

Queensland
Competition
Authority

2019–20

**ANNUAL
REPORT**

Queensland
Competition
Authority

2019–20 Annual report

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Highlights

The body of work we completed this year includes:

- final recommendations for the declaration reviews for Aurizon Network, Queensland Rail and Dalrymple Bay Coal Terminal Management (page 11)
- a final decision on Aurizon Network's amended UT5 draft amending access undertaking (page 12).
- a final decision on Queensland Rail's 2020 draft access undertaking (page 12)
- a final report on the irrigation water price review for 2020–24 (page 10)
- a final report on the Gladstone Area Water Board price monitoring for 2020–25 (page 11)
- a final determination of retail electricity prices for 2020-21 in regional Queensland (page 10)
- reporting of annual and quarterly monitoring of the SEQ retail electricity market (page 10).

About us

The Queensland Competition Authority (QCA) is an independent statutory body, established in 1997.

Our primary role is to ensure monopoly businesses operating in Queensland, particularly in the provision of key infrastructure, do not abuse their market power through unfair pricing or restrictive access arrangements.

Economic context

We regulate the market behaviour of a number of monopoly businesses in Queensland.

In a competitive market, a business is constrained by its competitors in the prices it can charge for goods or services. If too high a price is charged, consumers are likely to buy from a competitor at a lower price. Alternatively, if the business is the only supplier and charges too high a price, a competitor will likely enter the market offering a lower, but still profitable, price.

However, it is not always possible or sensible to have competition in industries that require large-scale infrastructure investment, including many essential services. This is because there may only be one possible supplier (e.g. there may be only one possible site for a dam) or it may not be economic to have more than one supplier (e.g. the costs of constructing a new electricity distribution system would simply outweigh the benefits from having competing networks).

In these cases, there may be limited, if any, competitive forces to constrain the behaviour of the business, especially in the provision of energy, transportation or water.

Our role is to prevent the abuse of market power that may arise from a lack of competition.

Responsibilities

The *Queensland Competition Authority Act 1997* (the QCA Act) is the legislation that guides our work.

Monopoly prices oversight

We use pricing and other regulatory arrangements, based on sound economic and commercial principles, to encourage monopoly businesses to operate responsibly in the absence of normal competitive market forces.

Prices oversight prevents monopoly businesses from abusing their market power by charging excessive prices for their products or services.

Where we oversee monopoly prices, consumers can be confident they are paying reasonable prices, while businesses can still earn a reasonable investment return—a beneficial outcome for all.

We may investigate the pricing practices of such monopolies or monitor their pricing practices, depending on the referral from the Treasurer. We only perform these functions on request from the Treasurer.

Third party access

Essential infrastructure that underpins economic activity should be accessible to all potential users.

We regulate third party access to essential infrastructure so as to support competition, by enabling competitors (i.e. 'third parties') to access infrastructure which cannot be economically duplicated, such as rail tracks and ports. For example, in the Queensland rail sector, we ensure track operated by Aurizon Holdings may be used by other train operators. This provides customers, such as coal miners, with options regarding the haulage of their product.

By opening up access, competition may be enhanced in related markets.

General issues

Apart from the specific responsibilities outlined above, we have a range of general responsibilities. In particular, under section 10(e) of the QCA Act, Ministers can direct us to investigate and report on matters relating to competition and industry.

Responsibilities outside the QCA Act

Our responsibilities, in addition to those under the QCA Act, include:

- setting regulated retail electricity prices under the *Electricity Act 1994* (the Electricity Act) for regional Queensland
- enforcing customer protections under the Electricity Distribution Network Code and the Gas Distribution Network Code.

Industry

During the course of our work, we work with stakeholders in the electricity, water, rail, ports and gas industries.

Our Board

Our board comprises four members, who are appointed by the Governor in Council, in accordance with the QCA Act. In appointing members, regard is given to their collective knowledge and understanding of commerce, economics, the responsibilities of the QCA, and the interests of consumers and other stakeholders. Board members are appointed for a term of not more than five years.

Chair

Professor Flavio Menezes

Appointment: April 2016–December 2021

Flavio Menezes is a Professor of Economics at The University of Queensland. He is an elected member of UQ's Academic Board and of its Standing Committee. He is the Immediate past President of the Economic Society of Australia (Queensland), and a member of the Advisory Board of the Federal Government's Deregulation Taskforce. Professor Menezes is a member of editorial boards and associate editor of a number of international journals and a co-editor of the Economic Record. He has published over 75 journal articles on the economics of auctions, competition and regulatory economics, industrial organisation and market design.

Professor Menezes has extensive consulting experience. His experience in Australia includes advising the Federal Government, AEMC, ACCC, IPART, QCA, the ACT and Victorian Governments on market design issues in regulatory environments. It also includes providing economic advice to various private and public organisations on mergers, and on competition and regulatory issues in defence, fisheries, gambling, energy, banking, health, transport, water and telecommunications.

Deputy Chair

Madeline Brennan QC

Appointment: April 2016–December 2021

Madeline Brennan is a barrister practising in the state and federal jurisdictions, primarily in the areas of taxation and revenue, administrative law, and competition and consumer law. She has worked for a broad range of clients in the private and government sectors.

She holds a Bachelor of Laws (Hons), Bachelor of Arts (History Hons) and Diploma of Education. She was called to the bar in 1996 and took silk in 2015.

Madeline has long provided service on school, hospital and professional committees and boards. She served for eight years on the Human Research

Ethics Committee of the Queensland Institute of Medical Research before her appointment to the QCA in 2016.

Member

Dr Warren Mundy FAICD FRAeS

Appointment: June 2018–June 2021

Warren Mundy is the Managing Director of Bluestone Consulting, which has been providing advice to investors, regulators, providers, and users of a wide range of infrastructure services since 2003.

He was a Commissioner at the Australian Productivity Commission from 2009 to 2015 and also served as the Australian Competitive Neutrality Commissioner. He has held executive roles in airport companies in Australia and Europe.

At Airservices Australia, he served on the board for more than five years from 2008, including being the Deputy Chair for over four years. He was also a member of the Steering Committee for the joint NSW and Commonwealth governments' Sydney Aviation Strategy and continued to advise the Australian Government on Sydney's second airport until the creation of the company to build the airport. Other roles were as a director of Vicforests, the Western Community Legal Services, the National Health Co-operative, James Watt College for Higher and Further Education, and the United Kingdom Airports Operators Association.

Dr Mundy is currently a director of the Sydney Desalination Plant, Transgrid and the Energy Industries Superannuation Scheme.

Member

Fiona Guthrie AM

Appointment: January 2019–December 2021

Fiona is currently the chief executive of Financial Counselling Australia. Financial counsellors provide advice and support to people with money and debt problems.

Fiona has 30 years' experience in consumer advocacy, including a number of years on the executive of the Consumers Federation of Australia. She first became involved in issues affecting consumers, particularly people on low incomes or in vulnerable circumstances, after volunteering as a financial counsellor at Caxton Legal Centre in Brisbane in 1989.

She has held directorships on Energex Retail, the Insurance Ombudsman Service and the Financial Ombudsman Service and was previously Chair of ASIC's Consumer Advisory Panel.

Fiona is currently a member of the ACCC's Consumer Consultative Committee, and a member of the Boards of Way Forward Debt Solutions and Choice. She was a recipient of an Order of Australia in the 2017 Queen's Birthday honours for significant service to the community through social welfare and financial counselling roles.

Senior staff

Chief Executive Officer

Charles Millstead

Charles Millstead rejoined the QCA in 2010.

He commenced as CEO in September 2016 after various roles in senior management, including during a period of significant change for the QCA.

Charles has broad experience in policy analysis and economic regulation. He commenced his career at the Australian Bureau of Agricultural and Resource Economics, focusing on energy market analysis and assessing the impact of trade, investment and climate change policies.

Since 2001, Charles worked in economic regulation in various roles at the QCA, Ergon Energy and the Australian Energy Regulator.

Director—Business Performance

George Passmore

George joined the QCA in 2000.

George has over 20 years' experience in economic regulation.

As Director of Business Performance, his role involves managing the QCA's ongoing regulatory roles in compliance and monitoring of the performance of businesses regulated by the QCA. Before that, George was extensively involved in the economic oversight of water and local government sectors, as well as rail access regulation in the QCA.

George started his career with the Bureau of Agricultural Economics before moving to Queensland and working on sugar industry policy, water sector policy and Queensland's first review of irrigation water price paths.

Director—Peer Review

William Copeman

William Copeman joined the QCA in 2010.

William's diverse experience encompasses roles at Queensland Treasury, Queensland Treasury Corporation and Deloitte Economics.

As Director of Peer Review, his primary role is to provide assurance of the diverse technical analysis undertaken for the QCA. He also oversees internal product development and technical staff development initiatives.

He has delivered economic regulation, analysis and policy development in both the public and private sector. In particular, William has worked extensively in the Queensland water industry.

Director—Corporate Services

Ray Rapinette

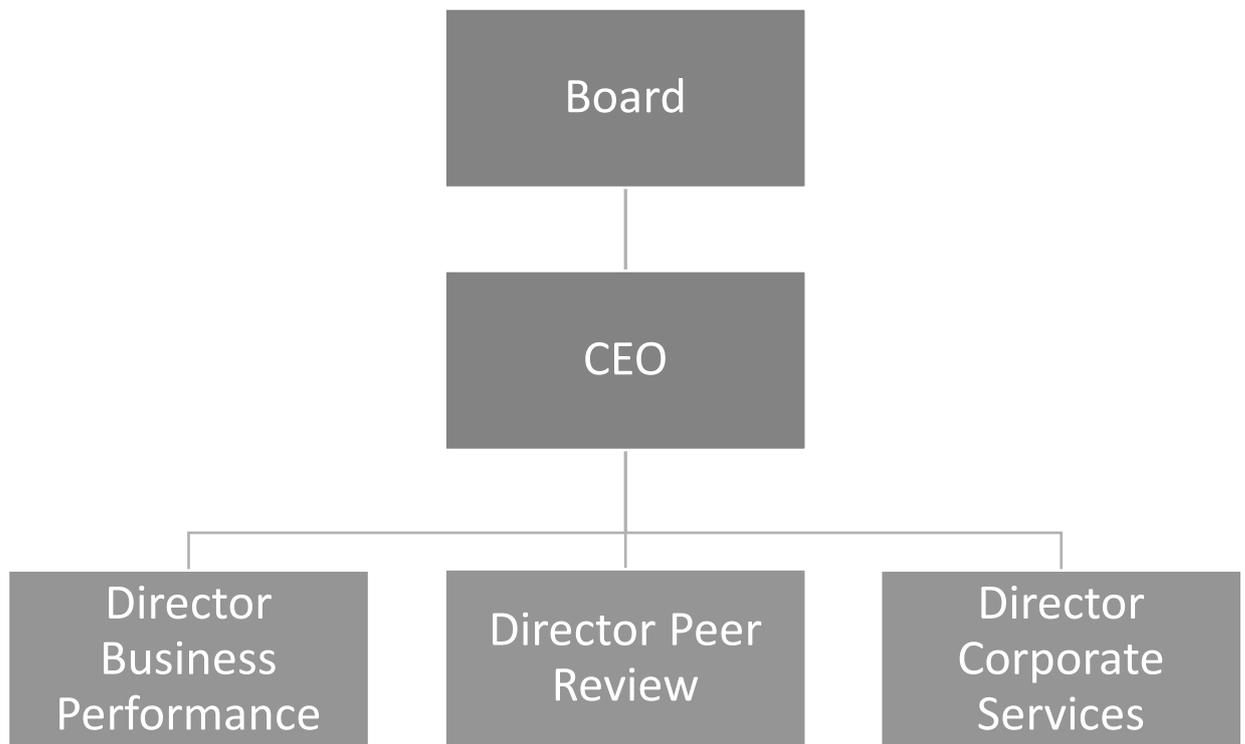
Ray Rapinette joined the QCA in 2016.

Ray has many years of experience in senior and executive roles in banking, local government and Queensland statutory bodies.

As Director of Corporate Services, his role is diverse in managing the provision of a range of corporate services, including governance, financial management, information technology, human resources and corporate administration.

Ray's previous roles included developing strategic frameworks, corporate and operational planning, cultural change and leading and managing multi-disciplinary teams to deliver major capital projects.

Organisational chart as at 30 June 2020



Government bodies 2019–20

Name of Government body: Queensland Competition Authority Board					
Act or instrument	<i>Queensland Competition Authority Act 1997</i>				
Functions	Our primary role is to ensure monopoly businesses operating in Queensland, particularly in the provision of key infrastructure, do not abuse their market power through unfair pricing or restrictive access arrangements. We achieve this through investigating and monitoring pricing practices of certain monopoly businesses and regulating third party access to essential infrastructure such as railways and port channels.				
Achievements	Refer to pages 10–36 of this annual report.				
Financial reporting	Financial transactions of the QCA are accounted for annually in the audited Financial Statements				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Professor Flavio Menezes	35	\$150,000 p.a.	0	\$155,236
Deputy Chair	Madeline Brennan QC	34	\$75,000 p.a.	0	\$77,618
Member	Dr Warren Mundy FAICD FRAeS	33	\$75,000 p.a.	0	\$77,618
Member (from 1 January 2019)	Fiona Guthrie AM	34	\$75,000 p.a.	0	\$77,618
No. of scheduled meetings/sessions	35				
Total out of pocket expenses	\$439,549				

Chair's introduction

The promise of positive developments in our regulatory processes over recent years was realised during 2019–20, making the Queensland economy more resilient in the current challenging environment.

Industry-led solutions and pro-active regulation

Aurizon Network's UT5 DAAU

In May 2019, Aurizon Network submitted a proposal to amend its access undertaking (UT5) to implement a broad range of arrangements negotiated with customers. After we finalised our assessment and approved the proposal, the new arrangements came into effect on 19 December 2019. The undertaking now embodies the sort of industry-led solutions we have been encouraging since 2016, and represents a watershed for regulation of the industry that will deliver significant benefits for many years.

Queensland Rail's 2020 draft access undertaking

We also finalised Queensland Rail's replacement access undertaking, which came into effect when the previous undertaking expired on 1 July 2020. This was a significant milestone for the QCA and stakeholders, as it was the first time a new undertaking has been in place immediately following the expiry of the old one. This was possible due to the pro-active process we started a few years ago, requiring regulated entities to submit draft access undertakings by set deadlines, rather than waiting for voluntary submissions. The replacement undertaking also benefitted from collaboration between QR and its customers.

Review of the declaration of services

Another ongoing project we finalised during the year was our review of the declaration of services for Aurizon Network, Queensland Rail and DBCT. We provided our final recommendations to the Treasurer on 2 March 2020, recommending Aurizon Network and certain Queensland Rail services be declared and DBCT not. The Treasurer agreed with our recommendations for Aurizon Network and Queensland Rail, but decided that the DBCT service should remain declared.

Water and electricity

We also had a busy year with water and electricity projects, completing reviews of irrigation water prices for Sunwater and Seqwater in January 2020, and bulk water prices for Gladstone Area Water Board in May 2020. Both reviews provide the Government and customers with important information about the cost of water supply in Queensland.

In electricity, in addition to monitoring retail prices in SEQ, we set regulated retail electricity prices for regional Queensland for the forthcoming year. The ongoing development of new network tariffs by Energy Queensland has seen us receive two supplementary Ministerial directions to set additional retail tariffs for 2020–21.

Our performance

We conducted the first stakeholder survey of our performance recently (see page 18). While the results confirm improvements for rail and ports, it is clear we have room to do better in electricity and water, particularly with stakeholder engagement. Ongoing management of covid-19 makes this challenging. However, we are determined to keep striving to improve our performance for the benefit of Queenslanders.

With that aim in mind, I would like to thank staff and my fellow board members for their commitment and hard work in fulfilling our statutory obligations, especially given the challenging circumstances we have all experienced this year.

Chair

Professor Flavio Menezes

CEO's message

For many organisations in Queensland, the past year will be remembered as an incredibly disrupted and difficult period. At the QCA, we have been fortunate not to have been impacted as heavily as others.

Going into the pandemic, we already had well-established capacity for working from home, as part of the flexible working arrangements we have had in place for some time. Together with the strength of our culture, including the values of trust, achievement and teamwork, our busy 2019–20 work program was largely unaffected by covid-19.

In line with Queensland government advice, our office went into partial lockdown on 30 March 2020. From then until stage 3 restrictions started on 10 July 2020, all QCA staff worked from home. Staff adapted well and most appreciated the benefits of working from home, while maintaining the quality and timeliness of their work. Staff surveys taken through the lockdown showed strong support for working from home once the pandemic eases and we all find a 'new normal'.

Staff training and wellbeing

Our commitment to the well-being of our staff and visitors was heightened during 2019–20. During the lockdown, we implemented the social distancing and hygiene measures recommended to reduce the risk of covid-19 transmission. Staff also benefitted from the range of established programs tailored to support their physical and mental health. Of particular relevance was the Resilience Program we launched in 2019.

The issues we deal with are complex and contested, so the experience and expertise of our staff is critical to our effectiveness. Higher staff retention over recent years has enhanced our capability. At the end of 2019–20, on average our staff had accrued just over seven years of service at the QCA, with almost a third of staff having served more than 10 years.

For more junior staff, we established a young professionals group, with the aim of developing early leadership skills and a peer-coaching culture. This complements the mentoring program we run at the QCA, which is designed to develop leadership, improve performance, and encourage a culture of support and guidance.

We were fortunate to schedule industry site visits before the covid pandemic emerged. Staff and board members visited the Tarong Power Station and inspected the facilities operated by the Gladstone Area Water Board. We greatly appreciated the time and effort put into the organisation of these visits by our hosts.

Corporate governance and financial position

We remain committed to the highest standards of corporate governance. This year we updated and created a number of policies. Important amongst these, given the circumstances, was our Business Continuity Plan and the Influenza and Other Virus Pandemic Policy.

On the financial front, we reported a loss of \$0.6 million at 30 June 2020. While our total revenue was lower than budgeted by \$1.6 million, our expenditure was also lower than budgeted, by \$1.4 million. The loss was funded by our reserve.

In closing, I would like to thank staff for their commitment and professionalism during 2019–20, particularly during the covid-19 lock-down, which allowed us to maintain a high standard of work and to meet our deadlines. I would also like to thank our board members for their continued support, expertise and guidance over the past 12 months.

Chief Executive Officer
Charles Millstead

Projects in 2019–20

Overview

The QCA's role:

- determining and recommending prices
- monitoring prices and services
- overseeing access regulation

Retail electricity prices 2020–21

In December 2019, we received a delegation from the Minister for Natural Resources, Mines and Energy to set retail electricity prices to apply in regional Queensland in 2020–21.

As part of the review, we published:

- an interim consultation paper in December 2019, in which we invited stakeholders to comment on key issues. We received 10 stakeholder submissions in response
- a draft determination in March 2020, in which we invited stakeholders to comment, including on the draft prices. We received 13 stakeholder submissions in response
- a final determination in June 2020, providing final prices to apply from 1 July 2020.

We also held virtual workshops after publishing the draft determination, to assist stakeholders in preparing submissions.

Overall, the final prices result in reduced electricity costs for consumers in regional Queensland. A typical customer on the main residential tariff will see a decrease of 5.9% and a typical customer on the main small business tariff will see a decrease of 3.2%. The fall in residential and small business tariffs is largely a result of lower energy costs.

SEQ electricity market monitoring

The Queensland Government deregulated retail electricity prices for residential and small business customers in south east Queensland (SEQ), effective from 1 July 2016. The market monitoring and reporting function in section 89B of the *Electricity Act 1994* (Qld) (the Electricity Act) is a light-handed framework by which the government can monitor the operation of the SEQ retail electricity market to ensure customers have the opportunity to benefit from price deregulation and increased competition in SEQ. In April 2019, the Minister for Natural Resources, Mines and Energy (the Minister) directed us to monitor and report on the operation of the SEQ retail electricity market for residential and small business customers in 2018–19; that is for the period

from 1 July 2018 to 30 June 2019 and to report quarterly on retail prices for the period from July 2019 to June 2020.

The annual report for 2018-19 (released in December 2019) found that in the June quarter of 2019, 22 retailers in SEQ had market offers across the residential and small business sections of the market. For most retailers, the cheapest market offer in the June quarter of 2019 was lower than their cheapest offer available a year earlier. Retailers generally increased conditional discounts and/or used sign-up incentives to reduce the bills of their cheapest offers and compete for customers. We concluded that customers had many opportunities to benefit from competition in the SEQ market in 2018–19.

Irrigation prices 2020–24

Sunwater and Seqwater provide water supply services to irrigation customers. They also provide services to a range of other customers, including water retailers, other industrial customers and local government.

In October 2018, the then Treasurer directed us to investigate pricing practices of Sunwater and Seqwater relating to the supply of water for irrigation services. The key objective of the investigation was to recommend irrigation prices for the 22 water supply schemes operated by Sunwater and the 7 water supply schemes operated by Seqwater over the period 1 July 2020 to 30 June 2024.

We provided our draft report to the Queensland Government in August 2019. The draft report sought to provide stakeholders with an opportunity to review and comment on our proposed approach and prices.

We provided our final report to the government in January 2020. Given our consideration of bill impacts and the affordability concerns raised by stakeholders, we recommended capping the increase in the combined fixed and volumetric price to inflation plus \$2.38 per megalitre of water entitlement (from 2020–21, increasing by inflation). We recommended two options for dam safety upgrades: one apportioned a share of dam safety upgrade costs to irrigators, and one that did not.

In May 2020, the government accepted 16 of the 20 recommendations in our final report. However, taking into account our final report, the views of stakeholders and the covid-19 pandemic, it decided to absorb our recommended price increases in 2020–21 and pass on our recommended price decreases. The government said that it would monitor conditions

over the next 12 months before reassessing and deciding on prices to apply from 2021–22.

While the government accepted our recommended approach to calculating a dam safety allowance and apportioning it to irrigators, it decided that irrigation prices should exclude the recovery of dam safety upgrade costs.

GAWB 2020–25 price monitoring

The Gladstone Area Water Board (GAWB) provides bulk water to the Gladstone Regional Council and to industrial and power generation companies in the Gladstone region of Central Queensland.

The then Treasurer directed us in June 2019 to investigate the prices GAWB proposed to charge for the period 2020–25. We considered:

- prices that would provide GAWB with sufficient revenue to recover prudent and efficient costs
- the accumulation of under-recovered revenues and its impact on customers.

GAWB lodged its pricing proposal in September 2019. We received 11 submissions prior to our draft report, five of which related to GAWB's proposal to recoup its under-recovered revenues from its customers.

We published our draft report in February 2020 and received submissions from 13 stakeholders.

Submissions discussed support for GAWB's proposed recreational strategy, the lack of information on the under-recovery and the timing of the Awoonga Dam spillway safety upgrade. Also, the Gladstone Regional Council requested that any price increase be deferred for at least 12 months, so as to not further impact the community already affected by the coronavirus pandemic.

We provided our final report to the Treasurer in May 2020. We considered that GAWB's pricing practices, its proposed prices for 2020–25 and the proposed measures to address the revenue under-recovery were broadly appropriate. However, we found that some adjustments should be made, in particular to operating and capital expenditure and to the proposed measures to address the revenue under-recovery.

Our price monitoring report will inform negotiations between GAWB and its customers during the five-year period starting 1 July 2020.

Declaration reviews

The Queensland third party access regime is contained in Part 5 of the QCA Act. Currently, three services are declared for third party access:

- the use of Aurizon Network's Blackwater, Goonyella, Moura and Newlands coal systems for providing transportation by rail.
- the use of rail transport infrastructure for providing transportation by rail, where the railway manager is Queensland Rail
- the handling of coal at Dalrymple Bay Coal Terminal by the terminal operator.

The existing declarations expire on 8 September 2020.

We were required to recommend to the Treasurer whether, with effect from the expiry date, the above services should be declared, declared in part or not declared.

Our reviews commenced in April 2018, with the draft recommendations released in December 2018 and the final recommendations provided to the then Treasurer in March 2020. We engaged extensively with stakeholders, including by requesting submissions and cross-submissions, and conducting stakeholder forums.

In summary, we recommended that the below-rail service provided by Aurizon Network be declared, while the below-rail service provided by Queensland Rail be declared in part. We also recommended that the coal handling service provided by DBCT Management not be declared.

In June 2020, the Treasurer decided that the below-rail service provided by Aurizon Network be declared, while the below-rail service provided by Queensland Rail be declared in part. The Treasurer also determined that the coal handling service provided by DBCT Management be declared. The Treasurer's decision in relation to DBCT Management is currently subject to judicial review in the Supreme Court of Queensland.

Access undertakings

We have an active role in administering access undertakings of the three businesses subject to the access regime contained in the QCA Act.

Dalrymple Bay Coal Terminal (DBCT)

DBCT is a coal export terminal located in central Queensland, approximately 40 kilometres south of Mackay. DBCT is the only port facility that has been declared under Part 5 of the QCA Act.

While the Queensland Government owns DBCT, the terminal is leased to DBCT Management, which is a subsidiary of Brookfield Infrastructure Partners (a global owner and operator of infrastructure assets). DBCT Management has a 50-year lease over the

terminal from 2001, with an option to extend the lease for a further 49 years.

DBCT Management provides access to the terminal under the terms and conditions set out in its 2017 access undertaking, which we approved in February 2017.

On 1 July 2019, DBCT Management submitted a new draft access undertaking (DAU), to take effect when the 2017 access undertaking terminates on 1 July 2021. We published it on our website and received three stakeholder submissions. After seeking further submissions on the specific issue of the pricing model proposed in the DAU, we received three more submissions.

In February 2020, we published an interim draft decision on the DAU pricing model, proposing to refuse to approve the pricing model. The interim draft decision indicated that we consider that, with considerable amendments, a pricing model without reference tariffs could be appropriate to approve—but also noted that a pricing model with reference tariffs may provide some advantages over a pricing model without reference tariffs. In April 2020, we received two submissions on the interim draft decision and, in June 2020, two further collaborative submissions.

We expect to release a final decision on the DAU in early 2021.

Queensland Rail

Queensland Rail is a statutory authority that provides passenger train services and operates a 6,600 kilometre rail network that includes south east Queensland commuter lines, the West Moreton system and the Mount Isa and North Coast lines.

With Queensland Rail's 2016 access undertaking due to expire on 1 July 2020, it lodged a new draft access undertaking (the 2020 DAU) in August 2018.

We released our draft decision on Queensland Rail's 2020 DAU in April 2019. Queensland Rail and its stakeholders were able to collaborate after the draft decision and find consensus on a number of matters, which we took into account in preparing our final decision, released in February 2020. The final decision also addressed the challenges in setting a reference tariff appropriate for Queensland Rail and its West Moreton coal customers when forecast volumes fell to less than one-quarter of those Queensland Rail had proposed in its DAU.

In April 2020, Queensland Rail submitted an amended DAU, which it subsequently updated to reflect recently released CPI information. On 1 July 2020, we

approved the updated amended 2020 DAU, which is now Queensland Rail's approved 2020 access undertaking, setting out the terms for access to its network. The new undertaking terminates on 30 June 2025.

Aurizon Network

Aurizon operates and manages Australia's largest export coal rail network, the Central Queensland Coal Network (CQCN), through its subsidiary company Aurizon Network.

Aurizon Network's 2017 access undertaking (UT5) sets out details of the terms on which it undertakes to provide access to the CQCN.

In December 2019 we approved substantial amendments to UT5 that were proposed by Aurizon Network. These include:

- extending the term of the UT5 undertaking until to 30 June 2027
- developing maintenance allowances on an annual basis from 1 July 2021, with processes for direct customer involvement in developing maintenance strategies and budgets.
- a new role for an Independent Expert to undertake various capacity and performance reporting roles
- Increasing the approved rate of return from 5.7% to 5.9%, with a further increase following certain milestones related to the capacity assessments
- Aurizon Network committing to fund expansions that benefit more than one customer (up to \$30 million per annum, with carry-forward provisions)
- Aurizon Network funding expansions to address certain capacity deficits identified by the Independent Expert's up to \$300 million in total.

Our approval was informed by consensus positions developed between Aurizon Network and its customers.

Ongoing regulatory work

Business Performance handles a range of ongoing economic regulatory work that falls outside the scope of individual projects. This includes monitoring compliance and performance, conducting capital expenditure reviews and tariff variation reviews, and dealing with stakeholder queries.

In 2019–20, Business Performance progressed a range of matters arising from access undertakings for Aurizon Network, DBCT Management and Queensland Rail. The most notable amongst these matters are listed below.

Aurizon Network

- Electric traction DAAU 2019
- Volume reset DAAU 2019
- Consolidation DAAU 2019
- Capital expenditure claim 2017–18
- Capital expenditure claim 2018–19
- Revenue adjustment amounts 2018–19
- Adjustment charges 2018–19
- Adjustment charges 2019–20
- Annual reference tariff review 2020–21
- Access conditions applications—various
- Endorsed variation event pass-through—various.

DBCT Management

- Change in reference tonnage review event
- Non-expansion capital expenditure claim 2019–20
- Annual revenue requirement, reference tonnage, terminal infrastructure charge 2020–21.

Queensland Rail

- Reference train service DAAU
- Volume and reference train service review event
- West Moreton capital expenditure claim 2017–18
- QCA levy 2019–20
- Adjustment charges 2019.

Business Performance also managed the following (ongoing) projects in relation to energy:

- SEQ retail electricity market monitoring, quarterly and annual reporting (see page 10)
- Monitoring SEQ solar feed-in tariffs
- Setting the solar feed-in tariff for regional Queensland
- Monitoring compliance with the Electricity Distribution Network Code and derogations to the National Energy Customer Framework
- Providing advice to the Minister for Natural Resources, Mines and Energy when directed to do so.

Corporate matters

Overview

Corporate governance

We continue to place great emphasis on corporate governance, including our robust and fact-based decision-making process. Our administrative framework is designed to support the delivery of effective and efficient economic regulation for Queensland.

We have a range of policies and procedures to help ensure that assets are safeguarded, proper financial and accounting records are maintained and the work and effort of the staff are consistent with the Board's strategic direction.

We received an unqualified audit certificate from the Queensland Audit Office for the reporting period—reflecting the success of the administrative framework.

Information and knowledge are key assets. Accordingly, we emphasise the management and protection of information, as well as the maintenance of confidentiality where appropriate. Our records are stored electronically and paper records are retained as required. There were no breaches of information security during the financial year.

Human rights

We acknowledge the enactment of the *Human Rights Act 2019* (HRA) and provide the following information as required by s. 97.

The HRA has as its objects the protection and promotion of human rights, to build a culture in the Queensland public sector that respects and promotes human rights, and to help promote a dialogue about the nature, meaning and scope of human rights. We have not as yet implemented any new actions to further the objects of the HRA and have relied on current policies, our code of conduct and specific workplace training focused on values and respect in the workplace. We are currently reviewing all appropriate measures to enable us to make consideration of human rights part of our relevant decision-making processes, with a view to it becoming a common activity for all of our members and staff. The implementation of such measures will take place over the coming year, including:

- review of the code of conduct and all relevant policies to address the requirements of the HRA
- awareness training to be delivered to all staff by the Human Rights Commission.

- We have updated our website to include provision for complaints and a link to the Human Rights Act.

No complaints were received about our conduct (under s. 58).

Corporate culture

We continue to explore innovative initiatives to support professional development that complement and extend the suite of training programs available to our staff. Our values (trust, respect, achievement, integrity and teamwork) underpin our culture.

All staff contracts include the requirement to abide by the code of conduct and to disclose any potential or actual conflicts of interest. Board members and staff absent themselves from all deliberations where conflicts of interest, real or perceived, are suspected or arise. This is further reinforced through awareness sessions and training.

Risk management

We monitor our major risks, including physical risks, employee practices liability, financial management risks, information protection and reputation risks. We review the risk register quarterly to check mitigation and monitoring controls and activities. The Board reviews all potential risks annually and maintains a watching brief over key and critical risks to ensure adequate mitigation and controls are effective.

Covid-19 response

Our business continuity plan was activated in March this year when the potential threat to the health and wellbeing of our staff and visitors became apparent of the coronavirus. Based on state government announcements, our offices were placed in partial lockdown at that time. Our normal operations were adjusted to accommodate staff working from home. Meetings and other discussions were conducted via video- and teleconferencing. Business continuity working arrangements continue to be in place and will be reviewed on the advice of the state government

Policy and corporate documents

We routinely review and update our policies and guidelines. Policies reviewed or created during the reporting period include:

- CEO complaints policy
- Banned shares list
- Corrupt conduct policy

- CEO and staff authorisations policy
- Fee framework
- Influenza and other virus pandemic policy
- Public interest disclosure policy
- Purchasing policy
- Travel policy
- Social media policy
- HR policies and procedures manual
- Business continuity plan
- Finance manual
- Purchasing manual
- Information handling manual.

All staff periodically receive awareness training and guidance on the application of policy requirements.

Financial performance

We reported a loss of \$0.6 million for the 2019–20 financial year.

Our total revenue was \$1.6 million lower than budgeted, largely due to decreased activity related to the projects for Energy Retail (\$0.1 million), Queensland Rail (\$1.0 million), Aurizon Network (\$0.7 million), and Dalrymple Bay Coal Terminal (\$0.2 million). This reduction was offset by higher than budgeted revenue from Gladstone Area Water Board (\$0.5 million). A number of minor variances account for the remaining difference between budgeted and actual revenue.

Our total expenditure was \$1.4 million lower than budgeted. Employee expenses (\$0.2 million), IT expenses (\$0.1 million), and payments for specialist advice (\$0.7 million) were less than budget. There was a reduction in expenses of \$0.3 million due to the implementation of a change to the accounting standard for leases. A number of minor variances account for the remaining \$0.1 million of under-spend relative to budget.

The favourable expenditure variance of \$1.4 million, offset by the impact of lower revenue of \$1.6 million, explains the larger loss of \$0.6 million relative to the budgeted shortfall of \$0.4 million.

Expenditure, including performance against budget, is reported monthly to the Board.

Environmental statement

We maintain an environmentally friendly workplace. The Ann Street office has a 5.5-star NABERS energy rating and a 4-star NABERS water efficiency rating. We support the efficiency measures initiated by the building's management.

The office environment benefits from low sills and a stepped perimeter ceiling that maximises the natural light penetration and, together with motion-activated lighting, saves energy. We also promote recycling and we have in place recycling bins for paper and cardboard. The building facilities also support our

work–life balance policies, with excellent end-of-trip facilities (including secure bike racks and showering facilities) and heart-smart stairs between floors. Because there were fewer staff in the office due to the changed working arrangements, fewer consumables were used as well as less energy and water.

Open data

Statutory bodies are not required to maintain an open data strategy. However, we subscribe to open data principles and unless deemed confidential or not required to publish by direction or legislation, we publish and provide access to information necessary to inform stakeholders. Information on the Queensland Government's open data policy is available on its Open Data Portal, qld.gov.au/data.

Consultancies

We use consultancies to augment our inhouse capacity. When necessary, we utilise engineering firms and law firms to undertake work and activities and advise on specific requirements required of a direction notice or to comprehensively review and assess access undertakings and other submissions. We are mindful of the need to achieve value for money and where possible use state government procurement standing offer arrangements or issue clearly specified tenders.

Overseas travel

The QCA is a member of the Utility Regulators' Forum (URF)—membership is restricted to state and territory regulators in Australia and New Zealand and the Australian Consumer and Competition Commission. Forums are hosted on a rotational basis and last year New Zealand was the host. In accordance with the government's air travel policy, the CEO approved the travel of senior staff to attend the forum. There was no other overseas travel.

Our performance results in 2019–20

We established a performance framework, along with a set of key performance indicators (KPIs), in June 2018. The framework focuses on operational practices, rather than matters of policy or legislation. At the highest level, the framework reflects our commitment to continue to innovate, manage costs, improve productivity and achieve practical outcomes.

Four themes underpin our performance objectives. They form the basis for the KPIs:

- Effective and efficient regulatory outcomes
- Timely and transparent processes
- Efficient and reasonable costs and regulatory fees
- Effective stakeholder engagement and communication.

Commitment to accountability and transparency

Regulators are required to do their work in accordance with their enabling legislation. They must also act responsibly, impartially, transparently and with integrity.

Our values (achievement, trust, respect, integrity and teamwork) drive our culture and reflect our commitment to high standards—one of which is to achieve best practice in its operations.

The performance framework includes a set of measurable key performance indicators aimed at helping us to continuously improve and better manage daily operations, improve performance and discharge our responsibilities efficiently and effectively.

We seek to engage constructively with all stakeholders and have embedded protocols that demonstrate transparency and accountability. We also encourage regulated entities and their customers to work towards mutually agreeable outcomes throughout the review and submissions process.

Assessing our performance

The performance framework includes an annual self-assessment and a biennial external review. The self-assessment is peer-reviewed internally and results are approved by the QCA board before they are published in the annual report. All stakeholders are encouraged to provide feedback and comments following the publication of the annual assessment.

The first biennial review was conducted in July 2020. Orima Research was engaged to independently survey a wide range of stakeholders that included entities regulated by the QCA, customers of those entities, special interest and advocacy groups, the QCA's Consumer Advisory Committee and government representatives.

The data collection method for the research was an online survey. The questionnaire was developed by Orima Research in consultation with the QCA and surveys were issued to 92 individuals.

At the conclusion of the survey period, 47 out of 92 stakeholders responded, representing a response rate of 51%. Twenty respondents were from regulated entities, twenty-one were from non-regulated entities, and six were from the Queensland government.

The broad results are presented in the table below and the full report will be published on our website.

Our review processes

We maintain a rolling work program that is generated by the requirements of the QCA Act and directives from the Queensland Government. The annual work program is delivered on a project management basis. Each project has been assessed against all relevant KPIs. Each assessment was peer-reviewed, and results were submitted to the Board.

A snapshot of our performance results for 2019–20 is shown in the figure below.

Topline survey results	Total Mean	Regulated entity	Non-regulated entity	Government
Number of respondents	47	20	21	6
Overall impressions of the QCA	66	61	66	81
QCA's effectiveness in regulating access to rail networks	76	70	80	75
QCA's effectiveness in regulating access to ports	75	72	78	75
QCA's effectiveness in electricity regulation	63	64	60	83
QCA's effectiveness in contributing to water regulation	54	41	52	81
QCA's fees	61	61	N/A	N/A
QCA's regulatory processes	61	61	N/A	N/A
QCA's stakeholder engagement	65	56	65	90

Note: the scale used is index points converted to a 100 scale. The higher the number, the more favourable the result.

Projects undertaken in 2019–20

Project	Background	Status	Summary
Declaration reviews	<p>We regulate 3 services for third party access—those provided by Aurizon Network, Queensland Rail and Dalrymple Bay Coal Terminal Management.</p> <p>Each of the existing declarations expire on 8 September 2020. At least six months, but not more than 12 months, before that date, we were required to recommend to the Treasurer that: (a) the service be declared; or (b) part of the service, that is itself a service, be declared; or (c) the service not be declared.</p>	Completed	<p>Timeliness and transparency—The reviews were completed on time (in March 2020). In April 2018, we initiated the review with notices of investigations and a timetable for the review. Stakeholders benefited from the considerable visibility by the release of notices, an issues paper, consultation papers, focused questions for stakeholder deliberation and our draft recommendations. Some stakeholders submitted information that they viewed was confidential. To ensure that natural justice was served, we allowed interested parties to seek access to this information if they provided a confidentiality undertaking in a form approved by us.</p> <p>Stakeholder engagement—Extensive consultation was undertaken with stakeholders both before and after we made our draft recommendations. We received 49 submissions. Stakeholders also had the opportunity to comment on the submissions of other stakeholders through a cross-submission process.</p> <p>Stakeholders could attend a series of stakeholder forums attended by QCA Members. Some stakeholders took advantage of the opportunity to make presentations at these forums.</p> <p>Benefits/outcome—The declaration reviews deepened our understanding of the commercial environment within which the regulated entities operate and their linkages with their supply chains. This will benefit our ongoing regulatory work in administering third party access arrangements in Queensland.</p>

Project	Background	Status	Summary
Aurizon Network UT5 draft amending access undertaking	Aurizon Network's UT5 access undertaking was due to expire on 30 June 2021. Aurizon Network and its coal customers developed a range of consensus amendments that we approved on 19 December 2019, including arrangements that extended the regulatory arrangements until 30 June 2027.	Completed	<p>Timeliness and transparency—The assessment and approval of Aurizon Network's UT5 DAAU was undertaken within statutory timeframes.</p> <p>The process was transparent, with all material assessed during the process published on our website for all stakeholders to access, including all responses to information requests.</p> <p>Stakeholder engagement—Stakeholders were given extensive opportunities to collaborate and contribute to this process, as we promoted a proactive consultation framework.</p> <p>Benefits/outcomes</p> <p>The UT5 DAAU process was the result of extensive consultation between Aurizon Network, coal producers and train operators. It represents a package of amendments that provides a range of industry-led solutions and processes that creates a more-customer centred approach to access regulation.</p>
Queensland Rail's 2020 draft access undertaking (DAU)	Queensland Rail's 2016 access undertaking expired on 30 June 2020. We undertook a review of a draft access undertaking (DAU) that Queensland Rail submitted in August 2018 to replace that undertaking.	Completed	<p>Timeliness and transparency—We started the regulatory process for the 2020 access undertaking early, with the goal of having an appropriate undertaking ready to replace the 2016 access undertaking when it terminated. We provided sufficient time for Queensland Rail and its customers to prepare and lodge submissions, respond to other stakeholders' submissions and collaborate among themselves.</p> <p>We met all the key benchmarks in our project plan, including publishing a draft decision in the second quarter of 2019, and publishing a final decision by the end of February 2020. This enabled us to achieve our goal of an approved access undertaking on 1 July 2020.</p> <p>Stakeholder engagement—We provided extensive opportunities for stakeholders to comment on both Queensland Rail's original submission, and on our preliminary views of what would be appropriate to approve. Our publications included:</p> <ul style="list-style-type: none"> ▪ a staff topics paper ▪ a draft decision ▪ a discussion paper on West Moreton coal pricing. <p>We received 20 stakeholder submissions, plus the initial DAU submission and further submissions from Queensland Rail. Overall, we had the DAU open for comment for almost 10 of the 18 months between Queensland Rail's submission in August 2018 and our decision in February 2020.</p> <p>Benefits/outcomes—The consultation prompted Queensland Rail and its stakeholders to collaborate and find consensus on various matters in the DAU and enabled us to gain a better understanding of the parties' views and interests so we could balance competing objectives. The approved undertaking provided an appropriate way forward for coal references tariffs on the West Moreton system, where</p>

Project	Background	Status	Summary
			<p>volumes were forecast to fall far short of the capacity of the rail infrastructure. It also provided an improved negotiation and pricing framework for access to the rest of the network, which does not have reference tariffs.</p> <p>An on-time replacement undertaking increases certainty for Queensland Rail and its customers and reduces regulatory costs. It also creates opportunities for the parties to explore more fundamental changes to the regulatory approach, with the undertaking in place, without jeopardising the timeliness of future DAU investigations.</p>
<p>Irrigation water price review 2020–24</p>	<p>The Queensland Government directed us to investigate pricing practices relating to Sunwater and Seqwater’s irrigation services.</p>	<p>Completed</p>	<p>Timeliness and transparency—All the timeframes outlined in the referral notice were achieved.</p> <p>In October 2018, we started the investigation by issuing a notice of investigation along with a detailed guidance note. The guidance note outlined a targeted consultation approach to issues identification and workshop scheduling to minimise the imposition on stakeholders and allow us to address a range of complex, scheme-specific issues in a timely and cost-effective manner. We also ran a cost-effective media and communications campaign to raise broader awareness of the review.</p> <p>The three-part final report structure allowed overarching issues to be covered in the Part A report, which established the pricing framework. This reduced repetition and allowed the business-level reports (Part B and Part C) to focus on business- and scheme-specific issues. We published information sheets alongside the report, setting out the reasons for our decisions on scheme-level issues in a clear and easily accessible way.</p> <p>Stakeholder engagement—We held two rounds of workshops in 15 regional centres. These workshops increased stakeholders’ understanding of regulatory issues and our process, improving their ability to provide quality written submissions.</p> <p>Stakeholders could provide written submissions at various stages of the review process, including at the start of the investigation, in response to our two consultation papers, and in response to our draft report. In total we received 238 submissions.</p> <p>Our stakeholder engagement improved our understanding of the issues faced by stakeholders, including affordability concerns, and our recommendations were aimed at moderating the bill impacts of higher volumetric prices.</p> <p>Our report also identified ways in which Sunwater and Seqwater could improve their customer engagement prior to the next price review.</p>

Project	Background	Status	Summary
			<p>Benefits/outcomes—This investigation provided an updated cost target that could be used by the Queensland Government as a reference point for future irrigation prices. It also allowed for detailed consideration of pricing issues such as mechanisms for managing key revenue and cost risks, the treatment of dam safety upgrade costs and scheme-specific cost allocation issues raised by stakeholders.</p>
<p>Gladstone Area Water Board (GAWB) pricing review</p>	<p>We recommended bulk water prices in the Gladstone region for the period 1 July 2020 to 30 June 2024.</p>	<p>Completed</p>	<p>Timeliness—Our draft report was delivered a week early to the Treasurer and our final report was delivered on time.</p> <p>Stakeholder engagement—We published all public submissions within three business days of receipt. We strived to engage with GAWB and its customers throughout the review process, by holding four rounds of consultation. We issued guidance and stakeholder notices, as well as ‘initial findings’ sheets with the draft report. The report also identifies ways in which GAWB can improve its customer engagement prior to an eventual 2025–30 review.</p> <p>Benefits/outcomes—While not binding, the GAWB price monitoring findings provide a sense-check to GAWB’s proposed expenditures and prices for the 2020–25 period, which can be referred to in the course of negotiation by GAWB and its customers. While GAWB’s initial proposal was broadly appropriate, we found GAWB could apply some efficiencies, in particular to operating and capital expenditure. In addition, our advice to the Treasurer with regard to GAWB’s accumulated under-recovery suggested ways GAWB can mitigate the impact of recouping this under-recovery from existing customers. The final report also attempts to shed light on the driver of price changes in the various pricing zone.</p>

Project	Background	Status	Summary
Regional retail electricity prices for 2020–21; and the solar feed-in tariff for 2020–21	<p>We undertook pricing reviews to determine:</p> <ul style="list-style-type: none"> ▪ the regional retail electricity prices that Ergon Energy may charge customers on standard contracts ▪ the regional solar feed-in tariff payable to customers by Ergon Energy. 	Completed	<p>Timeliness—We published the electricity pricing report before 26 June 2020, and the solar feed-in tariff report before 31 May 2020, as required.</p> <p>Stakeholder engagement—We conducted substantive consultation with stakeholders as part of the retail prices project, including via virtual workshops and inviting stakeholder comments on the initial and draft pricing reports. We received 23 submissions over the course of our review. No consultation was required for the solar feed-in tariff determination.</p> <p>We also published a new format information booklet on the electricity prices for 2020–21, which summarises the prices, process and bill impacts in an easy-to-read format.</p> <p>Benefits/outcomes—We applied our established project methodology during both determinations, adapting our approach to account for developments in the electricity market environment, including ongoing network tariff reforms and changes to the government’s uniform tariff policy tariff.</p>
SEQ electricity retail price monitoring for 2018–19 and 2019–20	We monitored and reviewed the operation of the retail electricity market in south east Queensland (in the Energex distribution area) from 1 July 2019 to 30 June 2020.	Completed	<p>Timeliness—We published, on time, four quarterly monitoring reports for 2019–20, and the annual market monitoring report for 2018–19.</p> <p>Stakeholder engagement—Formal stakeholder consultation is not a feature of our methodology for monitoring the SEQ retail electricity market. However, stakeholders generally considered our market monitoring reports provide valuable information on the market. For the annual report, we issue information notices to electricity retailers operating in the SEQ market. For the 2018–19 annual report, we received no complaints from retailers regarding our process for issuing notices.</p> <p>In April 2020, we received a direction notice to prepare an annual market monitoring report for the 2019–20 reporting period. To assist retailers to respond to the information notices for the annual report, we published an ‘advice to retailers’ document to explain the changes to the information notices.</p> <p>Fact sheets published alongside the annual report make the key findings clear in a concise format.</p> <p>Benefits/outcomes—Whilst south east Queensland is deregulated, our work in monitoring and comparing prices and offerings by electricity retailers provides vital information allowing the Minister to assess the extent to which customers have the opportunity to benefit from deregulation .</p>

Our people and workforce profile

As at 30 June 2020, we employed 46.5 full-time equivalent employees (headcount totalled 48) in a range of technical and support roles. Employees who have worked for us for more than 10 years made up 29 per cent of the staff, and 8.3 per cent had recorded 15 or more years of service.

For the financial year ended 30 June 2020, we had a permanent employee separation rate of 6.25 per cent. Separation was mainly because of personal reasons (4.2 per cent), due to career change and moving interstate.

Queensland public service values

The Queensland public service values are:

- Customers first
- Ideas into action
- Unleash potential
- Be courageous
- Empower people

Our values align with these values. We aim to be a high-performing, impartial and productive workplace.

Diversity and workplace equity

We are committed to a workplace that is fair and inclusive and promotes our values and positive workplace culture. In 2019–20, all employees completed on-line refresher training on respect in the workplace. Workplace equity and anti-discrimination principles remain enshrined in our policies and procedures.

Workforce planning

Our staffing levels are based on the annual operational plan and projected resources required for various projects. In addition to core staffing levels, we engage consultants or contract staff for specialist advice and, if necessary, for meeting peak activity demands.

In 2019–20, we engaged one student analyst to undertake work assisting various project teams.

Mentoring program

Our mentoring program provides an opportunity for a mutually beneficial mentoring relationship between participants. The program is designed to enhance professional development and increase reflection on performance and career goals, encourage and develop leadership at all levels of the QCA, improve performance and achievement, and encourage a culture of support and guidance.

Employee development and performance management framework

Our Learning and Support Plan 2017–20 provides a structured approach to learning and development,

building our project delivery capability. The plan is supported by a comprehensive training and development matrix, which provides information on relevant courses and programs for both analysts and corporate services employees, as well as leadership development programs.

The corporate induction program for new employees covers HR and general QCA policies (including the Code of Conduct and Public Interest Disclosure), health and safety, document management, IT and systems induction, style and writing induction and general orientation.

A training plan is developed for each employee during the annual performance evaluation process to guide the professional development opportunities offered to individual employees. Formal study by our staff is also supported by the QCA's Study and Research Assistance Scheme.

The performance framework for employees is centred on setting key performance indicators (KPIs) annually. The results of annual KPI reviews are considered as part of the annual salary review process. Feedback from this process also informs decisions regarding employee project placement and suitability for promotions.

Industry knowledge and training

We made arrangements with regulated entities and relevant industry bodies for staff to visit sites owned or managed by electricity, rail, port and water asset entities. The visits helped staff to understand the infrastructure assets associated with our regulatory functions.

During 2019–20, staff and members visited the Tarong Power Station and inspected the assets and facilities managed and operated by the Gladstone Area Water Board. Each visit was hosted by the entity and generally included an overview presentation, an observation of site operations, a comprehensive tour of the facility including key assets, built infrastructure and major capital equipment, and a discussion about operational challenges and future plans.

Leadership development framework

Our Leadership Development Plan provides a framework that supports and develops our leaders and shapes the QCA leadership culture. The plan is mainly aimed at the senior leadership team, existing corporate/project/program leaders and emerging leaders. This plan is complemented by a matrix of leadership competencies and relevant training and development options for all target groups

A Young Professionals Group was established to develop early leadership building blocks and a peer-coaching culture amongst recently employed graduates and other QCA analysts who were in the early stages of their career. The program focused on developing the soft skills of these staff members (i.e.

verbal communication, listening and ability to learn, self-awareness, emotional intelligence, empathy, creative thinking/problem solving, giving/receiving feedback). As well as attending two offsite workshops, the 9 participants were required to complete an action learning project whereby participants applied learnings to an existing work situation.

Work–life balance

We encourage our employees to maintain a healthy work–life balance. Prior to covid-19, 44% of staff utilised flexible working practices such as part-time employment, purchased leave and working from home arrangements. During March–June 2020, all staff were able to work from home on a full-time basis, with 96% of staff electing to do so regularly.

Our employees are encouraged to use annual leave accruals between projects, ensuring appropriate periods of revitalisation. We also have a mother’s room available to employees as needed.

Health and safety initiatives

Employee safety remains a priority for us. In 2019–20, there were no workplace incidents that resulted in lost time due to injury. All employees who work from home at times complete an ergonomic checklist annually.

The annual audit of all workstations, offices and common areas was conducted, with only minor desk set-up adjustments required. No major hazards were identified.

Our Health and Wellbeing Program proactively supports employee good health. We arrange flu vaccinations, skin checks and health assessments.

The Resilience Program launched in 2019 continued in 2019–20, which provided employees with the opportunity to continue with the online resilience coaching program (Thrive)).

Prior to workplace adjustments due to covid-19, staff had the opportunity to participate in Pilates, yoga and core strength classes during their lunch break on a user pays basis.

Industrial and employee relations framework

Quarterly all-staff meetings give employees the opportunity to raise and discuss workplace issues. In addition, the QCA intranet is a forum for employee feedback on any policies or procedures that affect their employment or employment conditions.

Early retirement, redundancy and retrenchment

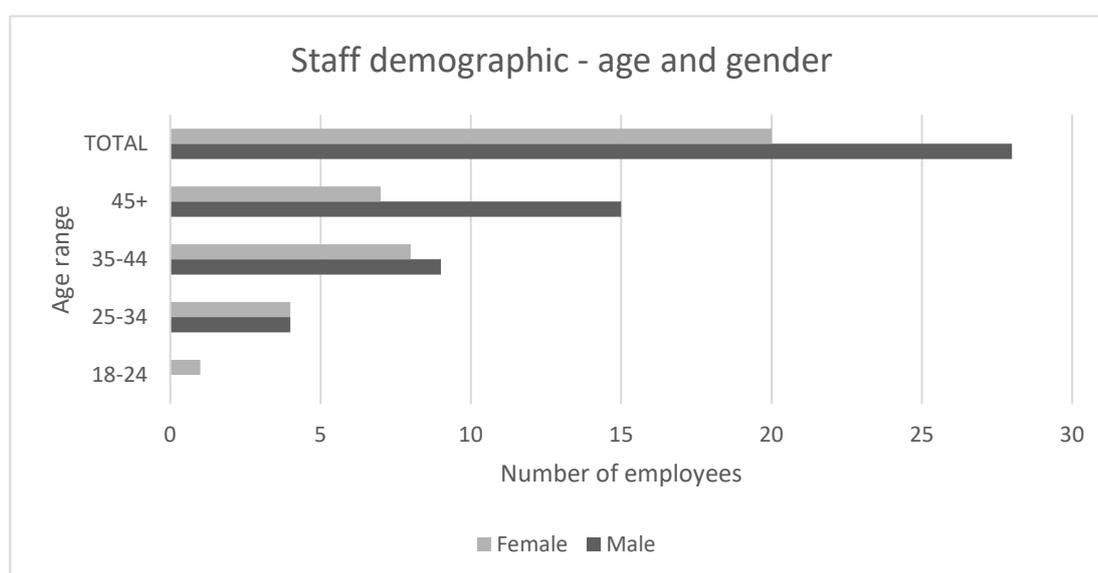
No redundancy, early retirement or retrenchment packages were paid during the period.

Workforce profile as at 30 June 2020

	Total employees	Male	Female	NESB*	A&TSI**
Chief Executive Officer	1	1	0	0	0
Directors	3	3	0	0	0
Technical employees	33	20	13	4	0
Support employees	11	4	7	2	0
Total	48	28	20	6	0

* Non-English speaking background (voluntary disclosure)

** Aboriginal and/or Torres Strait Islander (voluntary disclosure)



Flexible work arrangements as at 30 June 2020

	Employees with flexible arrangements	Part-time employees	Employees who purchased leave
Male	26	1	0
Female	18	3	2
NESB*	6	0	0
Technical staff	32	3	1
Support staff	8	1	1

* Non-English speaking background (voluntary disclosure).

Our publications

Publications released and submissions received

	Submissions	Publications
2020 Declaration reviews	62	6
Queensland Rail 2020 draft access undertaking	19	9
DBCT Management's 2019 draft access undertaking	11	6
Electricity prices for regional Queensland 2020–21	23	13
Supplementary notified prices review: new controlled load tariffs for regional Queensland 2020–21	0	1
Benefits of advance digital metering	0	1
Schedule 8 review	0	1
Irrigation water price review 2020–24	85	101
Gladstone Area Water Board price monitoring 2020–25	25	14
General compliance—Aurizon Network	32	28
General compliance—Queensland Rail	14	9
General compliance—DBCT Management	10	4
General compliance—Electricity	0	35
General compliance—declaration rail network	1	1
Corporate	2	2
Total	284	231

Publicly available publications

Publicly available documents are available on our [website](#). Hard copies can also be obtained by contacting us.

Release date	Title
2020	
June 2020	Supplementary notified prices review: new controlled load electricity prices for regional Queensland 2020–21—stakeholder notice: consultation timetable
June 2020	Schedule 8 review—issues paper
June 2020	DBCT 2020–21 ARR, reference tonnage, TIC and 2019–20 NECAP—approval letter
June 2020	Regulated electricity prices for regional Queensland 2020–21—final determination
June 2020	Regulated electricity prices for regional Queensland 2020–21—final determination: technical appendices
June 2020	Regulated electricity prices for regional Queensland 2020–21—final determination: information booklet
June 2020	Regulated electricity prices for regional Queensland 2020–21—final determination: media release
June 2020	2020 Declaration reviews: final recommendations—Overview
June 2020	2020 Declaration reviews: final recommendations—Part A: Aurizon Network service
June 2020	2020 Declaration reviews: final recommendations—Part B: Queensland Rail service
June 2020	2020 Declaration reviews: final recommendations—Part C: DBCT service
June 2020	Energex and Ergon Energy use of ‘main switch and sticker’ process—decision letter
June 2020	Gladstone Area Water Board price monitoring 2020–25: final report—Part A: Overview
June 2020	Gladstone Area Water Board price monitoring 2020–25: final report—Part B: Accumulated under-recovery
June 2020	Aurizon Network’s 2020–21 reference tariff review—decision notice
June 2020	Aurizon Network’s 2018–19 capital expenditure claim—decision notice
June 2020	Aurizon Network’s 2020 costing manual—letter of approval
June 2020	Aurizon Network’s proposed standard rail connection agreement—letter of required amendments
May 2020	DBCT terminal regulations proposed amendments—stakeholder notice: request for submissions
May 2020	Energex and Ergon Energy use of ‘main switch and sticker’ process—letter and warning notices
May 2020	Regulated electricity prices for regional Queensland 2020–21—workshop presentation
May 2020	Regional solar feed-in tariff 2020–21—final report
May 2020	Regional solar feed-in tariff 2020–21—information sheet
May 2020	Regional solar feed-in tariff 2020–21—media release
May 2020	Aurizon Network 2019–20 adjustment charges—letter and decision notice
April 2020	SEQ retail electricity: 2019–20 market monitoring—advice to retailers
April 2020	DBCT Management’s 2019 draft access undertaking—stakeholder notice: notice for collaborative submissions
April 2020	SEQ electricity retail market monitoring: March quarter 2020—report
April 2020	SEQ electricity retail market monitoring: March quarter 2020—dataset
April 2020	SEQ electricity retail market monitoring: March quarter 2020—media release
March 2020	Regulated electricity prices for regional Queensland 2020–21—draft determination
March 2020	Regulated electricity prices for regional Queensland 2020–21—draft determination: technical appendices
March 2020	Regulated electricity prices for regional Queensland 2020–21—draft determination: information booklet
March 2020	Regulated electricity prices for regional Queensland 2020–21—draft determination: media release
March 2020	2020 Declaration reviews—stakeholder notice: final recommendations
February 2020	Irrigation price review 2020–24: final report—Part A (Overview)
February 2020	Irrigation price review 2020–24: final report—Part B (Sunwater)
February 2020	Irrigation price review 2020–24: final report—Part C (Seqwater)

Release date	Title
February 2020	Irrigation price review 2020–24: final report—media release
February 2020	Irrigation price review 2020–24: final report—fact sheet: Sunwater
February 2020	Irrigation price review 2020–24: final report—fact sheet: Seqwater
February 2020	Irrigation price review 2020–24: final report—information sheet: Barker Barambah
February 2020	Irrigation price review 2020–24: final report—information sheet: Bowen Broken Rivers
February 2020	Irrigation price review 2020–24: final report—information sheet: Boyne River and Tarong
February 2020	Irrigation price review 2020–24: final report—information sheet: Bundaberg
February 2020	Irrigation price review 2020–24: final report—information sheet: Burdekin-Haughton
February 2020	Irrigation price review 2020–24: final report—information sheet: Callide Valley
February 2020	Irrigation price review 2020–24: final report—information sheet: Cedar Pocket
February 2020	Irrigation price review 2020–24: final report—information sheet: Central Brisbane River
February 2020	Irrigation price review 2020–24: final report—information sheet: Central Lockyer Valley (including Morton Vale Pipeline)
February 2020	Irrigation price review 2020–24: final report—information sheet: Chinchilla Weir
February 2020	Irrigation price review 2020–24: final report—information sheet: Cunnamulla
February 2020	Irrigation price review 2020–24: final report—information sheet: Dawson Valley
February 2020	Irrigation price review 2020–24: final report—information sheet: Eton
February 2020	Irrigation price review 2020–24: final report—information sheet: Logan River
February 2020	Irrigation price review 2020–24: final report—information sheet: Lower Fitzroy
February 2020	Irrigation price review 2020–24: final report—information sheet: Lower Lockyer Valley
February 2020	Irrigation price review 2020–24: final report—information sheet: Lower Mary
February 2020	Irrigation price review 2020–24: final report—information sheet: Macintyre Brook
February 2020	Irrigation price review 2020–24: final report—information sheet: Maranoa River
February 2020	Irrigation price review 2020–24: final report—information sheet: Mareeba Dimbulah
February 2020	Irrigation price review 2020–24: final report—information sheet: Mary Valley (including Pie Creek)
February 2020	Irrigation price review 2020–24: final report—information sheet: Nogoa Mackenzie
February 2020	Irrigation price review 2020–24: final report—information sheet: Pioneer River
February 2020	Irrigation price review 2020–24: final report—information sheet: Proserpine River
February 2020	Irrigation price review 2020–24: final report—information sheet: St George
February 2020	Irrigation price review 2020–24: final report—information sheet: Three Moon Creek
February 2020	Irrigation price review 2020–24: final report—information sheet: Upper Burnett
February 2020	Irrigation price review 2020–24: final report—information sheet: Upper Condamine
February 2020	Irrigation price review 2020–24: final report—information sheet: Warrill Valley
February 2020	Queensland Rail 2020 DAU—stakeholder notice: six-month statutory timeframe and notice of time periods
February 2020	DBCT Management’s 2019 draft access undertaking—interim draft decision
February 2020	DBCT Management’s 2019 draft access undertaking—interim draft decision: stakeholder notice—notice for submissions on interim draft decision
February 2020	Queensland Rail 2020 draft access undertaking—final decision and secondary undertaking notice
February 2020	Queensland Rail 2020 draft access undertaking—final decision: appendix B1—marked up QR 2020 DAU
February 2020	Queensland Rail 2020 draft access undertaking—final decision: appendix B1—clean QR 2020 DAU
February 2020	Queensland Rail 2020 draft access undertaking—final decision: appendix B2—marked up QR 2020 DAU SAA
February 2020	Queensland Rail 2020 draft access undertaking—final decision: appendix B2—clean QR 2020 DAU SAA

Release date	Title
February 2020	Gladstone Area Water Board price monitoring 2020–25—draft report: Part A (Overview)
February 2020	Gladstone Area Water Board price monitoring 2020–25—draft report: Part B (Accumulated under-recovery)
February 2020	Gladstone Area Water Board price monitoring 2020–25—draft report: stakeholder notice—consultation on draft report
February 2020	Gladstone Area Water Board price monitoring 2020–25—draft report: initial findings sheet for Part A
February 2020	Gladstone Area Water Board price monitoring 2020–25—draft report: initial findings sheet for Part B
February 2020	Queensland Rail adjustment charges 2019—decision notice
February 2020	DBCT standard underwriting agreement—decision notice
February 2020	Aurizon Network’s 2018–19 capital expenditure claim—stakeholder notice: amended project sample list
February 2020	Aurizon Network’s consolidation draft amending access undertaking—decision notice
February 2020	Regulated electricity prices for regional Queensland 2020–21—stakeholder notice: updated consultation timetable
January 2020	SEQ electricity retail market monitoring: December quarter 2019—report
January 2020	SEQ electricity retail market monitoring: December quarter 2019—dataset
January 2020	SEQ electricity retail market monitoring: December quarter 2019—media release
January 2020	Aurizon Network’s consolidation draft amending access undertaking—stakeholder notice
January 2020	Queensland Rail’s 2018–19 West Moreton capital expenditure claim—stakeholder notice
2019	
December 2019	Queensland Rail volume and reference train service review event—decision
December 2019	Aurizon Network’s volume reset draft amending access undertaking—QCA preliminary position
December 2019	DBCT review event: change in reference tonnage November 2019—decision notice
December 2019	Queensland Rail’s 2019–20 QCA levy—final decision notice
December 2019	Regulated electricity prices for regional Queensland 2020–21—interim consultation paper 2020–21
December 2019	Regulated electricity prices for regional Queensland 2020–21—interim consultation paper 2020–21 handbook
December 2019	Regulated electricity prices for regional Queensland 2020–21—stakeholder notice
December 2019	Aurizon Network’s revised UT5 draft amending access undertaking—decision
December 2019	Aurizon Network’s revised UT5 draft amending access undertaking—notice of time periods
December 2019	Aurizon Network’s revised UT5 draft amending access undertaking—statement of regulatory intent
December 2019	SEQ retail electricity market monitoring report 2018–19—annual report
December 2019	SEQ retail electricity market monitoring report 2018–19—annual report: appendix F
December 2019	SEQ retail electricity market monitoring report 2018–19—media release
December 2019	SEQ retail electricity market monitoring report 2018–19—fact sheet: residential
December 2019	SEQ retail electricity market monitoring report 2018–19—fact sheet: small business
December 2019	SEQ retail electricity market monitoring report 2018–19—fact sheet: discounts and fees
December 2019	SEQ retail electricity market monitoring report 2018–19—fact sheet: competitiveness
December 2019	SEQ retail electricity market monitoring report 2018–19—Q1 dataset
December 2019	SEQ retail electricity market monitoring report 2018–19—Q2 dataset
December 2019	SEQ retail electricity market monitoring report 2018–19—Q3 dataset
December 2019	SEQ retail electricity market monitoring report 2018–19—Q4 dataset
December 2019	Origin Energy late payment fees—media release
November 2019	Aurizon Network’s 2018–19 revenue adjustment amounts—final decision
November 2019	Aurizon Network’s 2019 UT5 draft amending access undertaking—stakeholder notice 4: decision

Release date	Title
November 2019	Aurizon Network's 2019 UT5 draft amending access undertaking—final decision
November 2019	Aurizon Network's 2019 UT5 draft amending access undertaking—final decision: appendix 1—revised UT5 DAAU
November 2019	Aurizon Network's 2019 UT5 draft amending access undertaking—final decision: appendix 1—revised UT5 DAAU: standard access agreement
November 2019	Aurizon Network's 2019 UT5 draft amending access undertaking—final decision: appendix 1—revised UT5 DAAU: standard train operations deed
November 2019	Aurizon Network's 2019 UT5 draft amending access undertaking—final decision: appendix 2—revised UT5 DAAU: responses to requests for information
November 2019	Queensland Rail's 2019–20 QCA levy—stakeholder notice
November 2019	Aurizon Network's 2018–19 capital expenditure claim—stakeholder notice and sample list
November 2019	SEQ electricity retail market monitoring: September quarter 2019—report
November 2019	SEQ electricity retail market monitoring: September quarter 2019—dataset
November 2019	SEQ electricity retail market monitoring: September quarter 2019—media release
November 2019	Gladstone Area Water Board price monitoring 2020–25—stakeholder notice: access to confidential information
October 2019	Mackay Conservation Group request for declaration of the Carmichael Rail Network—media release
October 2019	Monitoring of SEQ solar feed-in tariffs 2018–19—report
October 2019	Monitoring of SEQ solar feed-in tariffs 2018–19—dataset
October 2019	Monitoring of SEQ solar feed-in tariffs 2018–19—media release
October 2019	Aurizon Network's 2019 volume reset draft amending access undertaking—notice of investigation
October 2019	Aurizon Network's 2019 volume reset draft amending access undertaking—stakeholder notice: notice of time periods
October 2019	Aurizon Network's 2017–18 capital expenditure claim—final decision notice
October 2019	DBCT Management's 2019 draft access undertaking—stakeholder notice: seeking further stakeholder feedback to inform an interim draft decision
October 2019	Queensland Rail 2020 draft access undertaking—West Moreton coal pricing discussion paper
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Atkinson Dam—Central Lockyer and Lower Lockyer
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Atkinson Dam presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Bundaberg
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Bundaberg presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Central Brisbane River
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Central Brisbane River presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Clare—Burdekin-Haughton
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Clare presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Dawson Valley
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Dawson Valley presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Giru—Burdekin-Haughton
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Giru presentation

Release date	Title
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Lower Mary
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Lower Mary presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Mackay—Eton and Pioneer River
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Mackay presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Mareeba-Dimbulah
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Mareeba-Dimbulah presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Monto—Callide Valley, Three Moon Creek and Upper Burnett
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Monto presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Murgon—Barker Barambah and Boyne River and Tarong
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Murgon presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Nogo-Mackenzie
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Nogo-Mackenzie presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Pittsworth—Macintyre Brook and Upper Condamine
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: Pittsworth presentation
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: follow-up meeting—Burdekin-Haughton (Giru)
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: follow-up meeting—Burdekin-Haughton (Ayr)
October 2019	Irrigation price review 2020–24—summary of issues raised at draft report workshops: follow-up meeting—Burdekin-Haughton (presentation)
October 2019	Gladstone Area Water Board price monitoring 2020–25—notice to produce information under s185 of the QCA Act: request to provide contracts
October 2019	Gladstone Area Water Board price monitoring 2020–25—stakeholder notice: statutory requests for information
October 2019	Gladstone Area Water Board price monitoring 2020–25—letter to GAWB: confidentiality claim (25 October 2019)
October 2019	2020 Declarations review—consultation paper: DBCT Management’s executed deed poll
October 2019	QCA annual report 2018–19
October 2019	Gladstone Area Water Board price monitoring 2020–25 – stakeholder notice: consultation on GAWB’s regulatory proposal
September 2019	Irrigation price review 2020–24: draft report—issues paper on access charge
September 2019	Irrigation price review 2020–24: draft report—Part A (Overview)
September 2019	Irrigation price review 2020–24: draft report—Part B (Sunwater)
September 2019	Irrigation price review 2020–24: draft report—Part C (Seqwater)
September 2019	Irrigation price review 2020–24: draft report—summary of irrigation pricing approach
September 2019	Irrigation price review 2020–24: draft report—fact sheet: Sunwater
September 2019	Irrigation price review 2020–24: draft report—fact sheet: Seqwater
September 2019	Irrigation price review 2020–24: draft report—information sheet: Barker Barambah

Release date	Title
September 2019	Irrigation price review 2020–24: draft report—information sheet: Bowen Broken Rivers
September 2019	Irrigation price review 2020–24: draft report—information sheet: Boyne River and Tarong
September 2019	Irrigation price review 2020–24: draft report—information sheet: Bundaberg
September 2019	Irrigation price review 2020–24: draft report—information sheet: Burdekin Haughton
September 2019	Irrigation price review 2020–24: draft report—information sheet: Callide Valley
September 2019	Irrigation price review 2020–24: draft report—information sheet: Cedar Pocket
September 2019	Irrigation price review 2020–24: draft report—information sheet: Central Brisbane River
September 2019	Irrigation price review 2020–24: draft report—information sheet: Central Lockyer Valley (including Morton Vale Pipeline)
September 2019	Irrigation price review 2020–24: draft report—information sheet: Chinchilla Weir
September 2019	Irrigation price review 2020–24: draft report—information sheet: Cunnamulla
September 2019	Irrigation price review 2020–24: draft report—information sheet: Dawson Valley
September 2019	Irrigation price review 2020–24: draft report—information sheet: Eton
September 2019	Irrigation price review 2020–24: draft report—information sheet: Logan River
September 2019	Irrigation price review 2020–24: draft report—information sheet: Lower Fitzroy
September 2019	Irrigation price review 2020–24: draft report—information sheet: Lower Lockyer Valley
September 2019	Irrigation price review 2020–24: draft report—information sheet: Lower Mary
September 2019	Irrigation price review 2020–24: draft report—information sheet: Macintyre Brook
September 2019	Irrigation price review 2020–24: draft report—information sheet: Maranoa River
September 2019	Irrigation price review 2020–24: draft report—information sheet: Mareeba Dimbulah
September 2019	Irrigation price review 2020–24: draft report—information sheet: Mary Valley (including Pie Creek)
September 2019	Irrigation price review 2020–24: draft report—information sheet: Nogoia Mackenzie
September 2019	Irrigation price review 2020–24: draft report—information sheet: Pioneer River
September 2019	Irrigation price review 2020–24: draft report—information sheet: Proserpine River
September 2019	Irrigation price review 2020–24: draft report—information sheet: St George
September 2019	Irrigation price review 2020–24: draft report—information sheet: Three Moon Creek
September 2019	Irrigation price review 2020–24: draft report—information sheet: Upper Burnett
September 2019	Irrigation price review 2020–24: draft report—information sheet: Upper Condamine
September 2019	Irrigation price review 2020–24: draft report—information sheet: Warrill Valley
September 2019	Irrigation price review 2020–24: draft report—media release
September 2019	Benefits of advanced digital metering—final advice to the Minister
September 2019	Aurizon Network UT5 draft amending access undertaking—position paper
September 2019	Aurizon Network UT5 draft amending access undertaking—position paper: Appendix 1—revised UT5 DAAU
September 2019	Aurizon Network UT5 draft amending access undertaking—position paper: Appendix 2—responses to request for information
September 2019	Aurizon Network UT5 draft amending access undertaking—stakeholder notice 2: position paper
September 2019	Guaranteed Service Levels annual report 2018–19
September 2019	Guaranteed Service Levels annual report 2018–19—medial release
September 2019	Queensland Rail volume and reference train service review event—stakeholder notice
September 2019	Queensland Rail reference train services draft amending access undertaking—stakeholder notice
August 2019	QCA strategic plan 2019–20
August 2019	DBCT Management’s 2019 draft access undertaking—staff questions for stakeholders
August 2019	Queensland Rail’s 2017–18 West Moreton expenditure claim—decision

Release date	Title
August 2019	Queensland Rail 2020 draft access undertaking—stakeholder notice: collaborative submission extension
July 2019	Queensland Rail’s 2017–19 West Moreton capital expenditure claim—stakeholder notice on consultant report
July 2019	SEQ electricity retail market monitoring: June quarter 2019—report
July 2019	SEQ electricity retail market monitoring: June quarter 2019—dataset
July 2019	SEQ electricity retail market monitoring: June quarter 2019—media release
July 2019	Aurizon Network 2019 electric traction draft amending access undertaking—decision
July 2019	Queensland Rail 2020 draft access undertaking—stakeholder notice: collaborative submissions
July 2019	DBCT Management’s 2019 draft access undertaking—notice of investigation and time periods
July 2019	Gladstone Area Water Board price monitoring 2020–25—guidance notice for GAWB review
July 2019	Gladstone Area Water Board price monitoring 2020–25 – notice of investigation

Financial statements

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Statement of comprehensive income

for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Income from Continuing Operations			
Fees	2	10,644,849	10,868,927
Government Grant	3	4,000,000	4,000,000
Other Income	4	713,534	1,684,969
Total Revenue		15,358,383	16,553,896
Gains/(Losses)			
Gain/(Loss) on sale of plant and equipment		-	(5,051)
Total Income from Continuing Operations		15,358,383	16,548,846
Expenses from Continuing Operations			
Members' Expenses		439,549	397,306
Employee Expenses	5	8,110,684	7,659,719
Supplies and Services	8	4,002,722	6,201,150
Borrowing Costs - Interest on Lease	14	132,770	-
Depreciation and Amortisation	13, 14	1,908,795	416,120
Fee Expense	9	1,326,101	1,306,314
Other Expenses	10	42,834	40,929
Total Expenses from Continuing Operations		15,963,455	16,021,537
Operating Result from Continuing Operations		(605,072)	527,308
Total Comprehensive Income		(605,072)	527,308

The accompanying notes form part of these financial statements

Statement of financial position

as at 30 June 2020

	Notes	2020 \$	2019 \$
Current Assets			
Cash and Cash Equivalents	11	11,911,627	15,517,557
Receivables	12	928,943	3,105,631
Other		395,067	326,584
Total Current Assets		13,235,637	18,949,772
Non Current Assets			
Plant and Equipment	13	1,138,783	1,551,886
Right-of-use Assets	14	3,614,579	-
Total Non Current Assets		4,753,362	1,551,886
Total Assets		17,988,999	20,501,658
Current Liabilities			
Lease Liabilities	14	2,197,690	-
Payables	15	1,671,853	1,924,649
Accrued Employee Benefits	16	687,851	930,916
Lease Incentive Liability	17	-	330,000
Total Current Liabilities		4,557,394	3,185,565
Non Current Liabilities			
Lease Liabilities	14	3,344,766	-
Accrued Employee Benefits	16	153,151	112,293
Lease Incentive Liability	17	-	825,000
Total Non Current Liabilities		3,497,917	937,293
Total Liabilities		8,055,311	4,122,858
Net Assets		9,933,688	16,378,800
Equity			
Contributed Equity	20	-	1,559,000
Accumulated Surplus	20	9,933,688	14,819,800
Total Equity		9,933,688	16,378,800

The accompanying notes form part of these financial statements

Statement of changes in equity

for the year ended 30 June 2020

	Accumulated Surplus		Contributed Equity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Balance 1 July	14,819,800	14,292,492	1,559,000	1,559,000
Net effect of change in accounting policy (note 1f)	(1,340,039)	-	-	-
Operating Result from Continuing Operations	(605,073)	527,308	-	-
Other Comprehensive Income	-	-	-	-
Transactions with owners as owners				
- Transfer to Queensland Treasury (note 20)	(2,941,000)	-	(1,559,000)	-
Balance 30 June	9,933,688	14,819,800	-	1,559,000

The accompanying notes form part of these financial statements

Statement of cash flows

for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
<i>Inflows:</i>			
Government Grant		4,000,000	4,000,000
Fees		12,776,149	8,380,099
Interest		216,264	401,917
Other		533,984	1,267,666
GST collected		1,199,047	862,353
GST input tax credits from ATO		667,241	667,297
		19,392,685	15,579,331
<i>Outflows:</i>			
Members' Expenses		(439,549)	(397,306)
Employee Expenses		(8,400,402)	(7,628,398)
Supplies and services		(5,609,977)	(6,538,531)
Borrowing costs		(132,770)	-
GST paid to Suppliers		(653,745)	(657,801)
GST remitted to ATO		(1,199,317)	(862,090)
		(16,435,760)	(16,084,126)
Net cash provided by / (used in) operating activities		2,956,925	(504,795)
Cash flows from investing activities			
<i>Inflows:</i>			
Proceeds from disposal of Plant and Equipment		-	1,285
<i>Outflows:</i>			
Payments for Plant and Equipment		-	(57,071)
Net cash provided by / (used in) investing activities		-	(55,785)
Cash flows from Financing activities			
<i>Outflows:</i>			
Lease payments	14	(2,062,854)	-
Transfer of funds to Queensland Treasury	20	(4,500,000)	-
Net cash provided by / (used in) Financing activities		(6,562,854)	-
Net increase/(decrease) in cash and cash equivalents		(3,605,929)	(560,580)
Cash and cash equivalents at beginning of financial year		15,517,557	16,078,137
Cash and cash equivalents at end of financial year	11	11,911,628	15,517,557

The accompanying notes form part of these financial statements

Notes to and forming part of the financial statements

for the year ended 30 June 2020

Note 1:

Basis of Financial Statement Preparation

(a) General Information

These financial statements cover the Queensland Competition Authority (QCA). The QCA is a statutory body established under the *Queensland Competition Authority Act 1997* (QCA Act).

(b) Compliance with Prescribed Requirements

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*.

These financial statements are general purpose financial statements and have been prepared on an accruals basis (with the exception of the statement of cash flows which is prepared on a cash basis) in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (RDR) and Interpretations. The QCA is a not-for-profit entity and the financial statements comply with the requirements of Australian Accounting Standards - RDR and Interpretations applicable to not-for-profit entities.

(c) The Reporting Entity

The QCA does not control other entities. The financial statements include the value of all income, expenses, assets, liabilities and equity of the QCA as an individual entity.

(d) Underlying Measurement Basis

The historical cost convention is used unless otherwise stated.

(e) Other Presentation Matters

Currency and Rounding

Amounts included in financial statements are in Australian dollars, are rounded to the nearest dollar and may not add to the correct sub-totals or totals due to rounding.

Comparatives

Comparative information reflects the audited 2018-19 financial statements. Comparative information is restated where necessary to be consistent with disclosures in the current reporting period. There have been no material restatements during the year.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or when the QCA does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

(f) New Accounting Standards (including early adoption)

The QCA did not voluntarily change any of its accounting policies during 2019-20.

The QCA did not early adopt any new accounting pronouncements in the 2019-20 financial year.

Three new accounting standards were applied for the first time in 2019-20:

- AASB 15 Revenue from Contracts with Customers
- AASB 1058 Income of Not-for-Profit Entities
- AASB 16 Leases

AASB 15 Revenue from Contracts with Customers introduces a five step model for recognising revenue from contracts with customers. The new standard does not impact the classification of the QCA's revenue and so has no impact on the QCA.

AASB 1058 Income of Not-for Profit Entities applies to the QCA's grants that are not contracts with customers, being all grants disclosed in Note 3. Revenue from these grants continues to be recognised upfront on receipt

of the funding, consistent with prior accounting treatment. Overall, there was no transitional impact from adopting AASB 1058.

Refer to notes 2, 3 and 4 for details on the current accounting policies on the recognition of revenue.

AASB 16 Leases requires all leases to be accounted for on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short term leases and leases of low value assets. The QCA has one lease for office accommodation which was recognised on transition as a Right of Use asset with a written down value of \$5,110,271 and a lease liability of \$7,605,310. The QCA subsequently depreciates the Right of Use asset and recognises interest expense on the lease liability.

Lease Incentive Liability recognised at 1 July 2019 of \$1,155,000 have been derecognised upon adoption of the new standard.

The difference between the sum of operating lease commitments at 30 June 2019 (in note 20) and the lease liability recognised on transition is solely due to discounting using the QCA's incremental borrowing rate at 1 July 2019 of 1.96%

There have been no changes to the accounting standard in relation to the leases where QCA acts as the Lessor.

Comparative figures for 2018-19 have not been restated on adoption of these three standards.

(g) Authorisation of Financial Statements for issue

The financial statements were authorised for issue by the Chairman and the Chief Executive Officer at the date of signing the Management Certificate.

Note 2:

Fees	2020 \$	2019 \$
Fees	10,644,849	10,868,927
Total	10,644,849	10,868,927

Accounting Policy

Fee revenue is recognised in the accounting period in which the services are rendered and is in compliance with the requirements set out in the *Queensland Competition Authority Regulation 2018*.

The *Queensland Competition Authority Regulation 2018* only permits the QCA to charge fees for providing a service or performing a function that is no more than the reasonable cost of providing that service or performing that function. Regulatory fee income is calculated based on the associated costs of providing the related services.

Any regulatory fee income received in excess of the costs of providing the related services in a year is disclosed in the Statement of Financial Position as a payable and is recognised as an expense in the Statement of Comprehensive Income. All amounts payable are repaid in the next financial year.

Any cost of providing the regulated services in excess of the regulated fee income received in a year is disclosed in the Statement of Financial Position as a receivable and is recognised as revenue in the Statement of Comprehensive Income. All amounts receivable are invoiced in the subsequent financial year.

Note 3:

Government Grant	2020 \$	2019 \$
Grant – Queensland Treasury	4,000,000	4,000,000
Total	4,000,000	4,000,000

Accounting Policy

The Government grant is recognised upon receipt of the grant funding. The grant is non-reciprocal in nature.

Where the grant agreement is enforceable and contains specific performance obligations for the QCA to transfer services to a third party on the grantor's behalf, the grant is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred as unearned revenue (contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income for Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding. The QCA did not receive any specific purpose capital grants in this financial year.

Contributions of assets received from the government are recognised at fair value on the date of transfer in the Statement of Financial Position, with a corresponding amount of revenue recognised in the Statement of Comprehensive Income.

Note 4:

Other Income	2020	2019
	\$	\$
Interest	196,449	400,213
Sub-lease rent income	388,960	410,428
Legal fees recovered	-	759,849
Other	128,125	114,479
Total	713,534	1,684,969

Accounting Policy

Sub-lease rent income is derived from leasing floor space to the Queensland Productivity Commission and is classed as revenue and does not offset rent expense. The sub-lease has a term of two years with no option to renew. Rent is received monthly in arrears with an annual increase of 4.25%.

Lease income is recognised when the right to receive the revenue has been established.

Note 5:

Employee Expenses	2020	2019
	\$	\$
Employee Benefits		
Salaries	6,198,255	5,756,024
Annual Leave	481,045	473,449
Sick Leave	126,592	174,771
Employer Superannuation Contributions	647,046	603,013
Long Service Leave Central Scheme Levy	147,170	136,384
Employee Related Expenses		
Payroll tax	379,283	315,838
Staff Training Costs	87,224	106,974
Staff Recruitment Costs	-	38,217
Other Staff Expenses	26,533	40,121
Workers Compensation Premium	17,535	14,928
Total	8,110,683	7,659,719

The number of employees including both full time employees and part time employees measured on a full time equivalent basis at the end of each year is:

46.5 50.5

Accounting Policy

Salaries and sick leave

Salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current salary rates. As the QCA expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual and long service leave

Annual leave liabilities are accounted for as short term employee benefits and are presented as current liabilities as QCA does not have an unconditional right to defer payment for at least 12 months after the end of the reporting period. Annual leave liabilities are measured at the present value of the expected future payments to be made to employees. Expected future payments take into account anticipated future salaries and anticipated future leave requirements of staff. These are discounted at rates at the end of the reporting period on government bond rates at the end of the reporting period that coincides with the expected timing of estimated future payments.

All directly associated on-costs (for example employer superannuation contributions, payroll tax and worker's compensation insurance) are also recognised as liabilities.

The QCA joined the State Government's Long Service Leave Central Scheme (the Scheme) from 1 July 2002. Under the Scheme, a levy is made on the QCA to cover this expense. Amounts paid to employees for long service leave are claimed from the Scheme quarterly in arrears.

No provision for long service leave is recognised in the Financial Statements from 1 July 2002, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Staff Retention Scheme

Included in accrued employee benefits is the amount payable to staff under the QCA's staff retention scheme. Eligible staff are entitled to a payment following continuous service to the QCA after three and after six years. The amount recognised is measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate estimates of future salaries, duration of current service and probability of employee turnover and are discounted at rates at the end of the reporting period on government bond rates. Upon measurement of obligations under the staff retention scheme, the net obligation is recognised in profit or loss as part of employee benefits expense.

Superannuation

Contributions to superannuation meet the minimum requirements of the *Superannuation Guarantee (Administration) Act 1992*. Contributions to employees' superannuation plans are charged as an expense as the contributions are paid or become payable. Employees of the QCA may elect to be members of QSuper or any other complying superannuation fund.

Other Employee Related Expenses

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Note 6:

Key Executive Management Personnel and Remuneration Expenses

The key executive management personnel that had authority and responsibility for planning, directing and controlling the activities of the QCA during 2019–20 are detailed below.

Position	Responsibilities	Contract Classification and Appointment Authority
Chairman	Members are collectively responsible for the Authority's duties and responsibilities, in accordance with the QCA Act. The Chairman is also responsible for the collegiate functioning of the members and Ministerial liaison.	Governor in Council/ <i>QCA Act 1997</i>
Deputy Chairman	Members are collectively responsible for the Authority's duties and responsibilities, in accordance with the QCA Act. In the absence of the Chairman, the Deputy chairman assumes the Chairman's responsibilities.	Governor in Council/ <i>QCA Act 1997</i>
Member	Members are collectively responsible for the Authority's duties and responsibilities, in accordance with the QCA Act.	Governor in Council/ <i>QCA Act 1997</i>
Chief Executive	The Chief Executive is responsible for management of the Authority in accordance with directions of the Members and the QCA Act.	Individual Contract issued by the Authority

The remuneration of Members is set by the Governor in Council. The remuneration of the Chief Executive is set by Members of the Authority and detailed in an employment contract.

Total Remuneration comprises:

- Short term benefits which include:
 - Base—consisting of base salary and leave entitlements paid and provided for the entire year
 - Performance payment—based on a set of key performance indicators set by the Members at the beginning of each financial year that focus on the delivery of work plan and organisational goals
 - Non-monetary benefits—consisting of other employment benefits together with fringe benefits tax applicable to the benefit
- Long term employee benefits consisting of payments towards long service leave entitlements
- Post employment benefits consisting of superannuation contributions
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment.

The following disclosures focus on the expenses incurred by QCA during the respective reporting periods that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

1 July 2019—30 June 2020

Position	Short Term Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	\$	Non-Monetary Benefits \$				
Chairman (1/7/19-30/6/20)	141,768	-	-	13,468	-	155,236
Deputy Chairman (1/7/19-30/6/20)	70,884	-	-	6,734	-	77,618
Member (1/7/19-30/6/20)	70,884	-	-	6,734	-	77,618
Member (1/7/19-30/6/20)	70,884	-	-	6,734	-	77,618
Chief Executive (1/7/19-30/6/20)	433,203	-	9,097	21,736	-	464,036
Total Remuneration	787,622	-	9,097	55,406	-	852,125

1 July 2018—30 June 2019

Position	Short Term Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
		Non-Monetary Benefits				
	\$	\$	\$	\$	\$	\$
Chairman (1/7/18-30/6/19)	136,517	-	-	12,969	-	149,486
Deputy Chairman (1/7/18-30/6/19)	68,259	-	-	6,485	-	74,743
Member (1/7/18-30/6/19)	68,259	-	-	6,485	-	74,743
Member (1/1/19-30/6/19)	32,554	-	-	3,093	-	35,647
Chief Executive (1/7/18-30/6/19)	397,683	-	8,351	20,461	-	426,496
Total Remuneration	703,272	-	8,351	49,492	-	761,115

Performance Payments

The 2018-19 remuneration package for the Chief Executive included a potential performance payment of up to a maximum of \$20,487 for successful completion of Board set key performance indicators. The assessment process for the performance payment yielded a performance payment of \$20,487 which was paid in the 2019-20 financial year.

The 2019-20 remuneration package for the Chief Executive includes a potential performance payment. The assessment has been completed and a performance payment will not be made nor deferred for the 2019-20 financial year.

Note 7:

Related Party Transactions

There were no related party transactions with the QCA's key management personnel in 2018-19 or 2019-20.

Note 8:

Supplies and Services	2020	2019
	\$	\$
Specialist Services	3,138,239	3,586,393
Occupancy Costs (2019 includes operating lease rentals on office premises)	206,630	2,040,609
Information Technology Costs	395,377	267,964
Travel and Accommodation Costs	23,503	28,017
Bank Fees and Charges	20,117	24,732
General Administration Costs	100,768	126,319
Other	118,088	127,117
Total	4,002,722	6,201,150

Accounting Policy

Expenses for supplies and services are recognised upon receipt of the goods or services ordered and are measured at the nominal amount.

Note 9:

Fee Expense	2020	2019
	\$	\$
Fee Expense*	1,326,101	1,306,314
Total	1,326,101	1,306,314

*Fee Expense represents regulated fees received in excess of reasonable costs that will be repaid in the next financial year.

Note 10:

Other Expenses	2020	2019
	\$	\$
External Audit Fees*	26,100	25,320
Insurance Premiums	16,734	15,609
Total	42,834	40,929

*There are no non-audit services included in this amount.

Total audit fees quoted by the Queensland Audit Office relating to the 2019–20 financial statements are \$26,100 (2019: \$25,320).

Note 11:

Cash and Cash Equivalents	2020	2019
	\$	\$
Cash at Bank	3,379,822	2,154,206
Cash on Hand	500	500
Cash in QTC Cash Fund	8,531,305	13,362,851
Total	11,911,627	15,517,557

Accounting Policy

Cash assets include cash at bank, cash on hand and cash with Queensland Treasury Corporation (QTC). All cash amounts are at call and can be redeemed in under one working day at their face value. The QCA does not have any borrowing or overdraft facilities.

Note 12:

Receivables	2020	2019
	\$	\$
Trade Debtors	48,278	65,177
Other Receivables	32,014	47,277
Accrued Fee Income*	798,627	2,929,927
Sub Total	878,919	3,042,381
GST Receivable	54,313	67,810
GST Payable	(4,289)	(4,559)
Sub Total	50,024	63,251
Total Receivables	928,943	3,105,632

Accounting Policy

Trade Debtors are recognised at the nominal amounts due, with settlement generally being required within 30 days from invoice.

The collectability of receivables is assessed annually with provision being made for expected credit losses.

The receivable loss allowance calculation, based on the probability and timing of potential defaults has been assessed at zero for 2019-20, taking into account forecasts of future economic conditions as well as past events. There have been no bad debts.

*Accrued Income represents reasonable costs in excess of regulatory fees received that will be invoiced in the next financial year.

Note 13:

Plant and Equipment and Depreciation Expense	2020	2019
	\$	\$
(i) Plant and Equipment		
Plant and Equipment: At Cost	3,934,407	3,934,407
Less: Accumulated Depreciation	(2,795,624)	(2,382,521)
Total	1,138,783	1,551,886
(ii) Plant and Equipment Reconciliation		
	Plant and Equipment	Total
	\$	\$
Carrying amount at 1 July 2019	1,551,886	1,551,886
Acquisitions (including upgrades)	-	-
Disposals	-	-
Depreciation Expense	(413,103)	(413,103)
Carrying amount at 30 June 2020	1,138,783	1,138,783

Accounting Policy

The Queensland Government's policy, titled *Non-Current Asset Policies for the Queensland Public Sector*, establishes prescribed asset measurement methods and recognition thresholds. In accordance with this policy, the assets of the QCA are measured at depreciated cost. On acquisition, assets are valued at cost including all expenses necessary to have the asset ready for use. Items of plant and equipment with a cost value equal to or in excess of \$5,000 are recognised for financial purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

The carrying amounts for plant and equipment at cost approximate their fair value.

Impairment

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the QCA determines the asset's recoverable amount. Any amount by which the asset's carrying value exceeds the recoverable amount is recorded as an impairment loss and recognised immediately in the Statement of Comprehensive Income.

Depreciation Expense

Depreciation of plant and equipment is calculated on a straight line basis so as to allocate the net cost of each asset, less its estimated residual value, progressively over its estimated useful life to the QCA. Fixtures and fittings are depreciated over the lesser of the unexpired period of the QCA's building lease and the estimated useful life, while other plant and equipment is depreciated over the estimated useful life.

The estimation of the useful lives of assets is based on historical experience with similar assets and asset turnover practices of the QCA. Reassessments of useful life estimates are implemented prospectively.

In general, the following depreciation rate ranges have been used:

- Office Equipment 10% to 33%
- Computer Equipment: 20% to 33%
- Fixtures and Fittings: 10% to 12%
- Leasehold Improvements: 10% to 12%

Note 14:

Leases	2020	2019
	\$	\$
Right of Use assets - Buildings		
Opening balance at 1 July	5,110,271	-
Depreciation charge	(1,495,692)	-
Closing balance 30 June	3,614,579	-
Lease Liabilities		
Current	2,197,690	-
Non-current	3,344,766	-
Total	5,542,456	-
Amounts recognised in profit or loss		
Interest expense on lease liabilities	132,770	-
Depreciation on Right-of-Use assets	1,495,692	-
Total cash outflow for leases	2,062,854	-

Accounting Policy

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability (see below), any lease payments made at or before the commencement date (less any lease incentives received), initial direct costs incurred and the initial estimate of restoration costs (where applicable). Subsequent to initial recognition, right-of-use assets are measured at cost.

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the QCA is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise:

- fixed payments (less any lease incentives receivable),
- variable lease payments that depend on an index or rate (initially measured using the index or rate as at the commencement date),
- the amount of residual guarantees,
- the exercise price of a purchase option (where the QCA is reasonably certain to exercise the option); and
- payments for termination penalties (if the lease term reflects the early termination).

The QCA's incremental borrowing rate is used when measuring the lease liability for the lease of office premises as the interest rate implicit in the lease cannot be readily determined. The incremental borrowing rate used is the fixed loan rate published by the Queensland Treasury Corporation that corresponds to the lease's commencement date and lease term.

Lease instalments paid will be split between interest expense and a reduction in the Lease Liability. The Right of Use Asset is amortised over the term of the lease.

The offices occupied by the QCA are subject to a lease which expires on 22 November 2022. The lease is calculated with annual increases of 4.25%. There are no options beyond the expiry date.

A bank guarantee in favour of the Landlord for \$970,068 being equivalent to six months rent has been issued. This is enforceable should the QCA default on its lease commitments.

From 1 July 2019, the QCA has adopted the new Australian Accounting Standard AASB 16 Leases. Under the new accounting standard, the QCA recognised a Right of Use Asset of \$5,110,271 and a Lease Liability of \$7,605,310. The adoption of the new standard also resulted in a write back of Current Lease Incentive of \$330,000 and Non-Current Lease Incentive of \$825,000 and a reduction in Accumulated Surpluses of \$1,340,039.

Note 15:

Payables	2020	2019
	\$	\$
Accrued Expenses	151,811	370,368
Trade Creditors	167,841	222,647
Audit Fees Payable	26,100	25,320
Accrued Fee Expenses*	1,326,101	1,306,314
Total	1,671,853	1,924,649

*Accrued Fee Expenses represents reasonable costs less than the regulatory fees received that will be repaid in the next financial year.

Accounting Policy

Trade Creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount; i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Trade creditors are generally unsecured, not subject to interest charges and are normally settled within agreed business terms.

Note 16:

Accrued Employee Benefits	2020	2019
	\$	\$
Current		
Annual Leave	602,043	561,562
Staff Retention Scheme	85,808	226,512
Salaries Payable	-	142,842
Total	687,851	930,916
Non-Current		
Staff Retention Scheme	153,151	112,293
Total	153,151	112,293

Accounting Policy

Accounting policies for employee benefit liabilities are disclosed in note 5.

Note 17:

Other Liabilities	2019
	\$
Current	
Lease Incentive (2019 only)	330,000
Total	330,000
Non-Current	
Lease Incentive (2019 only)	825,000
Total	825,000

Accounting Policy

Lease incentives at 1 July 2019 were derecognised upon adoption of the new Australian Accounting Standard AASB 16: Leases. Lease incentives received have formed part of the calculation of the Right of Use asset recognised as at 1 July 2019.

Lease incentives represented fixtures and fittings provided under the lease of the QCA's office premises. Lease incentives were offset against rent paid over the term of the lease.

The lease incentive received was recognised as an integral part of the rent expense, over the term of the lease.

Note 18:**Financial Instruments**Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the QCA becomes a party to the contractual provisions of the instrument.

Classification

The QCA's only financial assets and liabilities are as follows and they are measured at:

- Cash and cash equivalents—held at amortised cost
- Receivables—held at amortised cost
- Payables—held at amortised cost

The carrying amounts of trade receivables and payables approximate their fair value.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

The QCA does not enter into, or trade with, such instruments for speculative purposes, nor for hedging.

Note 19:

Commitments

Leases as lessee (2019 only)

Non-Cancellable operating leases

Future operating lease rentals not provided for in the financial statements are payable as follows:

Not later than one year (inclusive of GST)	2,410,937
Later than one year but not later than five years (inclusive of GST)	6,179,089
Later than five years (inclusive of GST)	-
Total commitments	8,590,026

Leases as lessor

Future sub-lease rentals not recognised in the financial statements are receivable as follows:

Not later than one year (inclusive of GST)	554,106	532,973
Later than one year but not later than five years (inclusive of GST)	145,601	699,707
Later than five years (inclusive of GST)	-	-
Total commitments	699,707	1,232,680

Part of the offices occupied by the QCA are subject to a sub-lease with the Queensland Productivity Commission which expires on 30 September 2021. The lease is calculated with annual increases of 4.25%. There are no options beyond the expiry date.

Note 20:

Other information

Transactions with Owners as Owners

A designation to transfer surplus cash of \$4,500,000 to Queensland Treasury was received from the Treasurer of Queensland. This transfer reduced the balance of the QCA's Contributed Equity to \$Nil. The remaining balance of \$2,941,000 was offset against the QCA's accumulated surplus.

Taxation

The activities of the QCA are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). Input tax credits receivable and GST payable from/to the Australian Taxation Office have been recognised in the Statement of Financial Position.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Key Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of accounting estimates, assumptions, and management judgements that have the potential to cause a material impact on the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying

assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are included in the calculation of the following financial statement notes:

- Accrued Fee Income—note 12
- Depreciation—note 13
- Accrued Expenses—note 15
- Accrued Fee Expenses—note 15
- Accrued Employee Benefits—note 16

Impact of COVID 19

While we recognise the impact of COVID 19 at the State and National level, our ability to deliver services to government and our stakeholders have not been materially affected. Our customers and suppliers have continued to trade and through the use of appropriate technology our processes are sufficiently robust and allow our operations to continue through a mixture of office and home-based activities. Whilst the current environment is quite fluid, given the size and scale of the entities we regulate and the strength of the supply chains we all utilise, we are confident viable future operations can be maintained by stakeholders and the QCA.

Certificate of Queensland Competition Authority

These general purpose financial statements have been prepared pursuant to s.62(1)(a) of the *Financial Accountability Act 2009* (the Act), s. 39 of the *Financial and Performance Management Standard 2019*, and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Competition Authority for the financial year ended 30 June 2020 and of the financial position of the Authority as at the end of that year.

We acknowledge responsibility under s.7 and s.11 of the Financial and Performance Management Standard 2019 for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Chairman

F. Menezes

PhD U of I

20 August 2020



Chief Executive Officer

C Millstead

BEcon (Hons) BA

20 August 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of Queensland Competition Authority

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Competition Authority.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, 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 management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General 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 entity 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 Auditing Standards*.

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

Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the entity for the financial report

The Members are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Members determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Members are also responsible for assessing the entity'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 it is intended to abolish the entity or to otherwise cease operations.

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. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity'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 entity'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 entity 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 Members 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.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Melissa Fletcher
as delegate of the Auditor-General

21 August 2020

Queensland Audit Office
Brisbane

Glossary

Term	Definition
ACCC	Australian Competition and Consumer Commission
AEMC	Australian Energy Market Commission
CQCN	Central Queensland coal network
DAAU	Draft amending access undertaking
DAU	Draft access undertaking
DBCT	Dalrymple Bay Coal Terminal
DBCTM	DBCT Management
DBCT PL	DBCT Pty Ltd
Electricity Act	<i>Electricity Act 1994</i>
GAWB	Gladstone Area Water Board
HRA	<i>Human Rights Act 2019</i>
IPART	Independent Pricing and Regulatory Tribunal
KPI	Key performance indicator
NESB	Non-English-speaking background
Notified prices	Regulated retail electricity prices
RCD	Residual current device
SEQ	South east Queensland
QCA	Queensland Competition Authority
QCA Act	<i>Queensland Competition Authority Act 1997</i>
UT5	Aurizon Network's 2017 access undertaking

Appendices

Queensland Competition Authority

File Ref: 1422687

11 September 2020

The Hon Cameron Dick MP
Treasurer and Minister for Infrastructure and Planning
GPO Box 611
Brisbane Qld 4001

Dear Treasurer

Queensland Competition Authority annual report 2019–20

I am pleased to submit for presentation to the Parliament the annual report 2019–20 and financial statements for the Queensland Competition Authority.

I certify that the annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements is provided at pages 62–63 of this annual report.

Yours sincerely



Professor Flavio Menezes
Chair

Level 27, 145 Ann Street, Brisbane Q 4000
GPO Box 2257, Brisbane Q 4001
Tel (07) 3222 0555
www.qca.org.au

Appendix B: Compliance checklist

Summary of requirement	Basis for requirement	Annual report reference	
Letter of compliance	<ul style="list-style-type: none"> • A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	61
Accessibility	<ul style="list-style-type: none"> • Table of contents • Glossary 	ARRs – section 9.1	1 59
	<ul style="list-style-type: none"> • Public availability 	ARRs – section 9.2	64
	<ul style="list-style-type: none"> • Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	64
	<ul style="list-style-type: none"> • Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Back of cover page
	<ul style="list-style-type: none"> • Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	N/A
	General information	<ul style="list-style-type: none"> • Introductory Information 	ARRs – section 10.1
<ul style="list-style-type: none"> • Machinery of Government changes 		ARRs – section 10.2, 31 and 32	N/A
<ul style="list-style-type: none"> • Agency role and main functions 		ARRs – section 10.2	2, 10–28
<ul style="list-style-type: none"> • Operating environment 		ARRs – section 10.3	16–28
Non-financial performance	<ul style="list-style-type: none"> • Government’s objectives for the community 	ARRs – section 11.1	10–28
	<ul style="list-style-type: none"> • Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	10–28
	<ul style="list-style-type: none"> • Agency objectives and performance indicators 	ARRs – section 11.3	7–8, 10–28
	<ul style="list-style-type: none"> • Agency service areas and service standards 	ARRs – section 11.4	10–36
Financial performance	<ul style="list-style-type: none"> • Summary of financial performance 	ARRs – section 12.1	17, 39–58
Governance – management and structure	<ul style="list-style-type: none"> • Organisational structure 	ARRs – section 13.1	5
	<ul style="list-style-type: none"> • Executive management 	ARRs – section 13.2	3–5
	<ul style="list-style-type: none"> • Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	6
	<ul style="list-style-type: none"> • Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	16
	<ul style="list-style-type: none"> • Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	16
	<ul style="list-style-type: none"> • Queensland public service values 	ARRs – section 13.6	26
Governance – risk management and accountability	<ul style="list-style-type: none"> • Risk management 	ARRs – section 14.1	16
	<ul style="list-style-type: none"> • Audit committee 	ARRs – section 14.2	N/A
	<ul style="list-style-type: none"> • Internal audit 	ARRs – section 14.3	N/A
	<ul style="list-style-type: none"> • External scrutiny 	ARRs – section 14.4	N/A
	<ul style="list-style-type: none"> • Information systems and recordkeeping 	ARRs – section 14.5	16

Summary of requirement	Basis for requirement	Annual report reference	
Governance – human resources	<ul style="list-style-type: none"> • Strategic workforce planning and performance 	ARRs – section 15.1	26–28
	<ul style="list-style-type: none"> • Early retirement, redundancy and retrenchment 	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	27
Open Data	<ul style="list-style-type: none"> • Statement advising publication of information 	ARRs – section 16	64
	<ul style="list-style-type: none"> • Consultancies 	ARRs – section 33.1	https://data.qld.gov.au
	<ul style="list-style-type: none"> • Overseas travel 	ARRs – section 33.2	https://data.qld.gov.au
	<ul style="list-style-type: none"> • Queensland Language Services Policy 	ARRs – section 33.3	N/A
Financial statements	<ul style="list-style-type: none"> • Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	55
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FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

Annual report access

Additional copies

A copy of this report can be obtained by contacting us.

email annualreport@qca.org.au

mail Executive Assistant
Queensland Competition Authority
GPO Box 2257
Brisbane Qld 4001

tel (07) 3222 0555

fax (07) 3222 0599

This report is available in PDF format on our website: qca.org.au/About-us

Open data

Further information on the following is available through the Queensland Government's Open Data website, <https://data.qld.gov.au>:

- Consultancies 2019–20
- Overseas travel 2019–20.

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