

Queensland  
Competition  
Authority

# Annual Report 2022-23

The Queensland Competition Authority acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and recognises their culture, history, diversity and their deep connection to the land, waters and seas of Queensland and the Torres Strait.

We acknowledge the traditional custodians of the lands on which we operate and wish to pay our respects to their Elders past, present and emerging.

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# Highlights

## This body of work we completed this year includes:

- a final determination on regulated retail electricity prices in regional Queensland for 2023-24 **17**
- an annual market monitoring report of the south-east Queensland retail electricity market **18**
- a final determination on solar feed-in tariffs in regional Queensland for 2023-24 **18**
- a draft position paper on climate change related expenditure **22**
- a final report on Aurizon Network's Schedule F reset values (preliminary reference tariffs) **23**
- a final decision on Carmichael rail loop project and connecting infrastructure private incremental costs claim **23**
- a final decision on the Electric energy charge draft amending access undertaking (EC DAAU) **23**
- a final decision on the Minerva draft amending access undertaking (Minerva DAAU) **23**

# About us

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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.

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

In a competitive market, a business is constrained by its competitors in the prices it can charge for goods or services. If the price it charges is too high, consumers are likely to buy from a competitor at a lower price. Alternatively, if the business is the only supplier and charges too much, 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, including many essential services, that require large-scale infrastructure investment. 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.

## 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 misusing 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 that 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 in related markets may be enhanced.

## Competitive neutrality

Competitive neutrality is the principle that a public sector business or agency should not have a competitive advantage (or disadvantage) over the private sector solely due to being government-owned. Public sector businesses should compete with private sector businesses on an equal (competitively neutral) basis.

We receive, investigate and report on complaints about the alleged failures of state government agencies and local government to comply with the principle of competitive neutrality as they carry out their business activities.

We advise government agencies about complying with the principle of competitive neutrality.

Ways in which public sector businesses can have competitive neutrality advantages over private sector businesses include:

- being exempt from taxes and charges
- having access to less expensive funds because of implicit or explicit government guarantees
- being exempt from complying with certain regulations and procedures.

## 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 main responsibility outside of the QCA Act is setting regulated electricity prices under the *Electricity Act 1994* (the Electricity Act) for regional Queensland (see page 17).

We also enforce customer protections under the Electricity Distribution Network Code and the Gas Distribution Network Code.

# Our board

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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.

## **Professor Flavio Menezes**

### **Chair**

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First appointed in April 2016. Current appointment until September 2025.

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Flavio Menezes is a Professor of Economics and Director of the Australian Institute for Business and Economics at the University of Queensland (UQ). From December 2022 to June 2023, he served as an independent expert appointed to work with the National Disability Insurance Agency (NDIA) to oversee the Specialist Disability Accommodation Pricing Review. Professor Menezes is a former president of the Economic Society of Australia (Queensland) and was a member of the advisory board of the federal government's Deregulation Taskforce. He is a former Head of School of Economics at UQ, an elected member of UQ's Academic Board and its Standing Committee from 2018 to 2021, the chair of the Research Evaluation Committee for Economics and Commerce, Excellence of Research in Australia (ERA) in 2018, and a member of the same committee for ERA in 2015.

Professor Menezes is a fellow of the Academy of the Social Sciences in Australia. He is an associate editor of the Journal of Public Economic Theory. He has published extensively on the economics of auctions, competition and regulatory economics, industrial organisation and market design. Professor Menezes' engagement with industry and government is significant. His experience includes advising the federal government, the AEMC, the ACCC, IPART, and the ACT and Victorian governments on market design issues in regulatory environments. He has also provided economic advice to private and public organisations on competition and regulatory issues in defence, fisheries, gambling, electricity, oil and gas, banking, health, aged care, disability care, transport, ports, water and telecommunications.

## **Madeline Brennan KC**

### **Deputy Chair**

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First appointed in April 2016. Current appointment until September 2025.

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Madeline is a barrister with 25 years' experience as a member of the Queensland bar, as junior counsel (1996-2015) and senior counsel (November 2015).

In 2000, she was a founding member of Roma Mitchell Chambers in Brisbane.

Madeline has had a broad practice, inclusive of consumer protection law, general civil litigation, general administrative law and family law. Madeline's practice currently includes appellate and trial advocacy and advisory work specialising in the areas of administrative law, and taxation and revenue law. Madeline has been involved in significant judicial review litigation (including mineral royalty disputes, review of decisions under the *Environmental Protection Biodiversity Act 1999* (Cth)), and in merits review of a broad range of Queensland state and federal government decisions.

Madeline has served on committees and boards of schools, hospitals and professional institutions. 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. She is a professional member of the Council of the Australian Institute of Judicial Administration.

## **Dr Warren Mundy FAICD FRAeS**

### **Member**

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First appointed in June 2018. Current appointment until September 2024.

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Warren is an advisor and company director who has been working with 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, EISS Super, the Western Community Legal Centre, the National Health Co-operative, James Watt College of Higher and Further Education and the Airports Operators Association (United Kingdom).

Dr Mundy is currently Special Advisor to the Australian Restructuring, Insolvency and Turnaround Association and a director of the Sydney Desalination Plant and of TransGrid.

## **Fiona Guthrie AM**

### **Member**

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First appointed in January 2019. Current appointment until September 2024.

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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 at 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 the board of both 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.

# Our Senior Leadership Team

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## **Charles Millstead**

### **Chief Executive Officer**

Charles 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.

## **George Passmore**

### **Director–Business Performance**

George joined the QCA in 2000.

George has over 20 years' experience in economic regulation.

His role involves managing the QCA's ongoing regulatory roles in monitoring and enforcing compliance of businesses that the QCA regulates and monitoring their performance. Before that, George was extensively involved in roles at the QCA in the economic oversight of water and local government sectors, as well as in rail access regulation.

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.

## **William Copeman**

### **Director–Peer Review**

William joined the QCA in 2010.

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

His primary role is to provide assurance to the QCA Board of the diverse technical analysis undertaken for the QCA. He also oversees product development and initiatives to develop technical staff.

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.

## **Sharon Ibardolaza**

### **Director–Corporate Services**

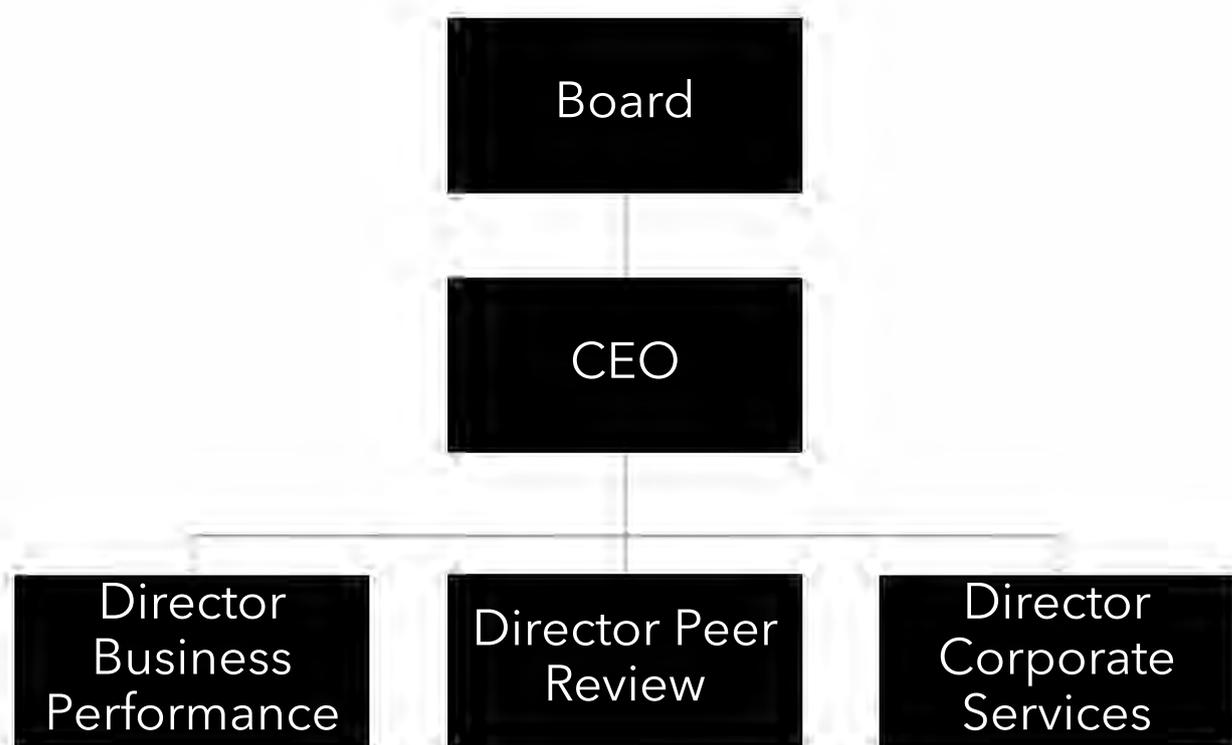
Sharon joined the QCA in October 2020.

Sharon has extensive experience in senior and executive roles in the tourism, banking and local government industries.

At the QCA, she manages a range of corporate services, including governance, financial management, information technology, human resources and corporate administration.

Sharon’s previous roles include business strategy development, risk management, corporate and operational planning, cultural change management and leading and managing multi-disciplinary teams to deliver major projects.

## Organisational chart



## Government bodies 2022-23

<b>Name of Government body: Queensland Competition Authority Board</b>					
<b>Act or instrument</b>	<i>Queensland Competition Authority Act 1997</i>				
<b>Functions</b>	<p>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.</p> <p>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.</p> <p>We also deal with competitive neutrality matters.</p>				
<b>Achievements</b>	Refer to pages 17–45 of this annual report.				
<b>Financial reporting</b>	Financial transactions of the QCA are accounted for annually in the audited Financial Statements				
<b>Remuneration</b>					
<b>Position</b>	<b>Name</b>	<b>Meetings/sessions attendance</b>	<b>Approved annual, sessional or daily fee</b>	<b>Approved sub-committee fees if applicable</b>	<b>Actual fees received</b>
<b>Chair</b>	Professor Flavio Menezes	15	\$150,000 p.a.	0	\$149,486
<b>Deputy Chair</b>	Madeline Brennan KC	13	\$75,000 p.a.	0	\$74,743
<b>Member</b>	Dr Warren Mundy FAICD FRAeS	15	\$75,000 p.a.	0	\$74,743
<b>Member</b>	Fiona Guthrie AM	15	\$75,000 p.a.	0	\$74,743
<b>No. of scheduled meetings/sessions</b>	15				
<b>Total out of pocket expenses</b>	\$434,275				

# Chair's introduction

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In a challenging year for energy markets, we were again tasked with setting regulated retail electricity prices and a solar feed-in tariff in regional Queensland, and monitoring electricity prices in southeast Queensland. We were also busy overseeing third party access regimes for rail and port services, and to improve future regulatory outcomes, we reviewed our approaches to water regulation and climate change expenditure.

## Electricity prices

A range of factors combined during 2022-23 to increase energy costs for retailers, sending a number out of business and driving electricity bills for customers sharply higher. Our monitoring of the south-east Queensland market highlighted the importance of customers shopping around to get the best deal for their circumstances. In regional Queensland, we again set prices to reflect the relatively lower costs of supply in south-east Queensland, consistent with Queensland Government policy. A silver lining for some customers was the higher solar feed-in tariffs available, reflecting the higher cost to retailers of purchasing energy from the national electricity market.

## Industry continuing to find solutions

Our efforts over recent years to incentivise the businesses we regulate to engage with their customers continued to yield results. For example, Aurizon Network and its customers collaborated effectively on a range of complex matters related to system capacity, performance reporting, and annual maintenance and renewals strategies and budgets. Similarly, Dalrymple Bay Infrastructure Management and its customers agreed on a package of arrangements, including prices and other terms and conditions, for use of the Dalrymple Bay Terminal for a period of 10 years. This was a very welcome outcome that demonstrates the effectiveness of a light-handed regulatory framework that is appropriately designed.

## Better water regulation

We have also been working to improve outcomes in the water sector. After the last round of our water reviews, we reassessed our approach, with the aim of improving the regulated water business's accountability and engagement with their customers. To this end, we published guidelines to help Seqwater and Sunwater in preparing their pricing proposals, which are due by 30 November 2023. We also published guidance for stakeholders to explain the scope of our review and how we intend to conduct the review.

## Climate change expenditure

In light of the climate change risks and opportunities that now confront the businesses we regulate, we reviewed whether our regulatory approaches need refinement. In April 2023, we released a draft position paper, setting out our preliminary positions on businesses' proposed spending on adapting to climate change and mitigating greenhouse emissions. We are open to considering the merits of climate-related proposals from regulated businesses and encourage those that pursue climate strategies to agree them with their customers, and to bring us business cases that support those strategies. Following a well-attended forum, we received submissions from five stakeholders in response to our draft position paper and will release a final position paper later in 2023.

I would like to thank QCA staff and board members for their continued commitment to meeting our statutory obligations, and stakeholders for their ongoing interest in, and engagement with, our varied activities.

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Professor Flavio Menezes

**Chair**

# CEO's message

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We continue to be guided by the QCA's strategic objectives, as set out in our strategic plan for 2022-26. These contribute to the Queensland Government's objectives of growing our regions, building Queensland and supporting jobs.

## Public Sector Act

The *Public Sector Act 2022* came into effect on 1 March 2023, replacing the *Public Service Act 2008*. The new Act broadened the definition of the public sector. As a result, public sector entities like the QCA, which were not covered by the Public Service Act, are now covered by the Public Sector Act. The main implication for the QCA is that directives of the Public Sector Commission and the Office of Industrial Relations may now apply to QCA arrangements in areas such as leave, workplace behaviour, performance management, and professional conduct. While our existing arrangements are already well-aligned, we are reviewing the directives as they are released to determine whether any changes to our policies and procedures are required.

## Diversity and workplace equity

One area where the Public Sector Act has prompted action is in relation to diversity and inclusion. In particular, we have developed a diversity and inclusion strategy, to formalise the equity and anti-discrimination principles enshrined in our policies and procedures. Our positive culture is integral to our effectiveness and efficiency and something we have worked hard to foster. A key feature of this is having a workplace that is fair, inclusive, and reflects the diversity in society. To that end we released our Diversity and Inclusion Strategy early in 2023. We also have a comprehensive set of policies on expected workplace behaviours, supported by regular staff training and awareness activities across a range of issues.

## Corporate governance

We are committed to the highest standards of corporate governance. This year we reviewed and updated a range of corporate documents, including those related to our IT disaster recovery and business continuity plans, risk management and our financial sustainability. A particular focus was cybersecurity, which has become an increasing concern for consumers, governments and businesses following a spate of incidents during the year. In this context, we undertook a comprehensive review of the QCA cybersecurity posture, which included evaluating IT governance, policies, procedures and technology controls.

## Finances

On the financial front, we reported a slight deficit of \$0.1 million for 2022-23, better than the budgeted deficit of \$0.8 million. This resulted from a range of operational savings, mainly lower building occupancy costs, staff-related costs and IT expenditure.

I would like to take this opportunity to thank QCA staff for their commitment to continuously improving the way they do their jobs. This mind-set has yielded significant benefits in recent years, and I am sure more is to follow from work that staff have done in 2022-23. I would also like to thank our board members for their ongoing support and expertise over the last 12 months.

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Charles Millstead

**Chief Executive Officer**

# **Projects in 2022-23**

# Overview

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The QCA's role involves:

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

Our vision is to improve the prosperity of Queenslanders, and our purpose is to make Queensland's economy more competitive through efficient and effective economic regulation.

We conduct our investigations and reviews in line with the four objectives of our strategic plan:

- Optimise regulatory frameworks.
- Make unbiased, transparent and robust decisions.
- Promote understanding and engagement.
- Enable efficient, flexible and expert resourcing.

We contribute to the Queensland Government's objectives of growing our regions, building Queensland and supporting jobs.

## Retail electricity prices 2023-24

In December 2022, we received a delegation from the Minister for Energy, Renewables and Hydrogen to set regulated retail electricity prices to apply in regional Queensland for 2023-24.

As part of this review, we published:

- an interim consultation paper in December 2022, in which we invited stakeholders to comment on key issues; in response, we received 6 stakeholder submissions
- a draft determination in March 2023, in which we invited stakeholders to comment, including on the draft prices; in response, we received 8 stakeholder submissions
- a final determination in June 2023, providing final prices to apply from 1 July 2023 to 30 June 2024.

We also held information sessions in various regional Queensland locations after publishing the draft determination.

Overall, the final prices result in higher electricity costs for consumers in regional Queensland. A typical customer on the main residential tariff will see an increase of 28.7%, and a typical customer on the main small business tariff will see an increase of 26.8%. The increase in residential and small business prices is largely due to higher estimated wholesale energy costs.

## Regional Queensland solar feed-in tariff 2023-24

In December 2022, we received a delegation from the Minister for Energy, Renewables and Hydrogen to set a flat-rate feed-in tariff to apply in regional Queensland for 2023-24 using an 'avoided cost' methodology.

We were also directed to consider, in consultation with stakeholders, if our methodology remained appropriate, or if a different methodology might better reflect avoided costs for 2023-24.

As part of this review, we published:

- a draft determination in March 2023, which invited stakeholders to comment on our approach to estimating avoided costs; in response, we received one stakeholder submission
- a final determination in June 2023, providing the final feed-in tariff to apply from 1 July 2023 to 30 June 2024.

We set the feed-in tariff for 2023-24 at 13.441 cents per kilowatt hour using a pricing approach that was broadly consistent with our previous methodology, which was updated to reflect recent market developments. This is an increase of 44.5 per cent compared to the 2022-23 feed-in tariff—predominantly driven by higher estimated avoided wholesale energy costs.

## South-east Queensland electricity market monitoring

Retail electricity prices for residential and small business customers have been deregulated in south-east Queensland since 1 July 2016. The QCA's market monitoring and reporting function in section 89B of the Electricity Act is a light-handed framework under which the Queensland Government can monitor the operation of the south-east Queensland retail electricity market to ensure customers can benefit from price deregulation and increased competition in south-east Queensland.

In June 2021, the Minister for Energy, Renewables and Hydrogen directed us to monitor and report on the operation of the south-east Queensland retail electricity market for residential and small business customers for each financial year from 1 July 2020 to 30 June 2025. We published our market monitoring report for 2021-22 – that is, for the period from 1 July 2021 to 30 June 2022 – in December 2022.

Our report for 2021-22 found that 43 retailers had plans available for residential and/or small business customers in south-east Queensland in 2021-22. As wholesale electricity costs increased, some retailers increased the prices of their market offers – in some cases substantially. By contrast, standing offer prices decreased at the beginning of 2021-22 and remained largely unchanged for the rest of the financial year, as the default market offer (DMO) set by the Australian Energy Regulator put a cap on standing offer prices.

The outcomes indicated that the retail electricity market remained competitive in 2021-22. Retailers continued to compete on price, and some new types of retail plans and incentives were offered. Market concentration also continued to decrease during the first three quarters of 2021-22. However, switching activity increased in the June quarter of 2022 as the impact of higher wholesale energy costs started to flow through to customers. Customers mainly switched from smaller back to larger retailers.

Despite the increase in retail prices, the report concluded that customers still had many opportunities to benefit from competition in the south-east Queensland market in 2021–22, provided they shopped around. There were a variety of retailers and plans to choose from, and prices varied substantially between retailers, and often even between different plans offered by the same retailer.

## **Irrigation price review**

On 10 March 2023, the Treasurer directed us to review the irrigation pricing practices of Seqwater and Sunwater. The purpose of the review is to recommend irrigation prices for the four-year period from 1 July 2025 to 30 June 2029.

We have published guidelines to help Seqwater and Sunwater in preparing their pricing proposals, which are due by 30 November 2023. We have also published guidance for stakeholders to explain the scope of our review and how we intend to conduct the review.

Our formal consultation process will begin after we receive the businesses' pricing proposals. We intend to hold initial stakeholder workshops in early 2024 (more information will follow closer to the time). Stakeholders will also have opportunities to comment on the pricing proposals and our draft report, which is due by 30 June 2024. We are required to provide our recommendations to the government by 31 January 2025.

## **Gladstone Area Water Board mid-term price review**

We are preparing a report (due by 31 October 2023) that compares the annual prices the Gladstone Area Water Board (GAWB) charged between 1 July 2020 and 30 June 2023 with the findings in our final report on investigating GAWB's prices for 2020–25. GAWB may make a submission that justifies any deviations between the prices GAWB charged to its customers and the indicative prices in our 2020–25 final report.

We received and published one stakeholder submission that identified issues that could be considered as part of this midterm review.

## **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.

Access undertakings for Queensland Rail and Aurizon Network are in place until 2025 and 2027 respectively. The 2021 Dalrymple Bay Coal Terminal (DBCT) access undertaking is in place until 2026.

## Dalrymple Bay Coal Terminal

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 Dalrymple Bay Infrastructure Management Pty Ltd (DBI Management). DBI Management has a 50-year lease over the terminal from 2001, with an option to extend the lease for a further 49 years.

During 2022-23, DBI Management provided access to the terminal under the terms and conditions set out in its 2021 access undertaking, which we approved on 1 July 2021.

The approved 2021 DBCT access undertaking provides for a reframing of the regulatory framework at DBCT, in particular by implementing a pricing model based on negotiate-arbitrate processes without a reference tariff. However, the model also includes significant amendments to the proposal originally made by DBI Management in its 2019 DAU, so as to better balance the negotiation and arbitration processes.

Following approval of the 2021 DBCT access undertaking, DBI Management sought to negotiate price resets with the existing users of the terminal. These negotiations occurred in accordance with an authorisation to bargain collectively that was granted by the Australian Competition and Consumer Commission (ACCC) on 17 June 2021.

On 11 October 2022, DBI Management announced to the Australian Stock Exchange (ASX) that it had reached agreement on new prices with all of the existing users at DBCT. DBI Management's announcement indicated that it had successfully negotiated a package of arrangements with the existing users that, among other things, provide for:

- 10-year pricing agreements (to apply from 1 July 2021 to 30 June 2031)
- a terminal infrastructure charge (TIC) of \$3.02 per tonne for 2021-22—representing a 23 per cent increase on the final 2020-21 TIC (\$2.46 per tonne)
- payment adjustments of \$61 million—as back payment to DBI Management, to account for an under-recovery for the 2021-22 year
- a TIC of \$3.18 per tonne for 2022-23—representing a 29 per cent increase on the 2020-21 TIC
- subsequent annual TIC adjustments—for inflation, non-expansion capital expenditure (NECAP), QCA fees and an additional expansion charge (if an expansion proceeds at some stage)
- all contracts to remain 100 per cent take-or-pay—meaning no volume risk for DBI Management
- socialisation of charges to remain—for customer defaults and contract expiries
- DBI Management to seek to maintain an access undertaking in place for the 10-year term of the agreements.

## Queensland Rail

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

Queensland Rail's approved 2020 access undertaking sets out the terms for access to its network, including rules for setting prices and for scheduling trains. The undertaking terminates on 30 June 2025. Queensland Rail wrote to us in October 2022, saying it would lodge a voluntary draft access

undertaking by the end of October 2023. This should enable a new access undertaking to be ready when the current undertaking expires.

## **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.

The undertaking terminates on 30 June 2027.

## Product development

We foster a culture of continuous improvement and best practice regulation, including through our product development function, which seeks to anticipate and prepare for emerging regulatory challenges.

We undertook the following project as part of our product development initiative in 2022-23.

### Review of climate change related expenditure

Businesses operating in sectors regulated by the QCA are increasingly considering climate change when making spending and investment decisions.

While we have mechanisms and frameworks to assess whether expenditure is prudent and fit for purpose, we are considering whether they appropriately support climate change expenditure. Among other things, such expenditure should be undertaken in a timely manner.

Climate change expenditure by regulated businesses can be divided broadly into two categories:

- *Adaptation expenditure* focuses on enhancing the resilience of infrastructure to better cope with extreme weather events. Such expenditure includes replacement capital expenditure, enhanced greenfield expenditure and asset upgrades.
- *Mitigation expenditure* focuses on reducing carbon dioxide equivalent emissions. Such expenditure relates to responding to changes in government policies, addressing community sentiment or external corporate factors (such as funding requirements) and maintaining a social licence to operate.

We published a discussion paper in October 2022 seeking comments on matters including:

- the risks and drivers of climate action
- the effectiveness of existing regulatory frameworks to accommodate and create appropriate incentives to manage climate change risks
- corporate and regulatory insights on how climate change expenditure is managed by other organisations.

On 21 April 2023, we published our draft position paper that covers spending on both adapting to climate change and mitigating greenhouse emissions.

We found that our existing regulatory frameworks are appropriate for considering climate change related proposals for both adaptation and mitigation expenditure, but we clarified how these frameworks apply when we assess such proposals.

We are also preparing a guideline to set out how we may consider climate change related proposals.

After we released our draft position paper, we held a stakeholder forum that was attended by regulated businesses, users, environmental groups and finance advisory organisations.

We received five further submissions on the draft position paper. We intend to publish the final position paper in the third quarter of 2023.

## Ongoing regulatory work

The Business Performance team handles a range of ongoing economic regulatory work that falls outside the scope of individual projects.

In 2022-23, Business Performance progressed a range of matters arising in relation to Aurizon Network, DBI Management, Queensland Rail, energy and competitive neutrality. The most notable amongst these matters are listed below.

### Aurizon Network

- Reset Schedule F (preliminary reference tariffs) values
- Concept study draft amending access undertaking
- Electric energy charge draft amending access undertaking (EC DAAU)
- Minerva draft amending access undertaking (Minerva DAAU)
- Adjustment charge amounts—electric energy charge (EC) 2022-23
- Adjustment charge amounts—Minerva and Blackwater 2022-23
- Electric energy charge (EC) update 2023-24
- Capital expenditure claim 2021-22
- Regulatory asset base roll-forward 2021-22
- Revenue adjustment amounts 2021-22
- Carmichael rail loop project and connecting infrastructure private incremental costs claim
- Rebate mechanism review

### Queensland Rail

- Capital expenditure claim 2021-22
- Loss capitalisation account adjustment 2021-22

### Energy

- Monitoring the south-east Queensland retail electricity market and providing an annual report (see page 18)
- Monitoring south-east Queensland solar feed-in tariffs
- Monitoring compliance with the Electricity Distribution Network Code and derogations to the National Energy Customer Framework

### Competitive neutrality

- Answering enquiries regarding competitive neutrality issues from businesses, state government agencies and local government
- Considering a request from a private business for the QCA to recommend that a business activity be declared on the list of significant business activities under the QCA Act
- Considering one competitive neutrality complaint received about purported local government business activities, and deciding not to proceed with an investigation as it was outside the scope of the competitive neutrality provisions in the *Local Government Act 2009*.

# Corporate matters

# Overview

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## Corporate governance

We place great emphasis on corporate governance, including our robust decision-making process. Our administrative framework supports 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 staff are consistent with the board's strategic direction.

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.

## Audit functions

We have an established internal audit function. As we are a small regulator, we outsource the annual review of our fee costing model.

This year, the review was undertaken by Grant Thornton, which found that our systems remain appropriate.

We also received an unqualified audit certificate from the Queensland Audit Office for the reporting period – reflecting the effectiveness of the administrative framework.

## Human rights

We acknowledge our obligations as a public entity under the *Human Rights Act 2019*. All QCA decisions consider any human rights that may be impacted.

The objective of the Human Rights Act is to protect and promote 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.

No complaints were received about our conduct (under s. 58 of the Human Rights Act).

All new QCA employees undertake human rights training as part of their induction.

## Corporate culture

We continue to support professional development that complement and extend the training programs available to our staff.

Our values (trust, respect, achievement, integrity and teamwork) underpin our culture. We have a values recognition scheme that recognises staff for 'living our values'.

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 management risks and reputation risks. We review the risk register quarterly to check mitigation and to monitor controls and activities. We also identify operational risks in our annual operation plan. The risks are reviewed half-yearly.

During the year there was an increased focus on the risk of cyber-attacks, and the QCA engaged Data#3 to assess the maturity of our security controls. The audit concluded that the QCA has a robust operational (technical) security program in place and recommended some key areas to focus on to strengthen our capability.

The board reviews all potential risks annually and watches over key and critical risks to ensure adequate mitigation and controls are effective.

## Policies and corporate documents

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

- banned shares list
- CEO and staff authorisations policy
- code of conduct
- finance manual
- financial sustainability policy
- information management manual
- intellectual property guideline
- intellectual property policy
- IT disaster recovery plan
- learning and development plan
- media communications guideline
- operational plan
- purchasing policy
- risk management register
- strategic plan
- social media policy
- workplace health and safety manual
- workplace rehabilitation policy.

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

## Financial performance

We reported a shortfall of \$0.1 million for the 2022-23 financial year.

This is a \$0.8 million improvement on budget.

Our total revenue was in line with budgeted revenue.

Our total expenditure was \$0.8 million lower than budgeted. Employee expenses (\$0.7 million), occupancy costs (\$0.1 million) and IT expenses (\$0.2 million) were less than budget and specialist services were higher than budgeted (\$0.2 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 4.5-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 use recycling bins for paper and cardboard. The building facilities also support our policies on work-life balance, with excellent end-of-trip facilities (including secure bike racks and showering facilities).

## Open data

Statutory bodies are not required to maintain an open data strategy. However, we subscribe to open data principles, and, unless information is deemed confidential or we are not required to publish it 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.

## Consultancies

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

## Overseas travel

There was no overseas travel during 2022-23.

## Our performance framework

Our performance framework focuses on operational practices, rather than matters of policy or legislation. At the highest level, the framework reflects our commitment to innovate, manage costs, improve productivity and achieve practical outcomes.

Four themes underpin our performance objectives. They form the basis for the key performance indicators (KPIs):

- effective and efficient regulatory outcomes
- timely and transparent processes
- efficient and reasonable costs and regulatory fees
- effective stakeholder engagement and communication.

## Assessing our performance

An annual self-assessment and a biennial external review form part of our performance framework.

The self-assessment is an assessment of each project in our work program against all relevant KPIs. The assessment results are also peer-reviewed internally and are submitted to the QCA board for approval before they are published.

We had our second biennial review in June 2022. Orima Research was engaged to independently survey a wide range of stakeholders – including entities we regulate, customers of those entities, special interest and advocacy groups, our Consumer Advisory Committee and government representatives. Our results are used as part of our continual improvement processes and inform our engagement strategy with stakeholders.

The full reports are published on our website. The next review is scheduled for July 2024.

## Performance results for 2022-23

A snapshot of our performance results for 2022-23 is shown below. Each of the 8 projects had a different set of circumstances and requirements. Some were guided by ministerial directions, while others were statutory reviews or research and development projects. Therefore, not all KPIs applied to each project.

## Projects undertaken in 2022-23

The performance of our projects, based on our KPIs, is summarised by project on the following pages. Information about the financial performance is not listed and is captured on page 27.

Performance assessment against KPIs, 2022-23

LEGEND	
Not Applicable	
Not Achieved	
Achieved	

2022 - 23 PROJECTS

Key performance indicators

Aurizon Networks - Reset Schedule F values	Aurizon Networks electric energy charge - DAAU	Aurizon Network's review of rebate mechanism	Aurizon Network's Concept Study DAAU	Regional retail electricity prices	South-east Queensland electricity market monitoring 2022-23	Solar feed-in tariff 2023-24	Climate change expenditure review
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Efficiency and prudence of QCA costs and regulatory fees

1.1	1.1.1 QCA costs based on fee framework.							
	1.1.2 Regulated entities notified of estimated costs prior to 30/06.							
	1.1.3 Costs tracked monthly and >15% deviations from estimates reported to regulated entity.							
1.2	1.2.1 QCA fees independently audited annually to verify fees charged in accordance with fee framework.							
1.3	1.3.1 operations - consultancies assessed on best value basis, increase in discretionary employee expenses less than greater of CPI or 3%.							

Timely and transparent processes

2.1	2.1.1 Timeliness of decisions on or under 'Access Undertakings' - statutory timeline met.							
2.2	2.2.1 Timeliness of all other statutory decisions - reporting completed by Ministerial deadline.							
2.3	2.3.1 Availability of submissions and decisions - all non-confidential submissions and decisions published on our website within 10 working days.							
	2.3.2 Assessment of confidential submissions within 30 days.							

Effective processes for replacing access undertakings - new access undertakings approved and published prior to the expiry of the previous undertaking

3.1	3.1.1 undertakings approved and published prior to the expiry of the previous undertaking.							
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Effective stakeholder engagement

4.1	4.1.1 Projects involving stakeholder input are well communicated - publish Statement of Regulatory Intent or Information Notice explaining purpose, process and timeframe as well as opportunities for consultation and communication.							
	4.1.2 Fact sheets published for all pricing decisions and recommendations.							
4.2	4.2.1 Opportunities for stakeholder consultation - period of consultation to be at least 25% of total duration of project.							
4.3	4.3.1 Digital engagement - webinar within 60 days of regional retail electricity pricing draft decisions.							
4.4	4.4.1 Regional engagement - at least 5 workshops prior to regional retail electricity pricing final decisions.							
4.5	4.5.1 Industry consultation - at least 2 Consumer Advisory Committee workshops annually.							
4.6	4.6.1 Industry engagement - engage with regulated entities (e.g. site visits).							
	4.6.2 Stakeholder engagement - engage with stakeholders (e.g. meetings, forums, written notices).							

## Performance assessment by project 2022-23

Background	Status	Summary
<b>Project: Aurizon Network’s reset Schedule F preliminary values</b>		
<p>Aurizon Network proposed preliminary reference tariffs, allowable revenues and volume forecasts (the reset Schedule F preliminary values) for each coal system and for the reset period.</p>	Completed	<p><b>Timeliness and transparency:</b> In July 2022, Aurizon Network submitted proposed preliminary allowable revenues, reference tariffs and volume forecasts, to apply from 1 July 2023 (the reset schedule F preliminary values).</p> <p>In November 2022, we published a draft decision that set out the methodologies and approaches we considered appropriate to develop the reset Schedule F preliminary values.</p> <p>In February and April 2023, Aurizon Network updated its proposal to account for updated forecasts, the outcomes of subsequent regulatory decisions and the latest advice from third parties.</p> <p>In May 2023, we approved Aurizon Network’s updated reset Schedule F preliminary values and required Aurizon Network to update UT5 accordingly.</p> <p>In June 2023, Aurizon Network updated UT5 to reflect the approved reset Schedule F preliminary values (and updated the electric energy charge (EC) tariff, approved under a separate process).</p> <p>Aurizon Network’s proposal (including updates), stakeholder submissions and our decisions are published on our website.</p> <p><b>Stakeholder engagement:</b> Stakeholders were provided with 3 opportunities to comment—in response to Aurizon Network’s proposal, our draft decision and Aurizon Network’s first update to its proposal.</p> <p>We received 5 submissions from 3 parties.</p> <p><b>Benefits/outcome:</b> The approved reset schedule F preliminary values set the prices to apply from 1 July 2023 and the methodology Aurizon Network is to use when it submits its final reset schedule F values (by end July 2023). This provides Aurizon Network and other relevant stakeholders with certainty over the prices that will apply from 1 July 2023.</p>
<b>Project: Aurizon Network’s electric energy charge DAAU</b>		

Background	Status	Summary
<p>Aurizon Network submitted a draft amending access undertaking seeking to increase the 2022-23 energy charge tariff components for the Blackwater and Goonyella system reference tariffs that are set out in the 2017 access undertaking.</p>	<p>Completed</p>	<p><b>Timeliness and transparency:</b> UT5 provides for Aurizon Network to recover the costs of supplying electricity to electric traction trains through the electric energy charge (EC) tariff components of reference tariffs.</p> <p>In June 2022, Aurizon Network proposed to increase the 2022-23 EC tariff components of the Blackwater and Goonyella reference tariffs from \$1.11 to \$2.82 per eGTK'000, through a draft amending access undertaking (the EC DAAU).</p> <p>In August 2022, Aurizon Network provided additional information to support its claim, in response to issues raised by stakeholders and our request for additional information.</p> <p>In September 2022, we advised Aurizon Network and stakeholders that we were minded to approve the EC DAAU.</p> <p>In November 2022, we approved the EC DAAU.</p> <p>Aurizon Network's proposal (and additional information provided), stakeholder submissions and our decisions have been published on our website.</p> <p><b>Stakeholder engagement:</b> Stakeholders were provided with 2 opportunities to comment—in response to Aurizon Network's proposal and our draft decision. We received 2 submissions from one party.</p> <p><b>Benefits/outcome:</b> The amended EC tariffs better reflect Aurizon Network's expected cost of procuring electricity, given the increase in wholesale prices and the ongoing volatility within the electricity market. The decision also pointed to the clear opportunity for Aurizon Network and its stakeholders to engage with each other, with a view to developing a more customer-centred approach to resolve outstanding matters. It noted that Aurizon Network and its stakeholders are best placed to identify those areas which are a priority, including whether there are possible benefits from formalising arrangements.</p>
<p><b>Project: Aurizon Network's review of the rebate mechanism</b></p>		
<p>We undertook a review of the rebate mechanism under clause 7A.6 of the 2017 access undertaking (UT5).</p>	<p>Completed</p>	<p><b>Timeliness and transparency:</b> UT5 includes a rebate mechanism that requires Aurizon Network to pay a rebate to affected users where an independent expert has determined Aurizon Network has failed to perform as set out in UT5.</p>

Background	Status	Summary
		<p>In December 2022, we received a request from end users to review whether the mechanism is achieving a prescribed set of rebate objectives.</p> <p>In March 2023, we released a draft decision that the rebate objectives had not been met in a material way, given the identified gaps in information availability. However, we did not consider that it was necessary to make changes to UT5.</p> <p>In June 2023, Aurizon Network advised that it had agreed to include proposed amendments to UT5 that had been developed in consultation with users, to provide clarity around the process for it to provide relevant information where requested and where feasible.</p> <p>In June 2023, we advised stakeholders we were minded to recommend the proposed amendments. We subsequently confirmed this view with a final decision.</p> <p><b>Stakeholder engagement:</b> Stakeholders were provided with 3 opportunities to comment – to provide their initial views, and then in response to our draft decisions.</p> <p>We received 5 submissions from 3 parties.</p> <p>We also worked with Aurizon Network and the independent expert to understand their perspectives as well as the data collection, reporting and calculation processes already underway.</p> <p><b>Benefits/outcome:</b> The review identified issues in relation to the relevance, quality and timeliness of some information. The recommended changes to UT5 will clarify, formalise and support work already occurring and progress already being made.</p>
<b>Project: Aurizon Network’s concept study DAAU</b>		
<p>Aurizon Network submitted a draft amending access undertaking that sought to expressly provide for a staged implementation of proposed initiatives to address capacity deficits.</p>	<p>Completed</p>	<p><b>Timeliness and transparency:</b> UT5 includes a process to identify and resolve capacity deficits across the central Queensland coal network (CQCN).</p> <p>In June 2022, Aurizon Network sought to amend that process, including to provide for a staged implementation of initiatives to address capacity deficits, through a draft amending access undertaking (the concept study DAAU).</p>

Background	Status	Summary
		<p>In August 2022, we released our preliminary position that we were minded to not approve Aurizon Network’s proposal and would require amendments to broaden proposed processes.</p> <p>In response, Aurizon Network proposed revised drafting that it had developed in consultation with, and were materially agreed by, customers.</p> <p>In December 2022, we released a draft decision outlining that we were minded to reject Aurizon Network’s original proposal and we would support the proposed revised drafting.</p> <p>In January 2023, Aurizon Network withdrew its original proposal and submitted a new concept study DAAU (the resubmitted concept study DAAU) that was largely based on its revised drafting.</p> <p>In March 2023, we approved the resubmitted concept study DAAU.</p> <p>Aurizon Network’s proposals, our decisions and stakeholder submissions have been published on our website.</p> <p><b>Stakeholder engagement:</b> Stakeholders were provided with 4 opportunities to comment – in response to Aurizon Network’s initial proposal and our preliminary view and draft decision, and in response to Aurizon Network’s resubmitted proposal.</p> <p>We received 9 submissions from 4 parties.</p> <p><b>Benefits/outcomes:</b> The approved amendments set out processes that promote economically efficient investment in the CQCN by improving processes for implementing efficient initiatives to resolve capacity deficits across the CQCN. Specifically, the amendments facilitate further expansion studies being undertaken, provides for the staged implementation of initiatives and provides for the consideration of initiatives beyond those proposed by Aurizon Network. The amendments had been developed in conjunction with end users, and have largely been agreed between Aurizon Network and those users.</p>
<p><b>Project: Regional retail electricity prices</b></p> <p>We undertook a pricing review to determine the regional retail electricity prices that Ergon Energy</p>	<p>Completed</p>	<p><b>Timeliness and transparency:</b> We published a final determination for 2023–24 by 9 June 2023, as required.</p>

**Background**

may charge customers on standard contracts during 2023-24.

**Status****Summary**

**Stakeholder engagement:** We gave stakeholders opportunities to comment through submissions and held 5 regional information sessions in addition to the Brisbane workshop and virtual information sessions to inform stakeholders. We received 14 submissions over the course of the review. We also published an information booklet, which summarises the prices and bill impacts and explains the context to the review in an easy-to-read format.

**Benefits/outcomes:** We applied our established methodology during the determination and adapted our approach to account for developments in the electricity market environment. Overall, typical customers on all major tariffs will experience an increase in their regulated price bills, primarily due to an increase in estimated energy costs.

**Project: South-east Queensland electricity market monitoring 2022-23**

We monitored and reviewed the operation of the retail electricity market in south-east Queensland (in the Energex distribution area) from 1 July 2022 to 30 June 2023.

Completed

**Timeliness and transparency:** We published the annual market monitoring report for 2021-22 on 21 December 2022 and continued to monitor the market for the period from 1 July 2022 to 30 June 2023.

**Stakeholder engagement:** We do not undertake stakeholder consultation as part of monitoring the retail electricity market. Fact sheets published alongside the annual report make the key findings clear in a concise format.

**Benefits/outcomes:** Whilst south-east Queensland is deregulated, our work in monitoring and comparing prices and offerings by electricity retailers helps the Queensland Government to assess the extent to which customers have the opportunity to benefit from deregulation.

**Project: Solar feed-in tariff 2023-24**

We were directed under s. 93 of the Electricity Act 1994 to determine a solar feed-in tariff for regional Queensland.

Completed

**Timeliness and transparency:** We published the solar feed-in tariff report by 9 June 2023, as required. We also provided a fact sheet that summarises how the tariff was calculated.

**Stakeholder engagement:** We gave stakeholders opportunities to comment and received one submission over the course of the review. We also published an information booklet, which summarises our decision in an easy-to-read format.

Background	Status	Summary
		<p><b>Benefits/outcome:</b> The 2023-24 feed-in tariff for regional Queensland is 13.441 cents per kilowatt hour (c/kWh), which is 44.5 per cent higher than last year's feed-in tariff of 9.3 c/kWh. This increase is driven mainly by increases in both wholesale energy costs and ancillary services fees.</p>
<p><b>Project: Climate change expenditure review</b></p>		
<p>We are reviewing whether we need to refine our regulatory approaches, given the climate change risks and opportunities that now confront businesses we regulate.</p>	<p>In progress</p>	<p><b>Timeliness and transparency:</b> This project was self-initiated by the QCA as a timely investigation to conduct now, as we expect that climate change related expenditure proposals from regulated businesses are likely to become more prevalent in the future. Thus far, we have released a discussion paper (in October 2022) and a draft position paper (in April 2023) and sought submissions from stakeholders on both.</p> <p><b>Stakeholder engagement:</b> We received 10 submissions from stakeholders in response to the discussion paper. After we published the draft position paper, we held a public forum that was attended by regulated businesses, users, environmental groups and finance advisory organisations. We also received a further 5 submissions on the draft position paper.</p> <p><b>Benefits/outcomes:</b> We intend to release a final position paper in the third quarter of 2023. The paper will set out our positions on how proposals about climate change related expenditure can be considered and assessed under our regulatory frameworks. We consider that this will provide regulated businesses and other stakeholders with confidence that appropriate (i.e. prudent and efficient) proposals can be supported by our frameworks.</p>

## Our people and workforce profile

As at 30 June 2023, we employed 37.7 full-time equivalent employees (headcount totalled 39) in a range of technical and support roles. Ten employees (25.6%) have worked for us for more than 15 years, including two for more than 20 years. Employees who have worked for us for more than 10 years made up 56.4% of the staff, and 82.1% have worked for us for more than 5 years.

### 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.

### QCA ethics principles

We continued to value, actively support, and promote an ethical workplace throughout 2022-23.

The QCA code of conduct for employees provides employees with an outline of ethical considerations to guide decision making. It also offers guidance where there may be conflicts of interest, to ensure consistent ethical standards are adopted. The code of conduct is based on the four ethics principles that are fundamental to good public administration and is consistent with the *Public Sector Ethics Act 1994*. The principles are:

- Integrity and impartiality
- Promoting the public good
- Commitment to the system of government
- Accountability and transparency.

All employees must take personal responsibility for upholding this code and demonstrating the principles and values of the *Public Sector Ethics Act 1994* in the performance of their duties. New employees receive training on the code of conduct during their induction, and all staff undertook online refresher training during the year.

### Public Sector Act

The *Public Sector Act 2022* (PS Act) came into effect in March 2023, replacing the former Public Service Act 2008. The new Act addressed elements from the Coaldrake Report, which reviewed culture and accountability in the Queensland public sector, and also implemented recommendations from the Bridgman Report regarding public sector employment laws.

In particular, the new Act broadened the definition of the public sector. Consequently, public sector entities such as the QCA (which were not previously covered by the *Public Service Act 2008*), are now covered by the PS Act.

The biggest impact to the QCA has been due to the application of Chapter 3 - Public sector arrangements, which has meant a large number of directives of the Public Sector Commission and the Office of Industrial Relations may now apply to the QCA. These directives are being reviewed as they are progressively released to assess their application and impact. While the QCA already reflects many of the conditions of various directives in the existing HR Manual and other documents (e.g. leave policies, diversity and workplace behaviours policies, performance management practices, professional conduct), some changes have been required to current QCA policies and processes to ensure consistency with the directives. In response to another requirement, the QCA has also developed a stand-alone Diversity and Inclusion Strategy.

## **Diversity and workplace equity**

We are committed to having a workplace that is fair and inclusive, promotes our values and positive workplace culture and reflects diversity. Workplace equity and anti-discrimination principles remain enshrined in our policies and procedures.

We released our Diversity and Inclusion Strategy in early 2023, and we also have a comprehensive set of policies on expected workplace behaviours. To reinforce these messages, staff complete 'respect in the workplace' refresher training regularly, and we acknowledge celebratory and awareness days, such as International Women's Day. During the year all staff attended training in unconscious bias.

## **Workforce planning**

Our staffing levels are based on the annual operational plan and projected resources required for projects. We also engage consultants or contract staff for specialist advice and, if necessary, for meeting peak activity demands.

## **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**

Employee learning and development is supported by a comprehensive training and development matrix, which provides information on relevant courses and programs for all employees, as well as leadership development programs. All employees are encouraged to develop an individual learning development plan, to ensure training options are targeted to meet their specific needs and to enhance their professional development. Formal study by staff is also supported by the QCA's Study and Research Assistance Scheme.

The corporate induction program for new employees covers HR and general QCA policies (including the code of conduct and public interest disclosure policy), health and safety, document management, IT and systems induction, corporate style and writing tips, and general orientation.

The performance framework for employees is centred on setting 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 placement of employees on projects and suitability for promotions.

## **Knowledge sharing and team connectivity**

This year, employees were again provided with the opportunity to learn from experienced colleagues and to develop professional and personal skills via regular lunch-and-learn forums conducted on-site.

## **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.

Our Young Professionals Group continues to develop early leadership building blocks and a peer-coaching culture.

## **Work-life balance**

We encourage our employees to maintain a healthy work-life balance. During the year, 97% of employees were able to work from home at various stages. Additionally, 13% of employees work part-time, and 18% of staff either worked a 19-day month or purchased additional leave.

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

## **Support for mental and physical wellbeing**

We have a longstanding commitment to employee safety and wellbeing via our Health and Wellbeing Program, which proactively supports employee good health. Employees had access to practical health services such as flu vaccinations, skin checks and health assessments. In addition, all employees had access to specialist advice, counselling and support through the QCA's Employee Assistance Program. Services available included personal counselling, manager hotline services, resilience programs, physical health and wellbeing coaching, and monthly webinars.

A number of health awareness events (including mental health awareness) were held, including 'R U OK? Day', which provided information and resources for employees.

Our end-of-trip facilities (showers and changeroom) are well-used by staff who exercise on their way to and from work, or during their lunch break.

Employee safety remains a priority for us. In 2022-23, there were no workplace incidents that resulted in lost time due to injury. All employees must complete an ergonomic checklist annually, and if they change residences.

## Hybrid way of working

Staff have continued to embrace hybrid work arrangements as they work from the office or remotely each week. Productivity remains high, with staff communicating often and collaborating effectively on projects. We embraced working differently, by being flexible and using technology to enhance work practices.

## Industrial and employee relations framework

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

## Early retirement, redundancy and retrenchment

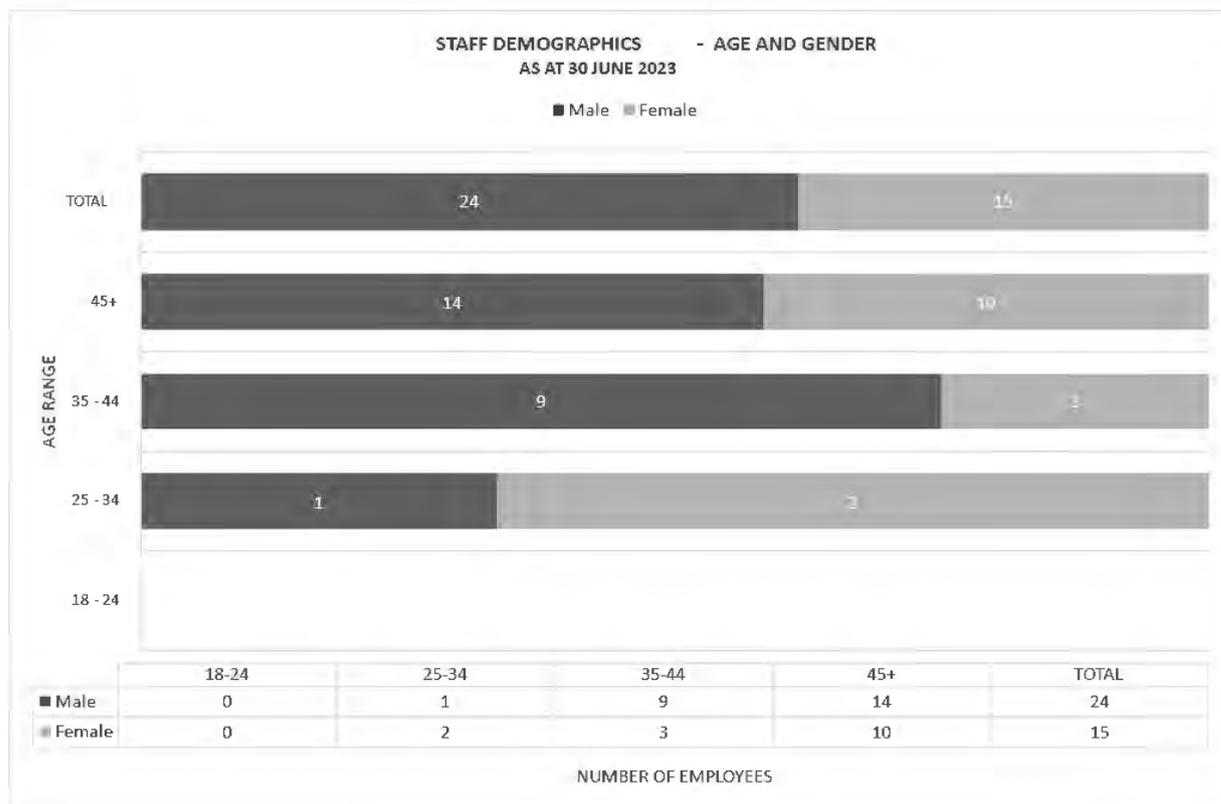
No redundancy, early retirement or retrenchment packages were paid during the period.

## Workplace profile as at 30 June 2023

	Total employees	Male	Female	NESB*	AT&TSI**
<b>Chief Executive Officer</b>	1	1	0	0	0
<b>Directors</b>	3	2	1	0	0
<b>Technical employees</b>	25	17	8	4	0
<b>Support employees</b>	10	4	6	2	0
<b>Total</b>	39	24	15	6	0

\*Non-English speaking background (voluntary disclosure)

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



## Flexible work arrangements as at 30 June 2023

	Employees with flexible arrangements	Part-time employees	Employees who purchased leave
<b>Male</b>	24	1	1
<b>Female</b>	14	4	2
<b>NESB*</b>	6	0	0
<b>Technical staff</b>	28	3	2
<b>Support staff</b>	10	2	1

\*Non-English speaking background (voluntary disclosure)

# Our publications

## Publications released and submissions received

<b>Project</b>	<b>Publications</b>	<b>Submission</b>
Regulated retail electricity prices for regional Queensland 2023-24	12	14
Regional Queensland feed-in tariff 2023-24	7	1
Queensland Rail's 2025 draft access undertaking	1	0
GAWB mid-term price monitoring	1	1
Irrigation price investigation 2025-29	4	0
Climate change related expenditure review 2022-23	3	15
General compliance–Aurizon Network	39	65
General compliance–DBI Management	1	1
General compliance–Queensland Rail	3	0
General compliance–Energy	12	3
Competitive neutrality	1	2
Corporate documents	1	0
<b>Total</b>	<b>86</b>	<b>102</b>

## Publicly available publications

Publicly available documents are available on our website ([www.qca.org.au](http://www.qca.org.au)). Hard copies can also be obtained by contacting us.

Release date	Publication
<b>2023</b>	
June 2023	Aurizon Network's review of rebate mechanism—final decision
	Aurizon Network's review of rebate mechanism—decision
May 2023	Regulated retail electricity prices for regional Queensland 2023–24: final determination - main report
	Regulated retail electricity prices for regional Queensland 2023–24: final determination - technical appendices
	Regulated retail electricity prices for regional Queensland 2023–24: final determination - information booklet
	Regulated retail electricity prices for regional Queensland 2023–24: final determination - gazette notice
	Regulated retail electricity prices for regional Queensland 2023–24: final determination - media release
May 2023	Regional Queensland feed-in tariff 2023–24: final determination
	Regional Queensland feed-in tariff 2023–24: information booklet
	Regional Queensland feed-in tariff 2023–24: gazette notice
	Regional Queensland feed-in tariff 2023–24: media release
May 2023	Aurizon Network's Minerva 2022–23 adjustment charge submission
May 2023	Aurizon Network's reset Schedule F preliminary values - final decision
	Aurizon Network's reset Schedule F preliminary values - cover letter final decision
April 2023	Climate change expenditure review 2022–23 - draft position paper
	Climate change expenditure review 2022–23 - stakeholder notice: public forum
April 2023	DBI Management's non-expenditure capital expenditure - decision
April 2023	Aurizon Network's transitional arrangements - decision notice
	Aurizon Network's transitional arrangements - cover letter to Aurizon Network
April 2023	Aurizon Network's 2021–22 RAB roll-forward
April 2023	Aurizon Network's GAPE and Newlands pricing DAAU - stakeholder notice 1
March 2023	2025 Review of Guaranteed Service Levels - consultation paper
	2025 Review of Guaranteed Service Levels - stakeholder notice

<b>Release date</b>	<b>Publication</b>
March 2023	Aurizon Network's 2021-22 capital expenditure claim - final decision
March 2023	Aurizon Network's revenue adjustment amounts 2021-22 - letter and final decision notice
March 2023	Aurizon Network's review of rebate mechanism - draft decision
March 2023	Queensland Rail West Moreton capital expenditure claim 2021-22 - final decision
March 2023	Aurizon Network's resubmitted concept study DAAU - final decision
March 2023	Aurizon Network's 2021-22 capital expenditure claim - decision notice
March 2023	Regional Queensland feed-in tariff 2023-24: draft determination
	Regional Queensland feed-in tariff 2023-24: information booklet
	Regional Queensland feed-in tariff 2023-24: media release
March 2023	Regulated retail electricity prices for regional Queensland 2023-24: draft determination - main report
	Regulated retail electricity prices for regional Queensland 2023-24: draft determination - technical appendices
	Regulated retail electricity prices for regional Queensland 2023-24: draft determination - information booklet
	Regulated retail electricity prices for regional Queensland 2023-24: draft determination - media release
March 2023	Irrigation price investigation 2025-29 - notice of investigation
	Irrigation price investigation 2025-29 - guidance for stakeholders
	Irrigation price investigation 2025-29 - guidelines for pricing proposals
	Irrigation price investigation 2025-29 - media release
March 2023	Regulated retail electricity prices for regional Queensland 2023-24 - stakeholder notice: information session details
February 2023	Gladstone Area Water Board - mid-term price monitoring: stakeholder notice
February 2023	Aurizon Network's Minerva DAAU - decision letter
February 2023	Regulated retail electricity prices for regional Queensland 2023-24 - stakeholder notice: updated consultation timetable
February 2023	Queensland Rail West Moreton capital expenditure claim 2021-22 - stakeholder notice
February 2023	Aurizon Network's EC adjustment charge submission 2022-23 - decision notice
February 2023	Aurizon Network's resubmitted concept study DAAU - stakeholder notice
January 2023	Aurizon Network's request for extension: response to QCA decision on FY22 revenue adjustment amounts - decision?

<b>Release date</b>	<b>Publication</b>
<b>2022</b>	
December 2022	SEQ retail electricity market monitoring report 2021-22 - report
	SEQ retail electricity market monitoring report 2021-22 - appendices
	SEQ retail electricity market monitoring report 2021-22 - fact sheet: residential and small business customers
	SEQ retail electricity market monitoring report 2021-22 - fact sheet: assisted customers
	SEQ retail electricity market monitoring report 2021-22 - media release
December 2022	Aurizon Network's revenue adjustment amounts 2021-22 - letter and draft decision notice
December 2022	Aurizon Network's 2021-22 capital expenditure claim - draft decision
December 2022	Carmichael Rail Loop project - private incremental costs - final decision
December 2022	Regulated retail electricity prices for regional Queensland 2023-24 - interim consultation paper
	Regulated retail electricity prices for regional Queensland 2023-24 - stakeholder notice
December 2022	Aurizon Network's GAPE and Newlands pricing DAAU - preliminary considerations
	Aurizon Network's GAPE and Newlands pricing DAAU - stakeholder notice 2: updated notice of time periods
December 2022	Aurizon Network's concept study DAAU - draft determination
	Aurizon Network's concept study DAAU - stakeholder notice 2: notice of time periods
November 2022	Aurizon Network's electric energy charge DAAU - final decision
November 2022	Aurizon Network's 2021-22 maintenance costs claim
November 2022	Aurizon Network's reset Schedule F preliminary values - draft decision
November 2022	Aurizon Network's transitional arrangements - determination
	Aurizon Network's transitional arrangements - cover letter to Aurizon Network
November 2022	Aurizon Network's system rules 2022 - final decision
October 2022	Climate change expenditure review 2022-23 - discussion paper
October 2022	SEQ solar feed-in tariff monitoring 2021-22 - report
	SEQ solar feed-in tariff monitoring 2021-22 - appendix C: supplementary data
	SEQ solar feed-in tariff monitoring 2021-22 - public dataset
	SEQ solar feed-in tariff monitoring 2021-22 - media release
October 2022	QCA annual report 2021-22

<b>Release date</b>	<b>Publication</b>
October 2022	Aurizon Network's Minerva DAAU - stakeholder notice
October 2022	Carmichael Rail Loop project - private incremental costs - draft decision
September 2022	Queensland Rail's 2025 draft access undertaking - letter re access undertaking timeline
September 2022	Guaranteed Service Levels Scheme annual report 2021-22
September 2022	Queensland Rail West Moreton capital expenditure claim - stakeholder notice
September 2022	Aurizon Network's 2021-22 capital expenditure claim - stakeholder notice
September 2022	Aurizon Network's system rules 2022 - draft decision
September 2022	Aurizon Network's electric energy charge DAAU - draft decision
September 2022	Aurizon Network's GAPE and Newlands pricing DAAU - stakeholder notice 1
August 2022	Aurizon Network's reference tariff adjustments - endorsed variation event: QCA levy
August 2022	Aurizon Network's concept study DAAU - preliminary position
July 2022	Competitive neutrality complaint by The Rubbish Removers about Logan City Council - final report

# Financial statements

# Statement of comprehensive income

for the year ended 30 June 2023

	Notes	2023	2022
		\$	\$
<b>Income from Continuing Operations</b>			
Fees	2	5,494,438	7,037,710
Government Grant	3	4,000,000	4,000,000
Other Income	4	310,301	604,817
<b>Total Revenue</b>		<b>9,804,739</b>	<b>11,642,527</b>
<b>Gains</b>			
Gain on sale of plant and equipment		-	8,547
<b>Total Income from Continuing Operations</b>		<b>9,804,739</b>	<b>11,651,073</b>
<b>Expenses from Continuing Operations</b>			
Members' Expenses		434,275	425,402
Employee Expenses	5	6,983,363	7,275,676
Supplies and Services	8	1,337,07	1,177,561
Finance Costs - Interest on Lease	13	135,013	47,028
Depreciation and Amortisation	12,13	942,743	1,891,627
Other Expenses	9	46,133	376,106
<b>Total Expenses from Continuing Operations</b>		<b>9,878,604</b>	<b>11,193,400</b>
<b>Operating Result from Continuing Operations</b>		<b>(73,865)</b>	<b>457,673</b>
<b>Total Comprehensive Income</b>		<b>(73,865)</b>	<b>457,673</b>

The accompanying notes form part of these financial statements

# Statement of financial position

as at 30 June 2023

	Notes	2023 \$	2022 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	10	8,894,352	8,515,484
Receivables	11	1,147,302	1,523,573
Prepayments		143,339	210,569
<b>Total Current Assets</b>		<b>10,184,993</b>	<b>10,249,626</b>
<b>Non Current Assets</b>			
Plant and Equipment	12	752,056	854,975
Right-of-use Assets	13	2,971,785	3,714,728
<b>Total Non Current Assets</b>		<b>3,723,841</b>	<b>4,569,703</b>
<b>Total Assets</b>		<b>13,908,834</b>	<b>14,819,329</b>
<b>Current Liabilities</b>			
Lease Liabilities	13	674,180	648,122
Payables	14	892,785	810,043
Accrued Employee Benefits	15	510,376	720,900
<b>Total Current Liabilities</b>		<b>2,077,341</b>	<b>2,179,065</b>
<b>Non Current Liabilities</b>			
Lease Liabilities	13	2,392,427	3,066,607
Accrued Employee Benefits	15	65,103	125,829
<b>Total Non Current Liabilities</b>		<b>2,457,530</b>	<b>3,192,436</b>
<b>Total Liabilities</b>		<b>4,534,871</b>	<b>5,371,501</b>
<b>Net Assets</b>		<b>9,373,963</b>	<b>9,447,828</b>
<b>Equity</b>			
Accumulated Surplus		9,373,963	9,447,828
<b>Total Equity</b>		<b>9,373,963</b>	<b>9,447,828</b>

The accompanying notes form part of these financial statements

# Statement of changes in equity

for the year ended 30 June 2023

	Accumulated Surplus	
	2023	2022
	\$	\$
<b>Balance 1 July</b>	9,447,828	8,990,155
Operating Result from Continuing Operations	(73,865)	457,673
Other Comprehensive Income	-	-
<b>Total Comprehensive Income</b>	<b>(73,865)</b>	<b>457,673</b>
<b>Balance 30 June</b>	<b>9,373,963</b>	<b>9,447,828</b>

The accompanying notes form part of these financial statements

# Statement of cash flows

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Government Grant		4,000,000	4,000,000
Fees		5,775,087	7,493,074
Interest		283,860	57,729
Other		1,650	162,099
GST collected		676,906	735,247
GST input tax credits from ATO		388,367	346,906
		<b>11,125,869</b>	<b>12,795,055</b>
<i>Outflows:</i>			
Members' Expenses		(434,275)	(425,402)
Employee Expenses		(7,201,176)	(7,379,035)
Supplies and services		(1,237,088)	(1,177,492)
Finance costs		(135,013)	(47,028)
GST paid to Suppliers		(317,541)	(401,204)
GST remitted to ATO		(676,906)	(753,411)
		<b>(10,001,999)</b>	<b>(10,183,572)</b>
<b>Net cash provided by / (used in) operating activities</b>		<b>1,123,871</b>	<b>2,611,483</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Proceeds from disposal of Plant and Equipment		-	8,547
Proceeds from lease fitout incentive		-	-
<i>Outflows:</i>			
Payments for Plant and Equipment		(96,881)	(843,390)
<b>Net cash provided by / (used in) investing activities</b>		<b>(96,881)</b>	<b>(834,844)</b>
<b>Cash flows from Financing activities</b>			
<i>Outflows:</i>			
Lease payments		(648,122)	(2,339,190)
<b>Net cash provided by / (used in) Financing activities</b>		<b>(648,122)</b>	<b>(2,339,190)</b>
Net increase/(decrease) in cash and cash equivalents		<b>378,868</b>	<b>(562,550)</b>
Cash and cash equivalents at beginning of financial year		8,515,484	9,078,034
<b>Cash and cash equivalents at end of financial year</b>	10	<b>8,894,352</b>	<b>8,515,484</b>

The accompanying notes form part of these financial statements

# Notes to and forming part of the financial statements

For the year ended 30 June 2023

## **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).

The objective of the QCA 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. The head office and principal place of business of the QCA is Level 27, 145 Ann Street, Brisbane Queensland 4000.

### **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 general purpose financial statements are prepared in accordance with the disclosure requirements of Australian Accounting Standards - Simplified Disclosures. The financial statements comply with the recognition and measurement requirements of all Australian Accounting Standards and Interpretations applicable for not-for-profit entities, and the presentation requirements in those standards as modified by AASB 1060.

### **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.

The financial statements are prepared on an accruals basis (with the exception of the statement of cash flows which is prepared on a cash basis).

## 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 2021-22 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 and change in accounting policies

### Change in accounting policies

The QCA did not voluntarily change any of its accounting policies during 2022-23.

### Change in accounting standards

The QCA did not early adopt any new accounting pronouncements in the 2022-23 financial year.

## g. Authorisation of financial statements for issue

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

### Note 2:

Fees	2023 \$	2022 \$
Fees	5,494,438	7,037,710
<b>Total</b>	<b>5,494,438</b>	<b>7,037,710</b>

### 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 (Accrued Fees Payable per Note 14). 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:

<b>Government Grant</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Grant - Queensland Treasury	4,000,000	4,000,000
<b>Total</b>	<b>4,000,000</b>	<b>4,000,000</b>

### 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 of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding except for special purpose capital grants received to construct non-financial assets to be controlled by the QCA. The QCA did not receive any specific purpose capital grants in this financial year.

### Disclosure - Grants and other contributions

The grant received from Queensland Treasury is accounted for under AASB 1058.

### Note 4:

<b>Other Income</b>	<b>2023</b>	<b>2022</b>
	\$	\$
Interest	310,301	60,061
Sub-lease rent income	-	162,374
Other*	-	382,382
<b>Total</b>	<b>310,301</b>	<b>604,817</b>

\* Other income for the 2021–22 year related to the gain on lease modification connected with the early surrender of the QCA's leased office premises as detailed at Note 13.

### Accounting policy

Sub-lease rent income was derived from leasing floor space to Queensland Productivity Commission (which became part of Queensland Treasury on 2 June 2021) and was classed as revenue and did not offset rent expense. The sub-lease expired on 30 September 2021.

Lease income is recognised as income on a straight-line basis over the lease term.

## Note 5:

<b>Employee Expenses</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Employee Benefits</b>		
Salaries	5,045,332	5,450,598
Annual Leave	548,813	481,392
Sick Leave	198,315	185,097
Employer Superannuation Contributions	626,007	612,142
Long Service Leave Central Scheme Levy	129,147	139,636
<b>Employee Related Expenses</b>		
Payroll tax	296,511	328,689
Staff Training Costs	93,114	43,983
Staff Recruitment Costs	7,121	-
Other Staff Expenses	25,205	19,664
Workers Compensation Premium	13,798	14,475
<b>Total</b>	<b>6,983,363</b>	<b>7,275,676</b>

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:

	37.7	39.3
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## Disclosure - Superannuation

<b>Employer – Superannuation Contributions</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Staff (included in employee expenses in the statement of comprehensive income)	626,007	612,142
Members (included in members' expenses in the statement of comprehensive income)	35,511	33,974
<b>Total</b>	<b>661,518</b>	<b>646,116</b>

## Accounting Policies

### 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 2022-23 are detailed below.

<b>Position</b>	<b>Responsibilities</b>	<b>Contract Classification and Appointment Authority</b>
Chair	Members are collectively responsible for the Authority's duties and responsibilities, in accordance with the QCA Act. The Chair is also responsible for the collegiate functioning of the members and Ministerial liaison.	Governor in Council/ <i>QCA Act 1997</i>
Deputy Chair	Members are collectively responsible for the Authority's duties and responsibilities, in accordance with the QCA Act. In the absence of the Chair, the Deputy Chair assumes the Chair'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 Officer	The Chief Executive Officer 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 Officer 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 2022—30 June 2023

Position	Short Term Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	\$	Non-Monetary Benefits \$	\$	\$	\$	\$
Chair (1/7/22-30/6/23)	135,282	-	-	14,205	-	149,486
Deputy Chair (1/7/22-30/6/23)	67,641	-	-	7,102	-	74,743
Member (1/7/22-30/6/23)	67,641	-	-	7,102	-	74,743
Member (1/7/22-30/6/23)	67,641	-	-	7,102	-	74,743
Chief Executive Officer (1/7/22-30/6/23)	447,658	-	9,401	25,206	-	482,264
<b>Total Remuneration</b>	<b>785,863</b>	<b>-</b>	<b>9,401</b>	<b>60,717</b>	<b>-</b>	<b>855,981</b>

### 1 July 2021—30 June 2022

Position	Short Term Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	\$	Non-Monetary Benefits \$	\$	\$	\$	\$
Chair (1/7/21-30/6/22)	135,897	-	-	13,590	-	149,486
Deputy Chair (1/7/21-30/6/22)	67,948	-	-	6,795	-	74,743
Member (1/7/21-30/6/22)	67,948	-	-	6,795	-	74,743
Member (1/7/21-30/6/22)	67,948	-	-	6,795	-	74,743
Chief Executive Officer (1/7/21-30/6/22)	424,096	-	8,906	23,487	-	456,490
<b>Total Remuneration</b>	<b>763,838</b>	<b>-</b>	<b>8,906</b>	<b>57,462</b>	<b>-</b>	<b>830,206</b>

#### Performance Payments

The 2021-22 remuneration package for the Chief Executive Officer included a potential performance payment of up to a maximum of \$22,062 for successful completion of Board set key performance indicators. The assessment process for the performance payment yielded a performance payment of \$19,069 which was paid in the 2022-23 financial year.

The 2022-23 remuneration package for the Chief Executive Officer includes a potential performance payment of up to a maximum of \$22,724 for successful completion of Board set key performance indicators. The assessment process for calculating this years' performance payment has not commenced.

#### Note 7: Related Party Transactions

There were no related party transactions with the QCA's key management personnel in 2021-22 or 2022-23.

#### Note 8:

##### Supplies and Services

	2023 \$	2022 \$
Specialist Services	572,332	496,647
Occupancy Costs	126,515	202,009
Information Technology Costs	323,522	232,615
Travel and Accommodation Costs	15,615	4,747
Bank Fees and Charges	13,131	16,956
General Administration Costs	128,201	148,156
Other	157,761	76,431
<b>Total</b>	<b>1,337,077</b>	<b>1,177,561</b>

## 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:

<b>Other Expenses</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
External Audit Fees*	27,000	26,100
Insurance Premiums	19,133	17,348
Loss on disposal of plant and equipment**	-	332,658
<b>Total</b>	<b>46,133</b>	<b>376,106</b>

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

\*\*Loss on disposal of plant and equipment relates to the write off of plant and equipment due to the QCA's early surrender of the leased office premises as detailed at Note 12.

Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$27,000 (2022: \$26,100).

### Note 10:

<b>Cash and Cash Equivalents</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	1,563,480	895,517
Cash on Hand	500	500
Cash in QTC Cash Fund	7,330,372	7,619,467
<b>Total</b>	<b>8,894,352</b>	<b>8,515,484</b>

## 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 11:

<b>Receivables</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Trade Debtors	-	1,650
Other Receivables	73,230	96,377
Accrued Fee Income*	1,042,615	1,323,264
<b>Sub Total</b>	<b>1,115,845</b>	<b>1,421,291</b>
GST Receivable	32,257	102,282
GST Payable	(800)	-
<b>Sub Total</b>	<b>31,457</b>	<b>102,282</b>
<b>Total Receivables</b>	<b>1,147,302</b>	<b>1,523,573</b>

## 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 2022-23, 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 12:

<b>Plant and Equipment and Depreciation Expense</b>	<b>2023</b>	<b>2022</b>
	\$	\$
<b>(i) Plant and Equipment</b>		
Plant and Equipment: At Cost	1,077,173	174,292
Less: Accumulated Depreciation	(325,117)	(125,317)
Work in progress	-	806,000
<b>Total</b>	<b>752,056</b>	<b>854,975</b>
<b>(ii) Plant and Equipment Reconciliation</b>		
		<b>Plant and Equipment</b>
<b>Carrying amount at 1 July 2022</b>		854,975
Acquisitions (including upgrades)		96,881
Depreciation Expense		(199,800)
Work in progress		-
<b>Carrying amount at 30 June 2023</b>		<b>752,056</b>

## 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 current replacement 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.

The amount for Work in progress represents the value of works carried out to 30 June 2023 with regards to the refurbishment of QCA premises at Level 27, 145 Ann Street Brisbane. No depreciation will be recorded until the project has been completed and ready for its intended use.

## 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:

Plant and Equipment: 10%-20%

## Note 13:

Leases	2023	2022
	\$	\$
<b>Right of Use assets - Buildings</b>		
Opening balance at 1 July	3,714,728	2,118,887
Depreciation charge	(742,943)	(1,495,692)
Additions	-	3,714,728
Other adjustments*	-	(623,195)
<b>Closing balance 30 June</b>	<b>2,971,785</b>	<b>3,714,729</b>

\*Other adjustments represent the reduction in the right of use asset due to the accounting for the lease modification with respect to the early surrender of the existing leased premises in the 2021-22 year and the inclusion of the lease incentive in 2022-23.

## Lease Liabilities

Current	674,180	648,122
Non-current	2,392,427	3,066,607
<b>Total</b>	<b>3,066,607</b>	<b>3,714,729</b>

## Amounts recognised in profit or loss

Interest expense on lease liabilities	135,013	47,028
Depreciation on Right-of-Use assets	742,943	1,495,692
Reduction in Right of Use asset and Lease Liability for early termination of lease	-	(382,381)
<b>Total cash outflow for leases</b>	<b>648,122</b>	<b>2,339,190</b>

## Accounting Policy

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, 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.

### Disclosure - Leases

The offices occupied by the QCA are subject to a lease which expired on 22 November 2022. During the 2021-22 year, QCA negotiated an early surrender of the existing lease with the term ending on 30 June 2022.

As part of the early surrender of the existing lease at 30 June 2022, a new lease was entered into commencing 1 July 2022, which expires on 30 June 2027. The lease is calculated with annual increases of 3.75% after the second year. There is a 5 year option beyond the expiry date. The QCA has not included the optional period in the lease term as it is not reasonably certain to exercise the option.

A bank guarantee in favour of the Landlord for \$545,040 being equivalent to six months rent has been issued for the lease of level 27 in 145 Ann Street which commences on 1 July 2022. This is enforceable should the QCA default on its lease commitments.

	2023 \$	2022 \$
<u>Lease Liability Maturity</u>		
Undiscounted future lease payments included in the lease liability are as follows.		
Not later than one year	783,138	783,135
Later than one year but not later than five years	2,543,452	3,326,580
Less discounting of lease payments to present value	(259,983)	(394,997)
<b>Lease liabilities at 30 June</b>	<b>3,066,607</b>	<b>3,714,718</b>

## Note 14:

<b>Payables</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Accrued Expenses	135,608	341,485
Trade Creditors	-	99,907
Audit Fees Payable	27,000	26,100
Accrued Fees Payable*	730,177	342,551
<b>Total</b>	<b>892,785</b>	<b>810,043</b>

\*Accrued Fees Payable represents reasonable costs less than the regulatory fees received that will be repaid in the next financial year. Refer to accounting policy at Note 2 for further information.

### 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 15:

<b>Accrued Employee Benefits</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Annual Leave	489,398	620,545
Staff Retention Scheme	20,978	100,355
<b>Total</b>	<b>510,376</b>	<b>720,900</b>
<b>Non-Current</b>		
Staff Retention Scheme	65,103	125,829
<b>Total</b>	<b>65,103</b>	<b>125,829</b>

### Accounting Policy

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

## Note 16: 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
- Lease Liabilities - 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 17: Other Information**

### **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 11
- Depreciation—note 12
- Right of Use Assets and Liabilities—note 13
- Accrued Fees Payable—note 14
- Accrued Employee Benefits—note 15

### **Climate related risk disclosure**

The State of Queensland, as the ultimate parent of the QCA, has published a wide range of information and resources on climate change risks, strategies and actions (<https://www.qld.gov.au/environment/climate/climate-change>) including the following key whole-of-Government publications:

- Climate Action Plan 2020-2030 (<https://www.des.qld.gov.au/climateaction>)
- Queensland Energy and Jobs Plan (<https://www.epw.qld.gov.au/energyandjobsplan>)
- Climate Adaptation Strategy (<https://www.qld.gov.au/environment/climate/climate-change/adapting/strategy>)
- Queensland Sustainability Report (<https://www.treasury.qld.gov.au/programs-and-policies/esq/>)

No adjustments to the carrying value of assets held by the QCA were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements.

No other transactions have been recognised during the financial year specifically due to climate-related risks impacting the QCA.

# Certificate of Queensland Competition Authority

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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:

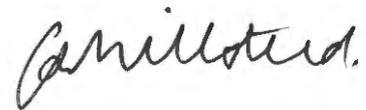
- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Competition Authority for the financial year ended 30 June 2023 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.



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**Chair**  
F Menezes  
PhD U of I  
24 August 2023



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**Chief Executive Officer**  
C Millstead  
BEcon(Hons) BA  
24 August 2023

# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

To the Board 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 2023, 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 – Simplified Disclosures.

The financial report comprises the statement of financial position as at 30 June 2023, 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 material accounting policy 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.

#### Responsibilities of the entity for the financial report

The Board is 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 – Simplified Disclosures, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is 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 forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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 Board 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.

## **Report on other legal and regulatory requirements**

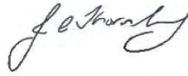
### **Statement**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

- 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.



Jacqueline Thornley  
as delegate of the Auditor-General

31 August 2023

Queensland Audit Office  
Brisbane

# Appendices

# Appendix A: Glossary

<b>Term</b>	<b>Definition</b>
<b>ACCC</b>	Australian Competition and Consumer Commission
<b>ASX</b>	Australian Stock Exchange
<b>CQCN</b>	Central Queensland coal network
<b>DAAU</b>	Draft amending access undertaking
<b>DAU</b>	Draft access undertaking
<b>DBCT</b>	Dalrymple Bay Coal Terminal
<b>DBI Management</b>	Dalrymple Bay Infrastructure Pty Ltd Management
<b>DMO</b>	Default market offer
<b>EC</b>	Electric energy charge
<b>Electricity Act</b>	<i>Electricity Act 1994</i>
<b>GAWB</b>	Gladstone Area Water Board
<b>KPI</b>	Key performance indicators
<b>NECAP</b>	Non-expansion capital expenditure
<b>NESB</b>	Non-English speaking background
<b>PS Act</b>	<i>Public Service Act 2022</i>
<b>TIC</b>	Terminal infrastructure charge
<b>QCA</b>	Queensland Competition Authority
<b>QCA Act</b>	<i>Queensland Competition Authority Act 1997</i>
<b>UT5</b>	Aurizon Network's 2017 access undertaking

# Appendix B: Letter of compliance

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Queensland  
Competition  
Authority

File ref: 1495579

8 September 2023

The Honourable Cameron Dick MP  
Treasurer and Minister for Trade  
GPO Box 611  
Brisbane Qld 4001

Dear Treasurer

I am pleased to submit for presentation to the Parliament the annual report 2022-2023 and financial statements for the Queensland Competition Authority.

I certify that this 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 72-73 of this annual report.

Yours sincerely



Professor Flavio Menezes  
Chair

Address | Level 27, 145 Ann Street, Brisbane, Queensland, Australia 4000  
Post | GPO Box 2257, Brisbane QLD 4001

Call | (07) 3222 0555  
Online | [www.qca.org.au](http://www.qca.org.au)

# Appendix C: Compliance checklist

Summary of requirement	Basis for requirement	Annual report reference
<b>Letter of compliance</b>	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul>	ARRs – section 7 71
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs – section 9.1 70
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 9.2 74
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 74
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	<i>Copyright Act 1968</i> ARRs – section 9.4 Back of cover page
	<ul style="list-style-type: none"> <li>Information Licensing</li> </ul>	<i>QGEA – Information Licensing</i> ARRs – section 9.5 N/A
<b>General information</b>	<ul style="list-style-type: none"> <li>Introductory Information</li> </ul>	ARRs – section 10 2–4, 17
<b>Non-financial performance</b>	<ul style="list-style-type: none"> <li>Government’s objectives for the community and whole-of-government plans/specific initiatives</li> </ul>	ARRs – section 11.1 17–40
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs – section 11.2 12–15 17–40
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	ARRs – section 11.3 17–45
<b>Financial performance</b>	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs – section 12.1 27, 47–64
<b>Governance – management and structure</b>	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs – section 13.1 10
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	ARRs – section 13.2 5–9
	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	ARRs – section 13.3 11
	<ul style="list-style-type: none"> <li>Public Sector Ethics</li> </ul>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 36
	<ul style="list-style-type: none"> <li>Human Rights</li> </ul>	<i>Human Rights Act 2019</i> ARRs – section 13.5 25
	<ul style="list-style-type: none"> <li>Queensland public service values</li> </ul>	ARRs – section 13.6 36
<b>Governance – risk management and accountability</b>	<ul style="list-style-type: none"> <li>Risk management</li> </ul>	ARRs – section 14.1 26
	<ul style="list-style-type: none"> <li>Audit committee</li> </ul>	ARRs – section 14.2 N/A
	<ul style="list-style-type: none"> <li>Internal audit</li> </ul>	ARRs – section 14.3 25

	<ul style="list-style-type: none"> <li>• <b>External scrutiny</b></li> </ul>	ARRs – section 14.4	25
	<ul style="list-style-type: none"> <li>• <b>Information systems and recordkeeping</b></li> </ul>	ARRs – section 14.5	25
	<ul style="list-style-type: none"> <li>• <b>Information Security attestation</b></li> </ul>	ARRs – section 14.6	N/A
<b>Governance – human resources</b>	<ul style="list-style-type: none"> <li>• <b>Strategic workforce planning and performance</b></li> </ul>	ARRs – section 15.1	36–40
	<ul style="list-style-type: none"> <li>• <b>Early retirement, redundancy and retrenchment</b></li> </ul>	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	39
<b>Open Data</b>	<ul style="list-style-type: none"> <li>• <b>Statement advising publication of information</b></li> </ul>	ARRs – section 16	27, 74
	<ul style="list-style-type: none"> <li>• <b>Consultancies</b></li> </ul>	ARRs – section 31.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	<ul style="list-style-type: none"> <li>• <b>Overseas travel</b></li> </ul>	ARRs – section 31.2	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	<ul style="list-style-type: none"> <li>• <b>Queensland Language Services Policy</b></li> </ul>	ARRs – section 31.3	N/A
<b>Financial statements</b>	<ul style="list-style-type: none"> <li>• <b>Certification of financial statements</b></li> </ul>	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	65
	<ul style="list-style-type: none"> <li>• <b>Independent Auditor's Report</b></li> </ul>	FAA – section 62 FPMS – section 46 ARRs – section 17.2	66–68

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

# Annual report access

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## Additional copies

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

email [annualreport@qca.org.au](mailto:annualreport@qca.org.au)

mail Executive Assistant

Queensland Competition Authority

GPO Box 2257

BRISBANE QLD 4001

tel 07 3222 0555

This report is available in PDF format on our website: <https://www.qca.org.au/our-role/>

## Open data

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

- Consultancies 2022-23
- Overseas travel 2022-23.

## Translating and interpreting assistance

We are committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds.

If you have difficulty in understanding the annual report, you can contact us on 07 3222 0555 and we will arrange an interpreter to assist you.



## Feedback

Readers are encouraged to provide feedback on the contents or structure of this report by contacting us at [annualreport@qca.org.au](mailto:annualreport@qca.org.au)

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