
**STATEMENT OF CORPORATE
INTENT**

2021-22 Financial Year

30 June 2021

Prepared by the Directors and Management of CleanCo Queensland Limited for Shareholding Ministers
The Honourable Cameron Dick MP
Treasurer, Minister for Infrastructure and Planning

The Honourable Mick de Brenni MP
Minster for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement

Commercial-in-Confidence

This document contains confidential information relating to the business affairs of CleanCo Queensland Limited. Release of its content is subject to the provisions of the *Right to Information Act 2009*. Any unauthorised disclosure of material contained in this document may diminish the commercial value of that information and may have an adverse impact on the business, commercial and financial affairs of CleanCo Queensland Limited. As such, we will redact such information prior to public release of the document.

Performance Agreement

This Statement of Corporate Intent and all attachments are presented in accordance with Chapter 3, Part 8 of the *Government Owned Corporations Act 1993* (GOC Act).

In accordance with Chapter 1, Part 3, Section 7 of the GOC Act, the Statement of Corporate Intent represents a formal performance agreement between the Board of CleanCo Queensland Limited (CleanCo) and its shareholding Ministers with respect to the financial and non-financial performance targets specified for the financial year. The Statement of Corporate Intent represents agreement to the major activities, objectives, policies, investments and borrowings of CleanCo for 2021-22 ("FY22").

This Statement of Corporate Intent is consistent with CleanCo's 2021-22 to 2025-26 Corporate Plan, submitted to shareholding Ministers in March 2021 and agreed in accordance with Chapter 3, Part 7 of the GOC Act.

In signing this document, the Board of CleanCo undertakes to achieve the targets proposed in the Statement of Corporate Intent for FY22.

Major changes to key assumptions that underpin the performance outcomes detailed in this Statement of Corporate Intent, and which come to the Board's attention during the year, will be brought to the attention of shareholding Ministers. Any modifications to this Statement of Corporate Intent will be dealt with in accordance with the GOC Act.

This Statement of Corporate Intent is signed by the Chair on behalf of all the Directors in accordance with a unanimous decision of the Board of CleanCo.

The Honourable Cameron Dick MP

Date

Treasurer, Minister for Infrastructure and Planning

The Honourable Mick de Brenni MP

Date

Minister for Energy, Renewables and Hydrogen
and Minister for Public Works and Procurement



Jacqui Walters

Date

Chair
CleanCo Queensland Limited

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1. About CleanCo

CleanCo Queensland Ltd (CleanCo) was established as a part of the Powering Queensland Plan as a Government-Owned Corporation (GOC) under the Government Owned Corporations (CleanCo Queensland Limited) Amendment Regulation 2018. CleanCo Queensland is a state-owned energy generator and retailer dedicated to providing clean and renewable energy to our customers. We have a mandate to increase competition, placing downward pressure on wholesale energy prices and improving electricity affordability. We are using our assets to support secure and reliable electricity generation for Queensland businesses, and we are creating new investment and jobs in regional Queensland. CleanCo owns 1,100MW of low-emission energy assets, including Queensland's only pumped storage hydroelectric generator at Wivenhoe Dam. CleanCo continues to facilitate the renewable energy transition and are on track to bring at least another 1,400MW (including 400MW MacIntyre Wind Farm as part of the R400 process) of renewable projects to market in Queensland by 2025 through building new assets and buying off-takes from new renewable energy projects. Our activities contribute to achieving Queensland's 50 per cent renewable energy target by 2030.

CleanCo is Queensland's only state-owned clean energy generator and retailer, partnering with large commercial and industrial energy customers in Queensland and committed to working with each of our customers to tailor innovative solutions to meet their individual energy requirements. With the unique ability to 'firm' variable renewable generation using a low-emission generation portfolio, we directly incorporate the benefits of large-scale renewable projects into electricity agreements at a competitive price for our customers.

1.1 Purpose

This Statement of Corporate Intent (SCI) outlines the strategic intent of CleanCo's Board and Executive Leadership team for the 12 months from 1 July 2021 to 30 June 2022 (**2021-22**). This document builds on the foundational assumptions of the CleanCo operating model, asset utilisation and financial position and reflects the impact of the COVID-19 pandemic on our budget and corporate plan as well as CleanCo's efforts to compensate for these impacts.

Following the onset of the pandemic in early 2020, CleanCo and the energy sector continue to face uncertain markets with heightened volatility. While we have reflected our expectations of near-term outcomes, it is difficult to confidently predict medium to longer term market outcomes for energy demand and pricing. Any forecast necessarily represents the best view from a point in time, and we will continue to provide updates through future Forward Estimates.

1.2 Objectives

CleanCo delivers reliable, clean energy solutions at a competitive price for Queenslanders.

We manage a portfolio of low and no emission electricity generation assets and operate these in a way that increases competition in the wholesale electricity market and puts downward pressure on electricity prices.

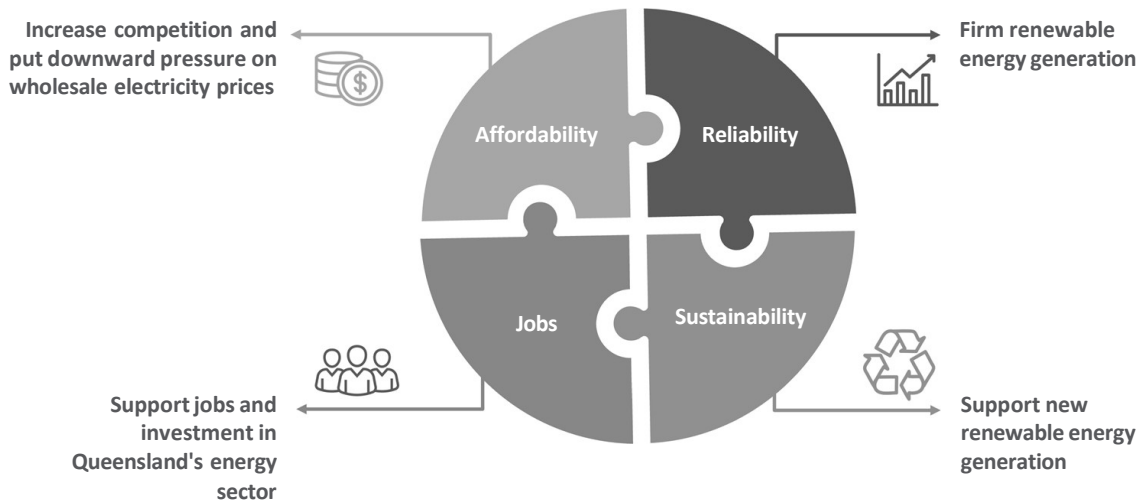
We develop innovative approaches to deliver an affordable and sustainable energy supply for Queensland and support the achievement of the Government's priorities for the energy sector through our mandate.

We have a target to support 1,400MW of new renewable energy projects in Queensland by 2025. We will meet this mandate through a mix of building, owning and operating new government-owned renewable energy generation assets and by entering into longer term off-take agreements with renewable energy developers.

We pursue these objectives while ensuring that:

- we operate our assets safely
- our operations are commercially and financially viable
- we attract, retain and develop our people
- we comply to the highest environmental standards

CleanCo Mandate



1.3 Ambition

“To harness Queensland’s abundant resources to offer reliable, globally competitive and low emissions energy services to customers, catalysing a sustainable and prosperous future for all Queenslanders.”

1.4 Values

With the Executive Leadership team in place and with CleanCo established as an operating business, CleanCo adheres to four values to guide the continuing formation of our culture and expectations of behaviour. These are:

1. We are **genuine**
2. We are **collaborative**
3. We are **curious**
4. We are **courageous**



The values are specifically designed to support CleanCo’s mandate and our customer-led strategy. These values encourage us to think creatively about bold solutions to highly complex problems and to take interest in the many potential partners, customers and other stakeholders with whom we can solve them. These values support the people and safety and environment aspects of our mandate.

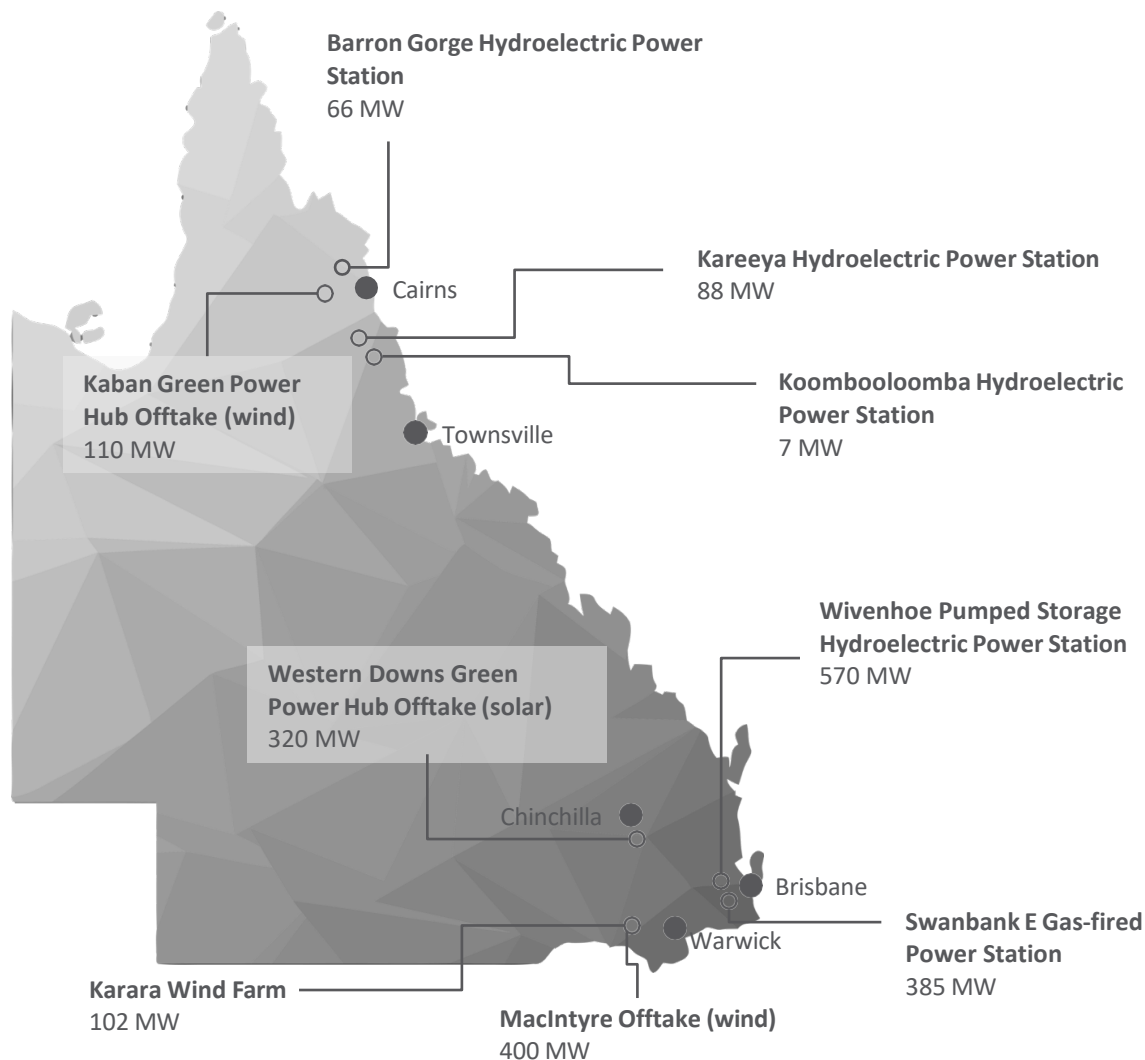
1.5 Existing Portfolio of Assets and New Renewable Energy Secured Projects

At the commencement of trading on the National Electricity Market (NEM) on 31 October 2019, CleanCo took ownership of a group of assets from CS Energy Limited (CS Energy) and Stanwell Corporation Limited (Stanwell) (the Foundation Assets). Our Foundation Assets consist of the Wivenhoe pumped storage hydro power station,

Swanbank E gas power station, and three Far North Queensland hydro stations, including Barron Gorge, Kareeya and Koombaloo. Combined, these assets have 1,116MW of generating capacity.

To date, CleanCo has secured approximately 932MW of additional new renewable generation and remains on track to secure at least an additional 468MW of renewable projects through building new assets and securing offtakes to meet the Government’s target of achieving the 1,400MW of capacity by 2025 to support the Queensland Renewable Energy Target.

Existing Portfolio of Assets



CleanCo renewable pipeline

Name	Date	MW	Type	Cumulative MW
Western Downs	██████	320	Solar	320
Karara	██████	102	Wind	422
Kaban	██████	110	Wind	532
MacIntyre	██████	400	Wind	932

2. Progress Against the 2021 Financial Year (FY22) Milestones

2.1. Accomplishments and Progress Towards Achievement of our Mandate

In the 2021 financial year, CleanCo made significant progress in growing its generation portfolio by investing directly in new renewable energy generation assets and by entering into long term offtake agreements to support investment in new renewable energy supply which will assist the State of Queensland to achieve the Queensland Renewable Energy Target.

Despite subdued and challenging market conditions, CleanCo continued to create value and deliver improved asset utilisation and flexibility so that Queensland's generation assets give the best value to Queenslanders:

- Wivenhoe pumped hydro running more days to soak up solar energy through pumping and generating to support afternoon peak demand
- Swanbank E gas plant upgraded to start and ramp up quickly to respond to market conditions, with further planned upgrades including two-shifting to optimise energy production
- Barron Gorge hydro plant upgraded with synchronous condenser capability.

CleanCo's approach to fulfilling our renewable target of 1,400MW (including 400MW Macintyre windfarm as part of the R400 process) is to offer large commercial and industrial customers clean, reliable energy services at competitive prices. This approach relies on building our portfolio of high quality renewable energy projects and earning a margin on retail contracts.

To date, CleanCo's activities have supported >1,000 jobs and approximately 932MW of renewable generation and will influence FY22 activity:

- In line with its commitment to build, own and operate a new renewable project, CleanCo has contracted to build the Karara Wind Farm (102MW) - the asset will be owned and operated by CleanCo, with separate land agreements, connection, planning approvals and equipment
- CleanCo entered into a 400MW PPA with the proponent of the MacIntyre wind farm, Acciona Energy (Acciona) as part of the R400 process
- Execution of a PPA between Neoen Australia Pty Ltd (**Neoen**) and CleanCo for the offtake of 320MW of renewable energy generation from the Western Downs Green Power Hub for a [REDACTED] (**Neoen Offtake**). The Western Downs Green Power Hub is a 400MW solar farm located approximately 22km south-east of Chinchilla in the Western Downs; and
- Execution of a second PPA with Neoen for the offtake of 110MW of renewable energy generation from the Kaban Green Power Hub [REDACTED] (**Kaban Offtake**). The Kaban Green Power Hub is a 157MW wind farm located near the town of Ravenshoe, 80 km south west of Cairns, Australia.

Together these projects support CleanCo's proposition to supply affordable, reliable clean energy to customers, and as they mature, will support CleanCo becoming a viable, profitable business. They also generate broader benefits for Queensland. For example, the Kaban PPA is expected to support:

- The creation over 150 jobs during construction
- provision of diversified revenue to local farmers hosting the turbines
- Neoen's establishment of an annual \$50,000 Community Benefit Fund for local community-building initiatives over the duration of the project's life.

All of which underpin a competitive offering to commercial and industrial customers.

Our early customer successes have resulted in a proportion of this 932MW being contracted to two large-scale retail customers - BHP and Coles – who have both entered into agreements to buy firmed renewable energy from our assets, Karara project and offtakes. These customers have put CleanCo firmly on the map as a clean energy supplier for Queensland's large commercial and industrial businesses proving that reliable, low-emissions energy is competitive and attractive to customers.

In the current market conditions, we continue to balance long-term gas supply options to ensure Swanbank E can support the growth of our renewables portfolio, including via purchasing gas from other suppliers on the market.

We have developed our first enterprise strategy which focuses on how we work with communities, our peers, the private sector, and other organisations to support Queensland prosperity through the energy transition to net zero by 2050.

Future Direction

CleanCo continues to facilitate the renewable energy transition and is on track to bring at least another 468MW of renewable projects through building assets and/ or contracting offtake from new renewable energy projects. This is to meet the Government’s target to support 1,400MW of new renewable energy projects in Queensland by 2025. Given subdued forecast market conditions, CleanCo aims to achieve the additional renewable volume at a commercially competitive price and be able to offer firm capacity to C&I customers at an appropriate margin.


The development of relationships with customers and partners in the energy sector will remain our focus in FY22. CleanCo will sell tailored renewable backed energy products to both wholesale and retail customers. Under this model, the foundation assets are used to cost effectively firm these products and manage risk.


We continued to build our permanent workforce through 2021, ensuring that we have the resources in place to deliver these projects and our portfolio growth. In August and November 2020, CleanCo successfully exited the Transitional Service Agreements with Stanwell and CS Energy respectively and welcomed our foundation asset site teams as they transitioned to become CleanCo employees.

The transition of the energy landscape is underway and throughout 2022, CleanCo will continue to play a role in shaping a clean energy future for Queensland.

2.2. FY22 Key Milestones and Mandate Progress Update

The following table provides our progress against the key measures outlined in the FY21 operating plan. Status updates are provided as at the date of this document and will be updated prior to submission of the final SCI in June 2021.

KPI	STATUS	COMMENTS
Begin construction on the 102.6MW Karara Wind Farm	On Track	 <ul style="list-style-type: none"> • Early works are scheduled to commence in July 2021
Commit to the Kogan North new Development Program in line with approval by Arrow’s Board and shareholders (PetroChina and Shell)	Completed	<ul style="list-style-type: none"> • The Development Program has been approved by both the Arrow and CleanCo Boards
Exit the Transition Service Agreements (TSAs) and transfer site teams from CS Energy and Stanwell to CleanCo	Completed	<ul style="list-style-type: none"> • The Barron Gorge, Kareeya and Swanbank power stations transitioned in August 2020 and Wivenhoe site team transitioned in November 2020

<p>Continue to develop our pipeline of PPAs with private sector developers and owners to build our portfolio and put our Foundation Assets to work firming affordable renewables while supporting regional investment and jobs</p>	<p>On Track</p>	<ul style="list-style-type: none"> • The Western Downs Green Power Hub and MacIntyre Wind Farm are on track • The Kaban wind farm PPA was approved in September • In total these represent 830 MW of new renewable capacity • Further PPA opportunities are being explored
<p>Secure one or more contracts to supply clean energy to commercial and/or industrial customers under CleanCo's retail license</p>	<p>Completed</p>	<ul style="list-style-type: none"> • Secured two large-scale retail customers (BHP and Coles) - both entering into agreements for the purchase of firming renewable energy from our wind and solar projects and offtakes
<p>Establish our business management systems on time and within budget, including the enterprise resource planning system (SAP), an Information Management system and the Governance, Risk and Compliance systems. Completion of these projects is fundamental to the success of the transition to full operational control of the Foundation Assets</p>	<p>On Track</p>	<ul style="list-style-type: none"> • Finance and other modules of SAP S/4HANA went live on 1 July 2020 • Governance, Risk and Compliance system being implemented • Document migration associated with transition is complete
<p>Continue to undertake stakeholder consultation with affected employee representatives both directly and through the Queensland Treasury-convened Industrial Relations Working Group to address CleanCo specific implementation issues</p>	<p>On Track</p>	<p><i>CleanCo Brisbane Office Enterprise Agreement (EA) 2020</i></p>  <ul style="list-style-type: none"> • A first meeting to begin negotiations for the Brisbane office is scheduled in Q3 FY21. <p><i>Wivenhoe EA</i></p> <ul style="list-style-type: none"> • Wivenhoe EA renewal have commenced with formal negotiations to start immediately after receipt of the approved bargaining framework document currently being assessed by the OIR and CBRC.
<p>Continue to undertake stakeholder consultation with affected employee representatives both directly and through the Queensland Treasury-convened Industrial Relations Working Group to address CleanCo specific implementation issues</p>	<p>Completed</p>	<p><i>Swanbank Power Station EA 2020</i></p> <ul style="list-style-type: none"> • The Fair Work Commission approved the Swanbank EA on Friday 11 December 2020 and the EA became operational on 18 December 2020.

3. FY22 Milestones and Key Performance Indicators

We expect to meet the following milestones by 30 June 2022:

- Begin construction on the 102.6MW Karara Wind Farm
- Develop and launch strategic initiatives to support affordability, reliability, sustainability and jobs outcomes, contributing to the QREF process
- Deliver the revised Kogan North new Development Program in line with approval by Arrow’s Board and shareholders (PetroChina and Shell)
- Continue to identify at least another 468MW of new renewable projects to support achievement of CleanCo’s 1,400MW target by 2025 while supporting regional investment and jobs
- Deliver \$21 million of cost (and cash) savings against the May 2020 forward estimate over the FY21-FY24 period this represents a little over 3% reduction in operating costs, CleanCo are also focused on the delivery of reduced cash outflows through targeted capex reductions where business objectives are not compromised
- Develop and optimize our core business management systems, including the Physical trading platform, Cyber Security and the Governance, Risk and Compliance systems

CORPORATE MEASURES	
KPI	FY22
Gross Profit (\$M)	87.2
EBITDA (\$M)	(6.4)
EBIT (\$M)	(31.0)
NPAT (\$M)	(21.9)
Capital Expenditure (\$M)	222.0
Full-Time Equivalent Staff	163

4. Key assumptions

The key assumptions underpinning CleanCo Queensland’s strategic planning and financial results for FY22 include:

- Updated market assumptions and Gross Margin results based on in-house modelling of market fundamentals (via Plexos) including supply, demand, new entrants, an updated trading strategy and renewable policy assumptions
- NEM-wide Assumptions: Generation and Time-weighted pool price, Revised generation profile and lower TWPP as a result of NEM-wide assumptions including:
 - Continued growth of large-scale renewables and rooftop PV
 - Reduced demand from the impact of COVID-19
 - Lower gas prices
- CleanCo will continue to require significant IT investment to set up a compliant, modern, secure business, in projects such as the Permit to Work system, Asset Management condition monitoring system, enterprise risk management system, cyber security and long-term sustainability of existing IT infrastructure.

Key assumptions	FY22 Budget
CPI	1.65%
Wage growth	
Long Term Interest Rate	

5. Key risks

CleanCo manages strategic and operational risks through ongoing scanning of the risk environment, risk discussions in committees and decision-making processes, the maintenance of risk registers and reviews of the effectiveness of identified controls.

The Chief Executive Officer and executives manage CleanCo's risks day to day, while the CleanCo Board's Audit and Risk Committee provides independent oversight of CleanCo's risk management framework and ensures the management of strategic and operational risks is appropriate and effective and in line with the Board's risk appetite.

In addition to our strategic risks the following risks impacting our financials for FY22 include:

RISK	MITIGATION
<p>Broader COVID-19 economic slowdown leading to lower electricity demand and therefore lower pricing on an ongoing basis</p>	<ul style="list-style-type: none"> • Operational and financial impacts related to the COVID-19 pandemic are incorporated in this SCI – these reflect impacts on electricity demand and pricing as well as deferral of major maintenance activity where risk is acceptable • CleanCo will continue to monitor the market and update our expected performance through the Forward Estimates process
<p>Market conditions or ineffective trading strategies lead to lower revenue than budgeted</p>	<ul style="list-style-type: none"> • A detailed Board-approved operational and trading strategy has been developed and implemented • A Board-approved hedging strategy has been applied to reduce market risks
<p>Changes in operational approaches and CleanCo's maturing understanding of its Assets results in underestimating operating and capital expenses</p>	<ul style="list-style-type: none"> • Actual financial outcomes versus budget are monitored and reported to the Board monthly • Site Managers at each of the Foundation Assets have contributed to the FY22 budget • A Board-approved Procurement Policy and approval delegations are in place to control spend
<p>CleanCo's maturing capabilities lead to delays or higher costs during the development and construction phase of new renewable assets</p>	<ul style="list-style-type: none"> • CleanCo has selected partners and counterparties experienced in renewables development • Dedicated project resources have been recruited • Transactions are structured to minimise risk to CleanCo • CleanCo engages regularly with Powerlink regarding projects requiring new connections • CleanCo reports regularly to the CleanCo Board regarding progress, expenditure and risk
<p>CleanCo's maturing capabilities lead to a failure to operate its Assets reliably and without harm to people or the environment</p>	<ul style="list-style-type: none"> • CleanCo continues to build operational systems and procedures with input from site teams • Key operational personnel have been recruited • Change management, risk identification and employee training continue to be a focus • A program with dedicated resources has been established to resolve any transition issues and implement improvements

6. Capital expenditure

In accordance with the Investment Guidelines for Government Owned Corporations we are required to notify and seek shareholding Minister approval for investments above \$15 million and to notify shareholding Ministers of investments above \$5 million.

CAPEX (\$'000) (Nominal)	FY22
CleanCo establishment – technology	5,059
Foundation assets – overhaul	22,734
Foundation assets – projects	24,766
New Business development	169,468
TOTAL	222,027

Major items of capital expenditure in FY22 include:

- \$145 million for Karara wind farm project development
- \$25 million for the Kogan North JV development
- \$16 million to overhaul Wivenhoe Unit 1
- \$5 million to procure Wivenhoe rotor pole insurance spares
- \$4 million to maintain Swanbank E gas and steam turbine

7. Procurement

CleanCo has a procurement framework that draws on the Queensland Procurement Policy, Buy Queensland approach and the Queensland Government's objectives to support local communities. This framework requires the consideration of local, social and First Nations benefits for both direct and indirect supply chain opportunities. Further refinement of the framework will allow us to establish a baseline and meaningful targets for local and Indigenous participation rates going forward. In FY21-22 CleanCo's performance will be monitored throughout the whole procurement journey, from vendor selection to evaluation and set-up, including an auditable selection tool which is utilised for any non-routine purchasing activity.

In FY21-22 we are applying this framework focussed on local and Indigenous outcomes across a range of projects including our Karara Wind Farm project and MacIntyre Wind Farm PPA. Under the MacIntyre PPA there is an express obligation to implement the QPP and we will be reporting on local and Indigenous participation during the construction and operational phases of the wind farm. Acciona Energy has committed to align with the strategic intent of the QPP and will seek to prioritise local and Queensland suppliers where possible.

CleanCo will continue to seek opportunities to support local communities through employment and the procurement of local and Indigenous goods and services. For example, the Western Downs Green Power Hub has a target to achieve 20 per cent local participation and 10 per cent participation by First Nations Peoples. As at 30 June 2021, the project had achieved 37.9 per cent local (including the local area, region and Queensland) participation and 3.1 per cent participation by First Nations Peoples. The local spend, as at June 21, (invoiced/trading) was \$15,597,109. We will report progress on local and indigenous participation outcomes as our other renewable energy projects commence construction from FY22.

CleanCo is still maturing as an organisation and our framework to report on our local participation and procurement will mature with us over time.

8. Financial statements

INCOME STATEMENT	
\$000s	FY 21-22
Total Revenue	182,186
Total Cost of Goods Sold	(95,006)
Gross Profit	87,180
Total Expenses	(93,538)
EBITDA	(6,357)
EBIT	(30,977)
Net Interest Income/(Expense)	(334)
Income Tax Benefit/(Expense)	9,377
Profit/(Loss) After Tax for the Year Attributable to the Owners of CleanCo Limited	(21,935)

Balance Sheet as at 30 June 2022	
\$000s	30 Jun 22
Assets	
Cash on Hand	20,662
Debtors	24,263
Inventory	10,689
Land	6,159
Property, Plant & Equipment (net)	365,346
Net Deferred Tax Asset	61,293
Derivative Financial Instruments and Assets	26,202
Other Asset	13,648
TOTAL ASSETS	528,262
Liabilities	
Borrowings	38,354
Creditors	30,712
Derivative Financial Instruments and Liabilities	13,446
Rehab Provision	75,430
Employee Provision	5,667
Other Liabilities	5,203
TOTAL LIABILITIES	168,811
NET ASSETS	359,451
Equity	
Share Capital	329,074
Shareholder Asset Transfer In	127,418
Hedge Reserve & Defined Benefit Reserve	1,586
Retained Profits	(98,627)
TOTAL EQUITY	359,451

CASH FLOWS	
\$000s	FY 21-22
<i>Cash flows from Operating Activities</i>	
Spot Revenue	██████████
Contract Revenue	██████████
LGC Revenue	██████████
Other Revenue	████
Fuel Cost	██████████
Variable Operations and Maintenance	██████████
Fixed Operations and Maintenance	██████
Corporate Overheads	██████████
Consultancy Fees	██████████
Tax Paid	██
Change in Working Capital	██████████
Net cash inflow/(outflow) from operating activities	(7,230)
<i>Cash flows from investing activities</i>	
Capital Expenditure	(222,043)
Rehabilitation Cash Cost	(2,023)
Net cash outflow from investing activities	(224,066)
<i>Cash flows from financing activities</i>	
Proceeds from Borrowing	36,556
Equity funding	144,912
Net cash inflow/(outflow) from financing activities	181,468
Net Cashflow	(49,828)
Opening cash balance	70,491
Net cash for the year	(49,828)
Closing cash balance	20,662

9. Compliance with GOC Act

9.1. Capital Structure

CleanCo was initially funded with equity contribution of \$180 million (\$20 million share capital and \$160 million further contribution) with the funds deposited with Queensland Treasury Corporation. In addition, CleanCo was provided with a \$150 million working capital facility (undrawn) from [REDACTED] Queensland Treasury Corporation. Equity funding of up to \$250 million will be drawn down over the plan period to fund the development of the Karara wind farm.

9.2. WACC

CleanCo will operate in accordance with the *Government Owned Corporations – Cost of Capital Principles* policy document, wherein it is required to complete an annual review on its weighted average cost of capital (WACC).

9.3. Dividend Policy

The *Government Owned Corporations Act 1993 (Qld)* (GOC Act) requires that the Board recommends to the shareholding Ministers by 16 May of each financial year the amount of dividend, if any, that CleanCo intends to pay for the current financial year. CleanCo's dividend Policy requires that the CleanCo Board considers the necessary funding required for maintenance of CleanCo's approved capital structure and for ensuring the sustainability and viability of CleanCo. The Board has recommended and advised shareholding Ministers that no dividend is declared for the 2021 financial year.

9.4. Employment and Industrial Relations Plan

In accordance with Section 149 of the GOC Act, an Employment and Industrial Relations (EIR) Plan is included as **Appendix B**. The EIR Plan sets out:

- CleanCo's employment and industrial relations philosophy
- Remuneration arrangements
- Superannuation
- Workplace health and safety policies
- CleanCo's stance on equal employment opportunity and anti-discrimination
- Redundancy provisions.

9.5. Sponsorship, advertising, corporate entertainment, and donations

CleanCo's sponsorships, advertising, entertainment and donations are detailed in **Appendix A**.

9.6. Compliance with government policies

CleanCo, under the direction of the Board, will comply with all relevant policies and guidelines as issued by the shareholders and Government, and formal directions as received from time to time. This includes the approval, notification, reporting and other requirements as set out in those policies, guidelines and directions.

9.7. Community Service Obligations

CleanCo does not currently have any Community Service Obligations (CSOs) as defined by section 112 of the GOC Act.

Appendix A: Sponsorship, Advertising, Donations and Corporate Entertainment

CleanCo has set aside \$100,000 for sponsorships to cover any existing community or stakeholder activities associated with the Foundation Assets. If more liabilities become evident during FY22 we will inform shareholding Ministers through our Quarterly Reports.

Sponsorship, Advertising, Corporate Entertainment, Donations and Other Activities									
Activity	Description/ Benefit	Current Year Budget (\$)	Current Year Est. Actuals (\$)	SCI Year Budget (\$)	Quarter (SCI Year) (\$)				(SCI Year) Per Head Budget (\$)
					Sept	Dec	Mar	Jun	
SPONSORSHIP									
	Sponsorship & Donations	56,720	14,617	102,713	25,678	25,678	25,678	25,678	
Total over \$5,000		56,720	14,617	102,713	25,678	25,678	25,678	25,678	
Other (total) below \$5,000									
TOTAL (1)		56,720	14,617	102,713	25,678	25,678	25,678	25,678	494
ADVERTISING									
	Marketing & promotion	188,746	28,329	234,610	61,221	61,221	61,221	50,949	
Total over \$5,000									
Other (total) below \$5,000		188,746	28,329	234,610	61,221	61,221	61,221	50,949	
TOTAL (2)		188,746	28,329	234,610	61,221	61,221	61,221	50,949	1,128
CORPORATE ENTERTAINMENT									
		32,526	9,423	58,713	15,068	16,126	13,760	13,760	
Total over \$5,000		32,526	9,423	58,713	15,068	16,126	13,760	13,760	
Other (total) below \$5,000									
TOTAL (3)		32,526	9,423	58,713	15,068	16,126	13,760	13,760	282
DONATIONS Reported above with Sponsorships									
Total over \$5,000		-	-	-	-	-	-	-	
Other (total) below \$5,000									
TOTAL (4)		-	-	-	-	-	-	-	
OTHER RELATED ACTIVITIES									
Total over \$5,000		-	-	-	-	-	-	-	
Other (total) below \$5,000									
TOTAL (5)		-	-	-	-	-	-	-	
TOTAL (1)+(2)+(3)+(4)+(5)		277,991	52,370	396,036	101,967	103,025	100,658	90,387	1,904

Note: Per Head Budget (\$) is based on the total workforce of 208 FTEs

Appendix B: Employment and Industrial Relations Plan

The following Employment and Industrial Relations Plan applies to CleanCo.

B. Employment and industrial relations philosophy and direction

B.1. Business Context

Through taking ownership of the Foundation Assets, commencing trading and then taking on operatorship of the Foundation Assets, CleanCo has completed its Establishment Phase and Transition Phase. With operatorship of the assets, CleanCo is now in its Operation and Growth Phase. In this phase, we will mature our business and grow our portfolio in support of the Government's policy objectives.

B.2. Workforce planning

Work is now currently executed predominantly by permanent employees supplemented by contractors and specialist consultants.

As we carry out work to mature our business processes and recruit the remaining permanent employees, some contracted workforce will continue to be engaged. Once our business processes and systems are sufficiently mature and we have onboarded the remaining permanent employees, our contracted workforce will progressively reduce.

Employment conditions for all non-executive employees will be governed by a series of enterprise agreements, two of which are being negotiated.

B.3. Industrial relations strategy and enterprise agreements

CleanCo will continue to honour Government policy and the agreed principles formed at the Industrial Relations Working Group including commitments that:

- Any employees transferring to CleanCo from either CS Energy or Stanwell will maintain their existing conditions, including no forced redundancies or relocations; and
- Any new CleanCo employees will also be on the same terms and conditions as any transferring employees.

Employees located at the asset sites have now all transferred into CleanCo. With the exception of the Wivenhoe EA which is to be renegotiated, all site Enterprise Agreements will remain current across financial year FY22. Discussions regarding the Wivenhoe EA renewal have commenced, with formal negotiations to start once the bargaining framework document is approved.

Formal negotiations for the CleanCo Corporate EA will commence at the end of March. The negotiations are guided by a bargaining framework document approved by the Office of Industrial Relations (OIR) and Cabinet Budget Review Committee (CBRC).

Until the CleanCo Corporate EA is negotiated, all non-executive employees employed at CleanCo's corporate site are employed under contracts underpinned by the existing corporate enterprise agreements of CS Energy and Stanwell.

B.4. Sources of employment conditions

Until the CleanCo Corporate EA is negotiated, the terms and conditions of employees at CleanCo's corporate site (excluding executives) will continue to be governed by letters of engagement that reflect:

- the existing CS Energy Corporate EA for those employees who transferred from CS Energy or were newly recruited into CleanCo; or
- the existing Stanwell Corporate EA for employees who have transferred from Stanwell.

CleanCo will remain compliant with its current asset site enterprise agreements:

- Kareeya Power Station Enterprise Agreement 2019
- Barron Gorge Power Station Enterprise Agreement 2019
- Wivenhoe Power Station Enterprise Agreement 2018 (currently being renegotiated)
- Swanbank Power Station Enterprise Agreement 2020.

In addition to these instruments, conditions are derived from various other sources including:

- Legislation, for example: the *Fair Work Act 2009* (Cth), the *Government Owned Corporations Act 1993* (Qld) and the *Electricity Act 1994* (Qld)
- The Electrical Power Industry Award 2010
- Common law contracts
- CleanCo policies and procedures.

CleanCo will ensure its policies and/or provisions in our enterprise agreements address matters such as flexible work arrangements, study assistance, parental leave, domestic violence leave and related matters.

CleanCo will ensure compliance with the current Government Wage Freeze Policy.

B.5. Workforce numbers

As at March 2021 CleanCo had the following workforce numbers:

Employment Category	Full-time Equivalent
Permanent	124
Temporary	8
CEO and Senior Executive Contract*	6
Apprentices (In House)	1
Trainees (In House)	0
Casual	0
Other**	5
Total Directly Employed Workforce	144
Apprentices (Group)	0
Trainees (Group)	0
Contractor & Labour Hire (trade/technical)	22
Contractor & Labour Hire (professional/administrative/technical)	40
Other	2
Total Indirectly Employed Workforce	64
Total Workforce	208

The table below outlines the number/percentage of employees on EAs vs. other arrangements:

Category	FTE
(a) All employees	144
(b) CEO and direct reports	6 / 4%
(c) Employees covered by an award/EA/agreement made under the <i>Fair Work Act 2009 (Cth)</i>	46 / 32%
(d) Employees under other arrangements (including common law contracts)	92 / 64%
Total: (a) = (b) + (c) + (d)	144 / 100%

The table below outlines the number of employees covered by each award/agreement:

Agreement Name	Employees
Swanbank Power Station Enterprise Agreement 2020 - 18	18
Wivenhoe Power Station Enterprise Agreement 2018 - 8	8
Kareeya Power Station Enterprise Agreement 2016 - 12	12
Barron Gorge Power Station Enterprise Agreement 2016 – 8	8

Note: 46 EA Agreements employees in total

C. Remuneration arrangements

As at the date of this document, CleanCo has appointed and onboarded 5 out of 6 executive positions. Details of the annualised remuneration for the executive management team are shown in the following table.

Role	Name	Base Salary	Employer Super	Total Fixed Remuneration
Chief Executive Officer	Maia Schweizer	\$ 621,997	\$21,003	\$643,000
General Manager, Customers and Energy Markets	Tanya Mills	\$ 378,997	\$21,003	\$400,000
General Manager, Reputation	Natasha Patterson	\$ 298,306	\$21,694	\$320,000
General Manager, Performance, Risk and Finance	Graham Yerbury	\$ 378,997	\$21,003	\$400,000
General Manager, Legal and Governance	Sally Frazer	\$ 298,997	\$21,003	\$320,000
General Manager, Asset Operations	Tim Hogan	\$ 298,997	\$21,003	\$320,000
General Manager, Strategy & Development	Recruitment in Progress			

Note: FY20 performance payments were not paid to the executive management team.

CleanCo is recruiting the remaining executive position of General Manager, Strategy and Development.

D. Superannuation

CleanCo will continue to honour the superannuation arrangements associated with transferring employees from Stanwell or CS Energy, as well as providing the contributions required by law for newly hired employees. CleanCo's policy is to pay superannuation during some periods of leave over and above the minimum legal requirement.

CleanCo will contribute a minimum of 9.5 per cent of Ordinary Time Earnings in accordance with current Superannuation Guarantee legislation. Standard contribution rates into Defined Contribution funds may vary depending on underpinning employment contract arrangements and enterprise agreements.

As CleanCo finalises its team, we will apply the Government's policy principles to ensure equitable treatment.

E. Workplace health and safety

The safety of CleanCo employees, contractors and others we interact with is of paramount importance.

During establishment, CleanCo implemented foundational health and safety systems as required and appropriate for the Brisbane office. CleanCo also designed the organisational structure and commenced recruitment of the Health, Safety and Environment (HSE) function. Going forward, CleanCo's HSE team will focus on maturing our approach to HSE and improving our HSE performance.

As a minimum CleanCo will ensure it complies with all relevant health and safety legislation, including the *Work Health and Safety Act 2011* (Qld) and related standards, codes of practice, Australian standards and industry guidelines, whilst fostering an environment focussed on the health and wellbeing of our team.

F. Equal employment opportunity and anti-discrimination

CleanCo operates in a dynamic business environment, servicing customers with a wide range of differing requirements from their energy provider(s). We know that actively promoting diversity and inclusion in the way we approach our business drives business performance.

CleanCo will continue to focus on diversity and inclusion in recruitment and selection decisions and position appointments.

Additionally, as a minimum, CleanCo will comply with the relevant laws relating to equal employment opportunity and anti-discrimination through our recruitment and selection policies and procedures.

G. Redundancy provisions

Whilst CleanCo's enterprise agreements and policies are under discussion, CleanCo will continue to incorporate redundancy provisions into employee's letters of engagement reflecting the provisions of the existing:

- CS Energy Corporate EA for those employees who transferred from CS Energy or were newly recruited into CleanCo; or
- Stanwell Corporate EA for employees who transferred from Stanwell.

H. Consultation

This document reflects commitments made during engagement with the CleanCo Industrial Relations Working Group; CleanCo will continue to observe and adhere to those commitments. CleanCo will consult on these arrangements with relevant unions, GOC Performance and Governance within Queensland Treasury, the Department of Natural Resources, Mines and Energy and the Office of Industrial Relations during FY22 as appropriate.

