
**STATEMENT OF
CORPORATE INTENT
2023-2024**

Prepared by the Directors and Management of CleanCo Queensland Limited for shareholding Ministers

The Honourable Cameron Dick MP
Treasurer and Minister for Trade and Investment

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

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PERFORMANCE AGREEMENT

This Statement of Corporate Intent (SCI) 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 SCI 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 SCI represents agreement to the major activities, objectives, policies, investments and borrowings of CleanCo for 2023-2024 ("FY24").

This SCI is consistent with CleanCo's 2023-2024 to 2027-28 Corporate Plan, submitted to shareholding Ministers in June 2023 and agreed in accordance with Chapter 3, Part 7 of the GOC Act.

In signing this document, the Board of CleanCo undertakes to make all reasonable efforts to achieve the targets proposed in the SCI for FY24.

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

This SCI 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 Trade and Investment

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

FINANCIAL TARGETS

MEASURE	FULL YEAR	Q1	Q2	Q3	Q4
Gross Profit (\$M)	127.3	16.1	23.4	46.9	40.9
EBITDA (\$M)	42.9	(16.9)	(11.7)	2.1	69.4
EBIT (\$M)	(3.1)	(24.7)	(20.1)	(12.7)	54.3
NPAT (\$M)	(26.1)	(21.8)	(18.7)	(16.3)	30.6
Capital Expenditure (\$M)	(288.2)	(163.1)	(31.9)	(58.9)	(34.3)

NON-FINANCIAL TARGETS

MEASURE	FULL YEAR	Q1	Q2	Q3	Q4
Safety					
Total Recordable Injury Frequency Rate (TRIFR)	0.00	0.00	0.00	0.00	0.00
Environment					
Breaches [^]	0	0	0	0	0
People					
Full-Time Equivalent Staff	278*	255	277	278	278

[^] A non-compliance with a licence, permit or other legal obligation and/or an environmental incident that caused or threatened serious or material environmental harm in accordance with the Environmental Protection Act.

* The target FTE for FY24 is a significant uplift from current numbers to ensure CleanCo is sufficiently resourced to achieve development and delivery milestones of pipeline projects aligned with the Queensland Energy and Jobs Plan.

FY23 MILESTONE UPDATES

The following table provides our progress against the key measures outlined in the FY23 operating plan.

MILESTONE	STATUS	COMMENTS
Begin construction on the 102MW Karara Wind Farm	On hold	<ul style="list-style-type: none"> CleanCo has placed development of Karara on hold as continued delays and the current rising cost environment has seen significant deterioration in project economics. CleanCo continues to investigate alternative options to advance the project.
Commence commercial dispatch of energy from new renewable projects to foundation customers (including BHP and Coles).	On track	<ul style="list-style-type: none"> Commercial dispatch of renewable energy to foundation customers commenced on 1 January 2023, with the early energy power purchase agreements with Western Downs Green Power Hub and the Kaban Wind Farm.

MILESTONE	STATUS	COMMENTS
Double the size of our retail book by pursuing new opportunities with customers committed to thriving in a low-carbon environment.	Achieved	<ul style="list-style-type: none"> The total volume of energy CleanCo is servicing under retail contracts more than doubled between 2021-22 and 2022-23. We are committed to further growth in this space, working with a deep pipeline of prospective customers to develop innovative offerings tailored to their needs.
Secure at least another 300MW of new renewable projects that actively support regional investment and safe, secure and fair regional jobs.	On track	<ul style="list-style-type: none"> Development projects being evaluated, with a partnership over a portfolio of ~2 GW of wind and solar projects currently in late stage of negotiation
Complete pre-feasibility studies on options to expand the storage and/or capacity of our existing hydro portfolio.	On track	<ul style="list-style-type: none"> Prefeasibility studies underway [REDACTED] Initial assessment of a range of potential options to increase capacity and storage has been completed with further work focussing on the most promising options.
Finalise our concept plan for the Swanbank Future Energy and Hydrogen Precinct (renamed "Swanbank Clean Energy Hub")	On track	<ul style="list-style-type: none"> Stage 1 work program completed. This included initial masterplan concept development, prefeasibility studies for on-site hydrogen production, hydrogen blending and on-site solar development, extensive baseline studies, and stakeholder engagement planning. Stage 2 work program commencing, including market EOIs for energy storage and generation and prospective hydrogen production on site
Commence installation of our first battery at the Swanbank site (CleanCo anticipates this project will form the basis of a 2022 funding bid to the Queensland Renewable Energy and Hydrogen Jobs Fund)	On track	<ul style="list-style-type: none"> QREHJF funding conditionally secured during 2022-23, subject to final shareholding Minister approval Procurement processes underway Development approval to be submitted in the coming months
Further mature core capabilities and systems within the business including cyber security, portfolio management and maturing our approach to project development.	On track	<ul style="list-style-type: none"> Cyber Protection and Resilience Program (CPRP) has continued to embed controls delivered in FY23 under the Australian Energy Sector Cyber Security Framework (AESCSF), as well as build on this foundation to further enhance security posture and reduce operational risk.

FY24 MILESTONES

In addition to delivering on outstanding milestones from FY23, CleanCo will pursue the following milestones in FY24.

- Subject to shareholding Minister approval, commencement of development of projects secured under the Renewable Project Portfolio Agreement with Central Queensland Power (CQP) including potential execution of Project Option Agreements over Moah Creek and [REDACTED] projects.
- Commence dispatch of Kaban Wind Farm under the Capacity Purchase Agreement
- Reach Final Investment Decision on the Swanbank Battery and execute agreements for equipment supply and construction
- Progress development of commercial and community outcomes for the Swanbank Clean Energy Hub based on our community co-design program
- Negotiate new offtake agreements with solar, wind and battery projects , and seek shareholding Minister approval
- [REDACTED]
- Develop new innovative renewable retail products market to select key customers
- Complete Wivenhoe Unit 2 overhaul on time and within budget and finalise preparations for C5 major turbine overhaul of Swanbank E
- Upgrade our processes and systems including delivering stage 3 of our Physical Trading Platform enhancement, investing in cyber uplift (cloud security, disaster recovery and network access control), infrastructure modernisation and digital transformation.
- Develop an organisational Capability Framework, and a new Inclusion and Diversity Strategy

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

As a provider of renewable, low carbon electricity products, CleanCo has a solid foundation in sustainability. However, as the sustainability ambitions of our shareholders and customers continue to expand alongside advancing global sustainability policy and ESG reporting and transparency requirements, it is important that CleanCo continues to grow and maintain our sustainability credentials.

CleanCo has now appointed a Sustainability Manager to coordinate deeper development of a sustainability strategy, roadmap and implementation of major initiatives. These will be based on foundational work that has commenced around carbon, land and environment, community, diversity and inclusion, ethical sourcing and integrity and governance.

Risks associated with key aspects of sustainability are identified in the Strategic Risk Register and include ESG, Climate Change, Environment, Governance, People and Diversity and Inclusion. These risks and any associated opportunities will be managed across the business in accordance with CleanCo’s Risk Management process identified in the “Risk” section of this document and in the Corporate Plan.

The CleanCo People Strategy is already helping to drive progress on socially focused aims related to meaningful, secure and rewarding employment, career pathways, flexibility, and development. CleanCo also aims to develop an Inclusion and Diversity Strategy in FY24, which will include identification and staging of targets towards 2030. Each of these will contribute to enhanced measurement and reporting of social analytics over time.

CYBER SECURITY

CleanCo’s Cyber Program is continuing to deliver improved security controls as aligned to the AESCSF recommendations with a dual pronged approach. We are embedding a mature cyber security posture through technical and cultural uplift as well as reducing operational cyber risk through pragmatic assurance initiatives.

The primary objectives for cyber security uplift at CleanCo include effective risk management practices, fit for purpose cyber defences, proactively maintaining regulatory and compliance obligations, and securing by design. The Cyber Protection and Resilience Program will continue to drive targeted initiatives to achieve these outcomes across the complete people, process and technology ecosystem through FY24 and beyond. CleanCo will also be incorporating the dynamic legislative landscape under the Security of Critical Infrastructure initiatives to better inform priorities in the cyber security function.

SAVINGS TARGET

CleanCo’s shareholders have directed CleanCo to meet or exceed a \$21m efficiency savings target over five years commencing in FY21.

A range of management initiatives resulted in CleanCo achieving \$13.4m in savings in FY21 and FY22, with a further \$3.3m in savings in FY23 (to March 2023).

CleanCo has forecast further cost savings and expects to meet its target by the end of FY24.

KEY ASSUMPTIONS

The key assumptions underpinning CleanCo’s strategic planning and financial results for FY24 include:

- Updated gross margin forecasts based on in-house modelling of market fundamentals using Plexos optimisation software to simulate forecast pool prices and generation volumes.
- Increased investment in capital projects to achieve our 2030 goals. Significant investment in the workforce capabilities will help in delivering these goals.
- CleanCo has implemented the government’s direction on superannuation and will implement all provisions of the GOC Wages Policy Addendum (9 November 2022) in upcoming agreements for the Corporate Office, Wivenhoe, Kareeya, and Barron Gorge, with Swanbank to follow in 2024. These provisions are reflected in all draft Bargaining Framework and Enterprise Agreement documents currently undergoing approval and negotiation processes. [REDACTED]

KEY ASSUMPTIONS	FY24 BUDGET
CPI	4.65%
[REDACTED]	[REDACTED]
Long Term Interest Rate	4.49%

RISKS

CleanCo is committed to effective enterprise-wide risk management as an integrated activity across all business units, sites, and functional areas. CleanCo’s risk management approach aligns with the internationally recognised ISO 31000:2018 – Risk Management- Guidelines.

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, effective and in line with the Board’s risk appetite.

In addition to our strategic risks, the following risks impacting our financials for FY24 include:

RISK	MITIGATION
<p>Spot market outlook Significant changes to spot prices could affect our gross margin.</p>	<ul style="list-style-type: none"> Diversification of CleanCo’s generation portfolio through the addition of Western Downs and Kaban Wind Farm will increase our output and complement our portfolio of firming assets. CleanCo’s hedge contract profile is aligned to our forecast generation position, providing greater revenue certainty, and mitigating exposure from abnormal price events.
<p>Hedge contract market Volatility in hedge contract markets could affect our mark-to-market position and require margin calls</p>	<ul style="list-style-type: none"> Volatility in hedge contract markets has reduced due to regulatory intervention on coal and gas prices, but it remains a risk for the sector. CleanCo retains adequate funding facilities from QTC to manage the requirement for additional margin calls if market volatility increases.
<p>Renewable project delivery Delays to commencement of renewable energy projects reduces energy and LGC revenues</p>	<ul style="list-style-type: none"> Delays to Western Downs Green Power Hub have affected financial results in FY23, however the project is now generating towards its maximum energy level and is expected to achieve Commercial Operation in 2023. Kaban Wind Farm is currently undergoing commissioning, with CleanCo purchasing early energy from the project. Progress is in line with the start date of 1 January 2024 for our Capacity Purchase Agreement.
<p>Funding availability Access to debt and equity funding is restricted, limiting our ability to deliver projects</p>	<ul style="list-style-type: none"> Early engagement activities are underway for potential equity funding from the Queensland Renewable Energy Hydrogen and Jobs Fund. CleanCo has engaged with QTC on changes to our existing debt facility [REDACTED]
<p>Gas supply and cost Access to competitively priced gas could be impacted by gas market conditions</p>	<ul style="list-style-type: none"> Reduced availability of gas could limit our generation at Swanbank but could also provide opportunities for Wivenhoe and Northern Hydro assets to increase output. The addition of new renewable energy offtakes increases diversification in our portfolio and reduces our reliance on individual assets.

CAPITAL EXPENDITURE

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

CAPEX (\$M)	FY24
CleanCo establishment – technology	6.3
Firming assets – overhaul	7.2
Firming assets – projects	32.5
New Business development	242.2
TOTAL	288.2

Major items of capital expenditure in FY24 include:

- \$171m for CQP renewables program development, subject to shareholding Minister/Cabinet Budget Review Committee (CBRC) approval
- \$42m for Swanbank battery development, subject to shareholding Minister approval
- \$29m for Kogan North gas development
- \$7m for Swanbank and Wivenhoe overhauls.

CAPITAL STRUCTURE

BORROWINGS (\$M)			
FACILITY	FY23	FY24	CHANGE
QTC Borrowings	590.6	680.1	89.5
Right-of-use assets	4.1	341.1	337.0
TOTAL FINANCIAL LIABILITIES	594.7	1,021.3	426.6

CleanCo forecasts \$89.5m of borrowing in FY24, taking total QTC debt to \$680.1m at the end of the financial year. Borrowing requirements will vary throughout the year due to working capital and reserving requirements but will remain within existing facility limits. CleanCo retains adequate available debt funding facilities with QTC to manage margin call requirements that may arise in the case of futures market volatility.

Right-of-use assets and corresponding financial liabilities currently arise due to the office accommodation lease at 140 Creek Street, and in FY24 the commencement of the Kaban Wind Farm capacity purchase agreement will increase right-of-use assets and corresponding financial liabilities by \$337m.

COMMUNITY SERVICE OBLIGATIONS

CleanCo has no Community Service Obligations as defined by section 112 of the GOC Act.

STATEMENT OF COMPLIANCE

CleanCo will comply with all relevant policies and guidelines as issued by shareholders and Government, and formal directions as received from time to time.

WEIGHTED AVERAGE COST OF CAPITAL (WACC)

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

DIVIDEND POLICY

The 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 to maintain CleanCo's approved capital structure and ensure the sustainability and viability of CleanCo. The Board has recommended and advised shareholding Ministers that no dividend is declared for FY23.

PROCUREMENT POLICY

CleanCo has a procurement framework that draws on the Queensland Procurement Policy (QPP), 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. Significant refinement of the framework is ongoing in conjunction with the development of our inaugural Environment, Social and Governance (ESG) strategy and will allow us to establish a baseline and meaningful targets for local and Indigenous participation rates going forward.

CleanCo applied the *Ethical Supplier Mandate* policy from 31 March 2023, consistent with the notice received from shareholding Ministers.

CleanCo will continue to seek opportunities to support local communities by facilitating safe, quality employment opportunities and the procurement of goods and services provided by local and First Nations suppliers.

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

FINANCIAL STATEMENTS

INCOME STATEMENT						
	FY22	FY23	FY24			
\$'000s	ACTUALS	EST. ACTUALS	SEPTEMBER YTD TARGET	DECEMBER YTD TARGET	MARCH YTD TARGET	FULL YEAR TARGET
<i>Revenue from continuing operations</i>						
Retail Electricity						
Electricity Sales						
Gas Sales						
Trading Revenue						
LGC Revenue						
Other revenue						
Total Revenue	421,962	694,983	116,828	252,888	435,075	582,057
Electricity Expenses						
Gas Expenses						
Total Cost of Goods sold	(295,292)	(638,340)	(100,685)	(213,382)	(348,709)	(454,769)
Gross Profit	126,670	56,643	16,142	39,505	86,366	127,288
<i>Expenses</i>						
Fixed Operations and Maintenance						
Corporate Overhead						
Project Operating expenses						
Total Operating Expenses	(92,239)	(111,037)	(33,051)	(68,143)	(102,888)	(138,147)
Underlying EBITDA	34,431	(54,394)	(16,908)	(28,638)	(16,522)	(10,859)
Mark to Market	(418,670)	354,659	-	-	(10,029)	53,709
EBITDA	34,431	300,265	(16,908)	(28,638)	(26,551)	42,850
Depreciation	(41,228)	(24,679)	(7,084)	(14,799)	(28,929)	(43,313)
Rehabilitation Unwind	996	(3,286)	(671)	(1,343)	(2,014)	(2,685)
EBIT	(424,471)	272,300	(24,664)	(44,779)	(57,494)	(3,148)
Net Interest & Fees Income/ (Expense)	(461)	(24,144)	(6,451)	(13,059)	(23,621)	(34,233)
Tax (expense)/benefit	127,168	(74,447)	9,334	17,352	24,334	11,214
NPAT	(297,764)	173,709	(21,780)	(40,487)	(56,780)	(26,167)

BALANCE SHEET						
	FY22	FY23	FY24			
\$'000s	ACTUALS	EST. ACTUALS	SEPTEMBER YTD TARGET	DECEMBER YTD TARGET	MARCH YTD TARGET	FULL YEAR TARGET
Current Assets						
Cash on Hand	8,677	30,735	(7,458)	(33,189)	(43,384)	29,313
Cash held as collateral	357,468	201,546	201,546	201,546	201,546	169,945
Receivables	131,181	147,343	139,592	142,664	146,235	144,045
Inventory	24,834	33,660	33,660	33,660	33,660	33,660
Current Derivative Assets	34,782	32,027	32,027	32,027	17,273	7,917
Current Tax Asset	14,815	-	-	-	-	-
Other Current Assets	-	441,839	728,233	721,342	672,658	651,376
Total Current Assets	571,757	887,150	1,127,600	1,098,050	1,027,988	1,036,256
Non-current Assets						
Non-current Derivative Assets	190,559	232,327	232,327	232,327	232,327	230,891
Non-current Investments	17,171	17,171	17,171	17,171	17,171	17,171
Property, Plant & Equipment	146,834	243,394	400,534	425,864	477,402	504,158
Intangibles	13,709	9,876	8,918	7,959	7,001	6,043
Right-of-use Assets	3,563	2,947	2,793	2,639	340,481	334,599
Deferred Tax Assets	283,921	222,143	231,477	239,495	242,051	228,931
Total Non-Current Assets	655,757	727,858	893,220	925,455	1,316,433	1,321,793
TOTAL ASSETS	1,227,514	1,615,008	2,020,820	2,023,505	2,344,421	2,358,049
Current Liabilities						
Trade Payables	105,127	148,883	145,696	147,875	148,905	148,776
Derivative Liabilities	304,840	48,310	48,310	48,310	43,585	2
Current Employee Benefits	5,957	5,162	5,162	5,162	5,162	5,162
Current Provisions	2,093	21,456	21,613	21,769	21,926	22,083
Current Borrowings	617,547	-	-	-	-	60,000
Lease Liabilities	759	817	817	817	817	817
Total Current Liabilities	1,036,323	224,628	221,598	223,933	220,395	236,840

BALANCE SHEET						
	FY22	FY23	FY24			
\$'000s	ACTUALS	EST. ACTUALS	SEPTEMBER YTD TARGET	DECEMBER YTD TARGET	MARCH YTD TARGET	FULL YEAR TARGET
<i>Non-current Liabilities</i>						
Non-current Provisions	79,835	62,525	58,132	53,739	49,346	44,953
Non-current Lease Liabilities	4,114	3,302	3,109	2,915	343,480	340,315
Non-current Deferred Tax Liability	70,283	82,952	82,952	82,952	78,526	78,526
Non-current Borrowings	24,588	590,589	596,922	613,915	618,674	620,139
Non-current Derivative Financial Liabilities	186,917	53,176	53,176	53,176	53,176	22,230
<i>Total Non-Current Liabilities</i>	365,737	792,544	794,290	806,697	1,143,202	1,106,163
TOTAL LIABILITIES	1,402,060	1,017,172	1,015,888	1,030,629	1,363,597	1,343,003
NET ASSETS	(174,546)	597,836	1,004,932	992,875	980,824	1,015,046
<i>Equity</i>						
Share Capital	307,412	807,412	1,229,679	1,229,679	1,229,679	1,229,679
Hedge Reserve & Defined Benefit Reserve	(117,614)	(18,942)	(12,333)	(5,683)	(1,441)	2,168
Dividends declared	-	-	-	-	-	-
Retained Profits	(364,344)	(190,634)	(212,414)	(231,121)	(247,414)	(216,801)
TOTAL EQUITY	(174,546)	597,836	1,004,932	992,875	980,824	1,015,046

CASHFLOW STATEMENT						
	FY22	FY23	FY24			
\$'000s	ACTUALS	EST. ACTUALS	SEPTEMBER YTD TARGET	DECEMBER YTD TARGET	MARCH YTD TARGET	FULL YEAR TARGET
<i>Cash flows from Operating Activities</i>						
Receipts from customers	165,687	684,428	115,490	243,722	408,897	541,153
Cash collateral (payments)/receipts	(346,802)	155,922	-	-	-	31,601
Payments to suppliers	(378,227)	(697,325)	(121,196)	(255,337)	(406,629)	(527,817)
Interest paid	351	(23,693)	(6,424)	(13,005)	(23,539)	(34,125)
Tax paid	(37,294)	14,815	-	-	0	-
Cashflows from operating activities	(596,285)	134,147	(12,129)	(24,620)	(21,271)	10,813
<i>Cashflows from Investing Activities</i>						
Capex	(45,223)	(116,298)	(163,112)	(195,045)	(253,871)	(288,171)
Rehabilitation cash costs	994	(1,653)	(4,908)	(9,815)	(14,723)	(19,631)
Cashflows from investing activities	(44,229)	(117,951)	(168,019)	(204,860)	(268,594)	(307,802)
<i>Cashflows from Financing Activities</i>						
Debt funding and interest	641,479	(52,300)	6,140	22,939	24,538	82,837
Cash held with QTC	-	(441,839)	(286,394)	(279,503)	(230,819)	(209,537)
Equity funding	-	500,000	422,267	422,267	422,267	422,267
Cashflows from financing activities	641,479	5,862	142,013	165,703	215,987	295,567
Net Cashflow	965	22,058	(38,135)	(63,777)	(73,878)	(1,422)
Opening cash balance	7,712	8,677	30,735	30,735	30,735	30,735
Net cashflow for the year	965	22,058	(38,135)	(63,777)	(73,878)	(1,422)
Closing cash balance	8,677	30,735	(7,401)	(33,042)	(43,144)	29,313

APPENDIX A: EMPLOYMENT AND INDUSTRIAL RELATIONS APPROACH

PEOPLE STRATEGY

At CleanCo, our approach to employment is shaped by a comprehensive People Strategy aligned with our purpose and vision. The strategy balances our organisational needs and goals with the needs and aspirations of our people through seven ambitions. Three ambitions encompass CleanCo's focus on organisational identity and culture, technical and leadership capability, and organisational design for optimal performance. Four ambitions describe how CleanCo intends to build an exceptional experience for our people through connection to purpose and a sense of belonging across our community, outstanding flexibility and unique growth opportunities, genuine enablement and empowerment for team members to do their best work, and meaningful reward and recognition.

INDUSTRIAL RELATIONS FRAMEWORK

CleanCo aims to foster a contemporary industrial relations framework and employment arrangements that support the People Strategy. Approximately 96 per cent of our current employees covered by newly negotiated or underpinning Enterprise Agreements.

We have successfully transitioned into CleanCo-owned Enterprise Agreements for three of our transferred firming assets, with the fourth site in renegotiation. The majority of the remainder of CleanCo employees will be covered by the new CleanCo Corporate Office Enterprise Agreement currently under negotiation. In the meantime, terms and conditions for most of these employees are underpinned by the CS Energy Ltd Corporate Office Enterprise Agreement 2016 (CS Energy EA). A small group of employees who transitioned to CleanCo Brisbane office roles from Stanwell Corporation as part of initial establishment and transfer activities remain underpinned by the Stanwell Corporation Limited Corporate Offices Enterprise Agreement 2015 or 2018. This group will also be covered by the new CleanCo Corporate Office Enterprise Agreement.

We continue to utilise small numbers of contractor, consultant, or labour hire arrangements to ensure CleanCo can access technical skills required on a short-term basis, and to cover vacancies in critical positions while undergoing recruitment.

As we continue to mature our industrial relations framework, CleanCo retains a complex mix of applicable terms and conditions arising from transferred employment, CleanCo Enterprise Agreements, and a small number of Non-Enterprise Agreements. Further simplification of these arrangements will occur once the new Corporate Office Enterprise Agreements is operational.

SIGNIFICANT AND EMERGING ISSUES

Several issues influence the current industrial and employment landscape for CleanCo including:

- Rapid changes to the energy market and renewable project development
- Continuing responsiveness to policy and practice requirements for workplaces arising from evolving impacts of the COVID-19 pandemic
- Talent market movements including scarcity and competition for some skill segments, and availability and location challenges in attracting top talent to project work or to small regional sites
- The need for a hybrid operating model that allows CleanCo to simultaneously:
 - capture opportunities presented by changes in the energy market and consumer pricing

- innovate to deliver new, affordable options for Queensland shareholders and customers
 - pursue rapid acceleration of new project development in low-emissions and renewable energy
 - maintain safe, reliable operations of existing energy generation assets
 - provide secure futures for Queenslanders with stable, meaningful work and training.
- CleanCo’s current industrial landscape includes a mix of CleanCo Enterprise Agreements and Alternative Individual Agreements (AIAs) or Alternative Employment Agreements (AEAs) pursuant to those Enterprise Agreements, employment under a range of different transferred conditions from Stanwell and CS Energy, AIAs for newer Brisbane employees based on terms and conditions within the CS Energy Enterprise Agreements 2016, and a few Non-Enterprise Agreements. This complexity makes standardisation and reliability of employment governance a significant organisational challenge.
 - Emerging clarity for CleanCo about our shared values and aspirations for organisational culture, which will need to inform, and be embedded within, our recruitment and selection approach, performance and recognition, and career and talent development over time.
 - CleanCo’s size and scale creates opportunity for innovation and agility in careers but constrains our ability to offer structured, comprehensive career and skill development pathways with broad functional exposure.
 - The increasingly influential role CleanCo can play in new commercial ventures and partnerships with non-government stakeholders in shaping employment futures, particularly for Queenslanders in communities most impacted by the energy transformation.
 - Our commitment to adopt of a range of industry classifications, terms and conditions which must be carefully integrated over time to ensure CleanCo can operate as an efficient, cohesive organisation.

Our primary employment and industrial relations goals for FY24 are to:

- Continue to implement and systemise employment relations activities at CleanCo, including consultative committees, activities to build leader capability related to core employment practices, union encouragement initiatives, workforce planning and more detailed resource mapping across CleanCo, routine reviews of classification structures and other industrial terms and conditions, and further development of CleanCo’s remuneration framework.
- Embed the principles of the Queensland Procurement Policy that are relevant to employment and workforce conditions more explicitly into engagement with external partners and providers of contract labour.
- Finalise and implement a replacement Enterprise Agreement for the Wivenhoe Power Station.
- Finalise and implement the first CleanCo Corporate Office Enterprise Agreement.
- Negotiate and implement replacement Enterprise Agreements for our Barron Gorge, Kareeya, and Swanbank power stations.
- Engage more proactively and more broadly with employees, their representatives, and other stakeholders, on matters relevant to employment both within CleanCo and related to projects and ventures in which CleanCo is a partner.
- Test and standardise emerging practices for flexible and hybrid work, focusing on options that better meet our people’s needs and align with CleanCo values.

APPENDIX B: CLEANCO INDUSTRIAL RELATIONS PLAN 2023-24

EMPLOYMENT CONDITIONS

Conditions of employment for approximately 96 per cent of CleanCo employees are regulated by either:

- a) A site based CleanCo Enterprise Agreement at a power station; or
- b) An Enterprise Agreement negotiated by Stanwell or CS Energy Ltd, which still applies directly to transferred employees (this includes the *Stanwell Corporation Limited Corporate Offices Enterprise Agreement 2015 and 2018*, and the *CS Energy Ltd Wivenhoe Power Station Enterprise Agreement 2018*); or
- c) Terms and conditions of employment provided in the CS Energy Ltd Corporate Office Enterprise Agreement 2016, for employees who commenced at CleanCo's Brisbane office after transition of Firming Assets. These employees are each engaged under an AIA pursuant to the provisions of the CS Energy Enterprise Agreements.

New CleanCo Enterprise Agreements are currently being negotiated to replace coverage for groups (b) and (c) above. Negotiations in each case are guided by the approved bargaining framework, GOC Wages Policy and the 2022 Temporary Addendum.

Until a CleanCo Corporate Office Enterprise Agreement is operational, CleanCo continues to apply the CS Energy Ltd Corporate Office Enterprise Agreement 2016 to new employees (excluding the Chief Executive Officer and Executive Leadership Team) in the Brisbane Corporate office, with wages adjusted annually to ensure remuneration remains ahead of base wage increases applied each year since the expiry of that agreement.

An annual 'no-disadvantage test' process ensures that every employee who is employed under an AIA or AEA underpinned by one of our applicable Enterprise Agreements receives no less in remuneration than they would otherwise have received if they were paid pursuant to the relevant Enterprise Agreement entitlements and proscribed wage rates.

The unions party to CleanCo's agreements include the Mining and Energy Union (MEU) division of the Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU); Electrical Trades Union Branch (ETU) of the Communications, Electrical and Plumbing Union (CEPU); The Services Union (TSU); the Australian Manufacturing Workers Union (AMWU); Australian Institute of Marine and Power Engineers (AIMPE) (Wivenhoe site only); and Professionals Australia, (Association of Professional Engineers, Scientists and Managers Australia).

In addition to the applicable industrial instruments, employment conditions at CleanCo 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)
- Government Owned Corporations Wages and Industrial Relations Policy 2015 (GOC Wages Policy 2015), the 2022 Temporary Addendum to the GOC Wages Policy 2015, and the Policy for Government Owned Corporations Chief and Senior Executive Employment Arrangements.
- The Electrical Power Industry Award 2010
- Common law contracts
- CleanCo policies and procedures.

CleanCo provides a range of additional working conditions, benefits, and flexibility options for employees, beyond those provided for by its individual Enterprise Agreements. Currently these include 12 days a year of personal leave, options to purchase annual leave, 14 weeks' paid parental leave for the primary carer and 5 days' paid leave for parental partners as well as a variety of unpaid leave options for study, family commitments and other reasons. CleanCo also provides other paid and unpaid special leave provisions including for compassionate purposes, domestic and family violence, and community services such as jury duty, emergency services and Australian Defence Forces service.

We also take a progressive, inclusive, and equitable approach to supporting flexible and hybrid work for our people at all stages of their professional and personal lives, including support for remote working and flexibility in hours of work. In addition to the flexible work arrangements provided for in our Enterprise Agreements, our leaders are empowered to consider other flexibility options for all CleanCo employees, provided that we can always ensure a safe workplace and deliver efficient, sustainable operations. CleanCo will ensure our policies, practices, and provisions in Enterprise Agreements continue to shape our approach on matters such as flexible and hybrid work, career and training supports, leave entitlements for family and parental purposes as well as for domestic violence and other crisis situations, and safety and wellbeing at work. CleanCo will provide shareholding Ministers with quarterly reports on the implementation and progress of the productivity initiatives included in CleanCo's Enterprise Bargaining Agreements.

WORKFORCE

CleanCo's workforce planning approach continues to expand alongside our business strategy, and as we determine our immediate, medium-term, and strategic resourcing needs with increasing clarity. We have implemented an annual workforce review process integrated with the strategic planning and budget cycle to ensure we optimise CleanCo's existing resource footprint, seek mechanisms to improve our efficiency, and recalibrate our resource planning to take advantage of emerging skill and capacity requirements.

Some customer project development, capital works activity, and internal projects requiring temporary specialist technical expertise are undertaken within a blended employment model: some resourced "in-house", and some provided on a contract, consulting, or labour hire basis by external partners.

This blended model is expected to continue so that CleanCo can accommodate a flexible, dynamic mix of projects differing in size, scale, and technical focus. Over time, however, CleanCo is reducing its reliance on contingent labour where feasible, so that we can scale our own capability for future growth by creating structures that support career longevity, and increasingly utilise internal employment models for project management and delivery.

As at 31 March 2023 CleanCo had the following workforce numbers:

EMPLOYMENT CATEGORY	FULL-TIME EQUIVALENT
Permanent	179.1
Temporary	15
CEO and Executive Leadership Team	7
Apprentices (In House)	3
Trainees (In House)	-
Casual	-
Total Directly Employed Workforce	204.1
Apprentices (Group)	3
Trainees (Group)	-
Contractor & Labour Hire (trade/technical)*	18
Contractor & Labour Hire (professional/administrative/technical)*	45
Other	-
Total Indirectly Employed Workforce	63
Total Workforce	267.1

*CleanCo is unable to report on Contractor Full-time Equivalent (FTE) due to system limitations; roles occupied by contractors or labour hire employees are represented here as 1.0FTE each.

Two tables below further outline:

- FTE employed via Enterprise Agreements vs. other arrangements, and
- Number (headcount) of CleanCo employees by applicable Enterprise Agreement.

CleanCo's complex current industrial landscape includes a mix of CleanCo Enterprise Agreements, employment under transferred conditions from Stanwell and CS Energy, AIAs based on the CS Energy Corporate Office Enterprise Agreement 2016 and executive level employment agreements. To provide clarity, category (c) in the table below has been split into two parts based on these arrangements:

CATEGORY	FTE
(a) All employees	204.1
(b) CEO and direct reports	9 / 4%
Employees covered by an award/EA/agreement made under the <i>Fair Work Act 2009 (Cth)</i>	
(c)(i) Employees directly governed by an Enterprise Agreement *	80 / 40%
(c)(ii) Employees employed under Alternative Individual Arrangements (AIAs) governed by terms and conditions of the <i>CS Energy Corporate Office Enterprise Agreement 2016</i>	115.1 / 56%
(c) Employees under other arrangements (including common law contracts)	0 / 0%
Total: (a) = (b) + (c) + (d)	204.1 / 100%

* Includes six Executive Leadership Team direct reports, and two direct reports in the Office of the CEO (Executive Assistant and Government Relations Manager)

** This includes employees still governed by a non-CleanCo instrument that transferred with a transitioning asset (including Wivenhoe staff, and Brisbane corporate employees who transferred from Stanwell). This also includes employees governed by AIA or AEA provisions within a CleanCo site-based Enterprise Agreement.

AGREEMENT NAME	NOMINAL EXPIRY DATE	EMPLOYEES (HEADCOUNT)
Swanbank Power Station Enterprise Agreement 2020	11 March 2024	28
CS Energy Ltd Wivenhoe Power Station Enterprise Agreement 2018 (currently in negotiation for new CleanCo EA)	29 July 2021	15
Kareeya Power Station Enterprise Agreement 2019	1 April 2023	16
Barron Gorge Power Station Enterprise Agreement 2019	1 April 2023	12
Stanwell Corporation Limited Corporate Offices Enterprise Agreement 2015 or 2018 (transferred conditions during transition; employees to be covered by new CleanCo Corporate Office Enterprise Agreement)	1 March 2021	9
CS Energy Ltd Corporate Office Enterprise Agreement 2016 (employees to be covered by new CleanCo Corporate Office Enterprise Agreement)	26 February 2020	113

REMUNERATION ARRANGEMENTS

Details of annualised remuneration for the executive management team as of 31 May 2023 are shown in the following table.

ROLE	NAME	BASE SALARY	EMPLOYER SUPER	TOTAL FIXED REMUNERATION
Chief Executive Officer	Tom Metcalfe	\$674,708	\$25,292	\$700,000
Chief People Officer	Anna Eves	\$322,170	\$25,292	\$347,462
Chief Financial Officer	Brian Carrick	\$388,484	\$25,292	\$413,776
General Manager, Customers & Energy Markets	Rimu Nelson	\$315,957	\$40,279	\$356,196
General Manager, Legal and Governance	Kate Wright	\$339,690	\$25,292	\$364,982
General Manager, Asset Operations	Tim Hogan	\$322,917	\$52,231	\$375,230
General Manager, Strategy & Development	Julie Whitcombe	\$394,510	\$25,292	\$419,802

Note: FY22 performance payments were not paid to the executive management team. No other gainsharing or performance pay schemes apply to the CleanCo Executive Leadership Team.

REDUNDANCY

All applicable Enterprise Agreements to CleanCo contain a commitment to employment security, with no forced retrenchments, and with redundancy pay provisions well above the minimum requirements of the Fair Work Act 2009 (Cth).

CleanCo's approach to redundancy of positions, where necessary, is to focus on support for impacted employees, based in the following principles:

- Primary focus on maintaining employment with CleanCo where possible, with no loss of salary;

- Preference for redeployment to suitable equivalent alternative roles, or provision of voluntary redundancy options, in the event that a position is no longer required;
- Investment in retraining and alternative career pathways to support redeployment;
- Financial support for relocation if required, and compensation for redundancy where applicable;
- Support navigating the employment transition process.

SUPERANNUATION

All CleanCo employees have choice of superannuation fund. Pursuant to advice from Queensland Treasury in November 2022, most CleanCo employees are paid superannuation above statutory requirements, at 12.75 per cent of base salary. There are a few exceptions to this arrangement including members of the Executive Leadership Team who had total fixed remuneration agreed prior to November 2022 and opted to retain lower capped superannuation contributions, and a small number of Direct Benefit superannuation scheme members to whom an annualised percentage does not directly apply.

CleanCo also offers the flexibility of salary packaging superannuation payments for employees.

WORKPLACE HEALTH AND SAFETY

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

CleanCo continues to review, mature, and expand its foundational health and safety systems, structure, and functions as CleanCo itself matures, and we retain a clear focus on improving our health, safety and environment 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 focused on the health and wellbeing of our CleanCo team.

CONSULTATION

The shareholding Ministers' departments and the Office of Industrial Relations will be consulted on this plan, as will relevant unions, in coming months.

This document also continues to reflect commitments made through engagement with the CleanCo Industrial Relations Working Group during CleanCo's establishment phase, and through direct engagement with employees, their representatives, and other stakeholders since then. Regular consultative forums with relevant unions and employees ensure channels for ongoing dialogue and feedback remain open and constructive.

APPENDIX C: SPONSORSHIP, ADVERTISING, DONATIONS AND CORPORATE ENTERTAINMENT

ACTIVITY	DESCRIPTION /BENEFIT	FY23 YEAR BUDGET (\$)	FY23 EST. ACTUALS (\$)	FY24 BUDGET (\$)	QUARTER (FY24) (\$)			
					Sept	Dec	Mar	Jun
	Sponsorship & Donations	112,200	76,107	156,976	39,244	39,244	39,244	39,244
Total over \$5,000		112,200	76,107	156,976	39,244	39,244	39,244	39,244
Other (total) below \$5,000		-	-	-	-	-	-	-
TOTAL (1)		112,200	76,107	156,976	39,244	39,244	39,244	39,244
	Advertising	-	-	12,560	3,140	3,140	3,140	3,140
Total over \$5,000		-	-	12,560	3,140	3,140	3,140	3,140
Other (total) below \$5,000		-	-	-	-	-	-	-
TOTAL (2)		-	-	12,560	3,140	3,140	3,140	3,140
CORPORATE ENTERTAINMENT		91,484	39,150	51,149	9,444	16,537	10,491	14,677
Total over \$5,000		91,484	39,150	51,149	9,444	16,537	10,491	14,677
Other (total) below \$5,000		-	-	-	-	-	-	-
TOTAL (3)		91,484	39,150	51,149	9,444	16,537	10,491	14,677
TOTAL (1)+(2)+(3)		203,684	115,257	220,685	51,828	58,921	52,875	57,061

CleanCo's sponsorships and donations are invested in those communities in which our assets are located. They support local initiative in order to raise CleanCo's profile and to support our social licence to operate.