

Consumer Utilities Advocacy Centre  
**ANNUAL REPORT 2015 - 16**

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*Our work is guided by strong principles – energy and water services are essential for health, wellbeing, and social participation*

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The Consumer Utilities Advocacy Centre Ltd (CUAC) is a specialist consumer organisation established in 2002 to represent Victorian energy and water consumers in policy and regulatory processes. CUAC has developed an in-depth knowledge of the interests, experiences and needs of energy and water consumers.

Our work is guided by strong principles – energy and water services are essential for health, wellbeing, and social participation. We therefore believe that consumer interests – particularly those of low income, disadvantaged, rural and regional consumers – must be a primary consideration in the development and implementation of energy and water policy and in the provision of services. CUAC's advocacy focuses on the principles of affordability, accessibility, fairness and empowerment through information and education. CUAC's goal is informed by consumers fairly participating in energy and water markets.

CUAC's advocacy encompasses both responses to government, regulatory and business consultation processes and the identification of emerging consumer issues. We take an evidence-based approach to advocacy, informed by the knowledge and expertise we have built over more than a decade of involvement in energy and water reform. To further develop our policy positions, each year CUAC undertakes and supports research into topical electricity, gas, and water issues. We stay informed of community needs through regular contact and work with non-government agencies, service providers, business organisations and consumers themselves. Our Reference Group comprises organisations dealing with the breadth of the community and provides CUAC with invaluable insights on the needs of particular groups of consumers within Victoria.

## OUR VALUES

All Victorians have a right to:

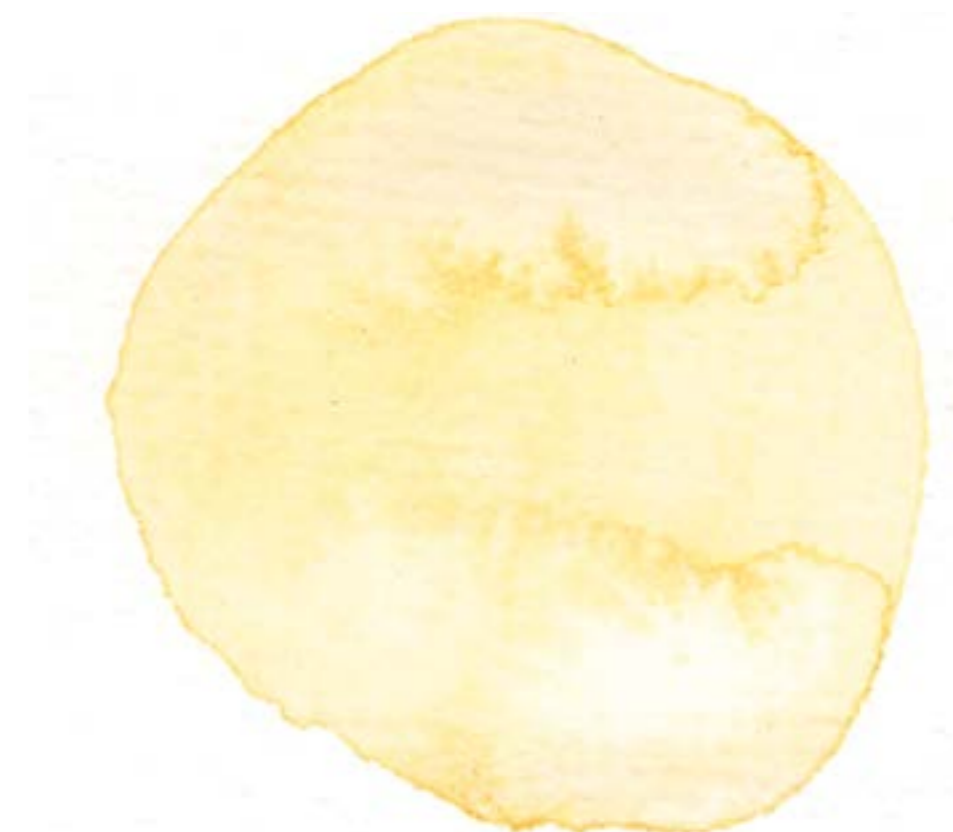
- affordable and sustainable electricity, gas and water
- have their interests heard in policy and regulatory decisions on electricity, gas and water
- not be disconnected from electricity, gas, and water solely due to inability to pay.

## OUR MISSION

To ensure the interests of Victorian consumers, especially low income, disadvantaged, rural and regional, and indigenous consumers, are effectively represented in the policy and regulatory debate on electricity, gas, and water.

## OUR APPROACH

- **Research and policy** – We identify issues and trends and promote solutions
- **Community outreach and education** – We train, educate and engage
- **Collaboration** – We work with community groups, consumer groups, government and industry
- **Targeted engagement** – We hold events and training workshops



# CHAIR AND EXECUTIVE DIRECTOR'S REPORT

This year was one of great anticipation as we awaited the outcome of Consumer Affairs Victoria's (CAV) review of the current status and future needs for energy and consumer advocacy in Victoria, with a focus on the role of CUAC. The energy market has changed significantly since CUAC was established in 2002, with the progressive implementation of nationally-coordinated energy market reforms, including the creation of Energy Consumers Australia. We thank all of our stakeholders for participating in the review process and for the many positive comments on the quality and importance of CUAC's advocacy on behalf of Victorian consumers.

In 2015–16, CUAC's small staff team continued our research-based advocacy on key utilities policy issues that impact on Victorian consumers, particularly those most vulnerable. We are close to completion of a major new research project which examines – in a unique collaboration between consumer advocates and industry – the principles and practices that underpin a fair experience for energy and water consumers. We have also contributed our research and analysis to policy and regulatory consultation processes via more than two dozen written submissions and our participation on a range of committees and working groups. Of particular note, this year we worked closely with the Essential Services Commission (ESC) on its energy hardship inquiry, contributing submissions and participating on three technical working groups.

It was also another big year for CUAC's community education efforts. With support from the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) and through a new pilot project in partnership with AusNet Services, we reached hundreds of consumers and community workers across Victoria with information about how to take control of energy costs. A key component of this is showing people how to compare and save using Victorian Energy Compare, the Victorian Government's independent price comparison website. We had an integral role helping to launch and spread the word about the revamped website.

CUAC's work relies on positive relationships with a wide range of people and organisations who have a shared interest in fair access to essential services for all Victorians. We value the opportunity to meet with the relevant Ministers and their advisers, government departments and regulators to ensure the best outcomes for utilities consumers. We also interact with industry in a range of forums and, in October 2015, were pleased to launch of the Energy Comparator Code of Conduct (ECCC). This voluntary code, designed to safeguard the quality of the information consumers use to make good decisions about energy, now has ten comparator sites as signatories.

Our Reference Group plays a critical role, keeping us in touch with the emerging consumer issues faced by their constituencies and helping to generate strategies to address those issues. We also appreciate the research, advocacy and consumer education work carried out by other organisations such as the Brotherhood of St Laurence, the St Vincent de Paul Society, Kildonan UnitingCare and the Consumer Action Law Centre (Consumer Action).

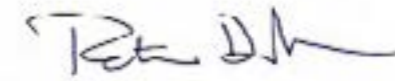
We express our thanks to our Minister and sole member, the Hon. Jane Garrett, for her funding and support of CUAC during her time as Minister, and we welcome the Hon. Marlene Kairouz as Minister for Consumer Affairs, Gaming and Liquor Regulation. We also thank the Hon. Lily D'Ambrosio, Minister for Energy, Environment and Climate Change for her support, and the Minister for Water, the Hon. Lisa Neville for her work on water reform. We also appreciate the DEDJTR funding support for the EnergyInfoHub.

It has been a year of change for the CUAC team. We thank Mercedes Lentz for her contribution in her time as Executive Officer, particularly for initiating the Principles for a Fair Consumer Experience project. In 2015–16 we farewelled Research and Policy Advocates Martin Jones and Deanna Foong. Martin did outstanding work and economic analysis for CUAC on gas, network tariff reform and the ECCC. Over her seven years at CUAC, Deanna authored dozens of submissions and led CUAC's groundbreaking 2012 research on embedded networks. Joining CUAC in the Research and Policy Advocate role, Ben Martin Hobbs has taken up CUAC's work on cost-reflective tariff reforms, electricity and gas network revenue resets and water pricing and policy.

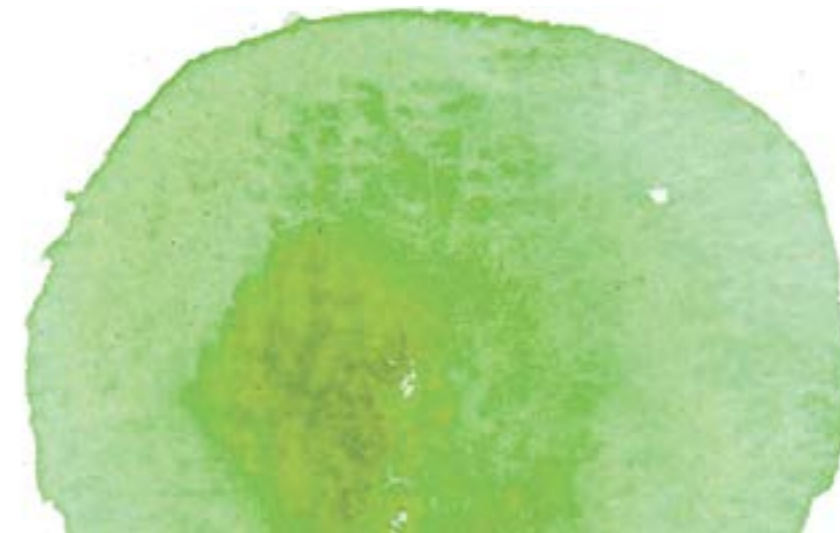
We express our thanks to the Directors and staff for another productive year of work on behalf of Victorian utilities consumers. We were pleased to welcome Petrina Dorrington as a new Director in August 2015 and have been fortunate to have Petrina act in the role of Executive Director since November 2015, leading the organisation during the period of the CAV review.



Ronda Held  
**Chair**



Petrina Dorrington  
**Acting Executive Director**



## Exploring and promoting fair consumer treatment

This year, CUAC began work on a major new research project, Principles for a Fair Consumer Experience. With this exciting project, we are drawing on real-world examples of good retailer practice to develop a set of principles that underpin fair treatment for energy and water consumers. Our aim is to highlight and spread best practice so that all Victorian consumers enjoy fair access to energy and water.

### A uniquely collaborative research process

The Principles for a Fair Consumer Experience project relies on a unique collaboration between consumers and industry. To gather data, we spent time inside the businesses that together serve the majority of Victorian energy and water consumers. We visited teams in frontline call centres, sales, credit, hardship and complaints teams, speaking with staff, reviewing business policies and procedures, and listening in on calls with customers. We also interviewed more than 90 staff, team leaders and senior managers to hear their views on what 'fairness' means, how it manifests in business policies and procedures, and the challenges involved in enacting fairness principles in practice.

To balance and complement industry input, we also met regularly with a project reference group made up of representatives from Consumer Action Law Centre, Kildonan UnitingCare, the Victorian Council of Social Service (VCOSS), the Alternative Technology Association (ATA), who have contributed consumer views at every stage of the project. Deloitte Australia was also part of the reference group providing invaluable knowledge and expertise in assisting organisations to deliver fair and consistent outcomes for customers. We also heard directly from consumers who, in a focus group facilitated by Kildonan UnitingCare, shared their views on fairness and their experiences as utilities consumers.

To hear an independent perspective on what is fair and reasonable, we met with the Energy and Water Ombudsman (Victoria) (EWOV), and before concluding the project we will also interview the UK energy regulator, Ofgem, on its fairness reforms.

### Next steps

At the end of the process, we will release a report setting out the principles for a fair consumer experience and practices that exemplify them. Community and consumer groups, industry and government will be invited to join us at a roundtable where we will discuss the findings and develop a strategy to spread best practice across both industries.

*"This project highlights a real commitment to collaborating across the utility sector to ensure customers are adequately supported and treated fairly. These industry-wide principles bring us a step closer towards customers having access to what they need, when they need it, more of the time."*

– Pat McCafferty, Managing Director, Yarra Valley Water

*"EnergyAustralia is looking forward to working with CUAC and the participants from across the utility sector to identify the opportunities which could benefit all customers, and collectively address the issues which make dealing with utilities undesirable."*

– Energy Australia

## Supporting a voluntary code of conduct for energy comparison websites

There are thousands of energy retail offers on offer to Victorian consumers. In this environment of abundant choice and information overload, energy comparators can improve consumer contract choice and market outcomes – but only if they provide quality information and meet high service standards.

### Developing the Energy Comparator Code of Conduct

To encourage high-quality switching information, CUAC drove the establishment of the ECCC, a voluntary industry code that holds energy price comparators to a higher standard, giving customers an assurance of quality. Delia Rickard, Deputy Chair of the Australian Competition and Consumer Commission, launched the ECCC in October 2015.

The ECCC is the culmination of several years' work by CUAC, beginning with our 2010 report, *Energy Switching Sites: An Analysis of Energy Price Comparison and Switching Sites Available to Victorian Consumers*. This research found that information provided by comparators was often inaccurate, inconsistent and not transparent. Our next step was to collaborate with other consumer organisations to develop principles for an industry code of conduct, which we brought to a larger group of energy industry stakeholders in a 2013 forum. From there, we founded an Energy Comparator Code of Conduct Working Group, which, throughout 2014, worked through the detail of establishing the code.

### Raising standards across the board

Since the ECCC launch, ten comparators have signed on to the Code, committing to its standards of impartiality and transparency, clarity and comprehensibility, correctness and accuracy, consistency, complaint handling, and consumer empowerment. This is putting pressure on other comparators to also sign on to the Code, raising standards across the industry.

*Consumers using an energy comparator should check for the ECCC signatory logo or see the full, up-to-date list of Code signatories on the CUAC website: [www.cuac.org.au](http://www.cuac.org.au)*



## Safeguarding the rights of consumers in hardship

Throughout much of 2015–16, the ESC was working on a major overhaul of Victoria’s framework for assisting energy customers in payment difficulty. We were involved at each stage of the inquiry, advocating for a fair regulatory framework that safeguards Victorian consumers’ fundamental right not to be disconnected solely due to inability to pay.

### A mixed bag for consumers

Our October 2015 submission on the inquiry Draft Report, *Supporting Customers, Avoiding Labels*, acknowledged the Commission’s thorough and considered analysis of the problem and cautiously welcomed aspects of the proposed framework, such as its early intervention emphasis. At the same time, we were concerned that by focusing heavily on preventing debt build-up, the Commission had not given enough attention to the underlying affordability issues for customers who simply cannot afford their usage.

Aware that the success or otherwise of the reform would lie in the detail of the regulation and in its implementation, we participated on three ESC technical working groups formed to work through the details of the new payment plans, energy management measures and amendments to the *Energy Retail Code*.

### Avoiding the disconnection–reconnection cycle

The Commission released its Final Report in February 2015. The advocacy efforts of CUAC and other consumer groups substantially enhanced consumer interests in the final framework, which will see consumers in financial difficulty receiving automated assistance without having to describe or explain their circumstances.

As we noted in a joint media release with Consumer Action, however, we remain concerned about customers who can neither reduce what they use or afford to pay for it. Under the new framework, this group is likely to be caught in a cycle of disconnection and reconnection. As the changes are implemented, we will be watching closely and continuing our advocacy on behalf of the most vulnerable energy consumers.



*“Consumer Action’s partnership with CUAC is a “win-win” – our direct client experience and CUAC’s expertise in utility policy and regulation can be combined to deliver effective advocacy. Together, we ensure industry, regulators and policymakers better understand how Victorians fare in the marketplace so that meaningful reforms can be made to better protect the most vulnerable.”*

– Gerard Brody, CEO, Consumer Action Law Centre

## Advocating for fair electricity network pricing

Electricity networks are built to cope with peaks – occasional periods of very high demand. Accommodating peak demand is a major driver of network costs, so reducing it should mean that further network spending can be avoided, keeping consumers’ bills down.

Cost-reflective pricing is a way of lowering peak demand and network costs by increasing the price consumers pay during peaks. In 2014, the Australian Energy Market Commission (AEMC) decided that distributors would be required to develop cost-reflective tariffs. It is a reform that CUAC supports, but which requires careful and considered implementation.

### Advocating at the national and Victorian level

Our advocacy on cost-reflective pricing was grounded in the findings from our June 2015 research report *Cost-reflective pricing: Engaging with network tariff reform in Victoria*. We put forth a consumer view in informal meetings at the state and national level and at Australian Energy Regulator (AER) forums on tariff design. We were part of a coalition of consumer organisations that described, in a submission to the AER and DEDJTR, the principles and consumer outcome objectives that should guide cost-reflective network pricing reforms.

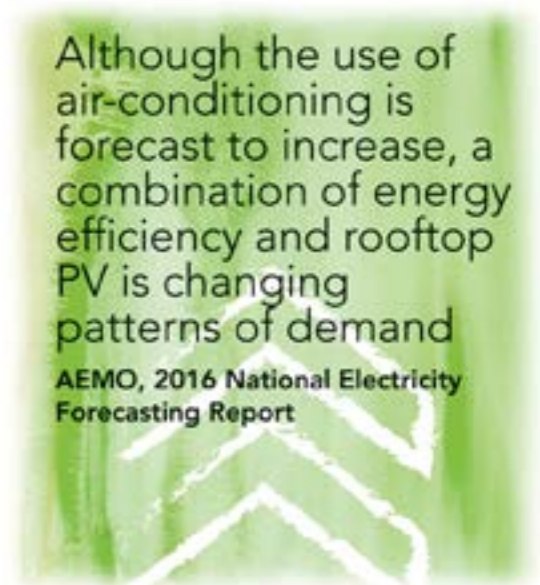
Alongside the ATA, we closely examined aspects of the Victorian distributors’ proposals and put recommendations to the AER. Finally, we engaged in direct, ongoing consultation with industry, sitting on three distributor customer consultation committees.

### Consumer wins

This work has had an impact on the implementation of cost-reflective network pricing. Responding to advocacy from CUAC and other consumer organisations, distributors adjusted their initial tariff designs, agreeing not to apply a demand charge on weekends and public holidays, and aligning the demand charge window so that the change will be simpler for consumers to understand. In 2016–17, we will workshop with distributors how best to inform consumers about the tariff changes, as well as considering new research and projects to guide this work.

*“CUAC continues to bring a deep insight about the lived experience of Victorian energy consumers and their needs in a changing market, to critical debates about business practice, policy and regulation.”*

– Rosemary Sinclair, CEO, Energy Consumers Australia



## Keeping water prices down for Melbourne consumers

Every five years, Melbourne's wholesale water supplier, Melbourne Water, sets out its planned projects and prices for consultation and approval by the regulator, the ESC. Because Melbourne Water's prices are passed on via metropolitan water retailers, they affect water consumers across Melbourne. CUAC was heavily involved in the price approval process.

### Meaningful consumer engagement

Having long advocated for consumers to be meaningfully engaged in the decisions that affect them, we supported Melbourne Water's decision to hold deliberative forums on its price proposals. We had input into the forums' design and delivery and attended them in an observer capacity. We also gave Melbourne Water direct feedback on its consultation process.

### Restraining price increases

In a series of submissions on the Melbourne Water proposals, we supported static or lower wholesale water and sewage charges and argued that waterways and drainage charges should only increase in line with inflation. We were one of several stakeholders who argued that Melbourne Water should capitalise as much of the desalination security payment as possible, spreading costs more fairly between current and future customers and helping to restrain prices in this regulatory period. In its final proposal, Melbourne Water responded to stakeholder input by increasing the amount of capitalisation.

### 2018 and beyond

The Melbourne Water pricing decision has implications for upcoming water retailer revenue resets, which will set prices from July 2018. We will continue our advocacy for fair pricing decisions for Victorian water consumers.

*"CUAC is an important advocate for consumers and they provide thought leadership on critical issues facing our community. Their perspective is very influential in defining how we can be a better service provider while also ensuring we deliver better outcomes for our customers."*

– Cameron Fitzgerald, General Manager, Customers, Community and Environment, City West Water



## Fixing the energy market rule-making process

Research, campaigns and policy analysis are among the tools that advocates use to push for better outcomes for energy consumers. Another option – at least in theory – is to influence change to the rules that regulate how energy is supplied and sold. Joint research by CUAC and Consumer Action, however, has found that the rule change process must be reformed if it is to be a viable option for advocates.

### Origins of the work: the fight against unfair fixed-term contracts

In 2012, CUAC began advocating against the unfair energy retailer practice of offering retail contracts that allowed the retailer to unilaterally increase prices while locking customers into a fixed duration contract, often with high early termination fees. In 2013, we joined with Consumer Action to ask the AEMC to ban retailers from increasing customer tariffs during fixed-term contracts. This was the first time a consumer group had attempted to use the AEMC's rule change process.

### Scrutinising the rule change process

Although the AEMC rejected our rule change proposal in October 2014, a grant from the Consumer Advocacy Panel allowed us to document and share our experience and analysis of the rule change process itself.

CUAC and Consumer Action reported on our findings in the November 2015 research report, *FIX IT! How to fix the energy market rule making process to improve competition and consumer outcomes*. We found that the resource-intensive, lengthy and cumbersome rule change process was not a viable avenue for consumer advocates to seek energy market improvements. The problem is not limited to consumer advocates – we found that the framework as a whole hinders responsive, efficient rule-making. Our report makes the case for introducing a flexible, multi-layered rule change process with a fast-track option for some types of issue.



## Submissions

In 2015–16, CUAC made 24 individual and joint submissions to policy and regulatory consultation processes. Our submissions spanned diverse group issues from hardship and tenancy through to the technical details of transfer and metering data rules. Pricing and tariffs were a major focus of our work.

### **AER | Victorian Electricity Distribution Pricing Review 2016–2020 | July 2015**

In a CUAC submission, we called for the AER to explore price reduction drivers and advocated for further consumer engagement. In a separate submission as part of the Victorian Energy Consumer and User Alliance, we advocated for revenue proposals that better reflected the long-term interests of consumers.

### **Melbourne Water | Consultation Paper – 2016 Price Review | July 2015**

Together with Consumer Action and VCOSS, we called for an approach that would provide the lowest possible bills, promote price path stability and avoid bill shock.

### **AEMO | Metering Data Provision Procedures – Draft Report and Determination | July 2015**

We strongly supported AEMO's proposal to standardise the interval data format and made suggestions about what information consumers should be given.

### **AER | Draft AER Retail Pricing Information Guidelines Version 4.0 | July 2015**

We advocated for clear and accurate information on energy price fact sheets.

### **ESC | Modernising Victoria's Energy Licence Framework – Issues Paper | July 2015**

We supported moves to develop a more flexible, robust licensing framework to accommodate rapid market change.

### **DEDJTR | Review of the General Exemption Order – Issues Paper | July 2015**

We advocated for reform to close the equity gap and widen access to retail choice, arguing that most energy supply activities should fall within the small-scale licensing framework.

### **CAV | Residential Tenancies Act Review – Consultation Paper | August 2015**

We called for energy efficiency standards in rental properties, a review of electricity re-selling in embedded networks and improved dispute resolution.

### **AEMC | Aligning Network and Retail Tariff Structures for Small Customers – Draft Rule Determination | August 2015**

We supported the AEMC's decision not to proceed with the proposed rule change as it would allocate risks inefficiently.

### **AEMC | Multiple Trading Relationships Rule 2015 – Consultation Paper | September 2015**

CUAC and the ATA advocated for a single meter net model that would make benefits accessible to the average consumer.

### **ESC | Supporting Customers, Avoiding Labels – Energy Hardship Inquiry Draft Report | October 2015**

We welcomed the proposed emphasis on early identification and avoiding labels, but raised concerns about customers who cannot afford their ongoing energy usage.

### **AER | Draft AER (Retail) Exempt Selling Guideline Version 4 | November 2015**

CUAC and the ATA submitted that the principles of fairness, transparent and efficiency should underpin the exemptions framework.

### **DEDJTR | Consultation on ceiling Insulation in the Victorian Energy Efficiency Target Scheme | December 2015**

In this joint submission, we supported the revaluation of ceiling insulation in the VEET scheme.

### **AER | Amendments to the AER (Retail) Exempt Selling Guideline v 4.0 | December 2015**

Together with the ATA, we supported the amendment's intent, but argued that tenants should be informed of the loss of consumer protections associated with embedded network retrofitting.

### **AER and DEDJTR | Consumer outcomes and principles for cost-reflective network pricing | December 2015**

We supported this joint submission outlining the principles and consumer outcomes that should guide cost-reflective network pricing reforms.

### **AEMC | East Coast Wholesale Gas Market and Pipeline Frameworks Review | February 2016**

Together with the St Vincent de Paul Society Victoria and the South Australian Council of Social Service, we supported the AEMC's direction and emphasised the critical role of the Stage 2 Draft Report findings in setting the right framework to improve residential gas retail competition.

### **ESC | 2016 Melbourne Water Price Submission | February 2016**

CUAC, Consumer Action and VCOSS called for Melbourne Water to capitalise security payments for the Wonthaggi desalination plant to deliver lower bills and a clearer price signal.

### **CAV | Rents, bonds and other charges – Issues Paper, Residential Tenancies Act Review | March 2016**

We argued that all tenanted properties should be individually metered and highlighted our concerns about energy re-selling in embedded networks.



## Submissions cont...

### **AER | Sustainable Payment Plans: A Good Practice Framework for Accessing Customers' Capacity to Pay | March 2016**

We welcomed the Sustainable Payment Plans, endorsing the AER's principle-based approach, good practice guidance and processes for retailers that fail to meet the framework standards.

### **ESC | Melbourne Water Price Review – Draft Decision | April 2016**

Together with Consumer Action, we called for greater capitalisation of desalination plant payments and supported the request for Melbourne Water reduce price volatility by submitting a revised trailing average on the cost of debt.

### **DELWP | Water for Victoria – Discussion Paper | May 2016**

We welcomed Water for Victoria's focus on community engagement and suggested that the government look more closely at how proposed climate change mitigation strategies might affect vulnerable communities.

### **AER | Ring Fencing Guideline – Position Paper | May 2016**

CUAC supported the view that regulated monopolies should be restricted from directly engaging in competitive markets.

### **AEMC | Improving the accuracy of customer transfers – Consultation Paper | June 2016**

We supported the proposal to improve accuracy in customer transfers, but noted that using estimated reads in transfers may have unintended negative consequences.

### **Australian Competition Tribunal | South Australia Power Networks appeal for Limited Merits Review | June 2016**

Highlighting commonalities between South Australia and Victoria, we urged the Tribunal to carefully consider the long-term interests of South Australian consumers in the Limited Merits Review.

### **AER | Victorian DNSP Cost-Reflective Tariff Structure Statements | June 2016**

CUAC and the ATA argued that coordinated communication and education would be crucial to the successful introduction of new cost-reflective tariffs.

## Committees and working groups

We contributed consumer views on 17 government, regulatory, industry and consumer committees and working groups during 2015–16.

- CAV – Working Together Forum
- DEDJTR – Advanced Metering Infrastructure Ministerial Advisory Council
- AER – Customer Consultative Group
- AEMO – Gas Wholesale Consultative Forum
- AEMO – Gas Retail Consultative Forum
- ESC – Customer Insights Panel
- ESC – Energy Hardship Inquiry technical working groups
- Australian Gas Networks – Stakeholder Consultative Committee
- Jemena – Stakeholder Consultative Committee
- AusNet Services – Stakeholder Consultative Committee (Gas)
- AusNet Services – Customer Consultative Committee
- United Energy and Multinet Gas – Customer and Community Consultative Committee
- VCOSS – Utilities Working Group
- Financial and Consumer Rights Council – Utilities Working Group
- National Consumer Roundtable on Energy
- Environment Victoria – One Million Homes Alliance
- Kildonan UnitingCare – Koorie Energy Efficiency Project Partnership Group
- EWOF – Community Consultation Group

## Glossary of organisation names

<b>AER</b>	Australian Energy Retailer
<b>AEMC</b>	Australian Energy Market Commission
<b>AEMO</b>	Australian Energy Market Operator
<b>CAV</b>	Consumer Affairs Victoria
<b>DELWP</b>	Department of Environment, Land, Water and Planning
<b>DEDJTR</b>	Department of Economic Development, Jobs, Transport and Resources
<b>ESC</b>	Essential Services Commission



## OUR WORK IN THE COMMUNITY

2015–16 was another big year for CUAC's community education efforts. Overall, we reached more than 600 consumers and community workers with information and training on how to take control of energy costs. This work took us right across the state, with almost half of all sessions held in regional Victoria.

### EnergyInfoHub

In 2015–16, we continued our community education efforts as part of the EnergyInfoHub project, with funding from DEDJTR. We ran a series of practical energy workshops that showed consumers how to reduce their bills by getting energy concessions, saving energy around the home, and using Victorian Energy Compare to find a cheaper offer. As well as working directly with consumers themselves, we built capacity in the community sector, training 137 workers on how to help clients save using the Victorian Energy Compare website.

### Launching Victorian Energy Compare

In October 2015, the Victorian Government re-launched its independent price comparison website for energy, Victorian Energy Compare. The new and improved site is easier to use and includes gas and solar alongside electricity offers. On behalf of DEDJTR, CUAC organised a Melbourne launch of Victorian Energy Compare at the Cairnlea Community Hub. We also arranged two regional launch events, in Ballarat and Wodonga, featuring the Minister for Energy and Resources, the Hon. Lily D'Ambrosio, and families looking to save money on their energy bills.

### Energy literacy pilot with AusNet Services

CUAC also partnered with electricity distributor AusNet Services to deliver an energy literacy pilot project targeting vulnerable consumers in the AusNet Services area. In March 2016, we travelled to Gippsland to run expert, independent energy information workshops for 57 consumers in four towns.

The response was positive. Around nine in ten participants told us that the workshop was very or extremely useful and that they'd be likely to recommend it to someone else. A similar proportion – 85 per cent – said that after the workshop, they were very or extremely likely to use Victorian Energy Compare.

*"We have been delighted to work with CUAC on the Energy Literacy program. This is realistic, pragmatic work that is helping people make genuine savings. It reflects AusNet Services' focus of bringing value to our customers."*

– Alistair Parker, Executive General Manager – Regulated Energy Services, AusNet Services

### Developing new consumer information materials

With support from AusNet Services, we developed and published a new consumer information resource, *Taking Control of Energy*. The booklet explains the basics of Victoria's energy system and shows consumers how to:

- read their energy bills
- work out how much power different appliances use
- save money by saving energy, switching to a cheaper offer and getting concessions.

The brochure, along with CUAC's suite of consumer information materials, is available on the EnergyInfoHub website at [energyinfohub.org.au](http://energyinfohub.org.au).

*"Everyone who came back to the office was raving about the training session. You are a terrific trainer and I hope you got some great feedback."*

*"Extremely well-run and relevant to all levels of understanding... please continue."*

*"Great idea, especially for older people."*

*"The speaker was very knowledgeable and conveyed information well."*

*"[The trainer] was fabulous, explaining how the [Victorian Energy Compare] website worked with one of the participants using their current utilities bill and answering questions from the floor. He was patient and explained everything clearly. Nothing seemed too much effort for him."*

*"[The best part was] seeing how easy it is!"*

– Feedback from organisers and participants

## OUR TEAM

**Petrina Dorrington** (Acting Executive Director) brings to CUAC her extensive experience in not-for-profit leadership roles. Petrina was Executive Director of Kids Under Cover for 10 years and served on their Board for a further six. She has also been CEO of the Inland Queensland Tourism and Development Board and General Manager at the Melbourne International Film Festival. Petrina is currently a Director on the Board of the Royal Children's Hospital, and volunteers as a mentor for the Lord Mayor's Charitable Foundation's Youth in Philanthropy program.

**Karl Barratt** is the EnergyInfoHub Community Participation Coordinator. He has extensive experience in programs that support low income households to gain control and confidence in managing their energy bills. Karl worked for many years in the community sector as Program Manager of Energy Services at Kildonan UnitingCare. He has also worked as an Energy Advisor, Sustainability Assessor and Environmental Consultant. Karl has a Bachelor of Social Science (Environment) and a Diploma of Community Services (Financial Counselling).

**Simone Karmis**, an Australian lawyer, is a Research and Policy Advocate. Before joining CUAC, Simone was exposed to the energy and environment sectors through her work at Norton Rose Fulbright Australia and the Environment Defenders' Office. She has also worked in the Members' Chambers at the Victorian Civil and Administrative Tribunal. Simone is passionate about community welfare and fairness for Australian consumers and has volunteered at the Fitzroy Legal Service for the last six years. Simone holds a Bachelor of Arts/Laws from La Trobe University.

**Ben Martin Hobbs** is a Research and Policy Advocate. Ben joined CUAC from Chancellery Operations at the University of Melbourne, where he worked closely with the Vice Chancellor and senior chancellery staff on communications and research projects. Ben also has experience working for the research-based strategy consultancy Andrews Group, and was policy intern at Goodstart Early Learning. Ben holds a Master of Public Policy and Management and a Bachelor of Arts (Hons) from the University of Melbourne.

**Martin Jones**, Research and Policy Advocate (part year)

**Deanna Foong**, Research and Policy Advocate (part year)

**Mercedes Lentz**, Executive Officer (part year)

We thank Brenda Callegari and Ian Johnson for providing administrative and bookkeeping support.



## GOVERNANCE

### Our Board

CUAC's Board is made up of new and longstanding Directors with diverse skills and experience. The Board has been integral to CUAC's good governance and strategic planning.

#### Ronda Held (Chair)

Currently the CEO of COTA Victoria, Ronda has served in leadership roles in the community services sector, primarily in services for older people and people with disabilities. Ronda also has extensive experience in the Commonwealth Public Service and as a consultant to human service organisations. Ronda has recently been appointed as a Director of Energy and Water Ombudsman Victoria (EWOV).

Ronda holds a Bachelor of Economics, a Postgraduate Bachelor of Social Administration and a Masters in Policy and Administration.

#### Janet Cohen (Deputy Chair)

Janet has worked as a commercial lawyer and extensively in the regulation of the legal profession. She is a Member of the Veterinary Practitioners Registration Board of Victoria Panel Hearings and is a sessional lecturer at Holmesglen Institute of TAFE.

Janet holds a Bachelor of Laws and Bachelor of Science from Monash University and Masters degrees in Business Management and Law from the University of Melbourne.

#### Petrina Dorrington (appointed August 2015)

Petrina Dorrington brings extensive experience in not-for-profit leadership roles to CUAC's Board and to the Acting Executive Director role. Petrina was Executive Director of Kids Under Cover for 10 years and served on their Board for a further six. She has also been CEO of the Inland Queensland Tourism and Development Board and General Manager at the Melbourne International Film Festival. Petrina is currently a Director on the Board of the Royal Children's Hospital, and volunteers as a mentor for the Lord Mayor's Charitable Foundation's Youth in Philanthropy program.

#### Andrew Bell

Andrew is a barrister practising principally in competition, consumer, commercial and employment law. Before going to the Bar, Andrew was a Senior Associate in the Dispute Resolution team at Norton Rose Fulbright and was an Assistant Director of the Enforcement branch at the Australian Competition and Consumer Commission. Andrew has a Masters of Law as well as Honours qualifications in chemical engineering and public policy.

#### Maree Davidson AM

Maree runs a communications and strategic planning consultancy. Her background is in education, community development, health promotion and marketing. Maree is an Executive Member of the National Centre Against Bullying, Founding Member and Chair of the Advisory Committee for the Fellowship for Indigenous Leadership, Board Member of Fitted for Work, National Board Member of the YMCA and Director of YMCA – Youth Community Fund.

# OUR REFERENCE GROUP

Our Reference Group has a crucial role informing CUAC about the energy and water issues affecting consumers on the ground. It's a diverse group with representatives from organisations that work closely with a wide cross-section of the Victorian community.

## Reference Group representatives

Organisation	Representative
Alternative Technology Association	Damien Moyse, Energy Projects and Policy Manager,
Brotherhood of St Laurence	Dr Victoria Johnson, Research & Policy Manager, Equity in response to climate change
Community Information and Support Victoria	Minh Nguyen, Advocacy and Research Manager
Consumer Action Law Centre	Claire Maries, Senior Energy Policy Officer
Council of Single Mothers and their Children	Tenar Dwyer, Executive Officer
Council on the Ageing	Randal Harkin, Member, Victoria Policy Council
Country Women's Association of Victoria Inc.	Marie Vassallo, Social Issues Chairman
Ethnic Communities Council of Victoria	Irene Bouzo, Executive Officer (resigned 2015)
Financial and Consumer Rights Council	Peter Gartlan, Executive Officer
Good Shepherd Australia New Zealand	Tanya Corrie, Social Policy Researcher
Kildonan UnitingCare	Jim Downey, Senior Manager, Financial Inclusion
National Seniors Australia	Arnold Bates, Policy Advisory Group Chair
Regional Information and Advocacy Council Inc.	Leah Kateiva, External Merits Review Officer
SCOPE Vic Ltd	Doug Mills, Manager – Property and Assets
South East Community Links	Kay Dilger, Financial Counselling Coordinator
Victorian Council of Social Service	Llewellyn Reynders, Policy and Programs Manager
Victorian Farmers Federation	Melanie Brown, Policy Manager
Women's Health Goulburn North East Inc.	Karen O'Connor, Microfinance Project Worker

Each year, we come together with the Reference Group to review CUAC's activities and gather input on our upcoming strategic priorities and work plan. The last major Reference Group meeting, in December 2015, yielded valuable input on the Principles for a Fair Consumer Experience project. We also heard from members about what information would best help their constituents to understand and manage their energy use – a discussion that informed our development of consumer information materials in 2016.

Reference Group meetings are also an opportunity for members to hear from guest speakers, who address topical energy and water policy issues. This year, we welcomed ESC Chairperson Dr Ron Ben-David to speak about the Commission's energy hardship inquiry and the 2016 Melbourne Water Price Review. Matthew Jones from DEDJTR also presented on the Victorian Government's revamped independent energy comparison website, Victorian Energy Compare.

We would like to thank Neville Daynes, Irene Bouzo and Jenny Disney for their valuable contribution to the Reference Group. Irene and Jenny resigned from the Reference Group in October 2015 and Neville resigned from the Reference Group in January 2016.

*“Attending the meetings gave us the opportunity to hear about developments in the energy sector from experts, and to feed up to CUAC about what has been happening on the ground for vulnerable consumers. CUAC plays an integral role as an expert and specialist consumer voice that is responsive and proactive in ensuring consumer protection for the most vulnerable people in our communities.”*

– Minh Nguyen, Community Information & Support Victoria

*“Rising prices, record disconnections, a dramatic increase in the uptake of new technologies and the increased complexity of the energy market are just some of the reasons why Victorian consumers need CUAC more than ever before. CUAC's ground breaking research and tireless advocacy is essential to effectively assist energy consumers, particularly low income, disadvantaged and vulnerable members of our society”*

– Jim Downey, Kildonan UnitingCare



## Board of Directors

Over the reporting period, the CUAC Board of Directors comprised:

Director	Position
Ms Ronda Held	Chair
Ms Janet Cohen	Deputy Chair
Ms Petrina Dorrington	Director and Acting Executive Director
Ms Maree Davidson	Director
Mr Andrew Bell	Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The only change to the CUAC Board composition during the reporting period was the appointment of Ms Petrina Dorrington as a Director in July 2015.

No director has any interest in business contracts or proposed financial dealings for personal benefit with CUAC during the financial year ended 30 June 2016.

CUAC is incorporated as a company limited by guarantee.

## Directors meetings

During the reporting period, ten Board meetings were held, three of which were conducted by written resolution.

### Board meeting attendance

Director	Meetings conducted while a Director	Meetings attended
Ms Ronda Held	10	9
Mr Andrew Bell	10	9
Ms Janet Cohen	10	9
Ms Maree Davidson	10	9
Ms Petrina Dorrington	9	9

## Company Secretary

From March 2015 to November 2015, the then CUAC Executive Officer, Mercedes Lentz, was Company Secretary. From November 2015, Janet Cohen was appointed Company Secretary.

## Review of operations

CUAC's operations for the reporting period are described in the 'Our research and advocacy', 'Our work in the community' and 'Governance' sections of this report.

## Significant changes in company affairs

In November 2015, Executive Officer Mercedes Lentz resigned and was replaced by CUAC board director, Petrina Dorrington as Acting Executive Director. Recruitment for a new Executive Officer will commence in 2016/2017.

## Principal activities

CUAC's team of experts in law, economics, policy and consumer engagement acted as an independent voice for Victorian electricity, gas and water consumers to ensure fairer access to essential services, particularly for low income, disadvantaged and rural consumers.

Through CUAC's monitoring of utility issues, research and policy work, and funding of external research projects, CUAC increased the capacity of consumers and consumer advocates to participate in policy and regulatory decisions on electricity, gas and water.

CUAC continued to develop and implement the EnergyInfoHub project, the EnergyInfoHub website and its community outreach and education program. This work is designed to empower Victorian consumers with information to make better informed decisions about their energy consumption and bills.

## After balance date events

No matters or circumstances have arisen in the reporting period that have 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

In 2015-2016 Consumer Affairs Victoria undertook a review of utilities advocacy in Victoria and at the time of writing the Board anticipates a positive outcome from this review, which will enhance the stability of CUAC's operations in future years. The Board notes that CUAC is subject to periodic review by the Victorian Government.

## Environmental issues

CUAC's operations are compliant with any relevant Federal or State law or regulation.

## Indemnities and insurance for Directors and officers

During the reporting period, CUAC paid a premium in respect of a contract insuring CUAC Directors, the Company Secretary and all executive officers of the company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001, to the amount of \$10 million.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such by an officer or auditor.

## Proceedings on behalf of company

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 part for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

## Auditor's declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the Board of Directors.



Ronda Held

**Chair**

# Consumer Utilities Advocacy Centre Ltd FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

ABN 23 100 188 752

GRAEME F DELANY PTY LTD  
SUITE 27 1ST FLOOR  
545 McDONALDS ROAD  
SOUTH MORANG 3752  
Phone: 03 9437 6633 Fax: 03 9437 8171  
Email: gdelany@connexus.net.au

## CONSUMER UTILITIES ADVOCACY CENTRE LIMITED

Statement of Profit or Loss  
For the Year Ending 30 June 2016

Income	Note	2016 \$	2015 \$
Revenue	2	842,895	717,000
Expenditure			
Auditors Remuneration	3	(5,533)	(5,165)
Depreciation and amortisation expense	4	(9,261)	(8,260)
Employee benefits expenses		(514,745)	(508,736)
Other expenses		(188,260)	(237,917)
		(712,799)	(760,078)
Profit/(loss) for the year		130,096	(43,078)
Total Comprehensive income for the year		130,096	(43,078)

## CONSUMER UTILITIES ADVOCACY CENTRE LIMITED

Statement of Financial Position  
As at 30 June 2016

	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	624,720	531,398
Trade and Other Receivables	6	28,965	16,219
Other Current Assets	7	1,952	3,458
<b>Total Current Assets</b>		<b>655,637</b>	<b>551,075</b>
<b>Non-Current Assets</b>			
Property, Plant and equipment	8	17,003	19,088
<b>Total Non-Current Assets</b>		<b>17,003</b>	<b>19,088</b>
<b>Total Assets</b>		<b>672,640</b>	<b>570,163</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	9	52,771	72,943
Other Current Liabilities	10	0	2,052
<b>Total Current Liabilities</b>	<b>9</b>	<b>52,771</b>	<b>74,995</b>
<b>Non-Current Liabilities</b>			
Provisions	11	414	5,809
<b>Total Non-Current Liabilities</b>		<b>414</b>	<b>5,809</b>
<b>Total Liabilities</b>		<b>53,185</b>	<b>80,804</b>
<b>Net Assets</b>		<b>619,455</b>	<b>489,359</b>
<b>Equity</b>			
Retained Earning		619,455	489,359
<b>Total Equity</b>	<b>12</b>	<b>619,455</b>	<b>489,359</b>

These financial statements are audited. They must be read in conjunction with the attached Auditor's Report and Notes which form part of these financial statements.

These financial statements are audited. They must be read in conjunction with the attached Auditor's Report and Notes which form part of these financial statements.

## CONSUMER UTILITIES ADVOCACY CENTRE LIMITED

Statement of Change In Equity  
For the Year Ending 30 June 2016

	Retained Earnings \$	Total \$
<b>Balance 1 July 2013</b>	<b>521,004</b>	<b>521,004</b>
Profit Attributable to Equity	11,433	11,433
<b>Balance 30 June 2014</b>	<b>532,437</b>	<b>532,437</b>
Profit Attributable to Equity	(43,078)	(43,078)
<b>Balance 30 June 2015</b>	<b>489,359</b>	<b>489,359</b>
Profit Attributable to Equity	130,096	130,096
<b>Balance 30 June 2016</b>	<b>619,455</b>	<b>619,455</b>

These financial statements are audited. They must be read in conjunction with the attached Auditor's Report and Notes which form part of these financial statements.

## CONSUMER UTILITIES ADVOCACY CENTRE LIMITED

Statement of Cash Flows  
For the Year Ending 30 June 2016

	Note	2016 \$	2015 \$
Cash Flow From Operating Activities			
Payments to suppliers and employees		(713,430)	(761,252)
Interest Received		12,824	8,946
Receipts from Government Funding		801,106	614,775
Net Cash used in operating Activities	15	100,500	(137,531)
Cash flow from investing activities			
Payments for plant and equipment		(7,178)	(3,461)
Net Cash used in investing activities		(7,178)	(3,461)
Net increase in cash held		93,322	(140,992)
Cash at beginning of financial year		531,398	672,390
Cash at end of year	5	624,720	531,398

These financial statements are audited. They must be read in conjunction with the attached Auditor's Report and Notes which form part of these financial statements.



# CONSUMER UTILITIES ADVOCACY CENTRE LIMITED

Notes to the Financial Statements  
For the Year ended 30th June 2016

## 1. Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers CONSUMER UTILITIES ADVOCACY CENTRE LTD as an individual entity. CONSUMER UTILITIES ADVOCACY CENTRE LTD is a company limited by guarantee, incorporated and domiciled in Australia.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Boards.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless stated otherwise.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Assets are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### a) Plant and equipment

Plant and equipment are measured using the cost model.

#### b) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to CONSUMER UTILITIES ADVOCACY CENTRE LTD commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

### Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred)

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and most receivables fall into this category of financial instruments

Discounting is omitted where the effect is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

### Impairment of Non-Financial Assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.



## Employee Benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to the reporting period. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled.

Other employee benefits payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on national government bonds with terms maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least one year after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

## Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre-tax rate that reflects current market assessments at the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to the finance costs in the statement of the other comprehensive income.

## Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

## Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

## Revenue

Revenue is recognised when the amount of the revenue can be measure reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measure at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

## Interest revenue

Interest revenue is recognised using the effective interest rate method.

## Rendering of Services

Revenue in relation to rendering of services recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expense recognised that are recoverable.

## Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO)

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

## Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up the constitution states that each member is required to contribute \$10 each towards meeting any outstanding obligations of the entity, At 30 June 2016 the number of members was 1.

## 2. Revenue and Other Income

Revenue	2016 \$	2015 \$
Sales Revenue		
Rendering of Services	4,006	2,109
Other Revenue:		
Interest Received	12,824	8,946
Other Revenue	826,065	705,945
	838,889	714,891
Total Revenue	842,895	717,000
Interest Revenue From:		
Interest Received	12,824	8,946
Total interest revenue on financial assets not at fair value through profit or loss	12,824	8,946
Other Revenue From:		
Other revenue	89,175	1,873
Government Grants	736,890	704,072
Total other revenue	826,065	705,945

## 3. Auditor's Remuneration

Auditor's Remuneration	2016 \$	2015 \$
Auditing Services	5,533	5,165

These financial statements are audited. They must be read in conjunction with the attached Auditor's Report and Notes which form part of these financial statements.

## 4. Depreciation and Other Write offs against profit

Profit before income tax from continuing operations includes the following specific expenses	2016 \$	2015 \$
<b>Expenses</b>		
Depreciation of property, plant and equipment	9,261	8,260
Doubtful Debts	0	(4,193)
<b>Total</b>	<b>9,261</b>	<b>(4,193)</b>

## 5. Cash and Cash Equivalents

Cash	2016 \$	2015 \$
Cash at Bank	624,720	531,398
Reconciliation of Cash		
Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	624,720	531,398

## 6. Trade and Other Receivables

Current	2016 \$	2015 \$
Trade Debtors	28,043	16,219
Interest Receivable	922	0
	28,965	16,219

These financial statements are audited. They must be read in conjunction with the attached Auditor's Report and Notes which form part of these financial statements.

## 7. Other Non Financial Assets

Current	2016 \$	2015 \$
Prepayment	1,952	3,458

## 8. Property Plant and Equipment

Plant and Equipment	2016 \$	2015 \$
At Cost	151,140	143,964
Accumulated Depreciation	(134,137)	(124,876)
Total Plant and Equipment	17,003	19,088

## 9. Trade and Other Payables

Current	2016 \$	2015 \$
Trade Creditors	6,466	14,018
Other Creditors	20,962	22,181
GST Payable	2,154	110
Amounts Withheld	11,403	9,377
Provision for Holiday Pay	11,786	27,257
	52,771	72,943

## 10. OTHER LIABILITIES

Current	2016 \$	2015 \$
Income in Advance	0	2,052

## 11. Provisions

Provisions	2016 \$	2015 \$
Provision for Long Service Leave	414	5,809
Total Provisions	414	5,809

## 12. Retained Earnings

Retained Earnings	2016 \$	2015 \$
Retained Earnings at the beginning of the financial year	489,359	532,437
Net Profit attributable to members of the company	130,096	(43,078)
Retained Earnings at the end of the financial year	619,455	489,359

These financial statements are audited. They must be read in conjunction with the attached Auditor's Report and Notes which form part of these financial statements.

These financial statements are audited. They must be read in conjunction with the attached Auditor's Report and Notes which form part of these financial statements.

## 13. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

Zero transactions with related parties.

## 14. Economic Dependence

The continued operation of the entity is dependent on ongoing funding from the State Government and is subject to periodic review. At the date of this report, the Board of Directors has no reason to believe the Department will not continue this support.

## 15. Cash Flow information

Reconciliation of Cash Flow From Operations with profit after income tax	2016 \$	2015 \$
Profit (Loss) after income tax	130,096	(43,078)
Non-Cash flows in profit		
Depreciation	9,261	8,260
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current receivables	(12,746)	(3,739)
(Increase) Decrease in Prepayments	1,506	8,793
(Increase) Decrease in Trade Creditors	(21,152)	(10,033)
(Increase) Decrease in Other Creditors	4,070	
(Increase) Decrease in Employee Entitlements	(8,484)	(4,001)
(Increase) Decrease in current provisions	0	0
(Increase) Decrease in non-current provisions	0	0
(Increase) Decrease in income in advance	(2,051)	(93,733)
	100,500	(137,531)

These financial statements are audited. They must be read in conjunction with the attached Auditor's Report and Notes which form part of these financial statements.

## 16. Financial Risk Management

The company is exposed to a variety of financial risks through its use of financial instruments.

The company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The company does not speculate in financial assets

The company does not have any derivative instruments at 30 June 2016.

### Objectives, Policies and Processes

Risk management is carried out by the Board of Directors. The Directors have primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the company, these policies and procedures are then approved and tabled by the Board of Directors following approval at a board meeting

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure.

Specific information regarding the mitigation of each financial risk to which company is exposed is provided below.

The Company does not hold any financial assets with terms that have been renegotiated, but would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

## 17. Company Details

The registered office of the company is:  
Consumer Utilities Advocacy Centre Limited  
Level 2 172 Flinders St  
Melbourne Vic 3000

## 18. Segment Reporting

The company operates predominately in one business and geographical segment, being the advocacy of utility services in Victoria.

These financial statements are audited. They must be read in conjunction with the attached Auditor's Report and Notes which form part of these financial statements.

## Directors Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out above, for the year ended 30 June 2016 are in accordance with the Corporations Act 2001 and:  
A: Comply with Australian Standards, which as stated in accounting policy Note 1 to the financial statements, constitute explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and  
B: give a true and fair value of the financial position and performance of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Ronda Held  
**Director**

dated this day 22 August 2016

## Auditor's Report

### Report on the Financial Report

We have audited the accompanying financial report of CONSUMER UTILITIES ADVOCACY CENTRE LTD (the company), which comprises the Director's Declaration, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, Statement of Cash Flows, Statement of Changes In Equity, a summary of significant accounting policies and other explanatory notes for the financial year ended 30 June 2016.

### Director's Responsibility for the Financial Report

The director of the company is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the director determines 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 Note 1, the director also states, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the director of CONSUMER UTILITIES ADVOCACY CENTRE LTD on 30 June 2016 would be in the same terms if provided to the director as at the time of this auditor's report.

## Auditor's Report

### Opinion

In our opinion:

a. the financial report of CONSUMER UTILITIES ADVOCACY CENTRE LTD is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001;

b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Signed on : 30th July 2016



GRAEME DELANY, CPA  
GRAEME F DELANY PTY LTD  
Level 1 Suite 27  
545 McDonalds Rd  
South Morang 3752

## Statement of Independence

### UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2016 there have been :

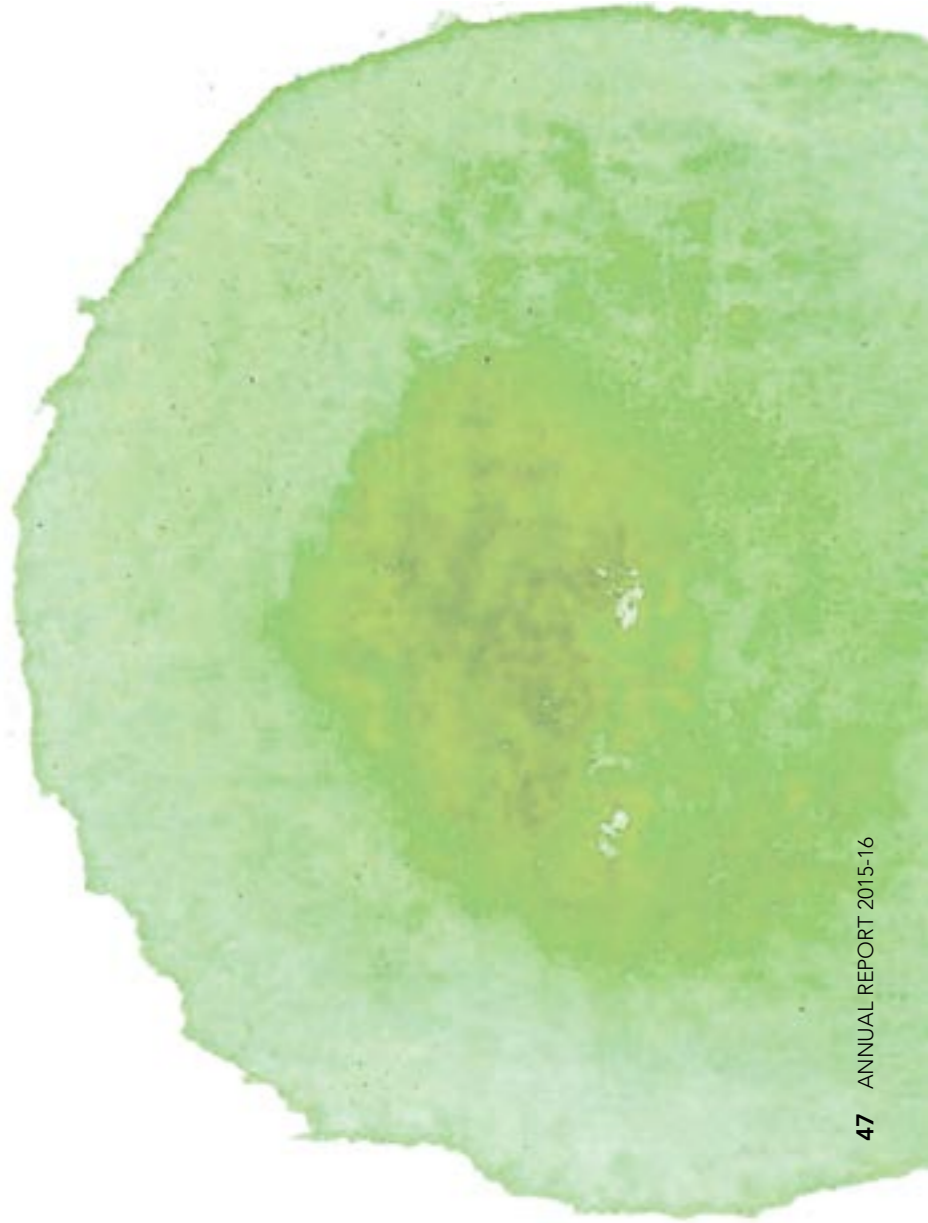
(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit

Signed on : 30th July 2016



GRAEME DELANY, CPA  
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