

# Retail Authorisation Application: Electricity

## Public Attachments

**CleanCo Queensland Limited**

ABN 85 628 008 159

Submitted to the  
Australian Energy Regulator (AER)

September 2019

## 1. List of Public Attachments

Attachment Name	Confidential
A7 – Financial Statements, Annual Report FY18/19	No
A8 – Declaration Financial Capability	No
A11 – Regulatory Compliance, Officer Statement	No
A12 – Declaration Management Team	No

## A7– Risk Financial Statements, Annual Report FY18/19

**CleanCo Queensland Limited**

ABN 85 628 008 159

**Financial statements  
for the period ended 30 June 2019**

**CleanCo Queensland Limited**

ABN 85 628 008 159

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**CleanCo Queensland Limited**  
**Directors' report**  
**30 June 2019**

The directors present their report on CleanCo Queensland Limited (hereafter referred to as the "Company" or "CleanCo") for the period ended 30 June 2019. The Company was incorporated on 11 October 2018 and later became a Government Owned Corporation on 17 December 2018 under the *Government Owned Corporations (CleanCo Queensland Limited) Amendment Regulation 2018*. CleanCo was established to improve competition in the wholesale electricity market by lowering wholesale electricity prices and to support growth of Queensland's renewable energy industry through the management of a portfolio of low and no emission electricity generation assets. This report covers the period from the date of incorporation to 30 June 2019 and as such, there are no comparatives.

**Directors**

Cecelia Christensen, Robert Fleming and Karen Whitham were appointed Public Service Board interim directors on incorporation and resigned on 17 December 2018 on the establishment of CleanCo as a Government Owned Corporation.

Jacqueline Walters, Tracy Dare and Ivor Frischknecht were appointed as directors on 17 December 2018 and continue in office at the date of this report.

**Information on directors**

***Jacqueline Walters Chair***

Ms Walters has more than 25 years proven experience in establishing new businesses, corporate strategy, acquisition, organisational transformation and restructuring, post-merger culture alignment, change leadership and engagement. Her work has ranged from whole of organisation transformation and restructuring to highly specific areas such as major capital project delivery, new product introduction and performance, and post-merger culture alignment. She holds key strategic board and executive positions in the private and public sectors, including Chair of the Citytrain Response Unit, Partner at Era Innovation, a Director of Slater & Gordon, and a Director of Development Victoria and previously served on the Board of Building Queensland.

Ms Walters holds a Bachelor of Commerce, held a Certified Practising Accountant qualification for 12 years, is a Graduate of the Australian Institute of Company Directors and a Trustee of Committee for Economic Development of Australia (CEDA).

***Ivor Frischknecht Non-Executive Director***

Mr Frischknecht is an expert and innovator in the rapidly evolving energy industry. He served as inaugural Chief Executive Officer of the Australian Renewable Energy Agency (ARENA) and oversaw its \$2.1 billion portfolio for 6 years, during which it invested in 300+ clean energy projects. Previously, he was responsible for clean technology investments at venture capital firm Starfish Ventures. He was also Chief Executive Officer and investor in the clean tech sector in Silicon Valley, California. He serves on the Board of C4NET, is an Advisory Board member for Elliot Green Power Ltd and is an Advisory Committee member for RACE for 2030 CRC Bid.

Mr Frischknecht holds Bachelors of Economics and Law, an MBA and Public Management Certificate, and is a Graduate of the Australian Institute of Company Directors.

***Tracy Dare Non-Executive Director***

Ms Dare is a Chartered Accountant and an active and experienced non-executive director and industry body representative with a focus on strategy, governance, business growth commercialisation and performance, risk and financial management. She has served on various government, not-for-profit boards and industry bodies for more than 18 years, including as a former director on the CS Energy Board. She is currently a director of the Greater Springfield Community Club Limited and an active member of the Property Council of Australia. Tracy also has extensive senior executive and operational experience in strategy development and implementation, M&A, business growth, customer and markets, business improvement/turnarounds, and developing and leading high performing teams. She has substantial experience in customer facing sectors, industries undergoing disruptive change and in highly capital intensive businesses.

#### Information on directors (continued)

Ms Dare holds a Bachelor of Business (Accountancy) and a Graduate Diploma in Advanced Accounting. She is a Chartered Accountant, a Graduate of the Australian Institute of Company Directors and a Registered Real Estate Agent.

**Cecelia Christensen** Director (appointed October 2018 to December 2018)

Ms Christensen is the General Counsel, Legal and Administrative Review Office, Queensland Treasury, and was appointed an interim Director of CleanCo until such time as CleanCo became a Government Owned Corporation. She has 20 years legal experience in government and corporate law.

Ms Christensen holds a Bachelor of Arts, Bachelor of Laws and Masters in Research (Law).

**Robert Fleming** Director (appointed October 2018 to December 2018)

Mr Fleming is the Acting Deputy Under Treasurer of Queensland Treasury's Commercial Group and was appointed an interim Director of CleanCo until such time as CleanCo became a Government Owned Corporation. He is an economist with a background in government policy and project management, with approximately 20 years of experience in government, including the provision of advice across major infrastructure projects.

Mr Fleming holds a Bachelor of Commerce and a Bachelor of Economics (Hons).

**Karen Whitham** Director and Company Secretary (appointed October 2018 to December 2018)

Ms Whitham was the Program Director for the CleanCo Implementation Taskforce, which was established by Queensland Treasury to assist with the establishment of CleanCo and was an interim Director and Company Secretary until CleanCo become a Government Owned Corporation. She has held various roles in government including as an Executive Director in the Queensland Productivity Commission and as a Director in Queensland Treasury. Ms Whitham held the role of Vice President in Barclays Bank in the Personal and Corporate Banking Division, delivering analysis on Financial Ombudsman decisions.

Ms Whitham holds a Bachelor of Economics and a Master of Economic Studies.

#### Company Secretary

The Company Secretary is Tanya Mangold. Ms Mangold was appointed to the position of Company Secretary on 17 December 2018. Ms Mangold is a Fellow of the Governance Institute of Australia, is a practising lawyer with approximately 20 years of experience, including as a general counsel and company secretary for listed companies NEXTDC Ltd and Collins Foods Ltd (acting role), and also for public companies such as Sniip Ltd. She has a background in corporate and tax law, having worked as a lawyer for several years, including at Clayton Utz and Minter Ellison Flex.

Ms Mangold holds a Bachelor of Commerce, Bachelor of Laws, Master of Laws (Banking Law) and a Graduate Diploma in Advanced Taxation.

#### Principal activities

During the period the principal activities of the Company were related to the establishment of capability, systems, processes and governance frameworks required to meet CleanCo's objectives to improve competition in the wholesale electricity market aimed at lowering wholesale electricity prices and to support the growth of Queensland's renewable energy industry.

#### Dividends

No dividends have been paid during the financial period. The directors do not recommend that a dividend be paid in respect of the financial period.

**CleanCo Queensland Limited**  
**Directors' report**  
**30 June 2019**  
 (continued)

**Review of operations**

The loss from ordinary activities after income tax amounted to \$1,068,000. The result is reflective of the pre-trading establishment phase of the Company.

**Significant changes in the state of affairs**

The Company was incorporated on 11 October 2018 and on 17 December 2018, the Company was declared a Government Owned Corporation. The Company was formed under the *Government Owned Corporations (CleanCo Queensland Limited) Amendment Regulation 2018* on 17 December 2018.

Other than already disclosed, there have been no significant changes in the state of affairs of the Company during the period.

**Events since the end of the financial year**

On 24 July 2019, the Queensland Government announced that CleanCo would assume responsibility for completing the Renewables 400 procurement program on behalf of the State. The program involves a reverse auction for up to 400 megawatts of new renewable energy and storage projects in Queensland. On the same date, the Queensland Government announced that on 31 October 2019 CleanCo would be transferred the 385 megawatt gas-fired Swanbank E power station and the Kareeya, Barron Gorge and Koombaloomba hydro power stations from Stanwell Corporation Limited, and the 570 megawatt Wivenhoe power station from CS Energy Limited. CleanCo will also commence trading in the National Electricity Market on 31 October 2019.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

**Environmental regulation**

The Company is not yet affected by any significant environmental regulation in respect of its operations at 30 June 2019.

**Meetings of directors**

No Board committees were formed at 30 June 2019. The numbers of meetings of the Company's Board of Directors held during the period ended 30 June 2019, and the numbers of meetings attended by each director were:

	Full meetings of directors	
	Number of meetings attended	Number of meetings eligible to attend
Jacqueline Walters	14	14
Tracy Dare	14	14
Ivor Frischknecht	13	14
Cecelia Christensen	1	1
Robert Fleming	1	1
Karen Whitham	1	1

**Director shareholding**

No directors held any beneficial interest in the shares of the Company. All issued shares are held by the shareholding Ministers on behalf of the State of Queensland.



#### Insurance of officers and indemnities

During the financial period, CleanCo Queensland Limited paid a premium of \$28,776 to insure the directors and secretary of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

#### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

#### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

#### Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.



Jacqueline Walters  
Chair

Brisbane  
23 August 2019

**AUDITOR'S INDEPENDENCE DECLARATION**

To the Directors of CleanCo Queensland Limited

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

**Independence declaration**

As auditor for the audit of CleanCo Queensland Limited for the financial year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Damon Olive  
as delegate of the Auditor-General

23 August 2019

Queensland Audit Office  
Brisbane

## CleanCo Queensland Limited Financial statements - 30 June 2019

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These financial statements are the financial statements of CleanCo Queensland Limited as an individual entity. The financial statements are presented in the Australian dollar (\$).

CleanCo Queensland Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

CleanCo Queensland Limited  
Level 32, 12 Creek Street  
Brisbane, Queensland, 4000.

A description of the nature of the entity's operations and its principal activities is included in the directors' report on page 3, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 23 August 2019. The directors have the power to amend and reissue the financial statements.

CleanCo Queensland Limited  
Statement of profit or loss and other comprehensive income  
For the period ended 30 June 2019

	Notes	11 Oct 2018 to 30 Jun 2019 \$'000
<b>Revenue</b>		
Grant income	2	6,000
Finance income		804
<b>Expenses</b>		
Establishment costs	3	(4,922)
Contractor expenses	4	(1,154)
Employee benefits expense		(1,202)
Occupancy expenses		(500)
Finance expenses		(34)
Other expenses		(517)
<b>Loss before income tax equivalent</b>		<u>(1,525)</u>
Income tax equivalent	5	457
<b>Loss after income tax equivalent for the period</b>		<u>(1,068)</u>
<b>Other comprehensive income for the period</b>		<u>-</u>
<b>Total comprehensive loss for the period</b>		<u>(1,068)</u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

CleanCo Queensland Limited  
Statement of financial position  
As at 30 June 2019

	Notes	2019 \$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	6	20,777
Receivables	7	<u>161,230</u>
<b>Total current assets</b>		<u>182,007</u>
<b>Non-current assets</b>		
Property, plant and equipment	8	411
Intangible assets	9	151
Deferred tax assets	10	<u>698</u>
<b>Total non-current assets</b>		<u>1,260</u>
<b>Total assets</b>		<u>183,267</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	11	3,920
Interest bearing liabilities	12	6
Current tax liabilities		241
Employee benefit obligations	13	<u>155</u>
<b>Total current liabilities</b>		<u>4,322</u>
<b>Non-current liabilities</b>		
Interest bearing liabilities	12	<u>13</u>
<b>Total non-current liabilities</b>		<u>13</u>
<b>Total liabilities</b>		<u>4,335</u>
<b>Net assets</b>		<u>178,932</u>
<b>EQUITY</b>		
Contributed equity	14	180,000
Accumulated losses		<u>(1,068)</u>
<b>Total equity</b>		<u>178,932</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

**CleanCo Queensland Limited**  
**Statement of changes in equity**  
**For the period ended 30 June 2019**

	Contributed equity \$'000	Accumulated losses \$'000	Total \$'000
Notes			
<b>Balance at 11 October 2018</b>	-	-	-
Loss after income tax equivalent expense for the period	-	(1,068)	(1,068)
<b>Total comprehensive loss for the period</b>	-	(1,068)	(1,068)
<b>Transactions with owners in their capacity as owners:</b>			
Contributions of equity	180,000	-	180,000
<b>Balance at 30 June 2019</b>	<b>180,000</b>	<b>(1,068)</b>	<b>178,932</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

CleanCo Queensland Limited  
Statement of cash flows  
For the period ended 30 June 2019

		11 Oct 2018 to 30 Jun 2019
	Notes	\$'000
<b>Cash flows from operating activities</b>		
Receipt of Government grant		6,000
Payments to suppliers and employees (inclusive of goods and services tax)		(5,346)
Interest received		<u>180</u>
<b>Net cash inflow from operating activities</b>	16(a)	<u>834</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment		(16)
Payments for intangible assets		<u>(41)</u>
<b>Net cash (outflow) from Investing activities</b>		<u>(57)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	14	<u>20,000</u>
<b>Net cash inflow from financing activities</b>		<u>20,000</u>
<b>Net increase in cash and cash equivalents</b>		20,777
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at end of period	6	<u>20,777</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied during the period, unless otherwise stated.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Corporations Act 2001* and the *Government Owned Corporations Act 1993 (GOC Act)*.

The Company is a for-profit entity that was incorporated on 11 October 2018 and established as a Government Owned Corporation on 17 December 2018, pursuant to the *Government Owned Corporations (CleanCo Queensland Limited) Amendment Regulation 2018* for the purpose of preparing the financial statements.

The financial statements are presented in Australian dollars (\$), which is the Company's functional and presentation currency.

#### (i) Historical cost convention

The financial statements have been prepared on a historical cost basis.

#### (ii) Comparatives

This report covers the period from the date of incorporation to 30 June 2019. As a consequence, there are no comparatives.

#### (iii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	AASB 16 Leases
Nature of change	AASB 16 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.  The accounting for lessors will not significantly change.
Impact	The lease arrangement for office accommodation is with the Department of Housing and Public Works (DHPW). This lease is outside the scope of AASB 16 Leases because DHPW has substantive substitution rights with respect to the non-specialised commercial office accommodation under the Queensland Government Accommodation Office's (QGAO) Office Accommodation Management Framework. Costs relating to this arrangement should be treated as an operating expense when incurred. No significant impact is expected for the Company's finance leases.
Mandatory application date/ Date of adoption by Company	Expected date of adoption by the Company: 1 July 2019.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.



## 1 Summary of significant accounting policies (continued)

### (b) Revenue recognition

#### (i) Grant income

Grants that are non-reciprocal in nature are recognised as revenue when the Company obtains control over them. This is considered to be achieved at the time of receipt.

The Company has received a once-off non-reciprocal grant which is provided for the purpose of supporting the strategic objectives of the Company.

#### (ii) Interest income

Interest income is recognised using the effective interest method.

### (c) Income tax equivalent expense

As a Government Owned Corporation, the Company is subject to the National Tax Equivalents Regime (NTER). Under this scheme, the Company must make income tax payments to the State Government and is not liable to pay Commonwealth tax that would be payable if it were not a Government Owned Corporation.

These payments are made pursuant to section 129(4) of the *Government Owned Corporations Act 1993 (Qld)* and are based upon rulings set out in the Treasurer's 'Tax Equivalents Manual'. The NTER gives rise to obligation which reflect in all material aspect those obligations for taxation which would be imposed by the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*.

Income tax equivalent expense is made up of current tax equivalent expenses and deferred tax equivalent expenses. Current tax equivalent expense represents the expected tax payable on the taxable income for the year, using current tax rates. Deferred tax equivalent expense represents change in temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.

### (d) Net deferred tax equivalent expense

The Company adopts the balance sheet approach to accounting for income tax equivalent payments.

Deferred tax equivalent balances arise when there are temporary differences between carrying amounts and the tax bases of assets and liabilities, other than where the difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting profit nor taxable profit or loss.

Deferred tax equivalent assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax equivalent assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates and the tax laws that have been enacted or substantially enacted at the reporting date.

Tax equivalent assets and liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax equivalent balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

### (e) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases (note 20). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

## 1 Summary of significant accounting policies (continued)

### (e) Leases (continued)

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

### (f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand. The Company has a working capital facility with Queensland Treasury Corporation (QTC). Deposits held at call with QTC are disclosed as advances, refer to note 1(h).

### (g) Receivables

All of the Company's receivables have low credit risk at both the beginning and end of the reporting period. Due to the short-term nature of receivables, their carrying amount is considered to be the same as their fair value.

### (h) Advances

Under the Queensland Government's cash management regime, Government Owned Corporations are required to advance surplus cash to Queensland Treasury. Access to the advances is generally subject to notification periods of 24 to 48 hours. The advances yielded an interest rate of 2.3% - 2.8% during the period ended 30 June 2019.

Because of the short-term nature of the advances, their carrying amount is assumed to represent fair value.

### (i) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Work in progress is recorded as property, plant and equipment and depreciated from the point at which the asset is ready for use. At 30 June 2019, the capitalised work in progress is not yet available for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### (j) Intangible assets

#### *Software and network assets*

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets.

## 1 Summary of significant accounting policies (continued)

### (j) Intangible assets (continued)

#### *Software and network assets (continued)*

Capitalised costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. At 30 June 2019, the capitalised costs represent the development of computer software and network assets that are not yet available for use.

### (k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (l) Employee benefits

#### *(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period, are measured at the amounts expected to be paid when the liabilities are settled. The liabilities for wages and salaries are presented as other payables in the statement of financial position. The liabilities for annual leave are presented as current employee benefit obligations in the statement of financial position.

#### *(ii) Other long-term employee benefit obligations*

The Company also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are 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. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. Should the obligations be presently entitled, the liabilities are measured at nominal rates.

#### *(iii) Retirement benefit obligations*

Contributions to the defined contribution section of the Company's superannuation plan and other independent defined contribution superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### (m) Contributed equity

Ordinary shares are classified as equity. The Company is wholly owned by the State of Queensland. The Company's shares are held by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships and the Minister for Natural Resources, Mines and Energy.

### (n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

## 1 Summary of significant accounting policies (continued)

### (n) Goods and Services Tax (GST) (continued)

Cash flows included in the statement of cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### (o) Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## 2 Grant income

	11 Oct 2018 to 30 Jun 2019 \$'000
Government grants	6,000

The government grant was provided to cover the establishment costs and first year operations of the Company.

## 3 Establishment costs

Establishment costs have been incurred in connection with activities to establish the Company including processes, policies and procedures to support full operations. Establishment costs relate to professional consultancy costs, implementation of ICT managed service agreements, recruitment placements, shortlist and retainer fees which have been allocated over relevant program set up activities below:

	11 Oct 2018 to 30 Jun 2019 \$'000
Program management	476
Trading function	649
Corporate function	743
Information technology and systems	1,288
Human resources and recruitment	1,310
Other establishment costs	456
	4,922

## 4 Contractor expenses

	11 Oct 2018 to 30 Jun 2019 \$'000
Contractor expenses	1,154

Contractor expenses relate to the interim staff members employed to assist in the establishment of CleanCo whilst the recruitment of a permanent work force is undertaken.

CleanCo Queensland Limited  
Notes to the financial statements  
30 June 2019  
(continued)

**5 Income tax equivalent**

**(a) Income tax equivalent**

	11 Oct 2018 to 30 Jun 2019 \$'000
<i>Current tax</i>	
Current tax for the period	241
<b>Total current tax expense</b>	<u>241</u>
<i>Deferred income tax</i>	
Increase in deferred tax assets (note 10)	(878)
Increase in deferred tax liabilities (note 10)	180
<b>Total deferred tax benefit</b>	<u>(698)</u>
<b>Income tax equivalent</b>	<u>(457)</u>

**(b) Numerical reconciliation of income tax to prima facie tax payable**

	11 Oct 2018 to 30 Jun 2019 \$'000
Loss from continuing operations before income tax	(1,525)
Tax at the Australian tax rate of 30.0%	(458)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	
Sundry items	1
<b>Income tax equivalent</b>	<u>(457)</u>

**6 Cash and cash equivalents**

	2019 \$'000
Cash at bank and in hand	<u>20,777</u>

**(a) Risk exposure**

Cash at bank is bearing an interest rate of 0.16%. The carrying amount for cash and cash equivalents reasonably equates to their fair value.

The Company's exposure to interest rate risk is discussed in note 22. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

CleanCo Queensland Limited  
Notes to the financial statements  
30 June 2019  
(continued)

## 7 Receivables

	2019 \$'000
Advances facility	160,557
Other receivables	468
Prepayments	205
	161,230

Further information relating to the advance is set out in note 1(h).

### (a) Risk exposure

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security and no credit enhancements relate to receivables held by the Company. Due to the nature of the Company's receivables at year end, there are no impaired nor past due but not impaired receivables due to a low credit risk from Queensland Government Agencies receivable.

## 8 Property, plant and equipment

	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
<b>Year ended 30 June 2019</b>			
Opening net book amount	-	-	-
Additions	19	392	411
Disposals	-	-	-
Depreciation charge	-	-	-
Closing net book amount	19	392	411
<b>At 30 June 2019</b>			
Cost	19	392	411
Accumulated depreciation	-	-	-
Net book amount	19	392	411

CleanCo Queensland Limited  
Notes to the financial statements  
30 June 2019  
(continued)

## 9 Intangible assets

	Software work in progress \$'000
<b>Period ended 30 June 2019</b>	
Opening net book amount	-
Additions	151
Amortisation charge	-
Closing net book amount	151
<b>At 30 June 2019</b>	
Cost	151
Accumulated amortisation and impairment	-
Net book amount	151

## 10 Deferred tax assets

	2019 \$'000
<b>Net deferred tax equivalent asset (liability) comprises temporary differences attributable to:</b>	
Business capital expenditure	638
Employee benefits	47
Property, plant and equipment	191
Accruals	2
Government grants	(180)
Net deferred tax assets	698

All movements in deferred tax equivalent assets (liabilities) balances were (charged) credited to income tax equivalent expense.

## 11 Trade and other payables

	2019 \$'000
Trade payables	533
Accrued expenses	3,248
Other payables	139
	3,920

Trade payables are unsecured and are usually paid within 30 days of recognition. Accrued expenses are recognised for expenses incurred but not yet invoiced.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

CleanCo Queensland Limited  
Notes to the financial statements  
30 June 2019  
(continued)

## 12 Interest bearing liabilities

	Current \$'000	2019 Non- current \$'000	Total \$'000
<i>Secured</i>			
Lease liabilities	6	13	19

## 13 Employee benefit obligations

	2019 \$'000
Leave obligations	155

### (a) Leave obligations

The leave obligations cover the Company's liabilities for long service leave and annual leave which are classified as either long-term benefits or short-term benefits, as explained in note 1(l).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service. The entire amount of the provision of \$155,216 is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

## 14 Contributed equity

### (a) Share capital

	2019 Shares	2019 \$'000
Ordinary shares - fully paid	20,000,002	180,000

### (b) Movements in contributed equity:

Details	Number of shares	\$
Share issue on incorporation (c)	2	2
Shares issued on initial equity contribution (c)	20,000,000	20,000,000
Equity contribution from State of Queensland (d)	-	160,000,000
Balance 30 June 2019	20,000,002	180,000,002

### (c) Ordinary shares

The shares are held by the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships and the Minister for Natural Resources, Mines and Energy.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.



## 14 Contributed equity (continued)

### (d) Equity contribution from State of Queensland

The State of Queensland made an equity contribution to assist with the establishment and operations of the Company. The amount is treated as a contribution by owners and accounted for as an adjustment to equity in accordance with *Interpretation 1038: Contributions by Owners made to Wholly Owned Public Sector Entities*.

### (e) Risk management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

## 15 Dividends

No dividends have been paid during the financial period. The directors do not recommend that a dividend be paid in respect of the financial period.

## 16 Cash flow information

### (a) Reconciliation of operating result to net cash inflow (outflow) from operating activities

	2019 \$'000
<b>Loss for the period</b>	<b>(1,068)</b>
Adjustments for:	
Interest expense	34
Interest income	(591)
Change in operating assets and liabilities:	
Increase in receivables	(468)
Increase in deferred tax assets	(698)
Increase in prepayments	(205)
Increase in trade and other payables	3,434
Increase in employee benefit obligations	155
Increase in current tax liabilities	241
Net cash inflow (outflow) from operating activities	<b>834</b>

### (b) Non-cash investing and financing activities

	2019 \$'000
Acquisition of plant and equipment by means of finance leases	<b>19</b>

## 17 Key management personnel disclosures

Key management personnel include both directors and Interim Executive General Managers (Interim Senior Executives) who have authority and responsibility for planning, directing and controlling the activities of the Company. The Company's shareholding Ministers are identified as part of the Company's KMP, consistent with AASB 124 *Related Party Disclosures*. These Ministers are the Honourable Jackie Trad MP, Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships and the Honourable Dr Anthony Lynham MP, Minister for Natural Resources, Mines and Energy.

### (a) Directors

The following persons were directors of the Company during the financial period.

#### *Chair - Non-Executive Director*

Robert Fleming (appointed 11 October 2018, resigned 17 December 2018) \*  
Jacqueline Walters (appointed 17 December 2018 - 16 December 2021, inclusive)

#### *Non-Executive Directors*

Cecelia Christensen (appointed 11 October 2018, resigned 17 December 2018) \*  
Karen Whitham (appointed 11 October 2018, resigned 17 December 2018) \*  
Tracy Dare (appointed 17 December 2018 - 16 December 2021, inclusive)  
Ivor Frischknecht (appointed 17 December 2018 - 16 December 2021, inclusive)

\* These directors were appointed as a Public Service Board on an interim basis. No remuneration was payable to them by the Company.

### (b) Other key management personnel

The following key management personnel, were appointed by the Board. During the period, the following persons were Interim Senior Executives with the authority and responsibility for planning, directing and controlling the activities of the Company.

Interim Chief Executive Officer - Miles George  
Interim Executive General Manager - Transition - Geoff Dutailis  
Interim Executive General Manager - Energy Markets Implementation - Tanya Mills  
Interim Finance Lead - Gerard Dover  
Company Secretary - Tanya Mangold

### (c) Key management personnel compensation

#### **Shareholding Ministers**

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Company does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

#### **Directors**

Directors' remuneration is determined by the Governor in Council under the *Government Owned Corporations Act 1993*. Directors' remuneration comprises directors' fees and statutory superannuation contributions. All directors are reimbursed for reasonable expenses incurred whilst conducting business on behalf of the Company.

Directors' compensation does not include insurance premiums paid by the Company in respect of director's and officer's liabilities and legal expenses, as the insurance policies do not specify premiums paid in respect of individual directors. The directors do not receive any performance related compensation.

## 17 Key management personnel disclosures (continued)

### (c) Key management personnel compensation (continued)

#### **Other key management personnel**

##### *Remuneration policy*

The Company provides that:

- the recruitment and appointment of Interim Senior Executives will be based on the principles of merit and equity;
- the remuneration of Interim Senior Executives will be aligned to the Company's Corporate Plan and organisation objectives and reviewed regularly to ensure that strategic business requirements are supported; and
- the remuneration arrangements will be consistent with the *Queensland Government's Policy for Government Owned Corporations Chief and Senior Executive Arrangements Version 2*.

The Interim Chief Executive Officer and all other Interim Senior Executives are appointed by the Board.

Employment contracts for the Interim Chief Executive Officer and the Interim Executive General Manager - Transition are fixed term contracts for a period of 6 months, commencing 11 February 2019 and expiring 31 July 2019. The remuneration packages are specified in the employment contracts and comprise the following:

- base salary, which is payable as cash and based on an applicable market rate, as assessed by independent remuneration consultants;
- statutory superannuation contributions under the *Superannuation Guarantee (Charge) Act 1992 (Cth)* to a complying superannuation fund nominated by the Executive; and
- other benefits such as a travel allowance to cover costs of flights, accommodation and any other incidental expenses associated with flying into and out of Brisbane from their home State each week.

There are no termination benefits payable to the Interim Chief Executive Officer and Interim Executive General Manager - Transition on termination. They may be terminated by the Company by giving at least one month's notice except for serious misconduct, inability to perform, bankruptcy, serious offence, or incapacity.

The contracts for the other Interim Senior Executives are as follows:

- Interim Finance Lead - initial fixed term consultancy arrangement for a period of 6 months from 26 March 2019 to 25 September 2019. The remuneration arrangement between the Company and the Interim Finance Lead is for a flat rate per month excluding GST. The Interim Finance Lead arrangement may be terminated by giving 1 month written notice or by the Company making a pro-rata termination payment of the fee in lieu of notice. The Interim Finance Lead may be terminated without notice at any time during the term by the Company where there is a breach of a material term of the agreement or the consultant is bankrupt, insolvent, enters into a deed of arrangement with its creditors, has a receiver or manager appointed or an order is made for it to be wound up.
- Company Secretary - initial fixed term consultancy arrangement from 17 December 2018 to 28 February 2020. The remuneration arrangement between the Company and the Company Secretary is for a flat rate per hour excluding GST. No termination benefits are payable to the Company Secretary.
- Interim Executive General Manager - Energy Markets Implementation, - fixed secondment term arrangement for a period of 8 months from 14 February 2019 to 30 October 2019. The Interim Executive General Manager - Energy Markets Implementation is remunerated by Queensland Treasury Corporation (QTC). An interchange agreement between QTC and the Company for the secondment was entered into. CleanCo is not required to reimburse QTC for the salary and other employee on costs (including superannuation guarantee charge, payroll tax, leave entitlements), unless the secondee subsequently accepts an offer of employment from CleanCo.

There were no performance related conditions entered into between the Company and the Interim Senior Executives.

CleanCo Queensland Limited  
Notes to the financial statements  
30 June 2019  
(continued)

## 17 Key management personnel disclosures (continued)

### (c) Key management personnel compensation (continued)

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

2019	Short-term employee benefits		Long-term benefits Long service leave	Termination benefits	Total
	Cash salary \$'000	Post-employment benefits Super-annuation \$'000			
<b>Directors</b>					
Cecelia Christensen	-	-	-	-	-
Robert Fleming	-	-	-	-	-
Karen Whitham	-	-	-	-	-
Jacqueline Walters	65	6	-	-	71
Tracy Dare	38	4	-	-	42
Ivor Frischknecht	38	4	-	-	42
<b>Other key management personnel</b>					
Interim Chief Executive Officer	242	8	-	-	250
Interim Executive General Manager - Transition	202	8	-	-	210
Interim Finance Lead	145	-	-	-	145
Interim Executive General Manager - Energy Markets Implementation	-	-	-	-	-
Company Secretary*	188	-	-	-	188
Total key management personnel compensation	918	30	-	-	948

\* total payments made to Lexvoco Pty Ltd for Company Secretary services.

### (d) Performance payments

No performance payments were made to the key management of the Company.

## 18 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor:

### Queensland Audit Office

	30 Jun 2019 \$
Audit of financial statements	<u>25,000</u>
Total remuneration for audit and other assurance services	<u>25,000</u>

## 19 Contingent liabilities

The Company had no contingent liabilities at 30 June 2019.

CleanCo Queensland Limited  
Notes to the financial statements  
30 June 2019  
(continued)

## 20 Commitments

### (a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2019 \$'000
Property, plant and equipment	124

### (b) Lease commitments

#### (i) Non-cancellable operating leases

This commitment relates to minimum lease payments in relation to the property lease contracted for at the reporting date but not recognised as a liability.

	2019 \$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:	
Within one year	769
Later than one year but not later than five years	<u>2,217</u>
	<u>2,986</u>

#### (ii) Finance leases

	2019 \$'000
Commitments in relation to finance leases are payable as follows:	
Within one year	9
Later than one year but not later than five years	<u>16</u>
Minimum lease payments	25
Future finance charges	<u>(6)</u>
Total lease liabilities	<u>19</u>
Representing lease liabilities:	
Current	6
Non-current	<u>13</u>
	<u>19</u>

## 21 Related party transactions

### (a) Parent entities

The ultimate controlling entity is the State of Queensland which owns 100% of the shares of the Company.

### (b) Transactions with shareholding Ministers

There were no transactions with the shareholding Ministers, other than the 20,000,002 shares issued that are held on behalf of the State of Queensland.

### (c) Transactions with key management personnel

Transactions with entities related to key management personnel occur on terms and conditions which are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related entities on an arm's length basis.

There were no transactions with key management personnel other than the compensation disclosed in note 17.

### (d) Transactions with other related parties

All State of Queensland controlled entities meet the definition of a related party in accordance with AASB 124 *Related Parties*. The Company transacts with other State of Queensland controlled entities as part of its normal operations on terms equivalent to those that prevail in arm's length transactions.

The following transactions occurred with related parties:

	11 Oct 2018 to 30 Jun 2019 \$'000
<b>Revenue</b>	
Grant income	6,000
Finance income	591
<b>Expenses</b>	
Employee benefit expense *	(177)
Occupancy costs	(255)
Finance expenses	(34)
Income tax equivalent benefit	457
<b>Assets</b>	
Deferred tax equivalent asset	698
Property, plant and equipment	110
<b>Liabilities</b>	
Trade and other payables	365
Current tax equivalent liabilities	241
Employee benefit obligations	129
<b>Equity</b>	
Capital contribution	180,000

\* The Company has entered into several fixed term secondment arrangements with Queensland Treasury (QT) staff. The interchange agreement between QT and the Company states that the individual will continue to be employed by QT and be subject to the normal terms and conditions of employment within QT. CleanCo will reimburse QT for the services on a cost-recovery basis.

CleanCo Queensland Limited  
Notes to the financial statements  
30 June 2019  
(continued)

## 21 Related party transactions (continued)

### (e) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates. The advance facility with QTC had an average interest rate during the period of 2.3% - 2.8%.

## 22 Financial risk management

The Company has the following categories of financial assets and financial liabilities:

	2019 \$'000
<b>Financial assets</b>	
Cash and cash equivalents	20,777
Receivables	<u>161,230</u>
	<u>182,007</u>
	2019 \$'000
<b>Financial liabilities</b>	
Payables	<u>3,920</u>
	<u>3,920</u>

No financial assets and financial liabilities have been offset and presented net in the statement of financial position. Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes party to the contractual provisions of the financial instrument. Receivables and payables are held at amortised cost.

Risk	Exposure arising from	Measurement	Management
Market risk – interest rate	No sensitivity analysis has been conducted on the basis that the only Financial Instrument held by the Company that would be impacted by a change in interest rates is cash, and a +/-1% change would result in an immaterial impact on profit for the year. The advances facility has not been drawn down at 30 June 2019.	Not applicable	Cash held by a reputable bank and advances facility.
Credit risk	The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.	Not applicable	No collateral is held as security and no credit enhancements relate to financial assets held by the Company.
Liquidity risk	The fair value of payables is assumed to approximate the value of the original transaction.	Fair value	Not applicable

### (a) Financing arrangements

The Company had access to undrawn borrowing facilities at the end of the reporting period for \$150,000,000 with Queensland Treasury Corporation.

### 23 Events occurring after the reporting period

On 24 July 2019, the Queensland Government announced that CleanCo would assume responsibility for completing the Renewables 400 procurement program on behalf of the State. The program involves a reverse auction for up to 400 megawatts of new renewable energy and storage projects in Queensland. On the same date, the Queensland Government announced that on 31 October 2019 CleanCo would be transferred the 385 megawatt gas-fired Swanbank E power station and the Kareeya, Barron Gorge and Koombaloo hydro power stations from Stanwell Corporation Limited, and the 570 megawatt Wivenhoe power station from CS Energy Limited. CleanCo will also commence trading in the National Electricity Market on 31 October 2019.

No other matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.



CleanCo Queensland Limited  
Directors' declaration  
30 June 2019

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 27 are in accordance with the *Corporations Act 2001* and *Government Owned Corporations Act 1993 (GOC Act)* including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the financial period ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Jacqueline Walters  
Chair

Brisbane  
23 August 2019

## INDEPENDENT AUDITOR'S REPORT

To the Members of CleanCo Queensland Limited

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of CleanCo Queensland Limited (the company).

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the 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 company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*. I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

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 the 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 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 the 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 expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.
- Conclude on the appropriateness of the company'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 company'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 my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

I communicate with the company's directors regarding, 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 my audit.



Damon Olive  
as delegate of the Auditor-General

23 August 2019

Queensland Audit Office  
Brisbane

## A8 – Declaration Financial Capability

Date: Wednesday, 25 September 2019

Australian Energy Regulator  
GPO Box 520  
MELBOURNE VIC 3001

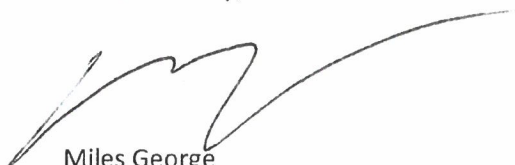
Dear Sir/Madam

**CleanCo Queensland Limited, Declaration Financial Capacity**

I, Miles George, Interim Chief Executive Officer, declare that CleanCo Queensland Limited (**CleanCo**) ABN 85 628 008 159 is a going concern. I declare that I am unaware of any factor that would impede CleanCo's ability to finance energy retailer activities under the retailer authorisation for the next 12 months.

If you have any queries please direct them to Tanya Mills, General Manager Customer & Energy Markets.

Yours sincerely,




Miles George  
Interim Chief Executive Officer



## A11 – Regulatory Compliance Officer Statement

### CleanCo Queensland Limited, Director / Officer Statement

1. I, Tracy Joy Dare, the undersigned, do state as follows:
- 1.1 I am a director responsible for significant operating decisions for CleanCo Queensland Limited.
- 1.2 Neither myself, nor any other business where I have held an officer position, other than the circumstances set out on Attachment A, has had:
- any material failure<sup>1</sup> to comply with regulatory requirements, laws or other obligations over the previous 10 years, including infringement notices or other enforcement action (including voluntary administrative undertakings) being taken by a regulatory body;
  - any previously revoked authorisations, authorities or licences held in any industry, or if such a revocation has occurred the reason/s for the revocation are provided in **Attachment A**;
  - any failed authorisation, authority or licence applications in any industry, or if such failure has occurred the reason/s the application was unsuccessful are provided in **Attachment A**;
  - any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry, or if such actions have been taken, details are provided in **Attachment A**.
  - any situation/s where I (or an associate or business where I have been an officer) have previously triggered the Retailer of Last Resort (RoLR) provisions of the Retail Law or equivalent state/territory/foreign legislation, or have transferred or surrendered an authorisation or licence in circumstances where if not done, triggering a RoLR event would have been likely. Or if such situations occurred, details of those situations are provided in **Attachment A**
- 1.3 No offences have been committed or successful prosecutions occurred under any territory, state, Commonwealth or foreign legislation (including, but not limited to, the Australian Securities and Investments Commission Act 2001 (Cth), Competition and Consumer Act 2010 (Cth)<sup>2</sup> and the Corporations Act 2001 (Cth)) that may be relevant to CleanCo's capacity as an energy retailer or as may be relevant my role as a [director/ officer / responsible for significant operating decisions for CleanCo Queensland Limited] or in respect of any business I have been an officer of and that may be relevant to its capacity to operate as an energy retailer. If any such offences or prosecutions have occurred, details are provided in **Attachment A**.



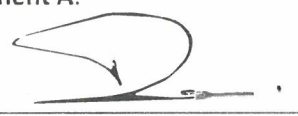
Signature

TRACY JOY DARE

Name

20/9/19

Date



Witness signature

HEIDI RODGERS

Witness name

20/9/2019

Date

<sup>1</sup> When determining whether a breach is material the AER will consider, for example, the impact of the breach and the frequency of the breach (that is, is it a one-off or systemic breach).

<sup>2</sup> On 1 January 2011 the Australian Consumer Law came into effect which saw the *Trade Practices Act 1974* renamed the *Competition and Consumer Act 2010*. Any offences or successful prosecutions under the *Trade Practices Act 1974* should be detailed in response to the suitability criterion.

**Attachment A**

- Previously, some years ago, I held the following professional registrations:
  - Registered Liquidator
  - Official Liquidator
  - Registered Trustee in Bankruptcy.

Accordingly, I was appointed as Liquidator/Official Liquidator, Receiver/Receiver Manager, Voluntary Administrator/Deed Administrator, Trustee in Bankruptcy/Deed of Arrangement etc for a large number of companies, entities and individuals that were insolvent.

- Searches will therefore show my name as a controller etc of these entities.
- Other than insolvent entities to which I was appointed in these professional capacities, I confirm that the information on the Director Statement is true and correct.





### CleanCo Queensland Limited, Director / Officer Statement

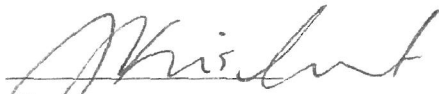
1. I, Ivor Frischknecht, the undersigned, do state as follows:

1.1 I am a director responsible for significant operating decisions for CleanCo Queensland Limited.

1.2 Neither myself, nor any other business where I have held an officer position, has had:

- a. any material failure<sup>1</sup> to comply with regulatory requirements, laws or other obligations over the previous 10 years, including infringement notices or other enforcement action (including voluntary administrative undertakings) being taken by a regulatory body;
- b. any previously revoked authorisations, authorities or licences held in any industry, or if such a revocation has occurred the reason/s for the revocation are provided in **Attachment A**;
- c. any failed authorisation, authority or licence applications in any industry, or if such failure has occurred the reason/s the application was unsuccessful are provided in **Attachment A**;
- d. any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry, or if such actions have been taken, details are provided in **Attachment A**.
- e. any situation/s where I (or an associate or business where I have been an officer) have previously triggered the Retailer of Last Resort (RoLR) provisions of the Retail Law or equivalent state/territory/foreign legislation, or have transferred or surrendered an authorisation or licence in circumstances where if not done, triggering a RoLR event would have been likely. Or if such situations occurred, details of those situations are provided in **Attachment A**

1.3 No offences have been committed or successful prosecutions occurred under any territory, state, Commonwealth or foreign legislation (including, but not limited to, the Australian Securities and Investments Commission Act 2001 (Cth), Competition and Consumer Act 2010 (Cth)<sup>2</sup> and the Corporations Act 2001 (Cth)) that may be relevant to CleanCo's capacity as an energy retailer or as may be relevant my role as a [director/ officer / responsible for significant operating decisions for CleanCo Queensland Limited] or in respect of any business I have been an officer of and that may be relevant to its capacity to operate as an energy retailer. If any such offences or prosecutions have occurred, details are provided in **Attachment A**.

  
Signature

IVOR FRISCHKNECHT

Name

19/9/2019  
Date

  
Witness signature

T. Engelhard  
Witness name

19/9/2019  
Date

<sup>1</sup> When determining whether a breach is material or the AER will consider, for example, the impact of the breach and the frequency of the breach (that is, is it a one-off or systemic breach).

<sup>2</sup> On 1 January 2011 the Australian Consumer Law came into effect which saw the *Trade Practices Act 1974* renamed the *Competition and Consumer Act 2010*. Any offences or successful prosecutions under the *Trade Practices Act 1974* should be detailed in response to the suitability criterion.

**Attachment A**

[Please insert details from Clause 1.2 and 1.3 and 4 above, where applicable]

### CleanCo Queensland Limited, Director / Officer Statement

1. I, Jacqueline Alice Walters, the undersigned, do state as follows:
- 1.1 I am a director responsible for significant operating decisions for CleanCo Queensland Limited.
- 1.2 Neither myself, nor any other business where I have held an officer position, has had:
- any material failure<sup>1</sup> to comply with regulatory requirements, laws or other obligations over the previous 10 years, including infringement notices or other enforcement action (including voluntary administrative undertakings) being taken by a regulatory body;
  - any previously revoked authorisations, authorities or licences held in any industry, or if such a revocation has occurred the reason/s for the revocation are provided in **Attachment A**;
  - any failed authorisation, authority or licence applications in any industry, or if such failure has occurred the reason/s the application was unsuccessful are provided in **Attachment A**;
  - any past or present administrative or legal actions in relation to an authorisation, authority or licence in any industry, or if such actions have been taken, details are provided in **Attachment A**.
  - any situation/s where I (or an associate or business where I have been an officer) have previously triggered the Retailer of Last Resort (RoLR) provisions of the Retail Law or equivalent state/territory/foreign legislation, or have transferred or surrendered an authorisation or licence in circumstances where if not done, triggering a RoLR event would have been likely. Or if such situations occurred, details of those situations are provided in **Attachment A**
- 1.3 No offences have been committed or successful prosecutions occurred under any territory, state, Commonwealth or foreign legislation (including, but not limited to, the Australian Securities and Investments Commission Act 2001 (Cth), Competition and Consumer Act 2010 (Cth)<sup>2</sup> and the Corporations Act 2001 (Cth)) that may be relevant to CleanCo's capacity as an energy retailer or as may be relevant my role as a [director/ officer / responsible for significant operating decisions for CleanCo Queensland Limited] or in respect of any business I have been an officer of and that may be relevant to its capacity to operate as an energy retailer. If any such offences or prosecutions have occurred, details are provided in **Attachment A**.



Signature

JACQUELINE ALICE WALTERS

Name



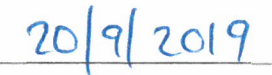
Date



Witness signature



Witness name



Date

<sup>1</sup> When determining whether a breach is material or the AER will consider, for example, the impact of the breach and the frequency of the breach (that is, is it a one-off or systemic breach).

<sup>2</sup> On 1 January 2011 the Australian Consumer Law came into effect which saw the *Trade Practices Act 1974* renamed the *Competition and Consumer Act 2010*. Any offences or successful prosecutions under the *Trade Practices Act 1974* should be detailed in response to the suitability criterion.

**Attachment A**

[Please insert details from Clause 1.2 and 1.3 and 4 above, where applicable]

## A12 – Declaration Management Team

Date: Wednesday, 25 September 2019

Australian Energy Regulator  
GPO Box 520  
MELBOURNE VIC 3001

Dear Sir/Madam

**CleanCo Queensland Limited, Declaration Statement Financial Capacity**

I, Miles George, Interim Chief Executive Officer, declare that:

- members of the CleanCo Queensland Limited management team have not been disqualified from the management of corporations; and
- bankruptcy search for CleanCo Queensland Limited management team (including in any overseas jurisdiction) have been conducted with no evidence of past bankruptcy.

If you have any queries please direct them to Tanya Mills, General Manager Customer & Energy Markets.

Yours sincerely,



Miles George  
Interim Chief Executive Officer

