 response.

<sup>30</sup> AusNet, *Response to AER information request IR#003, Treatment of SaaS costs for 2022–27 regulatory control period*, December 2025.

required incremental ICT Digital costs to the proposed base year for the 2027–32 regulatory control period.

### 3.4.3 Rate of change

Having determined an efficient base year opex and estimated final year opex by adding a final year increment, we trend it forward to account for the forecast growth in prices, output and productivity over the regulatory control period. We refer to this as the rate of change.<sup>31</sup> AusNet largely applied our standard approach to forecast the rate of change, including:

- **Price growth:** adopted our standard input price weightings of 70.4% labour and 29.6% non-labour. It forecast labour price growth using an average of Wage price index growth forecasts from BIS Oxford Economics (its consultant) and Deloitte (our consultant, as a placeholder). We note AusNet did not have final year growth rates at time of submitting its proposal and therefore estimated this value as an average of the previous 4 years as a placeholder. AusNet advised this will be updated with an actual forecast in the revised proposal.<sup>32</sup>
- **Output growth:** included zero as these costs are initially handled outside of the revenue cap because of the division of transmission functions in Victoria.<sup>33</sup> Instead, system growth opex is accounted for by growth asset roll in expenditure, discussed in Section 3.4.5.3.
- **Productivity growth:** used the annual transmission industry average opex partial factor productivity growth rate, available at time of submission, that the industry has been able to achieve over the long term of 0.5% per year.<sup>34</sup>

**Table 3-2 Forecast annual rate of change in opex (%)**

	2026–27	2027–28	2028–29	2029–30	2030–31
<u>AusNet's proposal</u>					
Price growth	0.7	0.8	0.9	0.8	0.8
Output growth	–	–	–	–	–
Productivity growth	0.5	0.5	0.5	0.5	0.5
<b>Rate of change</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
<u>AER alternative estimate</u>					
Price growth	0.6	0.7	0.8	0.7	0.7
Output growth	–	–	–	–	–
Productivity growth	0.4	0.4	0.4	0.4	0.4

<sup>31</sup> AER, *Final decision – Expenditure forecast assessment guideline – Electricity transmission*, October 2024, p. 23.

<sup>32</sup> AusNet Services, *TRR 2027-32 Revenue Proposal*, November 2025, p. 130.

<sup>33</sup> AusNet Services, *TRR 2027-32 Revenue Proposal*, November 2025, p. 132.

<sup>34</sup> Quantonomics, *Benchmarking results for the AER*, July 2024, p. 69.

	2026–27	2027–28	2028–29	2029–30	2030–31
<b>Rate of change</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>
<b>Difference</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>

Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of '0.0' and '-0.0' represent small non-zero amounts and '-' represents zero.

### 3.4.3.1 Forecast price growth

AusNet proposed average annual price growth of 0.8%, which increased its total opex forecast by \$14.1 million. We have used real average annual price growth of 0.7% in our alternative estimate of total opex.<sup>35</sup> This increases our total opex alternative estimate by \$13.1 million.

Both AusNet and the AER forecast price growth as a weighted average of forecast labour price growth and non-labour price growth (real price growth rate of zero), of 70.4% and 29.6% respectively.

Consequently, the key difference between our real price growth forecasts and AusNet's is that we have updated our labour price growth forecast to include the more recent forecasts from our consultant Deloitte Access Economics.<sup>36</sup>

Table 3-3 compares our forecast labour price growth with AusNet's proposal.

**Table 3-3 Forecast labour price growth (%)**

	2027–28	2028–29	2029–30	2030–31	2031–32
<u>AusNet's proposal</u>					
Deloitte Access Economics	0.9	1.1	1.1	1.0	1.0
BIS Oxford Economics	1.0	1.3	1.3	1.2	1.2
<b>Average</b>	<b>0.9</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>
<u>AER's alternative estimate</u>					
Deloitte Access Economics	0.7	0.8	0.9	0.9	0.8
BIS Oxford Economics	1.0	1.3	1.3	1.2	1.2
<b>Average</b>	<b>0.8</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>
<b>Overall difference</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>

Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; Deloitte Access Economics, *Labour price growth forecasts*; BIS Oxford Economics, *Labour price growth forecasts*; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of '-' represent zero.

<sup>35</sup> Our alternative estimate real average price growth is 0.03% higher than AusNet's proposed.

<sup>36</sup> Deloitte Access Economics, *Labour price growth forecasts Prepared for the Australian Energy Regulator*, March 2026, p.10.

### 3.4.3.2 Forecast output growth

Consistent with AusNet Services' proposal, we have not included an output growth component in our alternative estimate.<sup>37</sup> This is because, under Victoria's transmission planning and connection arrangements, the operation and maintenance costs associated with new augmentation and connection assets are initially recovered outside AusNet Services' revenue cap and are not reflected in reported opex. We therefore account for these costs only when the relevant assets are rolled into AusNet Services' RAB, through the growth assets roll-in forecast discussed in section 3.4.5.3.

### 3.4.3.3 Forecast productivity growth

We have forecast productivity growth of 0.4% per year in developing our alternative opex forecast. AusNet Services also included forecast productivity growth of 0.5% per year in its opex forecast.<sup>38</sup> This reduces our alternative estimate over the 2027–32 regulatory control period of total opex by \$7.9 million (\$2026–27), compared with AusNet's \$9.4 million reduction.<sup>39</sup>

Our productivity growth forecast reflects our expectation of the opex productivity growth an efficient service provider in the transmission industry can achieve. It reflects historic industry opex productivity growth to the extent we consider past performance to be a good indicator of future performance under a business-as-usual situation. We have forecast 0.4% productivity growth based on opex partial factor productivity index analysis over the 2006–24 period.<sup>40</sup> We consider this reflects a reasonable expectation of the benchmark productivity that an efficient and prudent transmission network can achieve for the forecast period.

### 3.4.4 Step changes

In developing our alternative estimate for the draft decision, we include prudent and efficient step changes for cost drivers such as new regulatory obligations or efficient capex / opex trade-offs. As we explain in the Guideline, we will generally include a step change if the efficient base opex and the rate of change in opex of an efficient service provider does not already include the proposed cost for such items and they are required to meet the opex criteria.<sup>41</sup>

AusNet's proposal includes two step changes totalling \$68.3 million. Our draft decision has also included AusNet's proposed category specific forecast for AEMO participant fees as a step change for the reasons outlined in 3.4.4.3. These are shown in Table 3-4 along with our alternative estimate for the draft decision. We discuss our assessment of each step change below.

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<sup>37</sup> AusNet Services, *TRR 2027-32 Revenue Proposal*, November 2025, pp. 130–131.

<sup>38</sup> AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025.

<sup>39</sup> AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025.

<sup>40</sup> Quantonomics, *Economic Benchmarking Results for the Australian Energy Regulator's 2025 TNSP Annual Benchmarking Report*, November 2025, p. 56.

<sup>41</sup> AER, *Expenditure forecast assessment guideline for electricity distribution*, August 2022, p. 26.

**Table 3-4 Step changes included in AusNet’s proposal and the AER’s alternative estimate (\$million, 2026–27)**

Step change	AusNet’s proposal	AER’s alternative estimate	Difference
Digital (inc SaaS, etc)	62.1	41.5	–20.6
Landholder Engagement	6.2	–	–6.2
AEMO participant fees	–	22.0	22.0
<b>Total step changes</b>	<b>68.3</b>	<b>63.4</b>	<b>–4.8</b>

Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of ‘–’ represent zero.

### 3.4.4.1 Digital (inc SaaS, etc)

AusNet proposed a \$62.1 million digital step change for an uplift in its ICT program. This is intended to cover project implementation and ongoing software licensing and support costs associated with their forecast 2027–32 ICT program. Our alternative estimate for the draft decision includes a forecast of \$41.5 million, or \$20.6 million less than AusNet’s proposal, reflecting that we are not satisfied that all programs in this step change are prudent and efficient.

**Table 3-5 Digital step change (\$million, 2026–27)**

	2027–28	2028–29	2029–30	2030–31	2031–32	Total
AusNet’s proposal	15.2	14.0	9.6	11.2	12.1	<b>62.1</b>
AER alternative estimate	6.7	10.7	7.0	8.1	9.0	<b>41.5</b>
<b>Difference</b>	<b>–8.5</b>	<b>–3.3</b>	<b>–2.6</b>	<b>–3.1</b>	<b>–3.1</b>	<b>–20.6</b>

Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of ‘–’ represent zero.

AusNet’s proposed Digital step change is comprised of 7 ICT programs as shown in Table 3-6 below, categorised by recurrent and non-recurrent opex. The non-recurrent expenditure components are for Software as a Service (SaaS) product, which were previously treated as capex, but under new accounting guidelines and consistent with our recent determinations are now treated as opex. The recurrent opex relates to licensing and ongoing opex support costs.

**Table 3-6 AusNet’s proposed digital step change by program and our alternative estimate (\$m, 2026-27)**

Program	Non-recurrent opex	Recurrent opex	Total opex	AER alternative estimate	Difference
Digital resilience applications	–	3.3	<b>3.3</b>	<b>3.4</b>	0.1
Digital resilience infrastructure	–	0.4	<b>0.4</b>	<b>0.4</b>	–
Cyber security	–	19.0	<b>19.0</b>	<b>19.3</b>	0.3

Program	Non-recurrent opex	Recurrent opex	Total opex	AER alternative estimate	Difference
Advanced energy management system	3.4	12.5	<b>15.9</b>	<b>8.8</b>	-7.2
Asset management and field enablement	4.2	5.2	<b>9.4</b>	<b>9.6</b>	0.2
Metering systems	5.4	4.5	<b>9.9</b>	-	-9.9
Customer experience	4.0	0.1	<b>4.1</b>	-	-4.1
<b>Total</b>	<b>17.0</b>	<b>45.1</b>	<b>62.1</b>	<b>41.5</b>	<b>-20.6</b>

Source: AusNet Services, *TRR 2027-32 Revenue Proposal*, November 2025, pp. 133–134; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of ‘-’ represent zero.

Our assessment considers that the opex for 4 of the 7 programs for Digital resilience (applications & infrastructure), Cyber security and Asset management and field enablement were prudent and efficient. Our alternative estimates for 3 of these programs are slightly higher than AusNet’s proposed amounts due to updating the forecast costs for the latest inflation updates.

Our assessment also considers that the opex for the remaining 3 programs (Advanced energy management system, Metering systems and Customer experience programs) was not prudent and efficient for the reasons outlined below. Therefore, we have not included or included a lower alternative estimate for these programs as shown in Table 3-6 above.

#### *Advanced energy management system*

AusNet proposed this program to improve its capability to control and monitor the transmission network in real time, manage planned and unplanned outages, and optimise decision-making. AusNet stated the key driver of the program was the increased risk to the power system as the power system transitions to higher renewable generation and as planned outages increase, which could adversely impact wholesale prices.

As set out in detail in Attachment 2 Section A.5, capex has not been approved for several components of this program. Therefore, the associated ongoing licence and support costs (opex) are not required, and we have not included these costs in our alternative estimate of total opex.

#### *Metering systems*

AusNet proposed a metering systems program for digital technologies to support their proposed replacement of 872 transmission meters. AusNet stated the new technology systems (opex and capex) and associated ongoing costs (opex) are required to meet their regulatory obligations for the delivery of validated and substituted data to AEMO for the purpose of market settlement.<sup>42</sup> AusNet noted that the shift to multi-directional flows significantly increases the complexity of transmission meter reading and data processing.

<sup>42</sup> AusNet Services, *TRR 2027-32 ICT Business Case Metering Digital Systems*, October 2025, p. 4.

We provide a detailed assessment of this expenditure in the capex attachment to this draft decision (Attachment 2 Section A.5). As noted in that section, we consider the expenditure for this program has not been justified and therefore have not included it in our alternative estimate for this step change.

### *Customer experience*

AusNet proposed \$4.1 million in opex for a customer experience ICT program driven by the complexity of landholder engagement resulting from the acceleration of the energy transition. AusNet states that due to increasing network investment, particularly in asset replacement and augmentation, the number of affected landholders and the frequency of access requirements will increase significantly. AusNet further states that this will amplify the need for scalable, integrated landholder relationship management systems to maintain social licence and support delivery.

AusNet’s proposal included economic benefit modelling demonstrating a net positive economic benefit. This was based on benefits related to avoided costs for landholder mitigation/land restoration and handling complaints. However, the most significant and material benefits were due to avoided full-time employee and avoided field crew downtime costs.

Because AusNet’s own modelling indicates the program would generate operating savings that exceed its costs, we are not satisfied that additional forecast opex is required through a step change. We also note that this Digital program is interrelated with AusNet’s separate \$6.2 million landholder engagement step change (see section 3.4.4.2) which we are also not including in our alternative forecast total opex.

We have considered the support expressed by customers that AusNet received for improved landholder engagement, and we encourage AusNet to undertake these programs. However, based on the reasoning stated above our draft decision is that no additional expenditure is required for the ICT proposal.

### **3.4.4.2 Landholder Engagement**

AusNet proposed a \$6.2 million step change for additional opex to provide enhanced landholder notifications, access management, safety communications and local engagement support over the 2027–32 regulatory control period. AusNet submitted that the proposal was supported by landholders and customers and would help it respond to changing expectations for engagement with landholders affected by its transmission assets. Our alternative estimate does not include AusNet’s proposed landholder engagement step change. This reflects that we are not satisfied that the programs in this step change are driven by a new regulatory obligation.

**Table 3-7 Landholder Engagement step change (\$million, 2026–27)**

	2027–28	2028–29	2029–30	2030–31	2031–32	Total
AusNet’s proposal	1.4	1.3	1.2	1.1	1.1	<b>6.2</b>
AER alternative estimate	–	–	–	–	–	–
<b>Difference</b>	<b>-1.4</b>	<b>-1.3</b>	<b>-1.2</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-6.2</b>

Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of ‘–’ represent zero.

We acknowledge the support expressed by landholders and customer representatives for improved engagement. We have also considered the guidelines, obligations and stakeholder expectations identified by AusNet as relevant to landholder engagement. These matters provide important context for AusNet’s proposal and may inform how AusNet chooses to manage its relationships with affected landholders.

However, the relevant consideration is whether the proposed opex is required by a new or changed regulatory requirement that gives rise to costs. Customer support, stakeholder expectations, industry guidelines, better practice expectations and broader social licence considerations do not, of themselves, establish that a step change is required.

We are therefore not including the landholder engagement step change in our alternative opex forecast. This does not prevent AusNet from improving landholder engagement within its approved opex allowance.

### 3.4.4.3 AEMO participant fees

We have included the AEMO participant fees of \$22 million as a step change in our alternative estimate. This is a placeholder amount as AusNet noted the AEMO’s National Electricity Market Participant Fee Structure Review and FY27 Budget and Fees Report are anticipated to be released prior to the revised proposal, and AusNet will update its forecasts accordingly.

**Table 3-8 AEMO participant fees (\$million, 2026–27)**

	2027–28	2028–29	2029–30	2030–31	2031–32	Total
AusNet’s proposal	4.1	4.3	4.4	4.5	4.7	<b>22.0</b>
AER alternative estimate	4.1	4.3	4.4	4.5	4.7	<b>22.0</b>
<b>Difference</b>	–	–	–	–	–	–

Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of ‘–’ represent zero.

AEMO participant fees are charges that registered participants in the Australian energy market pay to AEMO to cover its operating costs. Under AEMO’s most recent FY26 budget, the core fees allocation for AusNet is set at \$2.65 million. In addition, AEMO has finalised the fee structure for its new cyber security coordination responsibilities. AusNet’s allocation under the FY26 budget is \$1.08 million.

AusNet’s forecast of participant fees reflects the guidance provided by AEMO in their FY26 Budget, which indicates an expected annual increase of approximately 6-8% for the NEM Core segment. AusNet adopted a 7% per annum escalation for NEM Core Fees and is forecasting Cyber Security and Resilience Fees to increase at 2.5% per annum, in line with the RBA’s long-term forecast of inflation.

We consider AusNet’s forecast for AEMO participant fees to be reasonable and appropriately reflects the guidance provided by AEMO.

AusNet’s proposal to include these fees as a category specific forecast would exclude these fees from the EBSS. However, we consider these fees should not be excluded, and our draft

decision is to include them as a step change. The AEMC, in making a rule change to include the fees in revenue determinations, clearly stated its intention that the fees be subject to incentive regulation, including the EBSS.<sup>43</sup> We consider including them as a category specific forecast would be inconsistent with the intent of the AEMC in making this rule change, and instead consider they should be included in the total opex allowance as a step change.

### 3.4.5 Category specific forecasts

AusNet’s proposal included four category specific forecasts, which were not forecast using the base–step–trend approach. These were for:

- Easement land tax (\$1,414.6 million)
- Debt raising costs (\$12.9 million)
- AEMO participant fees (\$22 million)
- Growth assets roll in (\$22 million)

As discussed in Section 3.4.4.3 we have included AEMO participant fees as a step change in our alternative estimate and not a category specific forecast as proposed by AusNet.

#### 3.4.5.1 Easement land tax

We have included the easement land tax of \$1,414.6 million as a category specific forecast in our alternative estimate. This is a placeholder amount as AusNet has advised they will be updating the easement land tax forecast with the latest tax assessment notice (2026–27) received after submitting its proposal.

**Table 3-9 Easement land tax (\$million, 2026–27)**

	2027–28	2028–29	2029–30	2030–31	2031–32	Total
AusNet’s proposal	277.1	280.0	282.9	285.9	288.8	<b>1,414.6</b>
AER alternative estimate	277.1	280.0	282.9	285.9	288.8	<b>1,414.6</b>
<b>Difference</b>	–	–	–	–	–	–

Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of ‘–’ represent zero.

AusNet’s network is built on a series of easements, which are subject to the Victorian Government’s easement land tax. AusNet is required to forecast its easement land tax liability as part of the forecast opex. Where the forecast we include in our opex forecast differs (higher or lower) from the actual tax paid, AusNet is entitled to apply for a cost pass through.

AusNet’s proposed easement land tax amount was based on its most recent tax assessment notice (2025–26) at the time of submitting its regulatory proposal. AusNet’s forecast applied a growth assumption of less than 4% nominal per annum. This is based on the nominal growth rate of the most recent two years (2024–25 and 2025–26) of the easement land tax

<sup>43</sup> AEMC, *NATIONAL ELECTRICITY AMENDMENT (RECOVERING THE COST OF AEMO’S PARTICIPANT FEES) RULE 2022*, October 2022, p.i.

issued by the State Revenue Office Victoria. AusNet has advised it has received its 2026 tax assessment notice and will update its forecast in its revised proposal.

We consider AusNet’s forecast to be a reasonable approach for the easement land tax over the 2027–32 regulatory period as it will reflect the latest valuation in its revised proposal. We also consider the growth assumption reasonable. As noted above, a pass-through provision provides assurance that neither AusNet, nor its customers, will receive a windfall gain (or loss) due to the actual land tax payments required of AusNet being lower (or higher) than forecast in its revenue determination.

### 3.4.5.2 Debt raising costs

We have included debt raising costs of \$13.1 million in our alternative estimate. This is \$0.8 million lower than the estimate proposed by AusNet.

**Table 3-10 Debt raising costs (\$million, 2026-27)**

	2027–28	2028–29	2029–30	2030–31	2031–32	Total
AusNet’s proposal	2.3	2.5	2.6	2.7	2.8	<b>12.9</b>
AER alternative estimate	2.5	2.6	2.7	2.7	2.7	<b>13.1</b>
<b>Difference</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.2</b>

Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AusNet Services, *TRR 2027-32 Revenue Proposal*, November 2025; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of '0.0' and '-0.0' represent small non-zero amounts and '-' represents zero.

Debt raising costs are transaction costs incurred each time a business raises or refinances debt. Our preferred approach is to forecast debt raising costs using a benchmarking approach rather than a service provider’s actual costs in a single year. This provides consistency with the forecast of the cost of debt in the rate of return building block. This is the basis for our alternative estimate shown in Table 3-10. We used our standard approach to forecast debt raising costs, which is discussed further in Attachment 1 to the draft decision.

### 3.4.5.3 Growth assets roll in

We have included growth asset roll in opex of \$22 million as a category specific forecast in our alternative estimate. This is consistent with AusNet’s proposal.

**Table 3-11 Growth assets opex (\$million, 2026–27)**

	2027–28	2028–29	2029–30	2030–31	2031–32	Total
AusNet’s proposal	4.4	4.4	4.4	4.4	4.4	<b>22.0</b>
AER alternative estimate	4.4	4.4	4.4	4.4	4.4	<b>22.0</b>
<b>Difference</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: AusNet Services, *TRR 2027-32 Operating Expenditure Model*, November 2025; AER analysis.

Note: Numbers may not add up to totals due to rounding. Values of '-' represent zero.

From 1 November 2025, responsibility for planning Victoria’s declared transmission network transferred from AEMO to VicGrid.<sup>44</sup> In Victoria during any regulatory control period, VicGrid or a distribution business may request AusNet Services to augment the transmission network or distribution connection services. We do not roll these assets into the regulated asset base until the subsequent revenue determination.

The opex associated with these growth assets at this point (prior to rolling the assets into the RAB) is charged to customers outside the revenue cap and is not reflected in reported opex. Consequently, we need to increase our opex forecast for the additional expenses associated with the operation and maintenance of the growth assets that we roll into the RAB. This arrangement is a transfer of existing costs rather than new costs being passed on to customers. Therefore, it does not impact on the current price being paid by customers (only the party to whom it is paid). Currently, VicGrid and the Victorian distribution businesses fund and pass these costs on to customers. When these assets are rolled into AusNet’s RAB, AusNet then funds operation and maintenance of growth assets through its opex allowance. The value of the assets proposed to be rolled into the RAB in April 2027 is \$283.8 million.

AusNet forecast the roll-in of growth asset opex in accordance with current recovery rates specified under existing contracts with VicGrid and Victorian distribution businesses. In a small number of cases where these recovery rates were not available, AusNet applied the average percentage of known growth assets opex as compared to the total roll in amount (equalling 1.35%) to these projects to determine the associated opex.

We consider AusNet’s proposed methodology of using 1.35% for projects where recovery rates were not available and current recovery rates specified under existing contracts as a reasonable approach to forecast opex associated with growth assets. This methodology is also consistent with AusNet’s approach in previous resets.

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<sup>44</sup> AEMO, *Victorian planning*, accessed on 27 May 2026.

# Glossary

Term	Definition
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
AIO	Annual information order
capex	capital expenditure
CCP34	Consumer Challenge Panel 34
EBSS	efficiency benefit sharing scheme
ICT	information and communications technology
MPFP	multilateral partial factor productivity
MTFP	multilateral total factor productivity
NEL	National Electricity Law
NEM	National Electricity Market
NEO	National Electricity Objective
NER	National Electricity Rules
NSP	network service provider
opex	operating expenditure
PPI	partial performance indicator
PTRM	post-tax revenue model
RAB	regulated asset base
RBA	Reserve Bank of Australia
SaaS	Software as a Service
TNSP	transmission network service provider
TSAP	Transmission Stakeholder Advisory Panel