ENERGY CONSUMERS AUSTRALIA LIMITED

ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2023

ENERGY CONSUMERS AUSTRALIA

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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 2023 and the Independent Auditor's 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.

Louise Sylvan AM
BA, MPA, FAICD

Chair and Director

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 Centre for Social Innovation; and Member of the Advisory Panels of the Net Zero Australia project and the Australian Privacy Foundation. Louise is a policy adviser to the Australian Risk Policy Institute. 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 30 years undertaking research and policy evaluation on its impacts on domestic consumers. Gavin is currently a consumer representative of a number of government and industry committees, including the Australian Energy Regulator and the Essential Services Commission. Gavin is a member of the 2024 ISP – AEMO Advisory Council on Social License and a member of the Consumer Reference Group of NSW renewable energy roadmap and was awarded 2001 centennial medal for services to the community.

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. Helen is also a member of our Risk and Audit Committee.

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. Virginia also Chairs our Reference Committee.

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. Chris is also a member of our Risk and Audit Committee.

DEFICIT AFTER INCOME TAX

The deficit of the Company for the financial year after income tax was $20,433 (2021/22: $393,357).

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.

Energy Consumers Australia Limited'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 and Climate Change Ministerial Council.

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.

Strategic Plan 2021-24

ECA published its first 3-year Strategic Plan 2021-24 in August 2021.

Our Strategic Plan envisions that consumer values, expectations and needs are realised through a modern, flexible, and resilient energy system. For the second year, our team have used that as our 'due north', from the big system-wide questions of transmission access reform to accommodate the future renewable energy generation mix, to 'big-small' issues like making sure inverters on solar panels can do their job of maximising individual and system-wide benefits of consumer energy resources.

There is a clear line between the impact areas and priorities of the Strategic Plan 2021-24 and the actions we have taken to progress these in 2022-23. The annual report FY2022-23 provides further detail on the impact of our work in the following key impact areas outlined in the Strategic Plan 2021-24:

1. Affordable energy for households and small businesses
2. Individualised energy services that give consumers choice and control
3. A modern, flexible, and resilient energy system
4. Ensuring consumers voices are heard including via our grants program
5. Strategy & Governance – Living our values

We also have a new external-facing Work Plan for FY2023-24 to provide stakeholders with clarity about our work and its connection to our Strategic Plan. This is the next step in the planning process for the organisation. We have published this workplan for two key reasons. The first is to share our goals and priorities and to increase the transparency of our work. The second is to invite collaboration on our research and advocacy agenda – providing an opportunity to work with people, process and bodies across the energy system to benefit Australian energy consumers.

Over the next 12 months we will also be working on a new 3-year Strategic Plan for FY2025-27.

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.

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
Louise Sylvan	10	9
Gavin Dufty	10	9
Helen Garnett	10	8
Virginia Hickey	10	8
Christopher Spangaro	10	10

Risk and Audit Committee Meetings

DIRECTOR	MEETINGS ENTITLED TO ATTEND	MEETINGS ATTENDED
Catherine Cooper	4	4
Helen Garnett	4	4
Christopher Spangaro	4	4

Catherine Cooper is the Chair of the Risk and Audit Committee. Catherine is not a Director of ECA. Louise Sylvan is not a member of the Risk and Audit Committee however attends meetings as a representative of the Board.

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 the Company 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 $76,590 (2022: $42,235).

INDEMNIFICATION OF AUDITORS

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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 2023 the number of members was 1 (2022: 1).

AUDITOR INDEPENDENCE

The Auditor's Independence Declaration for the year ended 30 June 2023 has been received and can be found on page 9 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
Director
Date: 21 September 2023

Auditor’s Independence Declaration

Statement of Comprehensive Income

For the year ended 30 JUNE 2023

	NOTE	2023 $	2022 $
Income			
Industry levies	3	8,442,866	8,068,640
Interest income	3	65,629	15,959
Other income	3	144,189	118,810
Total income		**8,652,684**	**8,203,409**
Expenses			
Grant payments	4	2,111,172	2,222,840
Project expenses		1,582,683	1,497,223
Office expenses		807,365	937,002
Depreciation and amortisation charges	8,9(a)	335,721	244,102
Premise expenses		99,226	125,372
Staff expenses		3,510,561	3,409,592
Board expenses		226,389	160,635
Total expenses		**8,673,117**	**8,596,766**
Deficit before income tax		(20,433)	(393,357)
Income tax expense		-	-
Deficit after income tax		**(20,433)**	**(393,357)**
Other comprehensive income for the year, net of tax		-	-
Total other comprehensive income for the year		**(20,433)**	**(393,357)**

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

Statement of Financial Position

As at 30 JUNE 2023	NOTE	2023 $	2022 $
Current Assets			
Cash and cash equivalents	5	741,538	1,645,635
Trade and other receivables	6	21,923	37,719
Prepayments		253,744	184,461
Other financial assets	7	1,486,425	733,046
Total Current Assets		**2,503,630**	**2,600,861**
Non-Current Assets			
Other financial assets	7	214,548	214,548
Property, plant and equipment	8	302,440	393,196
Right-of-use assets	9(a)	737,933	949,527
Total Non – current Assets		**1,254,921**	**1,557,271**
Total Assets		**3,758,551**	**4,158,132**
Current Liabilities			
Trade and other payables	10	463,548	614,713
Employee entitlements	11	148,273	181,528
Lease liabilities	9(b)	213,800	189,617
Total Current Liabilities		**825,621**	**985,858**
Non – Current Liabilities			
Lease liabilities	9(b)	562,826	764,133
Employee entitlements	11	43,058	61,197
Make good provision	11	32,910	32,375
Total Non – Current Liabilities		**638,794**	**857,705**
Total Liabilities		**1,464,415**	**1,843,563**
Net Assets		**2,294,136**	**2,314,569**
Equity			
Initial contribution reserve	12	1,189,415	1,189,415
Retained surplus	12	1,104,721	1,125,154
Total Equity		**2,294,136**	**2,314,569**

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

Statement of Changes in Equity

As at 30 JUNE 2023

	(NOTE 12) INITIAL CONTRIBUTION RESERVE $	(NOTE 12) RETAINED SURPLUS $	TOTAL EQUITY $
Balance at 30 June 2021	**1,189,415**	**1,518,511**	**2,707,926**
Deficit for 2021-22	-	(393,357)	(393,357)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2022	**1,189,415**	**1,125,154**	**2,314,569**
Balance at 30 June 2022	**1,189,415**	**1,125,154**	**2,314,569**
Deficit for 2022-23	-	(20,433)	(20,433)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2023	**1,189,415**	**1,104,721**	**2,294,136**

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

Statement of Cash Flows

For the year ended 30 JUNE 2023

	NOTE	2023 $	2022 $
Cash flows from operating activities			
Cash outflows			
Payments for suppliers		(3,055,399)	(2,903,486)
Payments for employees		(3,724,647)	(3,551,233)
Payment of grants		(2,321,243)	(2,628,171)
GST paid to the ATO		(538,772)	(353,333)
Interest paid on lease liability	9(b)	(44,216)	(36,668)
Cash used in operations		**(9,684,277)**	**(9,472,891)**
Cash inflows			
Receipts from AEMO and grants		9,678,221	9,180,858
Interest received		27,725	14,838
Cash generated from operations		**9,705,946**	**9,195,696**
Net cash provided by/ (used in) operating activities		**21,669**	**(277,195)**
Cash flows from investing activities			
Cash outflows			
Purchase of deposits		(715,475)	(214,548)
Purchase of property, plant and equipment	8	(15,097)	(433,882)
Cash used in investing activities		**(730,572)**	**(648,430)**
Net cash used in investing activities		**(730,572)**	**(648,430)**
Cash flows from financing activities			
Cash outflows			
Payment of principal portion of lease liability	9(b)	(195,194)	(131,837)
Cash used in financing activities		**(195,194)**	**(131,837)**
Net cash used in financing activities		**(195,194)**	**(131,837)**

	NOTE	2023 $	2022 $
Net decrease in cash and cash equivalents		(904,097)	(1,057,462)
Cash and cash equivalents at the beginning of the year		1,645,635	2,703,097
Cash and cash equivalents at the end of the year	5	**741,538**	**1,645,635**

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

Notes to the Financial Statements

For the year ended 30 June 2023

1. CORPORATE INFORMATION

The financial report of Energy Consumers Australia Limited (the Company) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 21 September 2023.

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

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

This is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Interpretations. The Company is a not-profit entity for the purpose of preparing the financial report. The financial report has been prepared on a historical cost convention.

b) New or amended Accounting Standards and Interpretations adopted

Energy Consumers Australia Limited has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The company has adopted AASB 1060 from 1 July 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there are reduced disclosures in this financial report.

c) Critical accounting estimates

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.

d) Revenue from contract with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the ‘expected value’ or ‘most likely amount’ method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

i. Industry levies

Industry levies from AEMO is recognised upon receipt.

ii. Interest

Interest 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.

iii. Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

e) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

f) Cash and cash equivalents and financial assets

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.

Financial assets are comprised of deposits with maturity terms greater than three months and are carried at amortised cost.

g) Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. 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.

h) 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.

i) 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.

j) 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 recognized, 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.

k) 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.

l) 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.

Lease make good

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in the statement of comprehensive income.

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.

m) 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 February 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. REVENUE FROM CONTINUING OPERATIONS

	2023 $	2022 $
Revenue from contracts with customers		
Electricity levies from AEMO	6,332,150	6,051,480
Gas levies from AEMO	2,110,716	2,017,160
	8,442,866	8,068,640
Other Revenue		
Other income	144,189	118,810
Interest income	65,629	15,959
Total Revenue	**8,652,684**	**8,203,409**

Disaggregation of Revenue

The disaggregation of revenue from contracts with customers is as follows:

	2023 $	2022 $
Australia	8,442,866	8,068,640

Economic dependency

The Company's principal funding is from one source (the Australian Energy Market Operator), continued funding is guaranteed in accordance with the National Electricity Rules and the National Gas Rules however the annual amount is dependent upon approval by ECA’s Member (the South Australian Minister for Energy and Mining) in consultation with the Energy and Climate Change Ministerial Council.

4. GRANT PAYMENTS

Grant payments of $2,111,172 (2022: $2,222,840) 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 (2022: $nil) relates to amounts accrued at year end (refer to note 10).

The unrecognised contractual commitments relating to grant applications approved before or on 30 June 2023 are disclosed in note 14.

5. CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank and in hand	**741,538**	**1,645,635**

6. TRADE AND OTHER RECEIVABLES

	2023 $	2022 $
Current Assets		
Accrued income	21,593	1,344
GST receivables	-	36,375
Other debtors	330	-
Total	**21,923**	**37,719**

7. OTHER FINANCIAL ASSETS

	2023 $	2022 $
Current Assets		
Term deposits	1,386,425	633,046
Security deposits	100,000	100,000
Total Current Assets	1,486,425	733,046
Non-Current Assets		
Security deposits	214,548	214,548
Total Non-Current Assets	214,548	214,548
Total Other Financial Assets	**1,700,973**	**947,594**

8. PROPERTY, PLANT AND EQUIPMENT

	2023 $	2022 $
Office furniture and equipment:		
Office furniture and equipment – at cost	271,248	257,650
Less: Accumulated depreciation	(233,053)	(206,884)
Balance as at 30 June	38,195	50,766
Leasehold Improvements:		
Leasehold improvements – at cost	438,992	437,492
Less: Accumulated depreciation	(174,747)	(95,062)
Balance as at 30 June	264,245	342,430
Total property, plant and equipment:		
Property, plant and equipment – at cost	710,240	695,142
Less: Accumulated depreciation	(407,800)	(301,946)
Balance as at 30 June	302,440	393,196

Reconciliation

	Office furniture and equipment	Leasehold improvements	Total property, plant and equipment
Balance as at 1 July 2022	50,766	342,430	393,196
Additions	13,597	1,500	15,097
Depreciation	(26,168)	(79,685)	(105,853)
Balance as at 30 June 2023	**38,195**	**264,245**	**302,440**

9(A) RIGHT-OF-USE ASSETS

	2023 $	2022 $
Rental lease:		
Rental lease – right-of-use	1,124,107	1,105,833
Less: Accumulated depreciation	(394,022)	(166,450)
	730,085	**939,383**
Photocopier lease:		
Photocopier lease – right-of-use	11,484	11,484
Less: Accumulated depreciation	(3,636)	(1,340)
	7,848	**10,144**
Total right-of-use assets	**737,933**	**949,527**

Reconciliation

Reconciliation of the carrying amount of the right-of-use assets from the start of the financial year to the end of the financial year is set out below:

Reconciliation

	Rental Lease	Photocopier Lease	Total Right-of-Use Assets
Balance as at 1 July 2022	939,383	10,144	949,527
Reassessment	18,274	-	18,274
Depreciation	(227,572)	(2,296)	(229,868)
Balance as at 30 June 2023	**730,085**	**7,848**	**737,933**

9(B) LEASE LIABILITIES

	2023 $	2022 $
Lease Liabilities		
Current	213,800	189,617
Non-current	562,826	764,133
Total	**776,626**	**953,750**

	2023 $	2022 $
Future lease payments		
Future lease payments are due as follows:		
Within one year	248,709	232,499
One to five years	606,395	841,348
Total	**855,104**	**1,073,847**

The leases are for the office space and photocopier. Interest expense recognised in the statement of comprehensive income was $44,216 (2022: $36,668) and interest payable and principal payments made to lessors in respect to lease liabilities was $195,194 (2022: $131,837). The weighted average incremental borrowing rate that applied to the lease liabilities in the year was 4.5%. (2022: 4.5%). With the exception of short-term leases, each lease held by ECA is reflected in the statement of financial position as a right-of-use asset and a lease liability. Payments made for short-term leases are expensed on a straight-line basis. Amount recognised in the statement of comprehensive income relating to these leases were $32,087 (2022: $57,441).

10. TRADE AND OTHER PAYABLES

	2023 $	2022 $
Current liabilities		
Accounts payables	261,433	459,656
GST payables	7,488	-
Payroll payables	93,447	81,144
Other accrued expenses	101,180	73,913
Total	**463,548**	**614,713**

11. PROVISIONS

	2023 $	2022 $
Current Liabilities		
Annual leave	148,273	181,528
Total Current Liabilities	**148,273**	**181,528**
Non-Current Liabilities		
Long service leave	43,058	61,197
Lease make good	32,910	32,375
Total Non-Current Liabilities	**75,968**	**93,572**
Total Provisions	**224,241**	**275,100**

Lease make good

The lease make good provision represents the estimated costs to make good the premises leased by ECA at the end of the respective lease terms.

12. RETAINED SURPLUS AND RESERVES

	2023 $	2022 $
Retained surplus at the beginning of the financial year	1,125,154	1,518,511
Deficit after income tax expense for the year	(20,433)	(393,357)
Retained surplus at the end of the financial year	**1,104,721**	**1,125,154**

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 (2022: $10) towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 1 (2022: 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.

13. RELATED PARTY TRANSACTIONS

	2023 $	2022 $
Key Management Personnel Remuneration		
Short term benefits	685,544	602,700
Post-employment benefit	31,536	65,285
Total	**717,080**	**667,985**

Gavin Dufty is a current Director of Energy Consumers Australia. Gavin is also Manager Policy & Research at St Vincent de Paul, Victoria. In April 2023, the ECA Board approved a grant to St Vincent de Paul, Victoria to the value of $341,880. ECA's policy whereby a Director who also works for a recipient of a grant cannot vote on the approval of the grant was applied.

14. UNRECOGNISED CONTRACTUAL COMMITMENTS

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

	2023 $	2022 $
Payable within one year	1,312,559	944,811
More than one year but no later than two years	478,090	160,880
Total unrecognised contractual commitments	**1,790,649**	**1,105,691**

The above represents commitments for approved grant applications where the conditions for payment of the grant have not been met as at 30 June 2023.

15. AUDITOR REMUNERATION

During the year the following fees were paid or payable for services provided by HLB Mann Judd Assurance (NSW) Pty Ltd. In 2022, the fees were paid for other services provided by Ernst and Young:

	2023 $	2022 $
Audit services		
Audit or review of the financial statements	35,200	32,000
Other services – Ernst and Young		
Change in auditor	-	4,500
Total	**35,200**	**36,500**

16. CONTINGENT LIABILITIES

The Company is not aware of any Contingent Liabilities that should be disclosed.

17. EVENTS AFTER REPORTING PERIOD

There were no events occurring after 30 June 2023 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.

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:

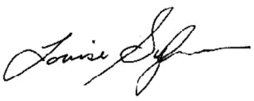
(a) The financial statements and notes of the company for the financial year ended 30 June 2023 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

  (i) Giving a true and fair view of the company's financial position as at 30 June 2023 and its performance for the year ended on that date; and

  (ii) Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Regulation 2022*; and

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

On behalf of the Board



Louise Sylvan
Director

Date: 21 September 2023

Independent Auditor's Report

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