ENERGY CONSUMERS AUSTRALIA LIMITED

ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2021

ENERGY CONSUMERS AUSTRALIA

Contents

Directors' Report

The Directors of Energy Consumers Australia Limited (the Company) present their report together with the financial statements of the Company for the year ended 30 June 2021 and the Independent Audit Report.

Directors

The following Directors were the Responsible Entities of Energy Consumers Australia Limited during or since the end of the financial year. Directors were in office for the full year unless otherwise stated.

Marie (Louise) Sylvan AM
BA, MPA, FAICD

Director and Chair
Appointed 29 January 2015

Louise has significant experience in consumer affairs policy analysis and advocacy. She is Chair of the Reliable Affordable Clean Energy for 2030 Cooperative Research Centre; a non-executive director of the Social Enterprise Fund Australia, the Australian Risk Policy Institute, the Australian Centre for Social Innovation; and Member of the Advisory Panels of the Net Zero Australia project and the Australian Privacy Foundation. Formerly Chief Executive Officer of the Australian National Preventive Health Agency, Louise was also a Commissioner of the Productivity Commission and Deputy Chair of the Australian Competition and Consumer Commission (ACCC).

Gavin Dufty
B. Social Science

Director
Appointed 29 January 2019

Gavin has significant consumer advocacy and energy policy experience. Gavin is Manager Policy and Research at St Vincent de Paul Society, Victoria. He has worked as a consumer representative in the energy sector for over 29 years undertaking research and policy evaluation on its impacts on domestic consumers. Gavin is currently a director on the board of Energy and Water Ombudsman (Victoria) (EWOV) and is a representative on several industry and government committees.

Helen Garnett PSM
BSc (Hons) PHD FAICD FTSE

Director, Member Risk and Audit Committee
Appointed 29 January 2019

Helen has significant corporate experience gained through directorships on government entities and ASX-listed companies in the energy, mining, agriculture and education sectors as well as entities involved in regional economic development and the arts. She currently chairs Generator Property Management and is a director of Developing East Arnhem Land, The Crawford Fund, Becquerel Laboratories and Larrakia Development Corporation.

Virginia Hickey
BA, LLB, FAICD

Director, Chair Reference Committee
Appointed 22 February 2016

Virginia is a lawyer, corporate governance expert and a company director. She was previously a partner of commercial law firm, Finlaysons. She has significant experience in national regulatory environments through her previous governance positions as a National Competition Councillor, a National Transport Commissioner, and as the Independent Chair of the Telecommunications Ombudsman Council.

Christopher Spangaro
BLegS (Hons), GAICD

Director, Member Risk and Audit Committee
Appointed 29 January 2019

Chris has a background in law and public policy. He is a member of Independent Pricing and Regulatory Tribunal's (IPART) Energy Savings Scheme Tribunal Committee. Chris is a former Senior Director of the Australian Energy Market Commission (AEMC) where he led the Retail and Wholesale Markets team addressing key aspects of consumer energy pricing and protection as well as the reshaping of wholesale market rules. He previously worked for the NSW Independent Pricing and Regulatory Tribunal as General Manager of the Greenhouse Gas Abatement Scheme and as Manager, Water Pricing.

NET SURPLUS AFTER INCOME TAX

The net surplus of the Company for the financial year after income tax was $1,000,542 (2019/20: net loss of $160,274).

REVIEW OF OPERATIONS

Following a review of the Company's operations during the financial year and the results of those operations, in the opinion of the directors, the company performed according to expectations. While the COVID-19 pandemic did not significantly impact ECA's operations, given the nature of the business, it did have a material impact on the demand for funding under the Grants Program. The underspend in the Grants Program of $629,440 was primarily due to a lower volume of grant applications ($542,000) and changes in the timing of payments to existing grants ($87,440). These unusual circumstances have not changed the funding being allocated to the Grants Program in future years.

Energy Consumers Australia's (ECA) funding is passed through from fees collected by the Australian Energy Market Operator (AEMO), with the amount set in the annual budget approved by ECA's Member (the South Australian Minister for Energy and Mining) in consultation with the Energy National Cabinet Reform Committee.

PRINCIPAL ACTIVITIES

Objective

The principal activity of the Company during the course of the year was to promote the long-term interests of Consumers of Energy with respect to the price, quality, safety, reliability and security of supply of Energy services by providing and enabling strong, coordinated, collegiate evidence-based consumer advocacy on National Energy Market matters of strategic importance or material consequence for Energy Consumers, in particular for Residential Consumers and Small Business Customers.

Activities

- Effectively and objectively participate in National Energy Market issues and influence regulatory activities and energy market reform to benefit consumers
- Engage and communicate with consumers and consumer advocates about NEM policies, reforms and issues
- Build national and jurisdictional expertise and capacity through research, knowledge development and consultation
- Undertake robust research to build knowledge, engage and influence policy development and educate consumers in the energy markets
- Fund and manage grants to build knowledge and sectoral capacity supporting policy development and consumer education in the National Energy Market
- Create and maintain effective working relationships with key stakeholders
- Develop and apply an understanding of the distinct market differences between jurisdictions within the National Energy Market
- Frequently and collaboratively engage and communicate with representatives from the Energy Industry on issues in the interests of Consumers.

There have been no significant changes in the nature of these activities during the year.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

FUTURE DEVELOPMENTS

The Company expects to maintain the present status and level of operations and hence there are no likely known developments in future financial years.

ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

ACTIONS

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the year.

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director is set out below:

Board Meetings

DIRECTOR	MEETINGS ENTITLED TO ATTEND	MEETINGS ATTENDED
Marie (Louise) Sylvan	9	9
Gavin Dufty	9	9
Helen Garnett	9	9
Virginia Hickey	9	9
Chris Spangaro	9	9

INDEMNIFICATION OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors and officers of Energy Consumers Australia Limited against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer other than conduct involving a wilful breach of duty. The total amount of insurance contract premiums paid was $34,241 (2020: $20,200).

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, EY, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify EY during or since the financial year.

CONTRIBUTION IN WINDING UP

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee.

If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Company. At 30 June 2021 the number of members was 1.

AUDITOR INDEPENDENCE

The Auditors' Independence Declaration for the year ended 30 June 2021 has been received and can be found on page 7 of the annual financial report.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Louise Sylvan

Marie Louise Sylvan
Director
Date: 21 September 2021

Building a better working world

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Auditor's Independence Declaration to the Directors of Energy Consumers Australia Limited

In relation to our audit of the financial report of Energy Consumers Australia Limited for the financial year ended 30 June 2021, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Ryan Fisk
Partner
21 September 2021

Statement of Comprehensive Income

For the year ended 30 JUNE 2021

	NOTE	2021 $	2020 $
Income			
Industry levies	6	8,178,550	7,610,000
Commonwealth grant income	6	-	33,417
Interest income	6	17,846	34,321
Other income	6	138,092	231,332
Total income		**8,334,488**	**7,909,070**
Expenses			
Grant payments	7a	1,685,560	2,256,296
Commonwealth grant expenses	7b	-	33,417
Project expenses		1,661,319	1,641,926
Office expenses		863,203	887,570
Depreciation and amortisation charges		33,838	237,921
Premise expenses		220,597	20,429
Staff expenses		2,705,852	2,796,103
Board expenses		163,577	195,682
Total expenses		**7,333,946**	**8,069,344**
Net surplus/(deficit) before income tax		1,000,542	(160,274)
Income Tax (benefit)/ Expense		-	-
Net (deficit)/surplus after income tax		**1,000,542**	**(160,274)**

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

Statement of Financial Position

As at 30 JUNE 2021	NOTE	2021 $	2020 $
Current Assets			
Cash and cash equivalents	8	2,703,097	1,294,368
Trade and other receivables	10	228,686	202,997
Prepayments		177,808	105,314
Deposits	11	731,925	982,696
Total Current Assets		**3,841,516**	**2,585,375**
Non-Current Assets			
Property, plant and equipment	12	34,991	17,899
Intangible assets	13	-	659
Right of use assets	14a	635	19,816
Total Non – current Assets		**35,626**	**38,374**
Total Assets		**3,877,142**	**2,623,749**
Current Liabilities			
Trade and other payables	15	971,034	697,557
Employee entitlements	16	149,276	163,198
Lease liability	14b	645	20,658
Total Current Liabilities		**1,120,955**	**881,413**
Non – Current Liabilities			
Lease liability	14b	-	645
Employee entitlements	16	48,261	34,307
Total Non – Current Liabilities		**48,261**	**34,952**
Total Liabilities		**1,169,216**	**916,365**
Net Assets		**2,707,926**	**1,707,384**
Equity			
Initial contribution reserve	17	1,189,415	1,189,415
Retained earnings	17	1,518,511	517,969
Total Equity		**2,707,926**	**1,707,384**

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

Statement of Changes in Equity

As at 30 JUNE 2021

	(NOTE 17) INITIAL CONTRIBUTIO N RESERVE $	(NOTE 17) RETAINED EARNINGS $	TOTAL EQUITY $
Balance at 30 June 2019	**1,189,415**	**678,243**	**1,867,658**
Net deficit for 2019-20	-	(160,274)	(160,274)
Net movement in reserve for 2019-20	-	-	-
Balance at 30 June 2020	**1,189,415**	**517,969**	**1,707,384**
Balance at 30 June 2020	**1,189,415**	**517,969**	**1,707,384**
Net deficit for 2020-21	-	1,000,542	1,000.542
Net movement in reserve for 2020-21	-	-	-
Balance at 30 June 2021	**1,189,415**	**1,518,511**	**2,707,926**

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

Statement of Cash Flows

For the year ended 30 JUNE 2021

	NOTE	2021 $	2020 $
Cash flows from operating activities			
Cash outflows			
Payments for supplies and employees		(5,877,423)	(6,634,012)
Payment of grants		(1,707,546)	(2,408,467)
GST paid to the ATO		(261,795)	(142,233)
Interest paid on lease liability		(111)	(830)
Cash used in operations		**(7,846,875)**	**(9,185,542)**
Cash inflows			
Receipts from AEMO and grants	9(c)	9,037,440	8,873,287
Interest received		20,087	33,764
Income tax refund		-	996,379
Cash generated from operations		**9,057,527**	**9,903,430**
Net cash provided by operating activities	9(b)	**1,210,652**	**717,888**
Cash flows from investing activities			
Cash outflows			
Purchase of deposits		-	(256,299)
Purchase of property, plant and equipment		(34,200)	(10,894)
Cash used in investing activities		**(34,200)**	**(267,193)**
Cash inflows			
Term deposit reclassification to cash and cash equivalents from deposits		253,046	-
Cash provided by investing activities		**253,046**	**-**
Net cash provided from investing activities		**218,846**	**(267,193)**
Cash flows from financing activities			
Cash outflows			
Payment of principle portion of lease liability		(20,769)	(219,700)
Cash used in financing activities		**(20,769)**	**(219,700)**
Net cash provided from financing activities		**(20,769)**	**(219,700)**

	NOTE	2021 $	2020 $
Net increase/(decrease) in cash and cash equivalents		1,408,729	230,995
Cash and cash equivalents at the beginning of the period		1,294,368	1,063,373
Cash and cash equivalents at the end of the period	9(a)	**2,703,097**	**1,294,368**

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

Notes to the Financial Statements

For the year ended 30 June 2021

1. CORPORATE INFORMATION

The financial report of Energy Consumers Australia Limited (the Company) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the directors on 16 September 2021.

Energy Consumers Australia is a company limited by guarantee incorporated in Australia on 29 January 2015. The Company's objectives are to promote the long-term interests of Consumers of Energy with respect to the price, quality, safety, reliability and security of supply of Energy services by providing and enabling strong, coordinated, collegiate evidence-based consumer advocacy on National Energy Market matters of strategic importance or material consequence for Energy Consumers, in particular for Residential Consumers and Small Business Customers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation and Statement of compliance

The financial report is a general-purpose financial report and it has been prepared in accordance with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Australian Accounting Standards contain requirements specific to not-for-profit entities, including AASB 116 Property, Plant and Equipment, AASB 138 Intangible Assets, AASB 136 Impairment of Assets and AASB 1004 Contributions. The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars ($).

b) New accounting standards and interpretation

i. Changes in accounting policies

Energy Consumers Australia Limited has reviewed amendments to relevant accounting standards which came into effect from 1 July 2020.

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business. Clarifies the definition of a 'business' to assist entities when determining whether a transaction should be accounted for as a business combination or an asset acquisition. Effective for annual periods beginning on or after 1 January 2020 (Company 1 July 2020). These amendments had no material impact on the financial statements of ECA.

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework. This standard sets out amendments to Australian Accounting Standards, interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. Effective for annual periods beginning on or after 1 January 2020 (Company 1 July 2020). These amendments had no material impact on the financial statements of ECA.

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform [AASB 7, AASB 9 and AASB 139]. This Standard amends Australian Accounting Standards AASB 7 *Financial Instruments: Disclosures* (August 2015), AASB 9 *Financial Instruments* (August 2015) and AASB 139 *Financial Instruments: Recognition and Measurement* (August 2015) as a consequence of the issuance of International Financial Reporting Standard *Interest Rate Benchmark Reform* (Amendments to IFRS 9, IAS 39 and IFRS 7) by the International Accounting Standards Board in September 2019. Effective for annual periods beginning on or after 1 January 2020 (Company 1 July 2020). These amendments had no material impact on the financial statements of ECA.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material. Clarifies the definition of what is 'material' to the financial statements, including adding guidance and explanations to accompany the definition. Effective for annual periods beginning on or after 1 January 2020 (Company 1 July 2020). These amendments had no material impact on the financial statements of ECA.

ii. Accounting Standards and Interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of ECA's financial statements are discussed below. ECA intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

TITLE	DESCRIPTION	EFFECTIVE DATE FOR ECA	NOTE
AASB 7	Insurance Contracts	1 July 2021	(i)
AASB 2020-1	Amendments to AASs – Classification of Liabilities as Current or Non-current	1 July 2022	(ii)
AASB 2021-2	Amendments to AASB 108 – Definition of Accounting Estimates	1 July 2022	(iii)
AASB 2021-3	Amendments to AASs – Covid-19-Related Rent Concessions beyond 30 June 2021	1 July 2021	(iv)

(i) This standard is not applicable to ECA.

(ii) The amendments are not expected to have a significant impact on ECA's financial statements.

(iii) The amendments are not expected to have a significant impact on ECA's financial statements.

(iv) This standard is not applicable to ECA.

c) Revenue recognition

Revenue is measured at the fair value of the contributions received or receivable and is recognised when all the following conditions have been satisfied:

- the Company obtains control of the contribution or the right to receive the contribution
- it is probable that the economic benefits comprising the contribution will flow to the Company
- the amount of the contribution can be measured reliably.

i. Commonwealth grant income

Commonwealth grant income is recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants received for which related costs have not been incurred are recognised as unearned revenue on the balance sheet.

ii. Other income - interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

d) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

e) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified.

f) Property, plant and equipment

Property, plant and equipment is initially measured at fair value at the date on which control is obtained

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Office furniture and equipment - 3 to 5 years
- Leasehold Improvements - 5 years

An item of property, plant and equipment and any significant part initially recognised are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful live of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful life as follows:

- Software and website development - 3 years

Intangible assets assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income in the expense category that is consistent with the function of the intangible assets.

h) Financial assets

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re-evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or when the entity transfers substantially all of the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

After initial recognition, deposits shall be measured at amortised cost using the effective interest method.

The Company assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

i) Leases

ECA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. ECA applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The lease payments for short-term leases are expensed on a straight-line basis over the lease term. ECA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

ECA recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless ECA is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are amortised on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

ii. Lease Liabilities

At the commencement date of the lease, ECA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by ECA and payments of penalties for terminating a lease, if the lease term reflects ECA exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, ECA uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

j) Trade and other payables

Trade and other payables are carried at amortised cost due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

k) Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee leave benefits

Wages, salaries, annual leave, long service leave and personal leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating personal leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave is recognised in respect of employees' services up to the reporting date once they have been an employee for five years or greater. It is measured at the amount expected to be paid when the liabilities are settled.

l) Income tax and other taxes

i. Income tax

ECA was advised by the Australian Charities and Not-for-profits Commission on 28 March 2019 that ECA was registered as a charity from 16/02/2015. ECA was advised by the Australian Taxation Office on 4 April 2019 that it had been granted income tax exemption from 16 February 2015.

ii. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise receivables, payables, cash and short-term deposits.

The Company currently manages its exposure to key financial risks, including interest rate and currency risk, through ongoing monitoring of the Company's financial instruments by management. If significant exposures were identified, a recommendation for a strategy to mitigate the financial risk would be proposed to the Board of Directors for review and approval. Once approved, the Company would implement the agreed strategy to minimise the financial exposure.

Risk exposures and responses

i. Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the company's cash at bank and short-term deposits.

At balance date, the Company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2021 $	2020 $
Financial Assets		
Cash and cash equivalents*	2,889,413	1,477,654
	2,889,413	**1,477,654**
Financial Liabilities	-	-
Net exposure	**2,889,413**	**1,477,654**

*Comprises $1,904,442 subject to variable rates and $984,971 subject to fixed rates. There is also $500,000 subject to fixed interest rates in term deposits greater than three months in length and $45,609 not subject to any interest rates.

The following sensitivity analysis is based on the variable interest rate risk exposures in existence at the Statement of Financial Position date:

At 30 June 2021, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

	POST TAX SURPLUS HIGHER/(LOWER)		OTHER COMPREHENSIVE INCOME HIGHER/(LOWER)	
JUDGEMENTS OF REASONABLY POSSIBLE MOVEMENTS:	2021 $	2020 $	2021 $	2020 $
+1% (100 basis points)	13,331	5,236	-	-
(0.5%) (50 basis points)	(6,665)	(2,618)	-	-

Credit Risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, deposits and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter-party, with a maximum exposure equal to the carrying amount of these instruments.

The Company only trades with recognised, creditworthy third parties and as such collateral are not requested nor it is the Company's policy to securitise its trade and other receivables.

Receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

Liquidity Risk

Liquidity risk arises from the financial liabilities of the Company and the Company's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. The Company closely monitors its cash position and regularly updates its cash flow projections to ensure it has sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Maturity analysis of financial assets and liabilities based on management's expectations

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows.

YEAR ENDED 30 JUNE 2021	<6 MONTHS $	6-12 MONTHS $	1-5 YEARS $	5 YEARS $	TOTAL $
Financial Assets:					
Cash and cash equivalent	2,889,413	-	-	-	2,889,413
Trade and other receivables	406,494	-	-	-	406,494
Deposits	-	500,000	-	-	500,000
	3,295,907	**500,000**	**-**	**-**	**3,795,907**
Financial Liabilities:					
Trade and other payables	971,034	-	-	-	971,034
Employee entitlements — annual leave	149,276	-	-	-	149,276
Employee entitlements — long service leave	-	-	48,261	-	48,261
	1,120,310	**-**	**48,261**	**-**	**1,168,571**
Net Maturity	**2,175,597**	**500,000**	**(48,261)**	**-**	**2,627,336**

Fair Value

The methods of estimating fair value are outlined in the relevant notes to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

5. SEGMENT INFORMATION

The Company operates predominately in one industry. The principal activity of the Company is to promote the long-term interests of Consumers of Energy with respect to the price, quality, safety, reliability and security of supply of Energy services by providing and enabling strong, coordinated, collegiate evidence-based consumer advocacy on National Energy Market matters of strategic importance or material consequence for Energy Consumers, in particular for Residential Consumers and Small Business Customers. The Company operates in Australia.

6. REVENUE FROM CONTINUING OPERATIONS

	2021 $	2020 $
Electricity levies from AEMO*	6,133,912	5,707,500
Gas levies from AEMO*	2,044,638	1,902,500
Commonwealth grant income 7(b)	-	33,417
	8,178,550	7,643,417
Other income	138,092	231,332
Interest income	17,846	34,321
Total Revenue	**8,334,488**	**7,909,070**

* ECA received additional funding of $300,000 from the Australian Energy Market Operator to cover the additional costs incurred by ECA through its participation in the appeal to the Australian Competition Tribunal of the New Energy Tech Consumer Code in 2020.

7(A) GRANT PAYMENTS

Grant payments of $1,685,560 (FY20: $2,256,296) represent costs incurred in relation to approved grant applications and are recognised to the extent that the work has been undertaken by the applicant. Of the expense recognised during the year, $nil (FY20: $nil) relates to amounts accrued at year end (refer to note 15).

The unrecognised contractual commitments relating to grant applications approved before or on 30 June 2021 are disclosed in note 19.

The COVID-19 pandemic did have a material impact on the demand for funding under the Grants Program. The underspend in the Grants Program of $629,440 was primarily due to a lower volume of grant applications ($542,000) and changes in the timing of payments to existing grants ($87,440). These unusual circumstances have not changed the funding being allocated to the Grants Program in future years.

7(B) COMMONWEALTH GRANT INCOME AND EXPENDITURE

The Company received a Commonwealth Government grant of $1,818,182 (ex GST) over 2017-20 to undertake Power Shift; an independent review of the Low-Income Energy Efficiency Program evidence base, as well as undertake complementary research, and support the ongoing work of the Group of Energy Efficiency Researchers Australia.

During the year $nil (FY20: $33,417) in grants and other costs associated with the program were incurred and a corresponding amount has been recognised as income. The grant has now concluded (refer to note 15).

8. CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash at bank and in hand	**2,703,097**	**1,294,368**

Interest rate risk

Cash at bank earns a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

9. STATEMENT OF CASH FLOW RECONCILIATION

a) Reconciliation of cash and cash equivalents at the end of the reporting period:

	2021 $	2020 $
Cash and cash equivalents disclosed in the Statement of Financial Position	2,703,097	1,294,368
Balance as per the Statement of Cash Flows	**2,703,097**	**1,294,368**

b) Reconciliation of net surplus/(deficit) after tax to net cash flows from operations:

	2021 $	2020 $
Net (deficit)/surplus after income tax	1,000,542	(160,274)
Accrued rental lease payments	-	18,145
Add back depreciation of right-of-use assets	19,181	202,213
Add back depreciation and amortisation charges	14,658	35,708
	1,034,381	95,792

	2021 $	2020 $
(Increase)/decrease in trade and other receivables	(101,292)	1,247,434
Increase/(decrease) in trade and other payables	277,531	(713,987)
Increase/(decrease) in provisions	32	88,649
Net cash inflow from operating activities	**1,210,652**	**717,888**

c) ECA received additional funding of $300,000 from the Australian Energy Market Operator to cover the additional costs incurred by ECA through its participation in the appeal to the Australian Competition Tribunal of the New Energy Tech Consumer Code in 2020.

10. TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
Accounts receivables	2,454	1,100
Accrued income	51,167	6,354
GST receivables	175,065	195,382
Other debtors	-	161
Total	**228,686**	**202,997**

11. DEPOSITS

	2021 $	2020 $
Term deposits	500,000	753,046
Security deposits	231,925	229,650
Total	**731,925**	**982,696**

12. PROPERTY, PLANT AND EQUIPMENT

	2021 $	2020 $
Office furniture and equipment:		
Balance as at 1 July	16,411	17,669
Additions at cost	31,091	9,904
Disposals at cost	-	-
Adjustments	-	-
Depreciation charge for the year	(13,032)	(11,162)
Balance as at 30 June	34,470	16,411
Leasehold Improvements:		
Balance as at 1 July	1,488	10,760
Additions at cost	-	-
Depreciation charge for the year	(967)	(9,272)
Balance as at 30 June	521	1,488
Total property, plant and equipment:		
Balance as at 1 July	17,899	28,429
Additions at cost	31,091	9,904
Disposals at cost	-	-
Adjustments	-	-
Depreciation charge for the year	(13,999)	(20,434)
Balance as at 30 June	**34,991**	**17,899**

13. INTANGIBLE ASSETS

	2021 $	2020 $
Website development:		
Balance as at 1 July	659	15,933
Additions at cost	-	-
Amortisation charge for the year	(659)	(15,274)
Balance as at 30 June	**-**	**659**

14(A) RIGHT OF USE ASSETS

	2021 $	2020 $
Right of use assets:		
Balance as at 1 July	19,816	222,029
Additions at cost	-	-
Depreciation charge for the year	(19,181)	(202,213)
Balance as at 30 June	**635**	**19,816**

14(B) LEASE LIABILITIES

	2021 $	2020 $
Current Liabilities		
Photocopier Lease:		
Balance as at 1 July	3,205	5,073
Lease payments	2,616	2,616
Interest charges	(56)	(103)
Balance as at 30 June	645	2,560
Rental Premises Lease:		
Balance as at 1 July	18,098	234,456
Lease payments	18,153	217,084
Interest charges	(55)	(727)
Balance as at 30 June	-	18,099
Total Current Liabilities:		
Balance as at 1 July	21,303	239,529
Lease payments	20,769	219,700
Interest charges	(111)	(830)
Balance as at 30 June	**645**	**20,658**

	2021 $	2020 $
Non-Current Liabilities		
Photocopier Lease:		
Balance as at 1 July	-	645
Lease payments	-	-
Interest charges	-	-
Balance as at 30 June	**-**	**645**

15. TRADE AND OTHER PAYABLES

	2021 $	2020 $
Current liabilities:		
Accounts payables	519,401	406,607
FBT Payables	-	(1,730)
GST payables	227,054	188,531
Payroll payables	62,147	54,075
Ausnet payables	-	1,067
Other accrued expenses	162,432	49,007
Total	**971,034**	**697,557**

16. PROVISIONS

	2021 $	2020 $
Current Liabilities		
Annual Leave	149,276	163,198
Total Current Liabilities	**149,276**	**163,198**
Non-Current Liabilities		
Long Service Leave	48,261	34,307
Total Non-Current Liabilities	**48,261**	**34,307**
Total Provisions	**197,537**	**197,505**

17. RETAINED EARNINGS AND RESERVES

	2021 $	2020 $
Movements in retained earnings and reserves were as follows:		
Reserves:		
Balance as at 30 June 2020	1,189,415	1,189,415
Net movement for the year	-	-
Balance as at 30 June 2021	**1,189,415**	**1,189,415**
Retained earnings:		
Balance as at 30 June 2020	517,969	678,243
Net movement for the year	1,000,542	(160,274)
Balance as at 30 June 2021	**1,518,511**	**517,969**

On 29 January 2015, ECA received an initial funding contribution from the Consumer Advocacy Panel. In the 2016 financial year there was a CAP Grant adjustment to the initial contribution reserve bringing the total to $1,189,415. The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Company. At 30 June 2021 the number of members was 1. Upon winding-up if there remains any property it must be transferred to some other institution having objects similar to the objects of ECA and a constitution which prohibits the distribution of its income and property among its members.

18. RELATED PARTY TRANSACTIONS

	2021 $	2020 $
Key Management Personnel Remuneration		
Short term benefits	375,718	416,655
Post-employment benefit	35,020	34,867
Total	**410,738**	**451,522**

19. UNRECOGNISED CONTRACTUAL COMMITMENTS

Commitments relate to approved applications for which a grant has not yet been paid:

	2021 $	2020 $
Payable within one year	714,692	1,511,952
More than one year but no later than two years	88,184	401,430
Total unrecognised contractual commitments	**802,876**	**1,913,382**

The above represents commitments for approved grant applications where the conditions for payment of the grant has not been met as at 30 June 2021.

20. EVENTS AFTER REPORTING PERIOD

During the year ended 30 June 2020 and continuing through the current financial year, COVID-19 was declared a pandemic by the World Health Organisation (WHO). The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Since its outbreak, governments have set up measures to contain the pandemic. All states have required entities to limit or suspend business operations, and have also implemented travel restrictions and quarantine measures. Monetary and fiscal stimulus packages have also been introduced by both federal and state governments. The impact of COVID-19 on ECA has been insignificant due to the nature of the business, funding from AEMO has not been affected and there has been some minor cost savings.

Directors' Declaration

In accordance with a resolution of the directors of Energy Consumers Australia Limited, I state that:

1. In the opinion of the directors:

(a) The financial statements and notes of the company for the financial year ended 30 June 2021 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the company's financial position as at 30 June 2021 and its performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*;

(b) The financial statements and notes also comply with International Financial Reporting Standards to the extent disclosed in Note 2 (b); and

(c) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Marie Louise Sylvan
Director

Date: 21 September 2021

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Independent Auditor's Report to the Members of Energy Consumers Australia Limited

Opinion

We have audited the financial report of Energy Consumers Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2021, 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 a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our 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 the 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Ryan Fisk

Ryan Fisk
Partner
Sydney
21 September 2021

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