



CleanCo
Queensland Limited
Annual Report 2018-19



—● About this report

This Annual Report has been prepared in accordance with the provisions of the *Government Owned Corporations Act 1993 (Qld)* (GOC Act), incorporating relevant aspects of the *Financial Accountability Act 2009 (Qld)* and the *Corporations Act 2001 (Cth)* and is presented to the Legislative Assembly of Queensland. It contains CleanCo Queensland Limited's Financial Report for the 2018-19 financial year. An electronic version of this report is available online at www.cleancoqueensland.com.au

Table of Contents

1.	About us	04
2.	Overview of the year ending 30 June 2019	05
3.	Chair's Message	06
4.	Interim Chief Executive Officer's Review	07
5.	Evolution of CleanCo	08
6.	Corporate Milestones	09
7.	Corporate Governance	10
8.	Financial statements	17

About us

We are Queensland's new publicly-owned clean energy company.

Purpose

CleanCo Queensland was established as part of the Powering Queensland Plan, which outlines the Queensland Government's strategy to guide the state through the short and long-term challenges occurring in the energy market.

Our establishment will increase competition in the wholesale electricity market and support the growth of Queensland's renewable energy industry. As a result, electricity supply will increase in the Queensland market, putting downward pressure on wholesale electricity prices. CleanCo will also contribute to improving the security and reliability of Queensland's electricity supply and facilitate new investment and jobs in regional Queensland.

Key objectives

CleanCo is committed to delivering on four key objectives:

Affordability. We will use our generation capacity, trading capability and asset development strategies to place downward pressure on wholesale electricity prices; particularly during peak periods.

Reliability and security. Our assets will be managed to support the provision of a secure and reliable electricity supply during peak demand periods.

Sustainability. CleanCo will support Queensland's transition to a sustainable energy future by facilitating the development of new renewable energy projects. This will support the delivery of Queensland's longer-term renewable energy target commitment of 50 per cent renewable energy by 2030.

Jobs. CleanCo will support new jobs in the Queensland energy sector by building, owning and operating new, publicly-owned, renewable energy generation assets. We will also utilise the firming capability of our 'Foundation Assets' to facilitate new private sector investments and jobs in the Queensland energy sector.

Foundation Assets

CleanCo's Foundation Assets will include the Wivenhoe Power Station (pumped storage hydro), Swanbank E Power Station (combined cycle gas-fired) and the three Far North Queensland hydro stations including Kareeya Hydro, Barron Gorge Hydro and Koombooloomba Hydro. The ownership of these assets will be transferred from CS Energy Limited (CS Energy) and Stanwell Corporation Limited (Stanwell) to CleanCo on 31 October 2019 when CleanCo commences trading in the NEM. We will build on this asset portfolio by investing in new renewable energy generation assets.

Our mandate

In addition to our Foundation Assets, CleanCo has a government mandate to facilitate the development of 1,000 megawatts (MW) of new renewable generation by 2025. We will achieve this by investing directly in new renewable energy generation assets, and by entering into offtake agreements to secure investment in new renewable energy supply.

CleanCo will supply the clean energy generated from our assets to participants in the National Electricity Market (NEM) and to commercial and industrial customers—delivering competitive, reliable, clean energy solutions for Queenslanders.

Our activities will help to place downward pressure on wholesale prices, contribute to the achievement of Queensland's 50 per cent renewable energy target (QRET) by 2030, improve the security and reliability of the state's electricity generation, and support new investment and jobs in regional Queensland.

On 24 July 2019, the Queensland Government announced that CleanCo will commence trading on 31 October 2019.

Overview of the year ending 30 June 2019

October 2018

CleanCo Queensland Limited was incorporated as a company under the *Corporations Act 2001*.

December 2018

CleanCo designated as a Government Owned Corporation.

Queensland Government announces the creation of CleanCo and appointment of Ms Jacqui Walters as the inaugural Chair, and Ms Tracy Dare and Mr Ivor Frischknecht as Non-Executive Directors.

February 2019

Interim CEO, Mr Miles George, was appointed.

April 2019

The *Government Owned Corporations (Generator Restructure—CleanCo) Regulation 2019 (Qld)* makes provision for the transfer of particular assets, liabilities, instruments and employees of CS Energy and Stanwell to CleanCo.

June 2019

CleanCo's application for registration as an Intending Participant in the NEM takes effect.

Chair's Message

I am proud to present CleanCo Queensland's first Annual Report.

After our appointment in December 2018, the Board put in place an interim executive team to establish CleanCo and meet our goal of trading in 2019. CleanCo's Board prioritised four key objectives for our business that will contribute to a more affordable, reliable and sustainable electricity supply while creating new investment and jobs in regional Queensland. These objectives sit alongside our core expectations of operating safely, maintaining CleanCo's financial viability and protecting our environment; while aligning and engaging our people at operating sites and in the Brisbane office. CleanCo will support the development of Queensland's competitive advantage in renewable energy and leverage this position to deliver significant economic benefits for Queenslanders.

Many individuals have contributed during this start-up period for CleanCo. Most importantly, I acknowledge the commitment and effort of the CleanCo team and in particular, the leadership of Miles George as Interim Chief Executive Officer. I thank my fellow Directors for their dedication and the way they have supported me and the CleanCo team. I would also like to recognise the vision and support of our shareholding Ministers in establishing the company.

Finally, I thank the teams at Stanwell and CS Energy for their help and support. These interactions are vital for implementing Government's reforms to the energy generation sector in Queensland and preparing to transfer asset ownership and dedicated staff to CleanCo.'

As we look to 2020 and beyond, our customer focus and agility will enable us to harness the opportunities in the fast-changing and dynamic energy sector and see us achieve our vision of being a new type of energy company.

We're enthusiastically working towards our trading commencement date of 31 October 2019 and also looking forward to taking over further stages of government's Renewables 400 procurement program to increase the state's diversified renewable energy supply.

Jacqui Walters
Chair



As we look to 2020 and beyond, our customer focus and agility will enable us to harness the opportunities in the fast-changing and dynamic energy sector and see us achieve our vision of being a new type of energy company.

Interim Chief Executive Officer's Review

It has been a great privilege for me to participate in the process of establishing CleanCo Queensland as the state's new publicly-owned clean energy company.

In the months since our establishment, CleanCo's interim team members have worked with the Board to put in place the people, systems and processes that will allow us to take ownership of our Foundation Assets and to trade in the National Electricity Market (NEM) on 31 October 2019.

Our work program included commencement of recruiting a permanent workforce to support CleanCo's generation and trading activities, establishing systems and processes for energy market trading, implementing risk and financial performance management, building our information systems and communications technology, preparing to secure the licences required to trade our Foundation Assets, and planning for the implementation of our initial investment and energy procurement strategies.

During the year, CleanCo worked with CS Energy and Stanwell to finalise the transfer arrangements of five generation assets which will form our foundation asset portfolio. CleanCo will build on this portfolio by investing directly in new renewable energy generation, assets and by entering into offtake agreements to secure investment and jobs in new renewable energy supply. By these means CleanCo will assemble a portfolio of clean energy assets diversified by geography, technology and weather to fit within our trading strategy, and to deliver our mandate of 1,000MW of new renewable generation by 2025.

In closing I would like to acknowledge the work of the CleanCo Implementation Taskforce, our shareholding Ministers and their advisors, the teams in Queensland Treasury and the Department of Natural Resources, Mines and Energy, our Board, my fellow interim employees and contractors, our advisers, and our newly-appointed permanent employees who have all made valuable contributions towards the establishment of CleanCo.

As we ready ourselves for CleanCo to commence trading as Queensland's new publicly-owned clean electricity generator on 31 October 2019, we remain committed to deliver competitive, reliable, clean energy solutions for Queenslanders.

Miles George
Interim Chief Executive Officer



In the months since our establishment, CleanCo's interim team members have worked with the Board to put in place the people, systems and processes that will allow us to take ownership of our Foundation Assets and to trade in the National Electricity Market (NEM) on 31 October 2019.

Evolution of CleanCo



June 2017

Launch of the Powering Queensland Plan which includes an announcement to: “investigate the restructure of the Government Owned Corporation generators and potential establishment of ‘CleanCo’.”



August 2018

Queensland Government announces the commencement of work to establish CleanCo as Queensland’s third publicly owned electricity generation company.



October 2018

CleanCo registered as a public company.



December 2018

CleanCo designated as a Government Owned Corporation.

Queensland Government announces the creation of CleanCo and appointment of Ms Jacqui Walters as the inaugural Chair, and Ms Tracy Dare and Mr Ivor Frischknecht as Non-Executive Directors.



February 2019

CleanCo’s first key interim executives appointed with Miles George as Interim Chief Executive Officer.



April 2019

The *Government Owned Corporations (Generator Restructure—CleanCo) Regulation 2019* (Qld) makes provision for the transfer of particular assets, liabilities, instruments and employees of CS Energy and Stanwell to CleanCo.



June 2019

CleanCo’s application for registration as an Intending Participant in the NEM takes effect.



July 2019

Queensland Government announces that CleanCo will take over further stages of the Renewables 400 Program to increase the state’s diversified renewable energy supply and deliver up to 400MW of new renewable energy and storage projects in Queensland.

Announcement that CleanCo will take ownership of its Foundation Asset portfolio and commence NEM trading on 31 October 2019.

Corporate Milestones

Early in CleanCo's establishment, the following 2018-19 milestones were agreed with our shareholding Ministers:

Milestone	Status	Comment
Recruit an Interim CEO.	Met	Miles George appointed as Interim CEO in February 2019.
Begin the process of building, owning and operating a renewable asset portfolio.	In progress	CleanCo undertook a review of the Queensland clean energy landscape and developed a project process to create structure around the development of our asset portfolio.
Develop and implement systems, policies and procedures necessary to operate CleanCo's business effectively and efficiently.	In progress	We remain on schedule for transfer of the Foundation Asset portfolios and commencement of NEM trading on 31 October 2019.
Begin the process of obtaining relevant licences and authorisations to operate.	Met	<p>We remain on schedule to have the required licences and authorisations in place to allow for the transfer of ownership of the Foundation Assets and commencement of NEM trading on 31 October 2019.</p> <p>Licences and applications that have been addressed include NEM intending participant registration and gas market registrations.</p>
Undertake stakeholder consultation with affected employee representatives through the Queensland Treasury Industrial Relations (IR) Working group to address CleanCo specific implementation issues.	Met	CleanCo continues to participate in the IR Working Group.
Work with shareholding Ministers, CS Energy and Stanwell to finalise the arrangements for the transfer of Foundation Assets.	Met	CleanCo provided input into the activities linking implementation arrangements and Transitional Service Agreements (TSAs) and related activities.

Corporate Governance

Corporate Governance Guidelines for GOCs— Queensland Government

The CleanCo Board is committed to the highest ethical and governance standards and to act in the best interests of its stakeholders.

CleanCo's corporate governance and culture are critical foundations to CleanCo's success. CleanCo's governance arrangements align to the *Corporate Governance Guidelines for Government Owned Corporations* ('the Guidelines').

CleanCo is committed to full implementation of the Guidelines and as a newly established company is putting in place all of the recommendations over FY19 and FY20 as appropriate to its stage of development.

The governance arrangements established in reference to the Guidelines are set out on the following pages.

Principle 1 Foundations of management and oversight

The CleanCo Board Charter defines the roles and responsibilities of the Board and individual Directors, as well as the matters which are delegated to management.

The Board has approved a Delegations Policy, and reviews this regularly. This policy sets out the matters reserved to the Board and those delegated to the CEO and CleanCo management. Specific trading delegations and risk limits will be set out in the Market Risk Policy prior to trading commencement.

As at 30 June 2019, the Board had not established any Board Committees, with only three Directors having been appointed to the Board. During this establishment phase the Board will continue to have direct oversight of those matters that committees would oversee.

Once CleanCo is further established and additional Directors are appointed, the Board will establish the following Board Committees, each with roles, responsibilities and delegated authorities set out in the respective charters:

- Risk Committee
- Audit Committee
- People & Safety Committee.

The Board has overseen the setup of a formal Establishment Program with a direct reporting line to the Board, to ensure governance over the establishment activities of CleanCo. This consists of:

- a Steering Committee
- a Design Authority
- workstreams
- a Program Management Office (PMO).

The PMO is responsible for weekly reporting to the Board on the progress of the establishment activities, related risks and outstanding issues.

CleanCo has developed a handbook for Board members and appropriate induction processes for all staff, including executives and Board members.

The Interim CEO and, where relevant, interim senior executives have performance agreements as appropriate to their interim roles. All permanent senior executives and the CEO will be assessed against performance agreements which are tailored for each role and aligned with CleanCo's corporate objectives.

Assessment of executive performance, interim or permanent, is a Board responsibility. No formal performance assessment occurred in FY19 due to the short time frame between appointment of the relevant executives and the end of the financial year. The Board continuously reviews progress against establishment milestones.

Senior executive and CEO remuneration is determined in accordance with prescribed principles for GOCs. The Board has adopted a formal Executive Remuneration Policy for endorsement by its shareholding Ministers.

Principle 2

Structure of the Board to add value

Directors are appointed to the CleanCo Board by the Governor-in-Council under the GOC Act and are all independent and non-executive. The Board regularly assesses the independence of Directors and all actual, potential or perceived conflicts of interest are required to be declared in accordance with the Conflicts of Interest Policy and managed accordingly.

When assessing whether a conflict exists and the materiality of that conflict (potential, perceived or actual) CleanCo adopts a conservative approach. CleanCo considers the materiality of the relationship between the Company and a Director; as well as any other interest which may impact a Director's independence. When determining if a material relationship exists, the Board reviews the significance of the relationship to the Director in the context of the Director's activities, together with any other relevant factors.

The CleanCo Board is required to have an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively. The Board has a skills matrix for identifying and assessing director skills. CleanCo provides regular director training and an annual program of director professional education will be put in place at the beginning of each financial year to be managed by the Company Secretary.

Directors may seek independent professional advice on matters before the Board, after receiving approval from the Chair, at CleanCo's cost. All Directors have access to the Interim CEO and senior executives where additional information is required. Directors are encouraged to contact the Interim CEO or Company Secretary to discuss queries relating to Board meeting materials.

The CleanCo Board Charter requires the Board to conduct an annual self-evaluation of its performance. Independent assessment will be undertaken every two years. The results of the Board evaluation will be provided to shareholding Ministers. During the period to 30 June 2019, the Board did not conduct a self-evaluation due to the short timeframe between appointment of the independent Board and the end of the financial year.

Principle 3

Promote ethical and responsible decision-making

CleanCo is committed to the highest standards of conduct and ethical behaviour in its business activities as a GOC and responsible corporate citizen. CleanCo embodies this commitment through its employee culture and has embedded this approach in relevant policies. In particular, CleanCo has implemented the policies set out below to promote ethical and responsible decision-making.

CleanCo has a Governance, Risk and Legal Compliance Policy which sets out the company's approach to management of compliance matters.

CleanCo has a Securities Trading Policy that applies to all CleanCo employees or representatives, including senior managers, officers and directors and employees who are required to undergo training on the Securities Trading Policy.

CleanCo has a Code of Conduct that applies to CleanCo officers, employees and contractors. The Code of Conduct was developed in accordance with the requirements of the best practice guidance in the GOC Corporate Governance Principles.

CleanCo has a Conflicts of Interest Policy which is provided to all CleanCo officers, employees and contractors.

CleanCo has a Whistleblower Protection Policy that applies to current and former CleanCo officers, employees, contractors and suppliers who wish to report corrupt, illegal or unethical conduct regarding CleanCo activities and extends to spouses, dependents, and other relatives.

CleanCo's training program requires employees are trained on relevant policies.

Principle 4

Safeguard integrity in financial reporting

CleanCo has established formal and rigorous processes that independently verify and safeguard the integrity of its financial reporting. During CleanCo's establishment phase, the focus is on the establishment of appropriate systems and controls as required by the GOC Act, Corporations Act and current best practice. CleanCo's auditor is the Auditor-General of Queensland.

A number of activities are being undertaken or planned, including:

- the Board will establish an Audit Committee consisting of a minimum of three Directors. The Chair of the Audit Committee will not be the Chair of the Board. The Board currently consists of three Directors during the establishment phase and all responsibility for the financial processes lies with the full Board. CleanCo ensures that Directors engage with auditors independently of management;
- the roles, responsibilities and authorities will be set out in the Audit Committee Charter;
- CleanCo will put in place an Internal Audit function reporting to the Audit Committee. An Internal Audit Charter will outline the framework within which Internal Audit operates at CleanCo;
- when presenting financial statements for approval, the interim CEO and the Chief Financial Officer (Interim Finance Lead) will provide a representation letter to the Board that confirms:
 - CleanCo's Financial Report is prepared in accordance with the accounting Standards and other statutory requirements and gives a true and fair view at the reporting date;
 - information relevant to the financial report is disclosed to the Queensland Audit Office; and
 - the risk management system and adequate internal controls have been maintained during the reporting period.

Principle 5

Make timely and balanced disclosures

Section 122 of the GOC Act requires the Board to:

- keep its shareholding Ministers reasonably informed of the operations, financial performance and financial position of CleanCo and its subsidiaries; and
- if matters arise that in the Board's opinion may prevent, or significantly affect, achievement of CleanCo's objectives outlined in its Statement of Corporate Intent or targets under its Corporate Plan—immediately inform the shareholding Ministers of the matters and its opinion in relation to them.

CleanCo ensures that it complies with s122 by conducting regular briefings with the shareholding Ministers as and when requested or required.

CleanCo's Code of Conduct requires shareholding Ministers to be briefed on potential and actual breaches of the Code of Conduct by CleanCo Board members, the CEO and senior executives. CleanCo will also notify shareholding Ministers of any breaches of its Securities Trading Policy by CleanCo Board members, CEO and senior executives.

Continuing standing arrangements for reporting are described in Principle 6 on the following page.

Principle 6

Respect the rights of shareholders

As a GOC, CleanCo is required to design and disclose a communication strategy to promote effective communication with its shareholding Ministers.

CleanCo does this as follows:

- the Chair and the Interim CEO meet with the shareholding Ministers on a regular basis to discuss key matters;
- CleanCo annually negotiates approval from the shareholding Ministers for the Statement of Corporate Intent and this forms a one-year performance contract between the shareholding Ministers and the Board;
- formal quarterly reports are provided to the shareholding Ministers to address progress on the Statement of Corporate Intent;
- a corporate governance calendar is maintained which sets out the reporting requirements and is tabled at each Board meeting;
- officers maintain regular and continuous communication with relevant shareholding departments;
- CleanCo seeks shareholding Minister approval where required under the GOC Act or policies;
- general meeting resolutions, directions and required approvals are approved by both shareholding Ministers, ensuring that voting members have full participation and are able to exercise their rights; and
- CleanCo's corporate governance policies are available on our website.

CleanCo is subject to the *GOC Release of Information Arrangements* and has put in place a Right to Information and Release of Information Policy.

Principle 7

Recognise and manage risk

On establishment, the CleanCo Board put in place a preliminary risk register and management process recognising that key risks must be managed whilst a more fulsome approach is put in place. CleanCo is now establishing a system of risk oversight and management and internal control as part of its establishment program. CleanCo's risk management framework is based upon ISO 31000:2018 *Risk Management Principles and Guidelines*. The system is being designed to identify, assess, monitor and manage risk, and to also inform shareholding Ministers of material changes to CleanCo's risk profile.

Risk management and internal control systems will be implemented by senior management and will incorporate planning for business continuity and disaster recovery.

The risk systems will deal with significant business risks which are relevant to CleanCo, which may include risks such as workplace health and safety risks, public liability, security, trading, and financial (as addressed in the *Code of Practice for GOCs' Financial Arrangements*).

Risk Committee

- The Board will establish a Risk Committee in the 2019-20 financial year. The Chair of the Risk Committee will not be the Chair of the Board. The Board currently consists of three Directors and during CleanCo's establishment phase, the Board assumes the Committee's role for risk oversight. CleanCo ensures that Directors are fully engaged in the risk process.
- The roles, responsibilities and authorities are set out in the Risk Committee Charter.
- To support the Risk Committee, CleanCo will establish an Energy Risk Management Committee comprised of executive officers to oversee the operation of the Energy Market Risk Policy.

Principle 7 (continued)

Risk Management Framework

- The Board has put in place an Enterprise Risk Management Framework and Risk Committee Charter. The Risk Committee will provide oversight and future review (once established).
- The Risk Framework will be reviewed annually by the Board, or as the business environment changes.
- Market risks are managed under the Risk Framework and addressed in detail in the Energy Market Risk Policy.

Internal Audit

- The Board determined that prior to establishing an internal audit function, selected high risk activities and functions would be subject to independent assurance and a number of these reviews have been undertaken or planned on behalf of the Board.
- CleanCo will establish an Internal Audit function which reports to the Audit Committee and will operate under the framework outlined in the Internal Audit Charter. Audits will be performed according to the Internal Audit Procedure based on the annual plan as approved by the Audit Committee.
- Internal Audit reviews will be risk-based in their selection, scoping and observations. Risks and controls relevant to the audits being performed, which are registered under the Risk Framework, are included in the scope of the audit and an update of their status and effectiveness will be provided in the Internal Audit Report.

Principle 8

Remunerate fairly and responsibly

Public accountability and transparency are required in relation to remuneration policies given CleanCo's public ownership. When setting remuneration, CleanCo ensures that it meets requirements for public accountability whilst satisfying the need to attract and retain high quality employees from competitive labour markets.

The Board will establish a People and Safety Committee, which will have responsibility for CleanCo's remuneration policies and procedures. Until the People and Safety Committee is established, the Committee's role is performed by the Board itself. The CleanCo Board is responsible for remuneration matters.

CleanCo's Directors receive set fees as determined by the Governor in Council and do not receive performance-based remuneration. There is no equity-based remuneration for any Directors or executives.

An Executive Remuneration Policy regulates senior executive remuneration for permanent executives when appointed. CleanCo's Executive Remuneration Policy aligns with the requirements of relevant GOC policy.

Further details on remuneration are provided in the Finance Report.

Government Owned Corporations Act Requirements

Government directions and notifications

Section 120(1) (e) of the GOC Act requires CleanCo to provide the particulars of any directions and notifications given to the CleanCo Board by Shareholding Ministers for the financial year being reported. During 2018-19 financial year, no directions or notifications were issued to CleanCo by shareholding Ministers.

On 20th August 2019, the Honourable Jackie Trad MP, Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnership and the Honourable Dr Anthony Lynham, Minister for Natural Resources, Mines and Energy issued a direction pursuant to section 257 of the *Electricity Act 1994* requiring CleanCo to enter into Transitional Services Agreements (TSAs) with CS Energy Limited and Stanwell Corporation Limited for the provision of the operations, maintenance and corporate support services for the Swanbank E, Barron Gorge, Kareeya, Koombooloomba and Wivenhoe Power Station generation assets. The TSAs will enable CleanCo to take ownership and dispatch rights of these generation assets while facilitating the continued safe and reliable operation and maintenance of the assets until such time as CleanCo is equipped to fulfil those responsibilities.

Dividend policy

The Board will recommend the dividend for each financial year, after considering the necessary funding required for maintenance of CleanCo's approved capital structure and for ensuring the continuing financial viability of the business. This will include consideration of licensing requirements of an Australian Financial Services Licence (AFSL), Australian Securities Exchange (ASX) collateral trading requirements, CleanCo's mandate from the Queensland Government and other requirements as they may arise. The Board will also take into consideration any current dividend policies of the Government.

On 9 May 2019, the CleanCo Board recommended to shareholding Ministers that no dividend be paid for the 2018-19 financial year.

Overseas travel

No overseas travel was undertaken on behalf of CleanCo in the 2018-19 financial year.

Corporate entertainment and hospitality (individual events over \$5,000)

CleanCo held no such events costing over \$5,000 in the 2018-19 financial year.

Renewables 400

On 24 July 2019, CleanCo was nominated to take over the Queensland Government's Renewables 400 procurement program to identify the best projects to increase the state's diversified renewable energy supply. The program was established as part of the Powering Queensland Plan and will deliver up to 400 megawatts of new renewable energy and storage projects in Queensland.

The Energy Charter

In April 2019, we committed to join the Australian energy industry's Energy Charter to work with our colleagues to deliver services in line with community expectations and embed customer-centric cultures in the way we conduct our business.

We are working to embed the Energy Charter's key principles into our planning activities and operations and will begin reporting against progress when we commence trading on October 31. Our first annual disclosure report will be provided to the Energy Charter's Independent Accountability Panel in 2019-20.'

CleanCo Queensland Limited

ABN 85 628 008 159

Financial statements for the period ended 30 June 2019

1. Directors' report	18
2. Financial statements	23
3. Directors' declaration	52
4. Independent auditor's report to the Board	53

Directors' report

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 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.

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.

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.

Directors' report (continued)

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 Koombooloomba 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 22.

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

Financial statements

Statement of profit or loss and other comprehensive income	24
Statement of financial position	25
Statement of changes in equity	26
Statement of cash flows	27
Notes to the financial statements	28

Directors' declaration	52
-------------------------------	-----------

Independent auditor's report to the Board	53
--	-----------

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 18, 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

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

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

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

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

	Notes	Contributed equity \$'000	Accumulated losses \$'000	Total \$'000
Balance at 11 October 2018		-	-	-
Loss after income tax equivalent expense for the period		-	(1,068)	(1,068)
Total comprehensive loss for the period			(1,068)	(1,068)
Transactions with owners in their capacity as owners:				
Contributions of equity	14	180,000	-	180,000
Balance at 30 June 2019		180,000	(1,068)	178,932

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

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

CleanCo Queensland Limited
Notes to the financial statements
30 June 2019

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	<p>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.</p> <p>The accounting for lessors will not significantly change.</p>
Impact	<p>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.</p>
Mandatory application date/ Date of adoption by Company	Expected date of adoption by the Company: 1 July 2019.

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

1. Summary of significant accounting policies (continued)

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.

(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.

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

1. Summary of significant accounting policies (continued)

(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.

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.

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

1. Summary of significant accounting policies (continued)

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.

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.

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

1. Summary of significant accounting policies (continued)

(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.

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.

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

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
Total current tax expense	241
<i>Deferred income tax</i>	
Increase in deferred tax assets (note 10)	(878)
Increase in deferred tax liabilities (note 10)	180
Total deferred tax benefit	(698)
Income tax equivalent	(457)

(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
Income tax equivalent	(457)

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

6. Cash and cash equivalents

	2019
	\$'000
Cash at bank and in hand	20,777

(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.

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.

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

8. Property, plant and equipment

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

9. Intangible assets

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

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

10. Deferred tax assets

	2019
	\$'000
Net deferred tax equivalent asset (liability) comprises temporary differences attributable to:	
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

	2019		
	Current \$'000	Non-current \$'000	Total \$'000
Secured			
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(I).

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.

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

14. Contributed equity

(a) Share capital

	2019	
	Shares	\$'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.

(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.

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

16. Cash flow information

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

	2019
	\$'000
Loss for the period	(1,068)
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	834

(b) Non-cash investing and financing activities

	2019
	\$'000
Acquisition of plant and equipment by means of finance leases	19

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

17. Key management personnel disclosures

Key management personnel (KMP) 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.

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

17. Key management personnel disclosures (continued)

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.

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.

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

17. Key management personnel disclosures (continued)

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	Post-employment benefits	Long-term benefits		
Name	Cash salary \$'000	Super annuation \$'000	Long service leave \$'000	Termination benefits \$'000	Total \$'000
Directors					
Cecelia Christensen	-	-	-	-	-
Robert Fleming	-	-	-	-	-
Karen Whitham	-	-	-	-	-
Jacqueline Walters	65	6	-	-	71
Tracy Dare	38	4	-	-	42
Ivor Frischknecht	38	4	-	-	42
Other key management personnel					
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.

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

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	25,000
Total remuneration for audit and other assurance services	25,000

19. Contingent liabilities

The Company had no contingent liabilities at 30 June 2019.

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

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

20. Commitments (continued)

(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	2,217
	2,986

(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	16
Minimum lease payments	25
Future finance charges	(6)
Total lease liabilities	19

Representing lease liabilities:

Current	6
Non-current	13
	19

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

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.

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

21. Related party transactions (continued)

The following transactions occurred with related parties:

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

(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%.

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

22. Financial risk management

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

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

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

22. Financial risk management (continued)

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.

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

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 megawatts gas-fired Swanbank E power station and the Kareeya, Barron Gorge and Koombooloomba hydro power stations from Stanwell Corporation Limited, and the 570 megawatts 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.

Directors' declaration

30 June 2019

In the directors' opinion:

- (a) the financial statements and notes set out on pages 23 to 51 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

Contact us

Registered office Level 32, 12 Creek Street, Brisbane

Email info@cleancoqld.com.au

Website www.cleancoqueensland.com.au

ABN 85 628 008 159

Social media [LinkedIn](#) [Twitter](#)

