

Consumer Utilities Advocacy Centre

Annual Report
2016–17

Contents

Chair's
report

pg 4

1

An organisation
in transition

pg 6

2

Our research
and advocacy

pg 14

3

Our work in
the community

pg 24

4

Our
people

Pg 26

5

Our reference
group

pg 30

6

Directors'
report

pg 34

7

Financial
report

pg 38

8

1

Chair's report

4

As a time of profound change, 2016–17 was an exciting but challenging year for the organisation. Following last year’s independent review of the Consumer Utilities Advocacy Centre (CUAC), in December 2016, the Victorian Minister for Consumer Affairs, Gaming and Liquor Regulation announced that CUAC would transition to become the Consumer Policy Research Centre (CPRC). With new funding arrangements and an expanded remit, CPRC will continue CUAC’s legacy of rigorous research and community and policy engagement, but with a much broader consumer policy focus.

It’s a fitting time to look back on and celebrate CUAC’s achievements. For 15 years, CUAC was a leading—and at the time the sole—consumer voice on critical energy and water issues, both within Victoria and nationally. CUAC’s research often broke new ground, bringing previously hidden issues—like the experiences of Aboriginal consumers, consumer rights in embedded networks, and the treatment of consumers experiencing family violence—into the spotlight and onto the policy agenda. A strong and consistent consumer voice in policy debates, CUAC influenced improvement to regulation and industry practice on issues from payment difficulty to distributed generation and water pricing.

This year, while navigating the transition to a new organisation, we continued with CUAC’s research, advocacy and community education activities. In the culmination of a collaborative research project initiated in 2015–16, we launched *Building Customer Trust—A principles and practice guide*, and began the work of embedding the Customer Trust Principles with energy retailers and water companies.

Working both individually and with other consumer organisations, we sustained our participation in policy and regulatory processes, providing critical consumer input on gas and electricity pricing and participating in the complex Limited Merits Review process. Our feedback and that of other stakeholders resulted in significant improvements to Victoria’s new energy payment difficulties safety net. And following strong consumer advocacy against the introduction of contestable metering in Victoria, the Victorian Government decided to delay this transition until at least 2021—a decision that will save Victorian consumers money.

The Board and I would like to thank the Hon. Marlene Kairouz, Minister for Consumer Affairs, Gaming and Liquor Regulation, for supporting CPRC’s establishment, its new remit and funding. We would also like to thank the Hon. Lily D’Ambrosio, Minister for Energy, Environment and Climate Change and the Hon. Lisa Neville, Minister for Water and Minister for Police, who have both been supportive of and receptive to our research and representation of consumer interests.

A sincere thank you must also go to our Reference Group. As a research and advocacy organisation without members or a direct service provision role, CUAC always relied heavily on the grassroots intelligence and strategic advice of its Reference Group members. Although the Reference Group did not meet formally during this transition year, its members continued to contribute to CPRC’s work with input on our new strategic agenda, collaboration on policy submissions and guidance on our research. We particularly thank Gerard Brody, CEO of Consumer Action, for his help and support.

Finally, thank you to the Directors and staff who have seen the organisation through this period of change. Acting as Executive Director for much of the year, Petrina Dorrington shepherded CPRC into existence. Former Executive Officer Jo Benvenuti also provided invaluable assistance during this time. Ben Martin Hobbs took responsibility for the bulk of our submission work across the range of complex policy and regulatory matters. This year we farewelled Karl Barratt and Simone Karmis. Karl’s skilled and energetic work on CUAC’s energy literacy programs directly benefited Victorian consumers, while Simone’s intensive research with energy and water retailers laid the foundation for the Building Customer Trust project, which was very capably built on by Sally Watts.

While it is with some sadness that we farewell CUAC, we are excited about the journey that CPRC is now embarking upon. We were pleased to appoint Damian Bye to the Senior Policy Officer role in January 2017, bringing a strong background in consumer policy issues. The Board welcomes the appointment of Lauren Solomon as CPRC’s inaugural CEO. We are confident that Lauren and her team will carry on CUAC’s best traditions—collaboration, high-quality and original research, and strong but considered policy engagement—while bringing the benefits of this work to Victorian consumers more broadly.



Ronda Held
Chair

2

An organisation in transition

6

15 years as the voice of energy and water consumers

	Organisation	Advocacy	Research	Engagement
2002 –03	<p>With the privatisation of Victoria's electricity industry, CUAC is set up to be a strong voice for consumers. The CUAC model—an independent consumer advocacy body funded by government—is an Australian first.</p> <p>Kerry Connors joins CUAC as its inaugural Executive Officer.</p>		<p>CUAC gives out its first grants and launches its first research project—a joint investigation into the impact of disconnection with Consumer Action.</p>	<p>CUAC establishes its Reference Group and meets with ministers and government agencies.</p>
2003 –04		<p>CUAC argues for a stronger safety net for vulnerable energy consumers in the Essential Services Commission's Review of the Effectiveness of Full Retail Competition.</p>	<p>CUAC enters into a partnership with the Committee for Melbourne on the pivotal Utility Debt Spiral project.</p> <p>New CUAC research reveals that Indigenous customers face higher rates of energy disconnection and water restriction.</p>	

Organisation	Advocacy	Research	Engagement
<p>2004 –05</p>	<p>The Victorian Government extends safety net protections for energy customers, banning late payment fees and introducing the Wrongful Disconnection Payment.</p> <p>The Essential Services Commission conducts its first Water Pricing Determination—in which CUAC is heavily involved.</p> <p>Endorsing the Victorian Government’s decision to conduct a Committee of Inquiry into Energy Consumers in Financial Hardship, CUAC recommends the introduction of mandatory minimum hardship guidelines and energy efficiency programs.</p>		<p>CUAC launches its website and expands its consultative Rural and Regional network to more than 100 members.</p>
<p>2005 –06</p>	<p>The Victorian Government announces legislation requiring retailers to adopt best practice hardship policies and programs.</p> <p>The Department of Infrastructure begins consultation on the statewide rollout of Advanced Metering Infrastructure. CUAC sits on the Stakeholder Strategy Group as the sole consumer representative.</p> <p>CUAC gets involved in national water regulation, with input on a national benchmarking framework for water authorities’ performance.</p>	<p>CUAC allocates over \$212,000 in research and advocacy grants.</p>	<p>With national energy regulation and policy reform gaining momentum, CUAC plays a central role building a national cooperative dialogue between consumer organisations and lobbies heavily for the creation of a national energy consumer advocacy body.</p> <p>CUAC launches a new newsletter, the <i>CUAC Quarterly</i>.</p>
<p>2006 –07</p>	<p>CUAC has input on development of the Limited Merits Review mechanism, arguing that it must be accessible to consumers.</p> <p>CUAC participates in an ESC review of water hardship policies.</p>	<p>CUAC welcomes the launch of <i>Guiding Principles for Utility Consumers Experiencing Financial Hardship</i>, an output of the Utility Debt Spiral project.</p>	<p>CUAC continues to co-convene the National Consumer Roundtable and hosts a masterclass for consumer advocates.</p>

	Organisation	Advocacy	Research	Engagement
2007 –08	An independent review of CUAC highlights the success of the model.		CUAC released the report on a major research project, <i>Beyond free market assumptions: addressing barriers to distributed generation</i> .	With the Australian Energy Market Commission recommending the removal of energy retail price regulation, CUAC convenes an expert forum on electricity pricing to up-skill consumer advocates.
2008 –09	Jo Benvenuti joins CUAC as its new Executive Officer.	<p>Responding to the first draft of the National Energy Customer Framework, CUAC argues that it will harm Victorian consumers and pushes for a best practice approach.</p> <p>CUAC lobbies heavily on transparent and helpful energy consumer information. In a major win for CUAC and the consumer sector, Victorian retailers are required to publish some of their market offers on the ESC website.</p> <p>The ESC agrees to introduce a water Hardship Guaranteed Service Level to protect consumers struggling with price rises.</p>		CUAC plans a National Consumer Forum on water reform together with the Public Interest Advocacy Centre and the Australian Council of Social Service.
2009 –10		With CUAC and other consumer groups calling for the equity impacts of time-of-use pricing to be addressed, the Victorian Government announces a moratorium on mandatory time-of-use pricing.	As Victoria's Smart Meter rollout begins, CUAC receives Victorian Government funding for a project to assess community information needs.	CUAC joins the One Million Homes Alliance, which aims to audit and retrofit one million concession cardholder households for energy efficiency.

	Organisation	Advocacy	Research	Engagement
2010 –11		<p>The Victorian Minister for Energy commits publicly to maintaining the standard of Victoria's consumer protections in any transition to the National Energy Customer Framework.</p> <p>When electricity distributors challenge the Australian Energy Regulator's pricing determination, CUAC and Consumer Action attempt to intervene in the Limited Merits Review on behalf of consumers.</p> <p>CUAC is heavily involved in Australian Energy Regulator (AER) consultations on retail guidelines.</p>	<p>CUAC's research into energy switching sites finds significant flaws in the sites' transparency, quality and accuracy.</p>	<p>CUAC community forums and workshops build consumer knowledge and understanding of Smart Meter issues.</p>
2011 –12	<p>CUAC celebrates its 10th anniversary.</p>	<p>Many Victoria-specific protections recommended by CUAC are included in the Draft National Energy Retail Law (Victoria) Bill.</p>	<p>CUAC launches two influential research reports: <i>Improving energy market competition through consumer participation and Wein, Paen, Ya Ang Gim: Victorian Aboriginal experiences of energy and water.</i></p>	<p>CUAC launches its re-developed website.</p> <p>With a new research grant from the Consumer Advocacy Panel, CUAC continues to push for the creation of a national energy consumer advocacy body — work that eventually leads to the establishment of Energy Consumers Australia.</p>
2012 –13		<p>In line with CUAC advocacy, the Victorian Government announces that the uptake of flexible electricity pricing will be voluntary, and commits to developing an independent price comparison website for consumers.</p> <p>In the 2013–18 Water Price Review, the Essential Services Commission allows an additional \$5,250,000 million over five years to assist customers to manage price increases.</p>	<p>CUAC puts embedded networks firmly on the agenda with the release of its research report <i>Growing gaps: consumer protections and energy re-sellers.</i></p>	<p>CUAC wins Victorian Government support for energy consumer education with the announcement of the Energy Information Fund.</p>

	Organisation	Advocacy	Research	Engagement
2013 –14		CUAC partners with Consumer Action to request a rule change banning unilateral price changes in fixed term energy contracts.	CUAC builds consumer capacity on gas with the publication of an introductory guide to the sector for consumer organisations.	CUAC develops and launches the EnergyInfoHub website. CUAC works with water businesses to encourage their development of Reconciliation Action Plans. Melbourne Water and City West Water commit to developing Reconciliation Action Plans.
2014 –15		The Minister for Energy and Resources announces a review of the Victorian exempt selling framework. Despite the failure of CUAC's rule change request on fixed price energy contracts, before the Victorian election, both major parties commit to ensuring that fixed term contracts have fixed prices.	CUAC breaks new ground with <i>Helping not hindering: Uncovering violence and utility debt</i> , which stimulates thinking and practice improvements in how utilities deal with customers in family violence situations. CUAC publishes new research on gas pricing, attracting extensive print, radio and television coverage.	
2015 –16	CAV engages an independent reviewer to report on CUAC's role and the current and future status of energy and water consumer advocacy in Victoria.		CUAC and Consumer Action report on their experiences with the Australian Energy Market Commission's rule change process, making the case for reform.	In the culmination of years and research and collaboration, CUAC launches the Energy Comparator Code of Conduct.
2016 –17	CUAC's remit is widened and it is renamed the Consumer Policy Research Centre.		CPRC releases <i>Building Customer Trust — A principles and practice guide</i> , in the culmination of a two-year collaboration between consumers and industry.	

Review and change

12 Since CUAC was established, Victoria's energy market has undergone profound transformation. Similarly, at the national level, coordinated energy market reforms—among them the creation of Energy Consumers Australia—have been progressively implemented. In light of these changes, in early 2016 the Director of our funding body, CAV, commissioned an independent review of the current and future status energy and water consumer advocacy in Victoria, with a focus on the role of CUAC.

After widespread stakeholder consultation, the independent reviewer found that there was a consensus on the high quality and importance of CUAC's work. The reviewer's final report identified an ongoing need for an independent Victorian voice for consumer utilities advocacy, but noted that current funding arrangements were inadequate to support its future. On this basis, CAV committed funding to support CUAC's transition to a generalist consumer policy research organisation. The organisation was renamed the Consumer Policy Research Centre.

The Consumer Policy Research Centre: a new voice for Victorian consumers

The change to CPRC occurred on 9 December 2016, with a new four-and-a-half year funding agreement established from 1 January 2017. While CPRC will continue to research and provide policy advice on utilities issues, it has a broader remit than was the case for CUAC. Two particular new areas of focus—where only limited consumer research exists to date—will be the operation of the Australian Consumer Law (and related fair trading legislation) and Victorian consumer property law.

13

Our values

We believe in consumer policy and practice that delivers fair outcomes for consumers, and secures the long-term health of our economy and community. Ensuring consumers have confidence when accessing basic goods and services is central to the sustainability of businesses and the operation of markets.

Our work

Taking a people-centred approach to the consumer experience, CPRC research will be informed by the voices of Australians. We will consider the particular interests of vulnerable and disadvantaged consumers while also focusing on economy-wide behaviour and experiences that affect consumers more broadly.

CPRC's approach to policy development will be evidence-based and reflective of the policy cycle: from issue identification, through to consultation, analysis of policy instruments, recommendations for change and evaluation.

We will work collaboratively with all sectors to build greater shared understanding of underlying issues, developing a stronger and more robust evidence base against which to measure consumer outcomes, and delivering improvements to both policy and practice.

Looking ahead

Throughout early 2017, CPRC consulted extensively with stakeholders to develop our strategic agenda and research priorities. An official launch of the CPRC and our research plans is scheduled for August 2017.

Our vision is for fair outcomes for all consumers. In 2017–18, CPRC will establish partnerships, embark on new research and build the consumer evidence base by:

- monitoring the needs of consumers and the impact of our work
- delivering research to improve consumer outcomes
- translating research into policy and practice
- collaborating with others.

3

Our research and advocacy

14

Enhancing the safety net for energy consumers in hardship

For more than two years, the Essential Services Commission has been consulting on a major revision to Victoria's energy payment difficulty framework, which sets out the steps retailers must follow before disconnecting customers, and what assistance they must offer to help customers to avoid disconnection. In 2016–17, we continued our advocacy for a framework that safeguards the consumer right not to be disconnected solely due to inability to pay.

15

Payment Difficulties Safety Net

In 2015, the ESC began an inquiry into energy retailers' obligations towards customers in financial hardship. After the final report on this inquiry in March 2016, the Commission developed its proposal for amending the *Energy Retail Code* accordingly, releasing its Payment Difficulties Safety Net Draft Decision in October 2016.

We had concerns about this draft decision, which we felt emphasised debt reduction at the expense of customer assistance. We were also concerned that the framework, with its standardised approach, was not flexible enough, and might limit retailers' ability to offer the adaptable arrangements that customers need. Another overarching concern was that the proposed framework was mostly untested. We raised these concerns with the Commission in a November 2016 submission and at its December 2016 stakeholder forum.

Revisiting the draft decision

Responding to feedback from CUAC and other stakeholders, including retailers, in January 2017 the Essential Services Commission announced that it would revisit its draft decision. We met with the Commission to clarify our positions and provided further written comments.

The revised draft decision was released in May 2017. While CPRC had hoped to see more integration of energy efficiency policy support for customers incorporated earlier in the support process, we are confident that the revised framework is much improved and will do more to help customers in payment difficulty to avoid disconnection. The Essential Services Commission's final decision is expected early in 2017–18.

Collaborating to build customer trust

16 This year we saw the culmination of a major CPRC research project that aimed to highlight and spread best practice among energy retailers and water companies. The research—a unique collaboration between industry, consumers, community organisations and government—led to the development of a set of evidence-based principles for building trust in every customer interaction.

The research

Research for the project began in 2015–16, when we spent time in the businesses of six participating energy retailers and water companies. To observe these businesses' practices, we listened to customer calls, reviewed policy and process documentation and interviewed around 90 staff. These observational findings were combined with insights from consumer focus groups; interviews with the Energy and Water Ombudsman (Victoria) and the UK energy regulator, Ofgem; ongoing consultation with a project reference group and other stakeholders; and a review of Australian and international policy literature.

Distilling the Customer Trust Principles

For participating energy retailers and water companies, we developed confidential individual reports that summarised the good practices we had observed within their businesses. These reports, delivered in January 2017, are tools for celebrating success and inspiring and motivating staff.

Our report on the project's findings, *Building Customer Trust—A principles and practice guide*, was completed in June 2017. The document distills the findings of our research and consultation into a practical guide that sets out four Customer Trust Principles, illustrating them with case studies and examples of the trust-building practices that we observed in action.

Embedding the Customer Trust Principles

We want the Customer Trust Principles to guide how Victorian energy retailers and water companies treat their customers, driving change and lifting standards across the industry. Early in 2017, we held workshops with around 50 industry, community and government representatives to explore how the principles could be sustainably embedded in the energy and water industries. We also partnered with Yarra Valley Water and City West Water to showcase the project with presentations to Utility Week and to the Water Administration Customer Special Interest Group.

We will continue this work with the next phase of the project, exploring opportunities for more organisations to participate and encouraging ongoing and increased collaboration across all industries.

This project was a success because of the involvement of our project reference group and participating energy retailers and water companies. We thank them for the experience and insight they contributed.

Advocating for fair electricity network prices

Electricity distribution businesses are natural monopolies, with price regulation in place to prevent them from charging inefficiently high prices. Every five years, Victoria's electricity distribution business submit pricing proposals to the Australian Energy Regulator, which consults with stakeholders and makes a determination on the revenue that distribution businesses can collect over the period.

17

2016–2020 Victorian Electricity Distribution Price Reset

Following the Australian Energy Regulator's final decision on Victorian distributors' pricing proposals for the 2016–2020 regulatory period, the Victorian distribution businesses filed proceedings to review the Australian Energy Regulator's final decision in the Australian Competition Tribunal, using the Limited Merits Review process.

With grant funding from Energy Consumers Australia and working closely with the Public Interest Advocacy Centre, we sought legal advice about intervening in the review on behalf of consumers. We decided to participate in the Tribunal's community consultation, developing both written and oral submissions with expert technical and legal assistance.

Notably, we were the only Victorian consumer advocacy organisation to make a submission to this initial consultation. After we submitted to the Tribunal that more meaningful and transparent consumer consultation should occur, the Tribunal decided to allow consumer groups an additional ten-page submission. This decision enabled a number of other Victorian consumer groups to make their own submissions. We also used this opportunity to develop a further submission.

In the formal Tribunal hearings, the Australian Energy Regulator drew on CUAC's submissions to support its own arguments relating to labour cost growth. Counsel for the Victorian Minister for Energy referred to CUAC's submissions in some detail and quoted large passages of the submission to support the Minister's case.

The Tribunal has not yet made a decision about the Victorian distribution businesses' appeal of the Australian Energy Regulator's final decision. However, in May 2017, the Federal Court handed down its judgement on the Tribunal hearing for New South Wales distribution businesses. The Tribunal hearing the Victorian matters consequently reopened its hearing for submissions on the issues that remain relevant. CPRC and the Public Interest Advocacy Centre produced a further submission drawing on aspects of the Federal Court decision that support CUAC's initial submissions.

Scrapping the Limited Merits Review

As a longstanding critic of Limit Merits Review process, we were pleased when the COAG Energy Council opened a consultation on the process in late 2016. Jointly with Consumer Action, we made a submission strongly supporting the scrapping of the Limited Merits Review in its current form. Drawing on our experience seeking to intervene in the Victorian Limited Merits Review process in both 2011 and 2016, we pointed to the continuing legal and technical barriers that effectively prevent consumers from participating in the process.

In June 2017, the federal government announced its intention to abolish the Limited Merits Review. While it remains unclear what will replace the Limited Merits Review, we are hopeful that this decision will pave the way for a fairer process—one in which the regulator is able to make a more definite decision, leading to both investment certainty as well as lower, fairer prices for consumers.

Advocating for efficient gas prices

18 Like their electricity counterparts, gas distribution businesses periodically put forward five-year pricing proposals for approval by the Australian Energy Regulator. The current Gas Access Arrangement Review will set prices for the 2018–2022 regulatory period.

Victoria has a higher proportion of gas-using households than any other state. Our advocacy throughout the Gas Access Arrangement Review process aimed to ensure that these consumers don't pay more than is necessary for gas.

Improving consumer consultation

Throughout 2016, we participated in Gas Access Arrangement Review consumer consultation groups for Australian Gas Networks, Multinet Gas and AusNet Services. Part of our input concerned these businesses' engagement processes. We strongly encouraged gas distribution businesses to seek customer views—through genuine engagement processes—when developing their reset proposals. Reflecting on our participation on these consultation groups, we contributed our experience in a workshop with the Consumer Challenge Panel. As part of its review of the pricing proposals, the Consumer Challenge Panel also used our experience participating on different businesses' consultative committees as evidence for its evaluation of gas distribution businesses' engagement processes.

Incentive mechanisms

We made a submission on changes to the incentive mechanism arrangements that the Victorian gas businesses were considering proposing to the Australian Energy Regulator. Among other things, we argued for an asymmetric capex expenditure incentive, whereby businesses bear more risk if they spend more than proposed, while consumers retain a significant proportion of any capex underspend. Our submission was cited by both the Consumer Challenge Panel and Australian Gas Networks, which, in light of our feedback, changed its preferred approach to sharing the benefits of capital underspend.

Avoiding added Smart Meter costs for Victorian consumers

Unique among Australian states, Victoria has already rolled out electricity Smart Meters to households and small businesses. While consumers have paid an estimated \$760 per household for these meters, they have yet to see many of the promised benefits of the rollout.

19

Deferring the introduction of contestable metering

At the national level, the Australian Energy Market Commission has, as part of its Power of Choice reforms, opened competition in metering services. The primary goal of this reform is to see Smart Meters rolled out at lowest cost—an objective that is not relevant in Victoria, where Smart Meters have already been installed and paid for. With Victoria considering joining the contestable metering regime, we were concerned that the change would see Victorians spending even more money on smart metering without any corresponding benefit.

We flagged our concerns with the Minister for Energy, the Hon. Lily D'Ambrosio, and elaborated on our position in a joint consumer submission to the Department of Environment, Land, Water and Planning. Strongly supporting Victoria's continued derogation from the national reforms, we argued that the contestable metering regime had the potential to hinder customer switching and lead to the expensive duplication of infrastructure. With evidence that consumer awareness of Smart Meters is still low, we also highlighted the risk that vulnerable consumers might be sold expensive, unnecessary and hard-to-exit Smart Meter contracts.

In a decision welcomed by consumer advocates, the Victorian Government announced that it would defer the introduction of metering competition in Victoria until at least 2021. Before then, a review will consider the benefits to consumers and whether the state should transition to the national contestable regime. At least in part, this positive outcome can be attributed to the strong and unified efforts of consumer advocates.

Lifting standards in the energy comparator industry

20 In a fast-changing energy market with dozens of retailers and thousands of offers, many Victorian consumers use comparison websites to compare deals and switch retailer. These comparator services can help consumers get better value for money—but it's important that they compare offers in an accurate and transparent way.

Working with Code signatories

To promote accuracy and transparency in the comparator industry, in 2015 CUAC launched the Energy Comparator Code of Conduct, a voluntary code developed in collaboration with comparators, retailers, consumers and with observation by regulators. By signing on to the Code, signatories agree to present accurate information in a consistent way. They also commit to transparently disclosing both how the sites work and their commercial relationships with retailers. In return, comparators are able to use the Code logo on their websites, demonstrating their voluntary commitment to a higher standard of service.

Throughout 2016–17, CUAC and CPRC have acted as the Code's temporary administrator. During the year, three additional comparators signed on to the Code, bringing the number of signatories to 12.

Transitioning to a new code administrator

Although we will remain engaged with developments, CPRC will be working with other bodies to transfer the monitoring framework and administration of the ECCC to another body ongoing. Together with a working group of Code signatories, in December 2016 we began planning to transfer Code administration and are currently working with Sales Assured Limited, which manages an industry initiative to improve standards in face-to-face marketing in energy and other industries, to further this initiative.

Developing the monitoring framework

Parallel to our work transferring administrator responsibility we worked with Sales Assured Limited and the Code signatory working group to develop a cost-effective Code monitoring framework. This framework once finalised, will set out how signatory sites will be monitored and notified if they do not meet Code standards. Once finalised, the framework will be put to signatories, energy retailers and consumer groups for further consultation.

Submissions

In 2016–17, CUAC made 17 individual and joint submissions to policy and regulatory consultation processes. Many of these concerned electricity, gas or water pricing and related processes. Our submissions also addressed protections for specific consumer segments such as renters, people experiencing financial hardship, customers in embedded networks and those with behind-the-meter supply arrangements or stand-alone energy systems.

21

Essential Services Commission | Water Pricing Review — Position Paper | July 2016

Together with Consumer Action and the Victorian Council of Social Service, we endorsed the Commission's consumer-centric approach while pushing for more detail and clarity on some crucial consumer issues.

Victorian gas distribution networks | Incentive Mechanisms for the Victorian Gas Distribution Businesses — Issues Paper | August 2016

While acknowledging that incentives are needed to encourage efficient investment, we questioned whether the specific incentives proposed were supported by empirical evidence and robust consideration of how they would work in practice.

Department of Environment, Land, Water and Planning | General Exemption Order Review — Draft Position Paper | August 2016

Jointly with Consumer Action, we supported the Department's general approach, but argued that long-term caravan park residents and retirement park residents and customers on Solar Power Purchase Agreements should have access to external dispute resolution and energy consumer protections.

Consumer Affairs Victoria | Residential Tenancies Act 1997 — A Fairer Safer Housing initiative | September 2016

As part of the One Million Homes Alliance, we advocated for mandatory minimum energy efficiency standards for residential rental accommodation.

Consumer Affairs Victoria | A response to the Residential Tenancies Act (1997) Victoria Review | September 2016

Alongside the Brotherhood of St Laurence, Consumer Action, and the St Vincent de Paul Society, we again advocated for mandatory minimum energy efficiency standards for residential rental accommodation.

Department of Environment, Land, Water and Planning | Better Apartments — Draft Design Standards | September 2016

Together with Consumer Action and the Alternative Technology Association, we argued that the installation of Smart Meters in new apartments should be made mandatory, and pointed to the draft recommendations in the *General Exemption Order Review — Draft Position Paper*.

COAG Energy Council | Protections for behind-the-meter energy supply | October 2016

Together with Consumer Action, we implored the Energy Council to ensure that protections are not reduced for consumers purchasing behind-the-meter supply arrangements.

COAG Energy Council | Stand-alone energy systems in the electricity market | October 2016

Alongside Consumer Action, we argued that to the extent possible, consumers with stand-alone energy systems should benefit from the same protections as grid-connected consumers.

COAG Energy Council | Review of the Limited Merits Review Regime | October 2016

Jointly with Consumer Action, we advocated for the Limited Merits Review mechanism to be abolished and replaced with judicial review and periodic review of the Weighted Average Cost of Capital guidelines.

Australian Competition Tribunal | Victorian Limited Merits Review Community Consultation | October 2016

With assistance from New South Wales's Public Interest Advocacy Centre, we made oral and written submissions supporting the Australian Energy Regulator's rejection of CitiPower and Powercor's proposed growth rates for 2016—rates that we argued were inefficient. A second written submission supported the Victorian Government's contention that in applying a zero per cent productivity growth forecast for Victorian distributors, the Australian Energy Regulator had not accounted for the productivity benefits of Smart Meters. We also pointed to the reasoning and decision of the Tribunal in South Australia regarding labour costs.

Department of Environment, Land, Water and Planning | Metering Competition Transition in Victoria—Options Paper | November 2016

With a coalition of five other consumer and community organisations, we advocated strongly in support of delaying the introduction of metering contestability in Victoria in order to first more fully realise the benefits of the state's mandatory Smart Meter rollout.

Essential Services Commission | Payment Difficulty Safety Net—Draft Decision | November 2016

We raised concerns about some of the Commission's minimum standards, and argued that the proposed safety net mechanisms should not be implemented without better research evidence of their likely effectiveness.

Australian Energy Market Commission | Rule Change—Replacement expenditure planning arrangements | November 2016

We supported the Australian Energy Regulator's proposed rule change to promote efficient network expenditure and improve transparency about replacement expenditure, ensuring that consumers pay no more than necessary.

Victorian Government | Review of electricity and gas markets in Victoria | March 2017

Welcoming this overdue review, we discussed the benefits and adverse consequences of competition, and identified barriers to effective consumer participation in energy markets.

Australian Competition Tribunal | Implications of the Federal Court decision | June 2017

Together with the Public Interest Advocacy Centre, we made a further submission to the Tribunal, drawing on aspects of the Federal Court decision on the Limited Merits Review in New South Wales to support our earlier arguments concerning labour costs.

Committees and working groups

We contributed consumer views on 13 government, regulatory, industry and consumer committees and working groups during 2016–17.

- Consumer Affairs Victoria—Working Together Forum
- Australian Energy Regulator—Customer Consultative Group
- Essential Services Commission—Customer Insights Panel
- Australian Gas Networks—Stakeholder Consultative Committee
- Jemena—Stakeholder Consultative Committee
- AusNet Services—Customer Consultative Committee
- AusNet Services—Stakeholder Consultative Committee (Gas)
- United Energy and Multinet Gas—Customer and Community Consultative Committee
- South East Water—Customer Engagement Council Victorian Council of Social Service—Utilities Working Group
- National Consumer Roundtable on Energy
- Environment Victoria—One Million Homes Alliance
- Alternative Technology Association—Household Fuel Costs Comparison project

4

Our work in the community

In 2016–17, we concluded our energy community education initiatives, producing a new consumer video and conducting a survey that contributed to the evidence base on what works in energy consumer education.

Walk-through video

We filmed a five-minute ‘walk-through’ video explaining how to read and understand a bill and use the Victorian Energy Compare website to shop around. The video was shared with community organisations and is hosted on the EnergyInfoHub website.

Energy literacy pilot follow-up survey

In 2015–16, we ran energy information workshops in four towns as part of a successful energy literacy pilot with AusNet Services. In September 2016, six months after the workshops, we conducted a follow-up survey designed to assess whether the workshops had had any enduring impact on consumers’ knowledge, confidence and behaviour.

One-third of attendees responded to the follow-up survey. For this group, the workshop had had a lasting effect on their confidence as energy consumers: all of the respondents said that they were now confident about managing their energy bills, and some respondents commented that this confidence had extended to their consumer dealings in other sectors.

When it came to putting knowledge into practice, almost all (84%) had taken steps to reduce their energy consumption; half (53%) had switched or negotiated with their retailer for a better deal; and one in five (21%) had used the independent price comparator, Victorian Energy Compare, to search for offers. While these findings were positive, they also pointed to a possible ‘intention–action gap’ with regard to shopping around—a finding that warrants further research.

“It was very useful and informative. Since the workshop I have been more careful—shopping around for insurance and getting multiple quotes for my home maintenance.”

“I loved it; I learnt everything I could possibly learn. I am inspired to go up against electricity and the other companies as I understand it a lot more.”

5

Our people

26

Staff

27

Lauren Solomon, Chief Executive Officer

Lauren was appointed Chief Executive Officer of CPRC as it transitioned from CUAC. Her role commenced in May 2017. Lauren has worked in a range of policy roles across the corporate, government and not-for-profit sectors, most recently as Manager of Consumer Policy and Programs at AGL Energy. She is a non-executive Director of the Energy Efficiency Council and has previously worked in senior policy roles in the New South Wales Government. Lauren holds a Bachelor of Resource Economics (Hons) from the University of Sydney and has undertaken further postgraduate study in behavioural economics. She is currently completing a Graduate Diploma in Psychology from Monash University.

Damian Bye, Senior Research and Policy Officer

Damian has worked in the Australian and Victorian public services for almost 20 years, dealing with various public policy issues. Prior to commencing with the CPRC in January 2017, Damian worked with the Australian Competition and Consumer Commission for eight years assisting in the development of rural water markets in the Murray-Darling Basin and more recently setting up monitoring arrangements for superfast internet broadband. Damian has a Master's in Public Administration from the National Graduate Institute for Policy Studies, Japan, as well a Bachelor's degree in Economics from the University of New South Wales and a Bachelor of Arts (Honours) from the University of Sydney.

Ben Martin Hobbs, Research and Policy Officer

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.

Petrina Dorrington, Acting Executive Director (part year)

Karl Barratt, EnergyInfoHub Community Participation Coordinator (part year)

Simone Karmis, Research and Policy Advocate (part year)

Sally Watts, Project Manager Building Customer Trust (part year)

We also thank Brenda Callegari, Chis O'Connor, Romani Benjamin and Ian Johnson for their administrative and bookkeeping support.

Our Board

28 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 and to the smooth transition to the CPRC.

Ronda Held (Chair)

Currently the CEO of COTA Victoria, Ronda has served in leadership and governance 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 the Energy and Water Ombudsman (Victoria).

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 GAICD

Petrina Dorrington brings extensive experience in not-for-profit leadership roles to CUAC's Board. 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.

Maree Davidson AM

Maree provides consultancy services and project management across strategic communications and planning, change management, business development and marketing. Maree is also a Member of the National Coalition Against Bullying, Chair of the Advisory Committee for the Fellowship for Indigenous Leadership and a Board Member of Fitted for Work.

Andrew Bell

Andrew is a barrister practising principally in commercial and industrial relations law. Among Andrew's other roles before this, he was an Assistant Director of the Enforcement branch at the ACCC.

Andrew has a Masters of Law as well as Honours qualifications in law, chemical engineering and public policy. Andrew has announced he will be stepping down as a Director of CPRC following the next AGM, having been a Director since the beginning of 2013.

6

Our reference group

30

Throughout CUAC's operation, the Reference Group was a crucial link connecting our advocacy with the experiences and concerns of ordinary consumers. With the transition to the CPRC, the Reference Group will continue, but in a different form.

Reference Group representatives

Organisation	Representative
Alternative Technology Association	Damien Moyse, Energy Projects and Policy Manager
Brotherhood of St Laurence	Damian Sullivan, Senior Policy Officer
Community Information and Support Victoria	Minh Nguyen, Advocacy and Research Manager
Consumer Action Law Centre	Jake Lilley, Policy Officer
Council of Single Mothers and their Children	Jenny Davidson, Chief Executive Officer
Council on the Ageing Australia	Randal Harkin, Member, Victoria Policy Council
Country Women's Association of Victoria Inc	Marie Vassallo, Social Issues Chair
Financial and Consumer Rights Council	Peter Gartlan, Executive Officer
Good Shepherd Youth and Family Services	Tanya Corrie, Social Policy Researcher
Kildonan UnitingCare	Joanna Leece, Executive Manager, Social 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 Resilience Manager
Victorian Council of Social Service	Llewellyn Reynders, Policy and Programs Manager
Victorian Farmers Federation	Julia Waite, Policy Officer
Women's Health Goulburn North East Inc	Karen O'Connor, Microfinance Project Worker

Activities

32 In 2016–17, our engagement with the Reference Group was limited as we awaited the outcome of CAV’s review of CUAC, and, later, the appointment of CPRC’s inaugural CEO.

After the review announcement in December 2016, we consulted with the Reference Group to map out consumer issues and identify research gaps in our expanded remit. We developed draft research priorities and a discussion paper and invited Reference Group members and other stakeholders to contribute their feedback in a consultative workshop.

Throughout the year, we also continued to work with individual Reference Group members on ad hoc submissions and the Building Customer Trust project.

Transition

The Reference Group will continue to have a central role informing CPRC about the issues affecting Victorian consumers. However, with the shift to a broader consumer policy focus and in light of new requirements in CPRC's funding agreement, we will be reviewing Reference Group arrangements and membership.

33

We would like to thank our Reference Group members past and present for their invaluable insights into the energy and water issues facing consumers and their assistance in shaping and sharpening CUAC's research projects and advocacy efforts.

7

Directors' report

34

Board of Directors

Over the reporting period 1 July 2016 to 30 June 2017, the CUAC Board of Directors comprised:

35

Director	Position
Ronda Held	Chair
Janet Cohen	Deputy Chair
Petrina Dorrington	Director and (part year) Acting Executive Director
Maree Davidson	Director
Andrew Bell	Director

All Directors were in office from the start of the financial year to the date of this report, and there were no changes to Board composition during the reporting period.

No director has any interest in business contracts or proposed financial dealings for personal benefit with CUAC or CPRC during the financial year ended 30 June 2017.

CPRC is incorporated as a company limited by guarantee.

Directors' meetings

During the reporting period, seven Board meetings were held and four additional meetings conducted by written resolution.

Board meeting attendance

Director	Meetings conducted while a Director	Meetings attended
Ms Ronda Held	7	7
Ms Janet Cohen	7	7
Ms Petrina Dorrington	7	7
Ms Maree Davidson	7	6
Mr Andrew Bell	7	6

Board of Directors

36

Company Secretary

Janet Cohen was Company Secretary throughout the reporting period.

Review of operations

CUAC's and CPRC's operations for the reporting period are described in the 'Our research and advocacy in 2016–17' and 'Our work in the community' sections of this report.

Significant changes in company affairs

On 9 December 2016, the Hon Marlene Kairouz MP, Minister for Consumer Affairs, Gaming and Liquor Regulation announced CUAC's change of name and role to the Consumer Policy Research Centre.

Petrina Dorrington stepped down as Acting Executive Director on 29 May 2017. A new CEO, Lauren Solomon, was appointed on 29 May 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.

CPRC began developing its strategic agenda and research priorities, recruiting staff, and putting in place systems and processes for the new organisation.

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 the opinion of the Directors there are no likely developments in the operations of CUAC (now CPRC) that would affect the results of future years, taking into account that CPRC now has a four-year funding agreement with the Victorian Government.

Environmental issues

CUAC/CPRC 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

Signed on: 17 August 2017

8

Financial report

38

Consumer Policy Research Centre Ltd

Formerly The Consumer Utilities Advocacy Centre

ABN 23 100 188 752

39

Financial Statements

For the year ended 30 June 2017

Graeme F Delany Pty Ltd

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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.

Statement of Profit or Loss

For the Year Ending 30 June 2017

40

Income	Note	2017 \$	2016 \$
Revenue	2	895,150	842,895
Expenditure			
Auditors remuneration	3	(6,943)	(5,533)
Depreciation and amortisation expense	4	(7,086)	(9,261)
Employee benefits expenses		(391,043)	(514,745)
Other expenses		(438,320)	(183,260)
Total expenditure		(843,392)	(712,799)
Profit/(loss) for the year		51,758	130,096
Total comprehensive income for the year		51,758	130,096

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
Assets			
Current Assets			
Cash and cash equivalents	5	778,884	624,720
Trade and other receivables	6	8,838	28,965
Other current assets	7		1,952
Total Current Assets		787,722	655,637
Non-Current Assets			
Property, plant and equipment	8	9,917	17,003
Other assets	8	12,360	0
Total Non-Current Assets		22,277	17,003
Total Assets		809,999	672,640
Liabilities			
Current Liabilities			
Trade and other payables	9	138,569	52,771
Other current liabilities	10	0	0
Total Current Liabilities	9	138,569	52,771
Non-Current Liabilities			
Provisions	11	217	414
Total Non-Current Liabilities		217	414
Total Liabilities		138,786	53,185
Net Assets		671,213	619,455
Equity			
Retained earnings		671,213	619,455
Total Equity	12	671,213	619,455

Statement of Change In Equity

For the Year Ending 30 June 2017

42

	Retained Earnings \$	Total \$
Balance 1 July 2013	521,004	521,004
Profit attributable to equity	11,433	11,433
Balance 30 June 2014	532,437	532,437
Profit attributable to equity	(43,078)	(43,078)
Balance 30 June 2015	489,359	489,359
Profit attributable to equity	130,096	130,096
Balance 30 June 2016	619,455	619,455
Profit attributable to equity	51,758	51,758
Balance 30 June 2017	671,213	658,853

Statement of Cash Flows

For the Year Ending 30 June 2017

	Note	2017 \$	2016 \$
Cash Flow From Operating Activities			
Payments to suppliers and employees		(794,328)	(713,430)
Interest received		8,242	12,824
Receipts from government funding		901,055	801,106
Net Cash Used in Operating Activities		114,969	100,500
Cash Flow from Investing Activities			
Payments for plant and equipment		12,360	(7,178)
Net Cash Used in Investing Activities		12,360	(7,178)
Net increase in cash held	15	127,369	93,322
Cash at beginning of financial year		624,720	531,398
Cash at end of year	5	778,884	624,720

Notes to the Financial Statements

For the Year Ending 30 June 2017

44

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 Policy Research Centre Ltd As An Individual Entity. Consumer Policy Research 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 Policy Research 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-derivate 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 circumstance, 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.

Notes to the Financial Statements

For the Year Ending 30 June 2017

46

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 2017 the number of members was 1.

Notes to the Financial Statements

For the Year Ending 30 June 2017

48

② Revenue and Other Income

Revenue	2017 \$	2016 \$
Sales revenue:		
Rendering of services	3,708	4,006
Other revenue:		
Interest received	8,242	12,824
Other revenue	883,200	826,065
Total other revenue	891,442	838,889
Total Revenue	895,150	842,895
Interest Revenue From:		
Interest received	8,242	12,824
Total Interest Revenue on Financial Assets Not At Fair Value Through Profit or Loss	8,242	12,824
Other Revenue From:		
Other revenue	43,200	89,175
Government grants	840,000	736,890
Total Other Revenue	883,200	826,065

③ Auditor's Remuneration

Auditors Remuneration	2017 \$	2016 \$
Auditing services	6,943	5,533

④ Depreciation and Other Write Offs Against Profit

Profit Before Income Tax From Continuing Operations Includes the Following Specific Expenses	2017 \$	2016 \$
Expenses		
Depreciation of property, plant and equipment	7,086	9,261
Doubtful debts	0	0
Total	7,086	9,261

⑤ Cash and Cash Equivalents

Cash	2017 \$	2016 \$
Cash at bank	778,884	624,720
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:	778,884	624,720
Cash and cash equivalents	778,884	624,720

⑥ Trade and Other Receivables

Current	2017 \$	2016 \$
Trade debtors	0	28,043
Interest receivable	4,293	922
Deposit on asset	4,545	0
Total	8,838	28,965

Notes to the Financial Statements

For the Year Ending 30 June 2017

50

7 Other Non Financial Assets

Current	2017 \$	2016 \$
Prepayment	0	1,952

8 Property Plant and Equipment and Other Assets

Plant and Equipment	2017 \$	2016 \$
At cost	151,140	151,140
Accumulated depreciation	(141,224)	(134,137)
Total plant and equipment	9,917	17,003

Other Assets	2017 \$	2016 \$
At cost	12,360	0
Accumulated depreciation	0	0
Total Plant and Equipment	12,360	0

9 Trade and Other Payables

Current	2017 \$	2016 \$
Trade creditors	15,662	6,466
Other creditors	60,184	20,962
GST payable	45,608	2,154
Amounts withheld	8,871	11,403
Provision for holiday pay	8,244	11,786
Total Payables	138,569	52,771

10 Other Liabilities

Current	2017 \$	2016 \$
Income in advance	0	0

11 Provisions

Provisions	2017 \$	2016 \$
Provision for long service leave	217	414
Total provisions	217	414

12 Retained Earnings

Retained Earnings	2017 \$	2016 \$
Retained earnings at the beginning of the financial year	619,455	489,359
Net profit attributable to members of the company	51,758	130,096
Retained earnings at the end of the financial year	671,213	619,455

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.

Notes to the Financial Statements

For the Year Ending 30 June 2017

52

15 Cash Flow information

Reconciliation of Cash Flow From Operations with	2017 \$	2016 \$
Profit After Income Tax		
Profit (Loss) after income tax	51,758	130,096
Non-cash flows in profit		
Depreciation	7,086	9,261
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current receivables	14,147	(12,746)
(Increase) Decrease in prepayments	1,952	1,506
(Increase) Decrease in trade creditors	(9,196)	(21,152)
(Increase) Decrease in other creditors	57,823	4,070
(Increase) Decrease in employee entitlements	3,758	(8,484)
(Increase) Decrease in current provisions	0	0
(Increase) Decrease in non-current provisions	0	0
(Increase) Decrease in income in advance	0	(2,051)
	127,329	100,500

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 2017.

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 Policy Research Centre Ltd

Level 2 172 Flinders St

Melbourne Vic 3000

18 Segment Reporting

The company operates predominately in one business and geographical segment, being the conduct of consumer research.

Directors Declaration

54 The directors of the company declare that:

- 1 The financial statements and notes, as set out above, for the year ended 30 June 2017 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
Chair

Signed on: 17 August, 2017

Auditor's Report

Report on the Financial Report

We have audited the accompanying financial report of Consumer Policy Research 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 2017.

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.

Auditor's Report

56

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 Policy Research Centre Ltd on 30 June 2017 would be in the same terms if provided to the director as at the time of this auditor's report.

Opinion

In our opinion:

- a** the financial report of Consumer Policy Research 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 2017 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.



Graeme Delany, CPA
Graeme F Delany Pty Ltd

Level 1 Suite 27
545 McDonalds Road
South Morang 3752

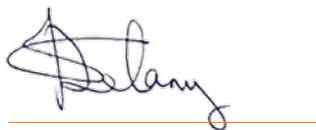
Signed on: 19 August, 2017

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 30 June 2017 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.



Graeme Delany, CPA
Graeme F Delany Pty Ltd

Level 1 Suite 27
545 McDonalds Road
South Morang 3752

Signed on: 19 August, 2017





Consumer Utilities Advocacy Centre

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