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Financial statements

Office of the Energy and Water Ombudsman
(trading as Energy and Water Ombudsman Queensland)
for the financial year ended 30 June 2020

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Office of the Energy and Water Ombudsman Financial Statements

For the year ended 30 June 2020

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Office of the Energy and Water Ombudsman
Statement of Comprehensive Income
For the Year Ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Operating Result			
Income from Operations			
Scheme fees	2.	7,272	6,459
Other revenue	3.	48	48
Total Income from Operations		7,320	6,507
Expenses from Operations			
Employee expenses	4.	5,373	4,519
Supplies and services	5.	1,913	1,921
Depreciation	10.	1	1
Other expenses	6.	33	59
Total Expenses from Operations		7,320	6,500
Operating result for the year		-	7
Net surplus – Special projects	7.	666	-
Total Comprehensive Income		666	7

The accompanying notes form part of these statements

Office of the Energy and Water Ombudsman

Balance Sheet

As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Current Assets			
Cash and cash equivalents	8.	3,918	2,851
Receivables	9.	365	309
Prepayments		130	46
Total Current Assets		4,413	3,206
Non-Current Assets			
Plant and equipment	10.	32	2
Intangible assets	11.	635	-
Total Non-Current Assets		667	2
Total Assets		5,080	3,208
Current Liabilities			
Payables	12.	1,318	854
Accrued employee benefits	13.	502	461
Unearned revenue	14.	2,320	1,619
Total Current Liabilities		4,140	2,934
Total Liabilities		4,140	2,934
Net Assets		940	274
Equity			
Contributed equity		79	79
Accumulated surplus		861	195
Total Equity		940	274

The accompanying notes form part of these statements

Office of the Energy and Water Ombudsman
Statement of Changes in Equity
For the Year Ended 30 June 2020

	Accumulated Surplus \$'000	Contributed Equity \$'000	TOTAL \$'000
Balance as at 1 July 2018	188	79	267
Net result	7	-	7
Balance as at 30 June 2019	195	79	274
Net result	666	-	666
Balance as at 30 June 2020	861	79	940

The accompanying notes form part of these statements

Office of the Energy and Water Ombudsman

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Inflows:</i>			
Scheme fees		7,344	8,236
Special projects contribution *		2,236	-
Interest receipts		48	46
GST input tax credits from ATO		276	224
GST collected from members/customers		5	3
Other		1	2
<i>Outflows:</i>			
Employee expenses		(5,354)	(4,509)
Employee expenses - special projects *		(243)	-
Supplies and services		(1,532)	(2,480)
Supplies and services - special projects *		(698)	-
GST remitted to ATO		(5)	(3)
GST paid to suppliers		(312)	(215)
Other		(33)	(29)
Net cash provided by operating activities		1,733	1,275
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Outflows:</i>			
Payment for plant and equipment *		(31)	-
Payment for intangible assets *		(635)	-
Net cash used in investing activities		(666)	-
Net increase in cash and cash equivalents		1,067	1,275
Cash and cash equivalents – beginning of financial year	8.	2,851	1,576
Cash and cash equivalents – end of financial year	8.	3,918	2,851

* Refer to Note 14 for the carry-over funds for special projects not completed in 2019-20.

The accompanying notes form part of these statements

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1 – Basis of Financial Statement Preparation

General Information

These financial statements cover the Office of the Energy and Water Ombudsman trading as Energy and Water Ombudsman Queensland (EWOQ). EWOQ has no controlled entities. The financial statements include the value of all income, expenses, assets, liabilities and equity for EWOQ as an individual entity.

EWOQ is a free, fair and independent dispute resolution service for Queensland's energy consumers and water customers in South East Queensland. The Office of the Energy and Water Ombudsman was established under the *Energy and Water Ombudsman Act 2006*.

The Office of the Energy and Water Ombudsman is controlled by the State of Queensland which is the ultimate parent.

Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Energy and Water Ombudsman and the General Manager Strategy, Operations and Governance at the date of signing the Management Certificate.

Compliance with Prescribed Requirements

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

EWOQ is a not-for-profit entity and these general purpose financial statements are prepared in compliance with the requirements of Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations applicable to not-for-profit entities.

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

Underlying Measurement Basis

The historical cost convention is used as the measurement basis unless otherwise stated.

Presentation matters

Currency and Rounding - Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives - Comparative information reflects the audited 2018-19 financial statements.

Current/Non-Current Classification - Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or EWOQ does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1 – Basis of financial statement preparation (continued)

Taxation

The Office of the Energy and Water Ombudsman is exempt from income tax under the *Income Tax Assessment Act 1936* and is exempted from the other forms of Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Receivables and payables in the Balance Sheet are shown inclusive of GST. GST credits receivable from, and GST payable to, the ATO at reporting date are separately recognised in receivable with Note 9.

Key accounting estimates and judgments

The most significant estimates and assumptions made in the preparation of the financial statements related to the depreciation of plant and equipment. Details set out in Note 10. The valuation of plant and equipment necessarily involves estimation uncertainty with the potential to materially impact on the carrying amount of such assets in the next reporting period.

New and Revised Accounting Standards

First Time Mandatory Application of Australian Accounting Standards and Interpretations

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

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

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a new five step model for recognising revenue from contracts with customers which includes the scheme fees in Note 2. There is no change in revenue recognition policy under AASB 15.

AASB 1058 Income of Not-for-Profit Entities

EWOQ has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1005 'Contributions' in respect to income recognition requirements for not-for-profit. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. For transfers of financial assets to EWOQ which enable the acquisition or construction of a recognisable non-financial asset EWOQ must recognise a liability amounting to the excess of the fair value of the transfer received from contributions.

EWOQ has received funding from scheme participants disclosed in Note 7 for special projects. The funding received is initially deferred as unearned revenue liability and subsequently recognised as revenue as or when EWOQ satisfies the obligation.

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1 – Basis of financial statement preparation (continued)

New and Revised Accounting Standards

First Time Mandatory Application of Australian Accounting Standards and Interpretations (continued)

AASB 16 Leases

AASB 16 requires all leases to be accounted for on the balance sheet as right of use assets and lease liabilities, except for short term leases and leases of low value assets. EWOQ has a lease for office accommodation from the Department of Housing and Public Works through the Queensland Government Accommodation Office. This lease is considered as a government internal arrangement, which is outside the scope of AASB 16. EWOQ continues to account for the lease payment when incurred, consistent with prior years. The application of AASB 16 has no material impact on the financial statements. Refer to Note 18.

Early Adoption of Accounting Standards and Interpretations

No Accounting Pronouncements were early adopted in the 2019-20 financial year.

Voluntary Changes in Accounting Policy

No voluntary changes in accounting policies occurred during the 2019-20 financial year.

Note 2 – Scheme fees

	2020	2019
	\$'000	\$'000
User-pays fees	7,026	6,243
Annual participation fees	246	216
Total	7,272	6,459

Accounting Policy

EWOQ is fully funded through a combination of annual participation and quarterly user-pays fees.

EWOQ invoices in advance for annual participation fees to industry scheme participants. User pays fees are invoiced quarterly in advance based on estimated usage and then reconciled back to actuals twice a year. User-pays and annual participation fees are recognised as revenue monthly as prescribed services are performed. Payments received in advance are initially recorded as unearned revenue in Note 14.

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 3 – Other revenue

	2020 \$'000	2019 \$'000
Bank interest	47	46
Other revenue	1	2
Total	48	48

Accounting Policy

EWOQ receives bank interest and is legislated to charge scheme participants interest on unpaid fees. Both are recognised when due.

Note 4 – Employee expenses

	2020 \$'000	2019 \$'000
<i>Employee Benefits</i>		
Wages and salaries	3,953	3,371
Employer superannuation contributions	542	470
Long service leave levy	101	64
Annual leave expense	440	338
<i>Employee Related Benefits</i>		
Payroll tax	237	197
Workers' compensation premium	19	19
Other	81	60
Total	5,373	4,519

	2020	2019
Number of employees	43	40

The number of employees as at 30 June, including both full-time employees and part-time employees, is measured on a full-time equivalent basis.

Accounting Policy

Employee Benefits

Short-term employee benefits - wages, salaries and sick leave

Wages and salaries due but unpaid at the reporting date are recognised in the Balance Sheet at the current salary rates. As EWOQ expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods.

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 4 – Employee expenses (continued)

Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Other long - term employee benefits - annual and long service leave

Annual leave and long service leave liabilities are classified and measured as other long-term employee benefits as EWOQ does not expect to wholly settle all such liabilities within the 12 months following reporting date.

Other long-term employee benefits are presented as current liabilities where the office does not have an unconditional right to defer payment for at least 12 months after the end of the reporting period.

All directly associated on-costs (e.g. employer superannuation contributions, payroll tax and workers' compensation insurance) are also recognised as liabilities, where these on-costs are material.

Superannuation

Superannuation benefits are provided through either defined contribution (accumulation) plans or the QSuper defined benefit plan, in accordance with employees' conditions of employment and employee instructions as to superannuation plan (where applicable).

Defined contribution plans - Employer contributions are based on rates specified under conditions of employment. EWOQ's contributions are expenses when they become payable at each fortnightly pay period.

QSuper defined benefit plan - The liability for QSuper defined benefits is held on a whole-of-government basis and reported in those financial statements. Employer contributions to QSuper are based on rates determined on the advice of the State Actuary. EWOQ contributions are expensed when they become payable at each fortnightly pay period. EWOQ's obligations to the QSuper plan are limited those contributions paid.

Note 5 – Supplies and services

	2020	2019
	\$'000	\$'000
Consultants and contractors	185	396
Travel	53	45
Property lease and rental	530	548
Promotion and entertainment	52	51
Printing, stationery and office supplies	59	48
Information technology	293	209
Communications	46	52
Corporate service charges	582	510
Sundries	113	62
Total	1,913	1,921

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 5 – Supplies and services (continued)

Accounting Policy

Supplies and Services items are recorded in the period in which the expense is incurred. EWOQ outsources corporate support services. For property lease and rental policy refer to Note 18.

Note 6 – Other expenses

	2020 \$'000	2019 \$'000
Advisory Council fees	8	7
External audit fees*	21	20
Other assurance services**	-	30
Other	4	2
	<hr/>	<hr/>
Total	33	59
	<hr/>	<hr/>

Disclosure

*Total audit fees paid to the Queensland Audit Office relating to the 2019-20 financial statements are estimated to be \$20,900 (2019: \$20,400). There are no non-audit services included in this amount.

**the assurance services paid to PKF Brisbane were in relation to the independent review of proposed digital strategy and its alignment with business needs in the 2018-19 financial year.

Note 7 – Net surplus - Special projects

	2020 \$'000	2019 \$'000
Special projects revenue		
Scheme participants contributions	1,607	-
Total special projects revenue	<hr/> 1,607	<hr/> -
Special projects expenditure		
Employee expenses	243	-
Supplies and services	698	-
Total special projects expenditure	<hr/> 941	<hr/> -
Net surplus	<hr/> 666	<hr/> -
Special project expenditure capitalised		
Plant and equipment	10. 31	-
Intangibles assets - Capital work in progress	11. 635	-
	<hr/> 666	<hr/> -

Office of the Energy and Water Ombudsman
Notes to the Financial Statements
For the Year Ended 30 June 2020

Note 7 – Net surplus - Special projects (continued)

Accounting Policy

Contributions from scheme participants has enabled EWOQ to acquire equipment and upgrade the case management system. Equipment was recognised as per Note 10. Intangible assets equal to or greater than \$100,000 will be recognised on completion. Any training costs are expensed as incurred. Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred.

Note 8 – Cash and cash equivalents

	2020 \$'000	2019 \$'000
Cash at bank	3,918	2,851
Total	3,918	2,851

Accounting Policy

Cash and cash equivalents include all cash and cheques receipted at 30 June as well as deposits held at call with financial institutions.

Note 9 – Receivables

	2020 \$'000	2019 \$'000
Trade debtors	265	267
	265	267
GST receivable	56	20
Long service leave reimbursements	42	20
Interest receivable	2	2
Total	365	309

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 9 – Receivables (continued)

Accounting Policy

Trade debtors are recognised at the amounts due at the time of invoicing on a quarterly basis to scheme participants or when invoices are issued based on scheme participant's additional use of EWOQ's services above amounts paid in advance. Settlement terms are within 14 days from receipt date for scheme participants, within 30 days from invoice date for others.

The collectability of receivables is assessed periodically with provision being made for expected credit losses. All known bad debts were written off as at 30 June. The loss allowance is estimated based on the probability and timing of potential defaults and takes into account forecasts of future economic conditions as well as past events. No provision for impairment was necessary at year end.

Note 10 – Plant and equipment and depreciation expense

	2020 \$'000	2019 \$'000
Plant and Equipment		
Gross	74	50
Less Accumulated depreciation	(42)	(48)
Total	<u>32</u>	<u>2</u>
Plant and Equipment Reconciliation		
Carrying amount as at 1 July 2019	2	3
Acquisitions	31	-
Depreciation	(1)	(1)
Carrying amount as at 30 June 2020	<u>32</u>	<u>2</u>

Accounting Policy

Asset Acquisition

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 10 – Plant and equipment and depreciation expense (continued)

Where assets are received free of charge from another Queensland public sector entity (usually via an involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciated.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland government agency, recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

Recognition of Plant and Equipment

Items of plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Plant and equipment	\$5,000
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Items of lesser value are expensed in the year of acquisition. Expenditure is only capitalised if it increases the service potential or useful life of existing asset. Maintenance expenditure that merely restores original service potential that merely restores original potential (arising from ordinary wear and tear etc.) is expensed.

Measurement of Non-Current Physical Assets using Cost

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

Impairment

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, EWOQ determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and current replacement cost.

Depreciation

Plant and equipment are depreciated on a straight-line basis so as to allocate the net cost of each asset (respectively), less its estimated residual value, progressively over its estimated useful life to EWOQ.

The estimation of the useful lives of assets is based on historical experiences with similar assets as well as consideration such as manufacturers' warranties, asset turnover practices and strategy plan. Reassessments of useful lives are undertaken annually by EWOQ. Any consequential adjustments to remaining useful life estimates are implemented prospectively.

Any expenditure that increases the original assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to EWOQ.

Office of the Energy and Water Ombudsman
Notes to the Financial Statements
For the Year Ended 30 June 2020

Note 10 – Plant and equipment and depreciation expense (continued)

Depreciation Disclosures

The following depreciation rates were used:

Plant and equipment 12.5 - 20%

Note 11 – Intangible assets

	2020 \$'000	2019 \$'000
Capital work in progress	635	-
Total	635	-
Carrying amount at 1 July 2019	-	-
Acquisitions	635	-
Total	635	-

Accounting Policy

On completion these assets will be capitalised based on actual costs incurred to purchase, develop and install and will be amortised over the intangible's useful life.

Expenditure relating to research activities and training have been expensed as incurred.

Note 12 – Payables

	2020 \$'000	2019 \$'000
User-pays fees - refunds	866	717
Accrued expense	452	137
Total	1,318	854

Accounting Policy

User-pays fees - refunds are where revenue received in advance from a scheme participant exceeds the actual service provided in respect of that scheme participant, the difference is recognised as a payable to the scheme participant at year end.

Accrued expenses represent goods and services received prior to balance date whether invoiced or not. Accrued expenses are settled in accordance with supplier payment terms.

Office of the Energy and Water Ombudsman
Notes to the Financial Statements
For the Year Ended 30 June 2020

Note 13 – Accrued employee benefits

	2020 \$'000	2019 \$'000
Current		
Wages payable	-	65
Annual leave	478	376
Long service leave levy payable	24	20
Total	502	461

Accounting Policy – refer to Note 4

Note 14 – Unearned revenue

	2020 \$'000	2019 \$'000
Current		
Unearned revenue – user-pays fees	1,691	1,619
Unearned revenue – special projects	629	-
Total	2,320	1,619

Accounting Policy – refer to Note 2

Cash received from scheme participants in respect of services to be provided in 2020-21 financial year are recognised as unearned revenue as well as the carry-over of funds received from scheme participants from projects not completed in 2019-20.

Disclosure

Our legislation requires invoices for user-pays fees are to be raised in advance and payment of these invoices is due 14 days from receipt. Timing of actual payment of these invoices by scheme participants varies.

Note 15 – Financial instruments

Financial Instruments - Accounting Policy on Recognition

Financial assets and financial liabilities are recognised in the Balance Sheet when EWOQ becomes party to the contractual provisions of the financial instrument.

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 15 – Financial instruments (continued)

Financial Instruments – Classification and Presentation

Financial instruments are classified under Accounting Standard AASB 9 as follows:

	Notes	2020 \$'000	2019 \$'000
<i><u>Financial Assets</u></i>			
Cash and cash equivalents	8.	3,918	2,851
Receivables at amortised cost	9.	365	309
Total		4,283	3,160
<i><u>Financial Liabilities</u></i>			
Payables at amortised cost	12.	1,318	854
Total		1,318	854

Note 16 – Key management personnel (KMP) Disclosures

Details of Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of EWOQ during 2019-20 and 2018-19. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management. Two additional key management personnel and one name change have been included in the 2019-20 financial year.

Position	Position Responsibility
Energy and Water Ombudsman	The strategic leadership, efficient and effective management of EWOQ, including its operational and financial performance.
General Manager, Assessment, Investigation and Resolution	Responsible for leading the complaint investigation and dispute resolution functions of EWOQ.
General Manager, Business Support (until March 2020)	Responsible for efficient and effective business support services to EWOQ and to ensure all statutory reporting obligations are met.
General Manager, Strategy, Operations and Governance	Responsible for the delivery of services including governance, finance, facilities management, reporting and analysis, providing strategic advice on policies and emerging industry issues.
General Manager, Reporting, Policy and Research (ended 30 June 2019)	Responsible for leading advice on complex policies and emerging issues, and overseeing the reporting, research and root cause analysis process.
Manager, People, Capability and Culture	Responsible for leading strategic HR solutions and contemporary HR services to meet business and cultural development needs within EWOQ.
Manager, Communications and Engagement	Responsible for strategic communication and engagement solutions for EWOQ.

Office of the Energy and Water Ombudsman
Notes to the Financial Statements
For the Year Ended 30 June 2020

Note 16 – Key management personnel (KMP) disclosures (continued)

KMP Remuneration Policies

With the exception of the Energy and Water Ombudsman, remuneration policy for EWOQ's KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*.

The remuneration and other terms of employment of the Energy and Water Ombudsman are specified in the Governor in Council Appointment.

Remuneration expenses for those key management personnel comprise the following components:

Short term employee expenses which include:

- salaries and allowances earned and expensed for the entire year, or for that part of the year during which the employee occupied the specified position; and
- non-monetary benefits – consisting of provision of car parking together with fringe benefits tax applicable to the benefit.

Long term employee expenses - mainly annual leave and long service leave entitlements earned and expensed for the year, or for that part of the year during which the employee occupied the specified position.

Post-employment expenses – mainly superannuation obligations.

Termination benefits – include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 16 – Key management personnel (KMP) disclosures (continued)

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

Remuneration Expenses

2019-20

Position	Short term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Expenses \$'000	\$'000	\$'000	\$'000	\$'000
Energy and Water Ombudsman	231	5	5	29	-	270
General Manager, Assessment, Investigation and Resolution	150	5	4	19	-	178
General Manager, Business Support (ended March 2020)	65	5	2	8	-	80
General Manager, Strategy, Operations and Governance (from May 2020)	31	-	-	3		34
Manager, People, Capability and Culture (from 1 July 2019)	136	-	3	16	-	155
Manager, Communications and Engagement (from 1 July 2019)	130	-	3	15	-	148
Total Remuneration	743	15	17	90	-	865

Office of the Energy and Water Ombudsman
Notes to the Financial Statements
For the Year Ended 30 June 2020

Note 16 – Key management personnel (KMP) disclosures (continued)

2018-19

Position	Short term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Expenses \$'000	\$'000	\$'000	\$'000	\$'000
Energy and Water Ombudsman	227	8	5	27	-	267
General Manager, Assessment, Investigation and Resolution	149	8	3	19	-	179
General Manager, Business Support	122	8	3	16	-	149
General Manager, Reporting, Policy and Research (ended 30 June 2019)	93	-	2	17	-	112
Total Remuneration	591	24	13	79	-	707

Performance Payments

No KMP remuneration packages provide for performance or bonus payments.

Note 17 – Related Parties Transactions

Transactions with people/entities related to KMP

EWOQ has no related party transactions to disclose this financial year.

Office of the Energy and Water Ombudsman

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 18 – Commitments

Non-Cancellable Lease

Commitments at reporting date (inclusive of non-coverable GST input tax credits) are payable.

	2020 \$'000	2019 \$'000
Not later than one year	550	535
Later than one year and not later than five years	422	770
Total	972	1,305

Accounting Policy

Lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Refer Note 1.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

Leases are entered into as a means of acquiring access to office accommodation. Lease terms extend over a period of 3 to 5 years. EWOQ has no option to purchase the leased item at the conclusion of the lease although the lease provides for a right of renewal at which time the lease terms are renegotiated.

Lease rental expenses comprises the minimum lease payment payable under operating lease contracts. Lease payments are generally fixed, but with annual inflation escalation clauses upon which future year rentals are determined.

Note 19 – Contingencies

There were no other known contingent assets or liabilities at 30 June 2020.

Note 20 – Events Occurring After Balance Date

The COVID-19 outbreak is unlikely to have a significant impact on EWOQ's business.

No event has occurred after balance date that has a material effect on these financial statements.

MANAGEMENT CERTIFICATE OF THE OFFICE OF THE ENERGY AND WATER OMBUDSMAN

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

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

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



Eleanor Bray
General Manager, Strategy, Operations &
Governance
Office of the Energy and Water
Ombudsman
Date
12 August 2020



Jane Pires
Energy and Water Ombudsman
Office of the Energy and Water
Ombudsman
Date
12 August 2020



INDEPENDENT AUDITOR'S REPORT

To the Office of the Energy and Water Ombudsman

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Office of the Energy and Water Ombudsman.

In my opinion, the financial report:

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

The financial report comprises the balance sheet as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the entity for the financial report

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

The Office is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.



Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Office regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Statement

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

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

Prescribed requirements scope

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

Irshaad Asim

Irshaad Asim
as delegate of the Auditor-General

17 August 2020
Queensland Audit Office
Brisbane