



# Notice

23 May 2025

## Wholesale Electricity Market Rules and Gas Services Information Rules

### Report on the Australian Energy Market Operator's compliance for 2023/24

The Economic Regulation Authority has published the annual report to the Minister for Energy on the Australian Energy Market Operator's (AEMO) compliance with the Wholesale Electricity Market Rules and the Gas Services Information Rules for 2023/24.

AEMO appointed PricewaterhouseCoopers to perform the 2023/24 independent audit.

This ERA report considers:

- The results of the 2023/24 independent assurance engagement on AEMO's performance against the Wholesale Electricity Market (WEM) Rules and Gas Services Information (GSI) Rules.
- The ERA's investigations into AEMO's non-compliances since the 2022/23 financial year report.

The auditor concluded that AEMO appeared to maintain, in all material respects, internal control procedures for its compliance with the WEM Rules and the GSI Rules.

However, the auditor identified instances of non-compliance with AEMO's Information Technology (IT) Standards for access management during 2023/24. This behaviour presented an increased risk of unauthorised or inappropriate access to systems and data. This non-compliance was given a medium risk rating.<sup>1</sup>

#### WEM Rules audit findings

The WEM Rules audit found 54 non-compliances, of which 53 were rated low risk and one rated medium risk.<sup>2</sup> AEMO resolved and closed 38 non-compliances during the audit period.

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<sup>1</sup> A medium risk rating is defined in the audit report as "Findings which may have a moderate impact on the market operations if they are not addressed within a reasonable timeframe. These findings require management attention with regular ongoing monitoring."

<sup>2</sup> A low risk rating is defined in the audit report as "Findings which may have a minor impact on market operations if they are not addressed in the future. These findings are the responsibility of management with regular monitoring and reporting at staff meetings."

The auditor found five instances of insufficient controls in place, three of which were rated medium risk and two were rated low risk. The auditor identified one control improvement opportunity, which it rated as low risk.

The auditor identified seven IT findings, four of which were rated as medium risk and three as low risk.

## **Investigations**

In February 2025, the ERA completed investigations into 10 alleged breaches of the WEM Rules and GSI Rules by AEMO. The alleged breaches span 30 October 2022 to 3 October 2024 and relate to non-compliances with financial and budget reporting obligations.

The breaches did not have direct impact on AEMO's WEM or GSI operations. However, the breaches reduced the transparency of AEMO's financial management practices for its Western Australian operations and made it more challenging for the ERA and market participants to assess the effectiveness and efficiency of AEMO's use of funds.

The ERA found AEMO in breach in each instance. AEMO has accepted that it breached the WEM and GSI rules for each matter.

During the audit period the ERA assessed 120 AEMO breach allegations, related to the WEM Rules in force prior to 1 October 2023. We assessed all breaches as being low risk and subsequently resolved them without investigation under Regulation 38(3) of the *Electricity Industry (Electricity System and Market) Regulations*. Just over 40 per cent of breaches were related to the failure to ensure sufficient Load Following Ancillary Services. This requirement has been superseded by the WEM Dispatch Engine under the amended WEM Rules effective from 1 October 2023.

## **GSI Rules audit findings**

The GSI Rules audit identified two low-rated non-compliances and one finding of insufficient controls. One of the non-compliances was resolved by AEMO during the audit period.

The auditor identified seven IT findings, four of which it rated as medium risk and three as low risk.

The report and AEMO's response are available on the [ERA's website](#).

## **Further information**

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