

AEMO governance overview

Corporate structure

AEMO is a company limited by guarantee incorporated under the *Corporations Act 2001* (Cth). In a company limited by guarantee: members do not hold shares; dividends are not distributed to members (unlike companies limited by shares); members' liability is limited to the amount they guarantee to contribute if the company is wound up (under AEMO's Constitution, members' liability is limited to \$1.00); directors are generally subject to the same legal duties and liabilities as directors of other public companies.

AEMO is governed by the [AEMO Constitution](#).

Legislative framework

AEMO performs the functions and exercises the powers conferred on it under national and Western Australian electricity and gas laws. See [AEMO | Legislation and regulation](#) for an overview of AEMO's legislative framework and [AEMO | What we do](#) for a description of AEMO's energy market functions.

In carrying out its statutory functions, AEMO operates within a detailed framework of laws, regulations and rules which prescribe its activities and how they are conducted. Any discretion AEMO exercises is limited by those regulatory frameworks and guided by the relevant law's objectives. In addition, jurisdictions have, over time, decided to confer certain functions on AEMO for their jurisdictions.

The rules of the various markets provide for dispute resolution procedures and a person aggrieved can apply to the courts for judicial review of AEMO decisions and determinations.

The Australian Energy Regulator (AER) monitors and enforces AEMO's compliance with its obligations in performing AEMO's statutory functions under national energy legislation including in operating the NEM power system and wholesale markets for electricity and gas. The Australian Energy Market Commission (AEMC) develops changes to the national gas, electricity and retail rules that govern the respective markets. AEMO is separate from both the AER (established under Commonwealth legislation) and the AEMC as the rule-making body (established under South Australian legislation).

Governance architecture established by Energy Ministers

The [Australian Energy Market Agreement](#) (AEMA) is the intergovernmental agreement governing the co-operative national legislative framework for the national energy laws entered into between the Commonwealth and States and Territories. It establishes the national governance model for the Ministerial Council and energy market bodies (AEMC, AER and AEMO). It sets out the process for considering and approving amendments to the national energy laws.

Energy Ministers issued a [Statement of Role](#) (SOR) in September 2022 summarising AEMO's formal governance architecture. The SOR clarifies key elements of AEMO's governance recognising the legal context of AEMO's Constitution and statutory roles including:

- 1) **The *shared role of energy ministers in energy market governance*** (“Energy Ministers have oversight of national energy policy, as well as the governance and associated institutional arrangements and regulatory frameworks.”)
- 2) **The *primacy of AEMO’s statutory roles and constitution*** (“In the event of any inconsistency between this Statement of Role and AEMO’s obligations under law and/or its Constitution or the AEMO directors’ duties, the latter instruments and duties prevail.”)

The SOR provides a role for Energy Ministers to approve plans and performance indicators and to provide feedback on AEMO’s performance against performance under those plans. Consistent with the SOR, AEMO develops performance indicators, self-assesses and publicly reports against these by publishing an [Annual Report](#), and publishes its Statement of Corporate Intent by publishing its [Strategic Corporate Plan](#). AEMO seeks and receives regular structured feedback on its performance from governments and diverse range of stakeholders.

Accountability to and engagement with jurisdictions

AEMO is not an agency of any government, but it has Government Members comprising the Commonwealth, the States and the ACT (see [Members](#)). AEMO is accountable to a Council of Ministers known as the [Energy and Climate Change Ministerial Council \(ECMC\)](#) responsible for the national energy policy, the governance and institutional arrangements for the Australian energy market and the legislative and regulatory framework for the Australian energy market. Under the [Australian Energy Market Agreement](#), the jurisdictions have agreed that the ECMC will not be engaged directly in the day-to-day operation of the energy markets or the conduct of regulators.

There is a high level of regular engagement between AEMO and jurisdictions. The national energy legislation includes specific requirements to consult with or advise jurisdictions, for example, in relation to AEMO’s Reliability and Emergency Reserve Trader and Orderly Exit Management Framework functions in the National Electricity Rules. In addition to statutory reports and consultations, AEMO engages with governments regularly to discuss insights and data contained within AEMO’s reports, operational insights and other matters. For example, AEMO consults with jurisdictions to identify the government policies it considers in Integrated System Plan (ISP) modelling in accordance with its [Consultation with jurisdictions for the Integrated System Plan: Guideline](#).

AEMO is not generally subject to direction by a Minister in relation to the performance of its statutory functions. However, the ECMC (and individual Ministers) may ask AEMO “for information, a report or other services” under national electricity and gas laws. AEMO must comply with such a request.

AEMO assists parliaments on energy issues by appearing before and providing evidence to parliamentary inquiries and supports jurisdictions in meeting their parliamentary reporting and scrutiny requirements.

Engagement with market participants

AEMO engages extensively with market participants in performing its functions through formal and informal consultations, workshops, webinars, briefings, forums and committees.

AEMO consults on its proposed decisions, procedures and publications as required by national energy legislation and more extensively when needed. For example, in developing the 2026 Draft Integrated System Plan, AEMO engaged with 1,400 stakeholders, delivered 37 presentations and reports, hosted 17 webinars and considered 241 written submissions. In addition to its consultation obligations, AEMO proactively engages on a range of other programs and initiatives consistently with its [Stakeholder Engagement Framework](#). For

example, it convenes the [NEM Reform Delivery Committee](#), which oversees and advises on the implementation planning for the NEM Reform Program.

AEMO Board and Directors

AEMO is governed by a Board of Directors. The roles, responsibilities and powers of the AEMO Board are set out in the [AEMO Constitution](#). The Board of Directors is the only decision-making body that is responsible for the performance of AEMO's statutory functions. Under the AEMO Constitution, the Directors, to the exclusion of the members, have responsibility for satisfying any requirement or discharging any duty under the National Electricity Law, National Gas Law or any other law or legislative instrument. The exclusion is intended to ensure market and stakeholder confidence in the independent and impartial decision-making of the Board. The AEMO Board has established the following subcommittees: Finance, Risk & Audit; Technical, Markets & Systems; People; and Nominations.

The [Energy and Climate Change Ministerial Council \(ECMC\)](#) appoints all AEMO Directors (except the Managing Director) in accordance with the AEMO Constitution and documents maintained by the ECMC (the *Protocol for Appointments to Australian Energy Market Governance Institutions & Panels* and *Independent Energy Appointments Selection Panel Terms of Reference*). The AEMO Constitution requires AEMO's Chair and the majority of the Board to be Independent Directors. All Directors are bound by the conflict of interest frameworks discussed below.

AEMO members

As noted above, AEMO has both government members comprising all Australian governments (except the NT) and industry members. All registered energy market participants are eligible to apply to become industry members of AEMO. There are currently 95 industry members of AEMO. For context, as of 22 December 2025, there are 644 registered participants in the NEM and additional registered participants in the other markets AEMO operates in WA and the east coast gas markets.

Members' rights are defined by AEMO's [Constitution](#) and the *Corporations Act*.

As noted above, AEMO members cannot override the Board of Directors in relation to the performance of AEMO's statutory functions either collectively or individually.

Voting power under AEMO's Constitution is split between the government members (60 percent voting power) and industry members (40 percent voting power). The AEMO Constitution requires members to vote on the selection panel's report for Director appointments before submission to the ECMC, and on whether to approve proposed activities to be undertaken in addition to AEMO's statutory functions such as acquiring a business or making a material financial commitment toward a significant new business. Because of their voting power, however, industry members' approval is only required for decisions that the Corporations Act requires to be passed by special resolution ($\geq 75\%$ votes in support) such as amending the AEMO Constitution and varying the rights of a class of member.

Irrespective of AEMO membership, registered participants and other interested parties can and do engage with AEMO through stakeholder consultations, working groups and forums.

AusEnergy Services Ltd

AEMO has a subsidiary, AusEnergy Services Ltd (ASL) which is also a company limited by guarantee incorporated under the Corporations Act. It has two Members: AEMO holding 70 per cent of voting rights and the NSW Government holding 30 per cent of voting rights. Membership is also open to other Australian

jurisdictions. ASL is governed by a Constitution and Members Agreement. See [ASL | Our role](#) for a description of ASL's roles.

Financial management

AEMO complies with all relevant financial management requirements in the Corporations Act.

The national energy laws allow AEMO to fully recover its costs for the performance of its statutory functions, on a not-for-profit but full cost recovery basis. AEMO's operating costs are primarily recovered from registered participants through fees set under national energy legislation in consultation with stakeholders. AEMO also recovers costs through other funding mechanisms such as jurisdictional funding to undertake specific tasks or functions for that jurisdiction.

AEMO consults on its draft annual operating budget and investment plan aligned to its corporate priorities (see the [Draft FY26 budget and fees consultation](#)).

AEMO provides transparency and accountability to market participants through [Annual Reports and annual results presentations](#).

In 2021, AEMO established an advisory [Financial Consultation Committee](#) comprising a breadth of stakeholders including government, industry and consumers, to provide greater transparency, and feedback, about AEMO's financial planning, investment, management and cost recoveries.

Conflicts of interest

The [AEMO Group Code of Conduct](#) requires all employees, directors, contractors and consultants to avoid and/or manage any actual, potential or perceived conflict of interest, including by declaring and registering conflicts of interest. Staff undertake regular training to ensure awareness of the Code of Conduct and their conflict of interest responsibilities.

AEMO Board members manage conflicts of interest in accordance with the [Directors' Interest Protocol](#), which addresses both declaration of interests and management of conflicts (both in relation to release of sensitive information to conflicted directors and the deliberation process). Additional processes apply to particularly sensitive matters such as tenders.