



FINANCIAL AUDIT REPORT

10 December 2021

# Transport 2021

## Report 10: 2021–22

As the independent auditor of the Queensland public sector, including local governments, the Queensland Audit Office:

- provides professional audit services, which include our audit opinions on the accuracy and reliability of the financial statements of public sector entities
- provides entities with insights on their financial performance, risk, and internal controls; and on the efficiency, effectiveness, and economy of public service delivery
- produces reports to parliament on the results of our audit work, our insights and advice, and recommendations for improvement
- supports our reports with graphics, tables, and other visualisations, which connect our insights to regions and communities
- conducts investigations into claims of financial waste and mismanagement raised by elected members, state and local government employees, and the public
- shares wider learnings and best practice from our work with state and local government entities, our professional networks, industry, and peers.

We conduct all our audits and reports to parliament under the *Auditor-General Act 2009* (the Act). Our work complies with the *Auditor-General Auditing Standards* and the Australian standards relevant to assurance engagements.

- Financial audit reports summarise the results of our audits of over 400 state and local government entities.
- Performance audit reports cover our evaluation of some, or all, of the entities' efficiency, effectiveness, and economy in providing public services.

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The Honourable C Pitt MP  
Speaker of the Legislative Assembly  
Parliament House  
BRISBANE QLD 4000

10 December 2021

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*.



Brendan Worrall  
Auditor-General



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# Report on a page

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This report summarises the audit results of seven entities in Queensland's transport sector: Department of Transport and Main Roads (the department), Queensland Rail, Cross River Rail Delivery Authority, Gladstone Ports, North Queensland Bulk Ports, Port of Townsville, and Ports North.

## Financial statements are reliable, but internal controls can be improved

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All financial reports in the transport sector are reliable and comply with relevant laws and standards. The systems and processes (internal controls) used to prepare financial statements are generally effective for most entities. Internal controls relating to procurement, payroll processes, and the security of information systems continue to be areas where work is needed.

## Governance and oversight needs strengthening at Gladstone Ports

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In recent years, Gladstone Ports has had frequent changes to key management personnel and executive positions. These changes have negatively impacted on the governance structure, on reporting, and on the board's ability to enforce the desired decision-making culture.

The changes to executives have also had a high financial impact, including six termination payments totalling \$1,530,201 and related legal fees in 2020–21. The lack of policy, guidelines, and board oversight for these termination payments has raised concerns about the propriety of decision-making.

## The impacts of COVID-19 on passenger trips are apparent

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The COVID-19 pandemic continues to result in less passenger trips on public transport. Fare revenue collected by the department decreased by 27.6 per cent, while the cost incurred with transport operators increased by 5.2 per cent to \$2.8 billion. These trends need to be factored into the planning for the Smart Ticketing project (which is updating the way passengers purchase tickets) and if they continue, might have broader implications on future transport planning, investment, and sustainability for the sector.

## Several major projects are underway

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The Queensland Transport and Roads Investment Program 2021–22 to 2024–25 plans to spend \$27.5 billion on road, rail, and transport infrastructure. This is in addition to the Cross River Rail project.

The contracts the department entered into with transport service providers in 2018 (to enhance the scheduling of bus services and collect data on service provider performance) are proceeding. These are overseen by a multi-tiered governance structure and internal and external reviews.

Major rail and roadworks are both planned and underway, and the department's Transport Service Contract with Queensland Rail Limited for rail services will be renewed at the end of 2021–22.



# Recommendations for entities

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## Strengthen governance and oversight at Gladstone Ports

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We provided a series of recommendations to Gladstone Ports to address deficiencies in governance and oversight. Strong governance underpins a healthy culture, and boards should demonstrate good practice in the boardroom and promote good governance throughout the business. These recommendations are not reproduced in this report.

## Prior year recommendations need further action

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Entities have taken some corrective action to address recommendations made in our report last year. Despite these improvements, we continue to identify control weaknesses in procurement, payroll processes, and the security of information systems that require further action.

We have included a full list of prior year recommendations and their status in [Appendix C](#).

## Reference to comments

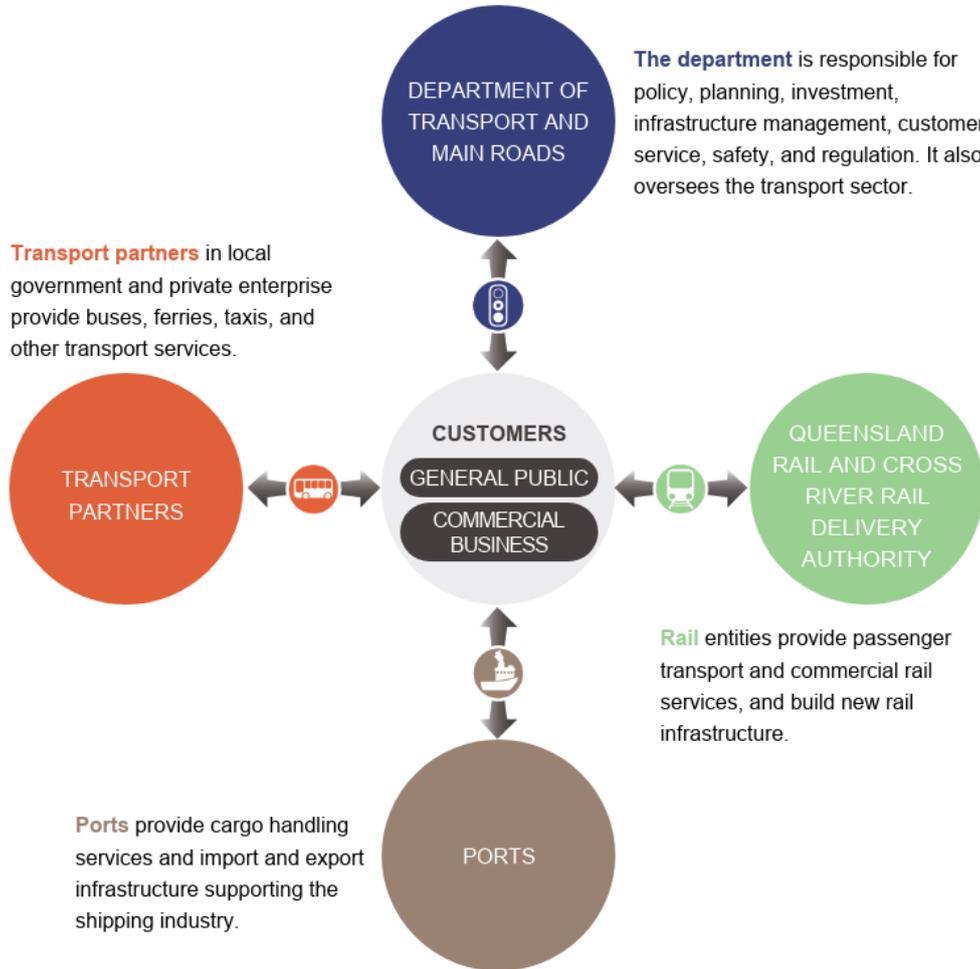
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In accordance with s.64 of the *Auditor-General Act 2009*, we provided a copy of this report to relevant entities. In reaching our conclusions, we considered their views and represented them to the extent we deemed relevant and warranted. Any formal responses from the entities are at [Appendix A](#).



# 1. Overview of entities in this sector

**Figure 1A**  
Key entities in the Queensland transport sector



Notes:

- The department has engaged over 50 transport partners to operate public transport services. This is discussed in detail in Chapter 3, in the *‘Delivering Queensland’s public transport’* section.
- There are four port entities—Gladstone Ports Corporation Limited, North Queensland Bulk Ports Limited, Port of Townsville Limited, and Far North Queensland Ports Corporation Limited (Ports North).
- Queensland Rail is a statutory body and includes Queensland Rail Limited.

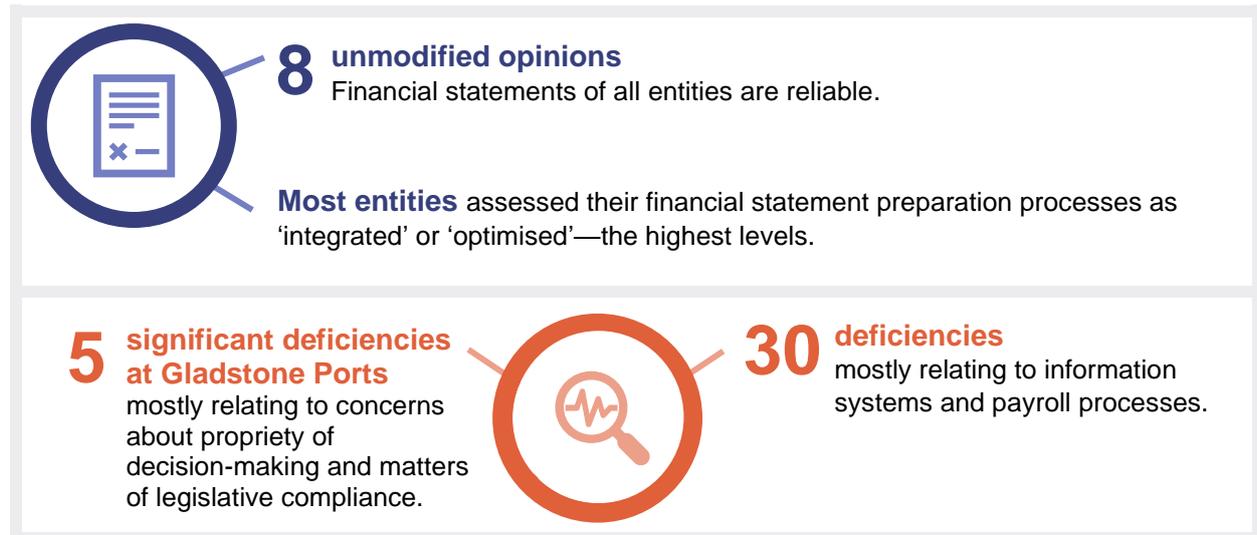
Source: Compiled by the Queensland Audit Office.



## 2. Results of our audits

This chapter provides an overview of our audit opinions for the entities in the transport sector. It also evaluates the effectiveness of the systems and processes (internal controls) the entities use to prepare financial statements.

### Chapter snapshot



### Audit opinion results

We issued unmodified opinions for all transport entities, meaning their financial statements can be relied on. All transport entities met their legislative deadline of 31 August 2021, except Gladstone Ports.

The Gladstone Ports certification was delayed by management due to our request for additional assessments of the remuneration disclosures detailing salary and other benefits to ex-key management personnel. The financial statements were subsequently updated with additional disclosures relating to termination payments and certified on 14 September 2021.

[Appendix D](#) lists the audit opinions we issued in 2021.

Most transport entities have self-assessed their financial statement preparation as 'integrated' or 'optimised'—the highest levels in the Queensland Audit Office's financial statement preparation maturity model. This means they believe their processes for preparing financial statements are efficient and provide high-quality information in a regular, timely manner. The results of our audits support their assessments.

#### DEFINITION

We express an **unmodified opinion** when financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards.

**Key management personnel** are those who have authority and responsibility for planning, directing, and controlling the activities of an entity—directly or indirectly.

## Entities not preparing financial statements

Not all Queensland public sector transport entities produce financial statements. [Appendix E](#) provides a full list of those who do not, and the reasons why.

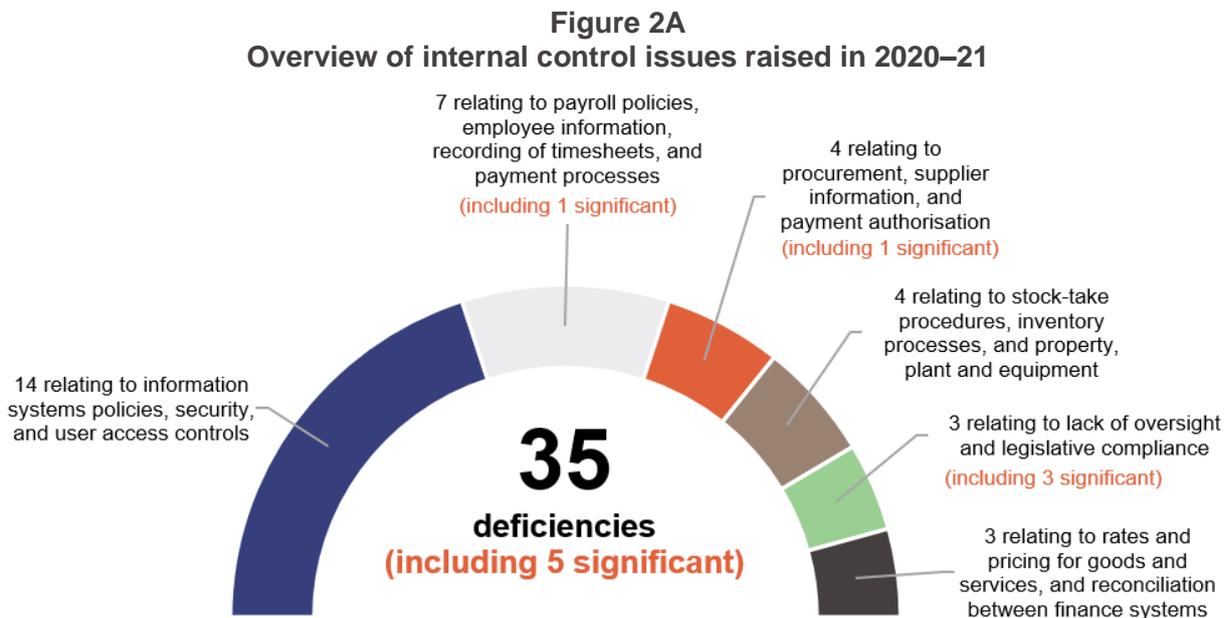
## Internal controls are generally effective

We assess whether the internal controls used by entities to prepare financial statements are reliable, and report any deficiencies in their design or operation to management for action. Those simply rated as deficiencies are of lower risk and can be corrected over time. Those rated as significant deficiencies are of higher risk and require immediate action by management.

Overall, we found the internal controls the transport sector entities have in place to ensure reliable financial reporting are generally effective, but they can be improved.

We assessed the control environment for Gladstone Ports as ineffective due to five significant deficiencies we identified during the audit.

In addition to these, we also reported 30 deficiencies in internal controls across the sector this year. Figure 2A shows the types of deficiencies we identified.



Source: Compiled by the Queensland Audit Office.

We have received responses from each entity on planned corrective action for the internal control issues raised. We are working with them to ensure our recommendations are implemented within agreed time frames.

While most payroll and procurement recommendations from last year were implemented, further action is needed to ensure timesheets are reviewed and officers complete independence declarations before they participate in panels for contract tenders.

## Gladstone Ports needs to strengthen its governance and oversight

Queensland public sector entities operate within various legislative and policy requirements that address governance, resource management, and accountability. Effective internal controls (including a strong culture of accountability) are critical in ensuring entities achieve their objectives, comply with the law, and operate with transparency and integrity.

The Port of Gladstone is Queensland's largest multi-commodity port, (fourth largest coal exporting terminal in the world) and is a major economic hub for central Queensland. As such, it is important for the broader Queensland economy that Gladstone Ports has sound governance and oversight.

We raised matters of concern relating to the propriety of decision-making by the board and senior executives at Gladstone Ports, including non-compliance with legislation. These matters increase the risk of waste of public resources.

### Departures of key management personnel and executives

Seven key management personnel and executives have left Gladstone Ports since December 2018.

**Figure 2B**  
**Key management personnel and senior executive departures at Gladstone Ports**

Date	Position
12 December 2018	Chief Executive Officer
14 August 2019	Chief Governance Officer
6 March 2020	Commercial General Manager
31 May 2021	Chief Financial Officer
22 July 2021	Interim Chief Executive Officer
31 August 2021	Executive General Manager People and Community
31 August 2021	General Counsel and Company Secretary

Source: Compiled by the Queensland Audit Office.

During 2021, the position of chief executive officer was filled by three executives, including one who then left the company within three months of appointment.

The significant turnover has affected the governance structure, reporting, and the board's ability to enforce the desired decision-making culture, with officers needing to act in roles and higher duties for extended periods. There has also been a high financial cost to the company.

The lack of stability of key executives can result in over reliance on professional services consultants. Since 2019, total legal services fees have increased from \$5.5 million to \$10.2 million in 2020–21, or about two per cent of total expenses. Significant costs relate to the ongoing class action, with advice on employee matters including those related to termination payments also contributing to these costs. While legal services are necessary to manage risk and protect the company's interest, over reliance on consultants should be closely monitored.

On 1 October, a new Chair of Gladstone Ports was appointed.

### Transparency and governance of decisions relating to employee settlement payments

Since 2018, there have been six termination payments totalling \$1,530,201 made through deeds of settlement and release (which are legal documents used to formalise agreements between parties involved in disputes).

Two of the payments, which totalled \$918,948, occurred after the end of the 2020–21 financial year. These required further consideration by us and were later disclosed in the financial statements as an event occurring after the reporting period.

The board delegates approval of termination payments to the chief financial officer and/or chief executive officer. However, there is no policy, guidance, or board oversight for the use and approval of settlement and release arrangements. Due to concerns over the propriety of decision-making regarding the settlement payments, we reported a significant deficiency to Gladstone Ports.

### Matters relating to legislative requirements

The regulatory framework for Gladstone Ports includes the *Government Owned Corporations Act 1993* (GOC Act) and the Commonwealth's *Corporations Act 2001*. This framework establishes legislative requirements to keep the shareholding ministers informed, maintain appropriate company records, and provide information, explanations, or other assistance during an audit.

During the audit, two matters raised concerns about compliance with these legislative requirements. Gladstone Ports did not:

- initially provide a report to us, as the external auditor, and shareholding ministers about a payment to a former chief executive officer
- appropriately approve and sign all board minutes.

These compliance matters resulted in us reporting three significant deficiencies to Gladstone Ports. We also reported the matters to the shareholding ministers and the Australian Securities and Investments Commission. These matters were considered of such significance that we included a key audit matter (matters that require significant auditor attention) in our audit opinion relating to the risk of management override of controls.

#### DEFINITION

**Management override of controls** refers to the ability of management and/or those charged with governance to manipulate accounting records and prepare fraudulent financial statements by overriding these controls.

In addition, we reported a significant deficiency relating to the approval of transactions exceeding financial delegation limits. For this matter, management undertook corrective actions to resolve our recommendation during the audit.

The significant deficiencies identified at Gladstone Ports reinforce the need to strengthen governance and ensure the board and management function appropriately to better mitigate risks of uninformed decision-making and non-compliance with legislative requirements.

To improve governance and oversight, we made several recommendations to Gladstone Ports. We recommended:

- updating policies to provide guidance of payments through deeds of settlement and release
- ensuring appropriate processes are implemented to inform the external auditor and shareholding ministers are informed of substantive matters including litigation, claims and transactions
- ensuring the proceedings and resolutions of directors' meetings are approved and signed in a reasonable time frame.

## Action is required to address ongoing security weaknesses in information systems

Transport entities rely on information technology systems to operate their businesses and prepare financial statements. They must have strong controls over who has access to the systems and the information in them. Weaknesses in information technology controls increase the risk of undetected errors or potential financial loss, including fraud.



In our audits of public sector entities last year, we found that the security of information systems was the most common internal control weakness across the public sector. We made the same recommendation across all our sector reports for entities to strengthen the security of their information systems.

Not all the transport entities have fully addressed this recommendation. We identified control weaknesses in information system security at four of the seven entities this year. [Appendix C](#) provides the full recommendation and status as at 30 June 2021.

## Assessment tools for internal controls

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We are developing new assessment tools for internal controls relevant to public sector entities. They will provide the entities with greater insight into the strength of their internal control processes.

The tools focus on asset management, change management, culture, governance, grants management, information systems, monitoring, procure-to-pay (the whole procurement process), record keeping, and risk management.

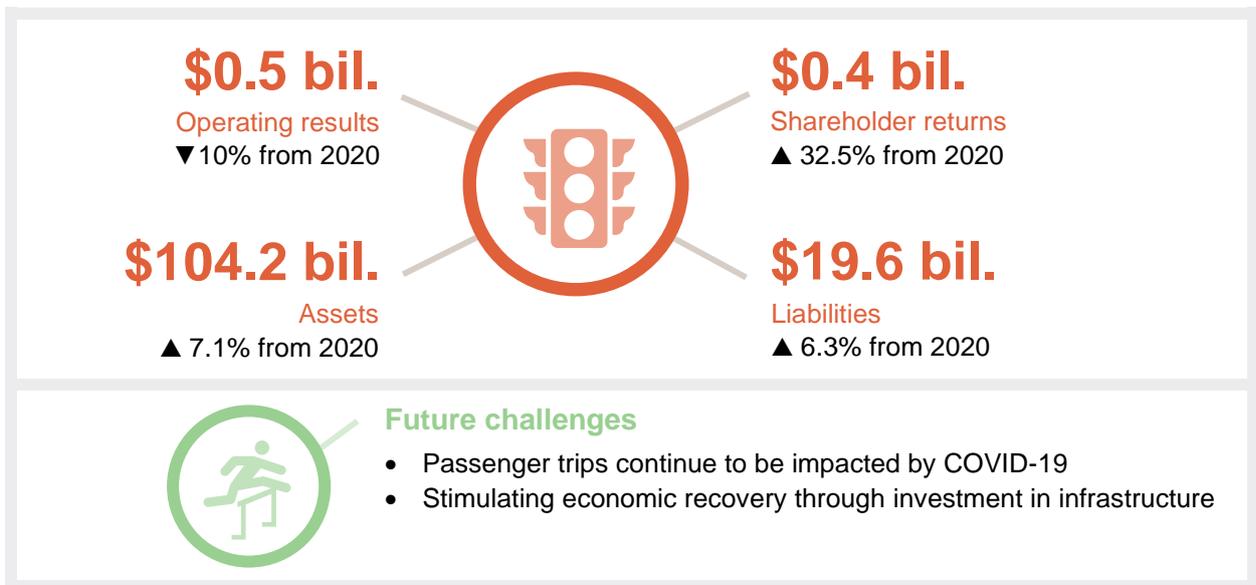
We are currently consulting with our clients on these tools and intend to begin using them in our audits from 2021–22. Our reporting on control deficiencies will not change.



# 3. Financial results and challenges

This chapter analyses the key financial results and challenges faced by the transport sector.

## Chapter snapshot



## Operating results and shareholder returns have fluctuated

The transport sector’s operating results decreased by \$52 million (10 per cent) in 2020–21. This was mainly driven by the operating result before tax of the Department of Transport and Main Roads (the department) decreasing by \$191 million (80.9 per cent) to \$45 million in line with the original budget.

Shareholder returns were higher than in the prior year, due to Queensland Rail’s increased profit. The increase was primarily driven by higher transport services revenue from its contractual arrangement with the department and lower finance costs and expenditure on consumables than planned.

The sector’s total shareholder returns of \$429 million were made up of dividends (a share of profits paid to Queensland Government shareholders) and income tax equivalents (which are paid by commercial operations in government instead of tax).

## Service concession arrangements are now on the balance sheet

Accounting standard AASB 1059 *Service Concession Arrangements: Grantors* became mandatory for the first time during the 2021 financial year. The new accounting standard was developed to improve transparency about the cost of these arrangements and about future obligations between public sector entities and private operators.

### DEFINITION

A **service concession arrangement** is an agreement between a public sector entity and private entity to develop, operate, and maintain an infrastructure asset that provides a public service.

For the department, this resulted in an additional \$10 billion in assets and \$8 billion in liabilities, primarily relating to toll road arrangements such as the Airport Link Tunnel, Gateway Motorway, and Logan Motorway. The department also recognised service concession arrangement revenues of \$269 million (2020: \$266 million) and expenses of \$305 million (2020: \$291 million).

## Passenger trips continue to be impacted by COVID-19

The COVID-19 pandemic has decreased public transport passenger numbers due to travel restrictions and the adoption of alternative working arrangements (such as working from home). There were 33.5 million (-22 per cent) fewer trips during 2020–21 than in the year before. Consequently, the fare revenue collected decreased by 27.6 per cent to \$209.8 million. The department is anticipating public transport patronage will increase by 30 per cent in 2021–22 as vaccination rates increase.

Figure 3A details the change in the number of trips, fare revenue collected, and the costs paid to transport service providers.

**Figure 3A**  
Passenger trips, fare revenue and cost by transport mode

Bus	Rail	Light rail	Ferries	Total
				
Passenger trips 76.4 million ▼19.8%	Passenger trips 32.7 million ▼25.3%	Passenger trips 6.1 million ▼27.7%	Passenger trips 3.9 million ▼24.7%	Passenger trips 119.1 million ▼22%
Fare revenue \$96.7 million ▼29.2%	Fare revenue \$94.1 million ▼26.4%	Fare revenue \$10.9 million ▼27.6%	Fare revenue \$8.1 million ▼21.4%	Fare revenue \$209.8 million ▼27.6%
Costs \$742.0 million ▲2.4%	Costs \$1.945 billion ▲6.4%	Costs \$60.8 million ▲5.7%	Costs \$33.8 million ▲4.1%	Costs \$2.782 billion ▲5.2%

Note: Fare revenue excludes -\$0.8 million in go card refund adjustments.

Source: Compiled by the Queensland Audit Office from Department of Transport and Main Roads passenger reports.

The department and its transport service providers continue to deliver services despite the downturn in passenger trips and fare revenue. The costs incurred by the department for these services have increased by 5.2 per cent from last year to \$2.782 billion in 2020–21.

If these trends sustain over the medium term, greater consideration of usage may need to be incorporated in transport planning, investment, and sustainability for the sector.

## Delivering Queensland's public transport

The department contracts service providers such as local councils and private enterprises to operate public transport services.

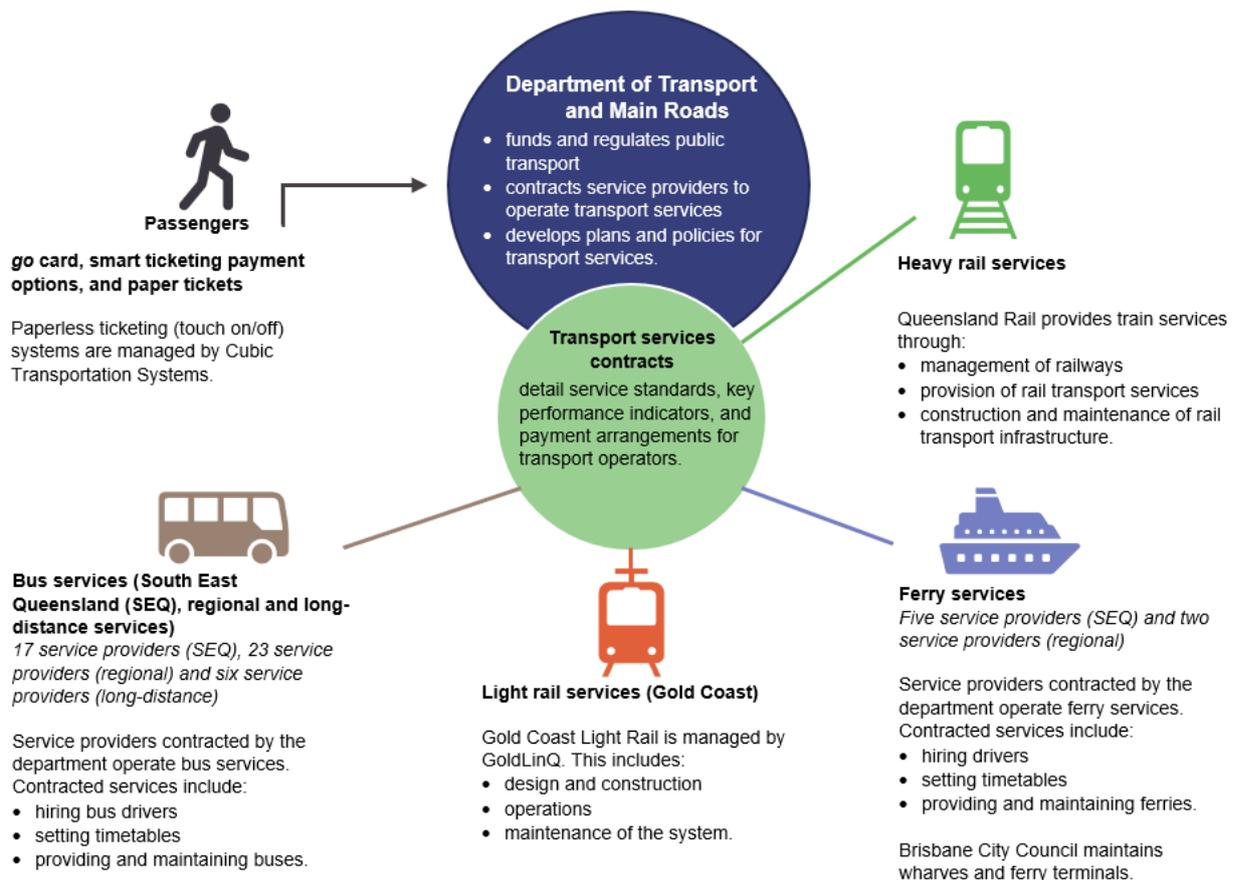
The contracts outline key elements such as public transport services to be provided and remuneration to be paid to the providers. They include service area locations, timetables of services, maintenance and safety of facilities, and key performance indicators for timeliness of services.

There are over 50 service providers for bus and ferry services with different requirements that must be managed by the department. The payments to operators are largely driven by a base payment and contract variables, including driver wages, fuel usage, and maintenance costs.

Individual contracts can contain different service requirements and payment models, such as including performance incentives in the operator’s remuneration. The performance data used for payments is often complex, and it is gathered in different ways, including self-submission by operators (on the kilometres travelled and hours of operation) and estimation by the department.

Figure 3B details the public transport service providers across rail, bus, and ferry, and the services they provide.

**Figure 3B**  
**Public transport service providers**



Source: Compiled by the Queensland Audit Office.

### Transport service contracts for bus services

In 2018, most South East Queensland bus operators moved to new transport service contracts with the department. This is the fourth time the contracts have been refreshed, so they are referred to as fourth generation (4G) contracts. The new contracts aim to increase the reliability and efficiency of services by introducing performance measures and financial incentives for operators. They also introduce technology systems for scheduling services and collect data on operator performance.

A multi-level governance structure has been introduced to oversee the implementation of 4G bus contracts. This includes project teams, a program steering group, a leadership team governance board, and executive leadership team oversight. Each level has varying responsibilities in terms of project delivery, assessment, decision-making, and risk escalation. Monthly reporting of high and critical risks is conducted with the leadership team governance board, allowing the program to gain executive leadership team support if required.

The department has undertaken several internal and external reviews to provide assurance on the completion of 4G contract delivery, contract management, and data reliability, to support the oversight of the implementation of the 4G contracts.

New and improved data collection methods continue to be implemented—such as GPS tracking—to more accurately monitor actual hours and kilometres travelled. This will allow better monitoring of on-time running, streamline payments, and reduce reliance on self-submission by operators and estimations. The department will undertake ongoing assurance activities to provide confidence in the accuracy of the data.

### A new rail transport service contract will be negotiated

The Rail Transport Service Contract (TSC) with Queensland Rail details the service delivery requirements for passenger rail services for South East Queensland, travel and tourism, and infrastructure services for the South East Queensland and regional rail network.

In 2021, TSC payments to Queensland Rail were \$1.912 billion. This is budgeted to increase to \$2.074 billion in 2022 due to cost escalations (including increasing services and employee wages, and so on) and the need for operational readiness to support the Cross River Rail project. The current TSC will expire at the end of June 2022, with the department to guide the government’s consideration of the renewal.

The Rail Transport Service Contract Renewal Project is currently underway, with the department considering options for structuring the new TSC. The project is evaluating how the contract could be structured to align with strategic transport plans and ensure value-for-money outcomes. These considerations include key performance measures, how the contract will manage timetable changes for new services—including for the Cross River Rail—and responsibilities for the New Generation Rollingstock (new, individually-propelled train carriages).

### The Smart Ticketing project is being implemented

The department is leading a project to deliver a new ticketing system for Queensland’s public transport. The main contractor is CUBIC Transportation Systems, which also delivered the go card system.

The \$371 million Smart Ticketing project will allow travellers to pay for trips using contactless credit or debit cards, smartphones, and smartwatches. It will involve upgrading existing ticketing equipment and developing new digital products to enable patrons to self-manage their travel through websites and mobile apps.

Currently, go card payment facilities are only available in South East Queensland. Smart ticketing will reach across 19 regional areas, such as Townsville, Rockhampton, and Toowoomba.

As at 30 June 2021, \$211 million had been spent on the project, and approximately 225,933 transactions and \$567,000 in revenue had been collected on the Gold Coast Light Rail and other test sites. While this only represents approximately 0.3 per cent of all fare revenue, the uptake is expected to increase as the progressive rollout reaches more regions and modes of transport.

The project has been implemented with several small-scale hardware trials and user feedback programs.

**Figure 3C**  
Smart Ticketing project implementation

2018–19	2019–20	2020–21	2021–22	2022–23
Completed	Completed	Completed	In progress	Up next
Procurement of partner to deliver the Smart Ticketing project.	Design, development, implementation planning, and first trial of Smart Ticketing across the Gold Coast Light Rail (G:link) network.	Implementation at selected sites including G:link Gold Coast Light Rail, initial testing at 10 Queensland Rail stations, and regional bus trials.	Begin replacing 13,000 ticketing devices on buses and ferries, and full implementation across heavy rail services.	Project finalisation, evaluation, and maintenance.

Source: Compiled by the Queensland Audit Office.

A project delivery board and a separate strategic board provide oversight and governance of the project. The project team provides regular progress reports to the boards and the department’s Information and Systems Committee.

The project has governance arrangements that are well designed and understood by the department, including project health checks at critical gateways, internal audit reviews, and a project team and supplier with experience with public transport ticketing solutions.

Although COVID-19 has impacted on the project’s resourcing, progress delays experienced to date have been minor and are not expected to affect the overall delivery date of 2022–23.

The Smart Ticketing project is currently on track to be delivered within budget. However, scope and milestone changes are needed for new projects like the Brisbane Metro (high-frequency bus system being delivered by Brisbane City Council), and Cross River Rail, which were not factored into the original project. The targets and expected benefits of the project should be revisited in light of these scope changes and the COVID-19 impacts on passenger trends.

## Planned investment in transport infrastructure

The Queensland Transport and Roads Investment Program 2021–22 to 2024–25 (QTRIP) outlines current and planned investment in road and transport infrastructure in Queensland.

QTRIP outlines a total of \$27.5 billion in infrastructure investment, of which \$16.8 billion is contributed by the Queensland Government and \$10.7 billion by the Australian Government. Figure 3D outlines the key investment areas. The Department of Transport and Main Roads works together with local governments to deliver the projects.

**Figure 3D**  
Investment in transport infrastructure 2021–22 to 2024–25

Roads	Rail	Bus	Other*	Total
				
\$20.8 billion ▲ 2.1%	\$5.9 billion ▲ 3.6%	\$326 million ▼ 4.7%	\$479 million ▼ 4.8%	\$27.5 billion ▲ 2.2%

Notes:

- \*Includes cycleways, maritime, and other transport infrastructure.
- Rail investment includes the \$600 million Rollingstock Expansion Project, which will be replaced by the recently announced \$7.1 billion Queensland Train Manufacturing Program.
- Movement percentages are calculated by comparing QTRIP for 2020–21 to 2023–24 against 2021–22 to 2024–25.

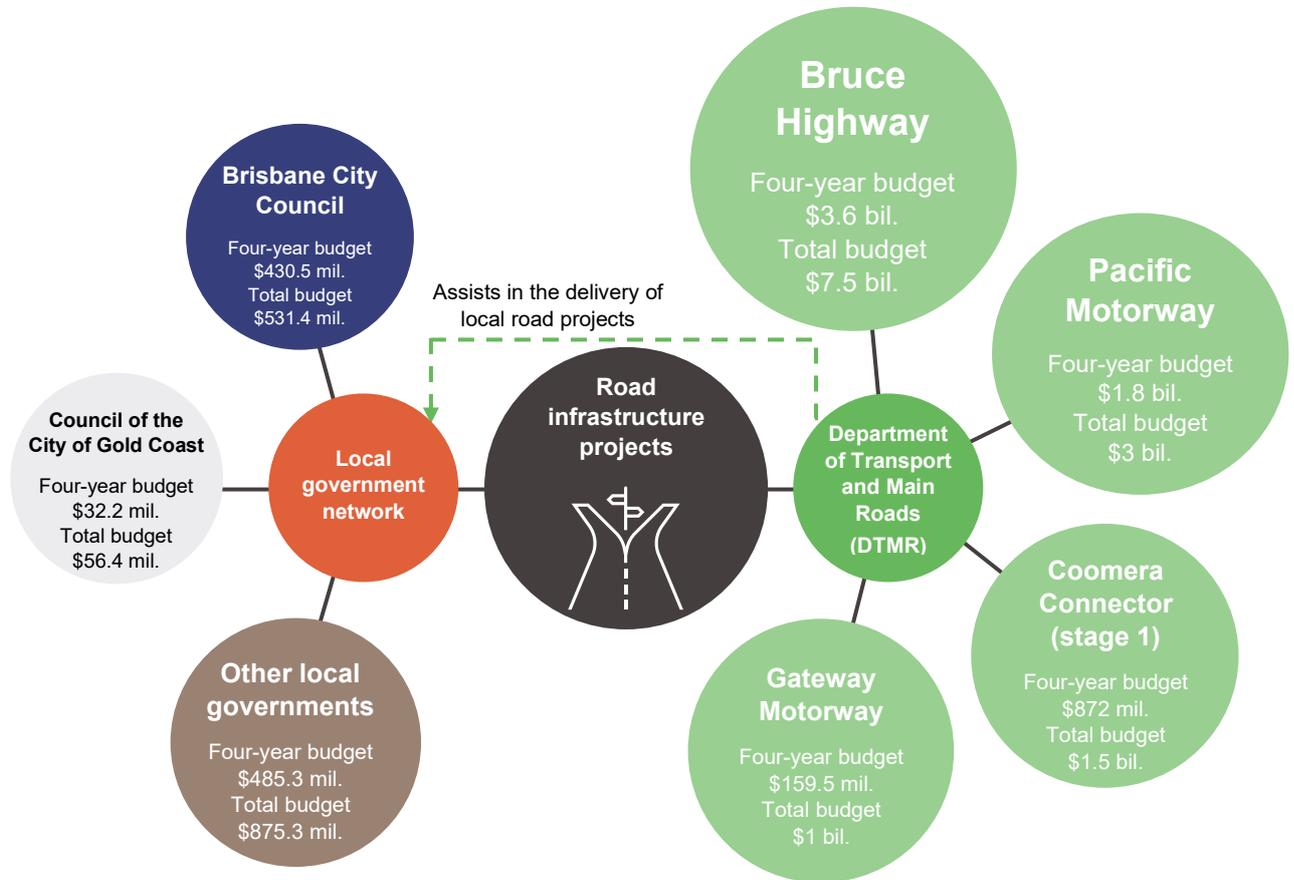
Source: Compiled by the Queensland Audit Office from the Queensland Transport and Roads Investment Program 2021–22 to 2024–25.

## Road infrastructure

Key projects for investment in roads include upgrading the Bruce Highway, Pacific Highway, and Gateway Motorway, and constructing the Coomera Connector (stage 1) project. Priority areas for the highway and motorway upgrades include improving safety, flood immunity, and capacity by duplicating sections.



**Figure 3E**  
**Major road infrastructure projects outlined in Queensland Transport and Roads Investment Program 2021–22 to 2024–25**



Note: The total budget includes the 2021–22 to 2024–25 budget and the indicative budget for ongoing projects after that period.

Source: Compiled by the Queensland Audit Office.

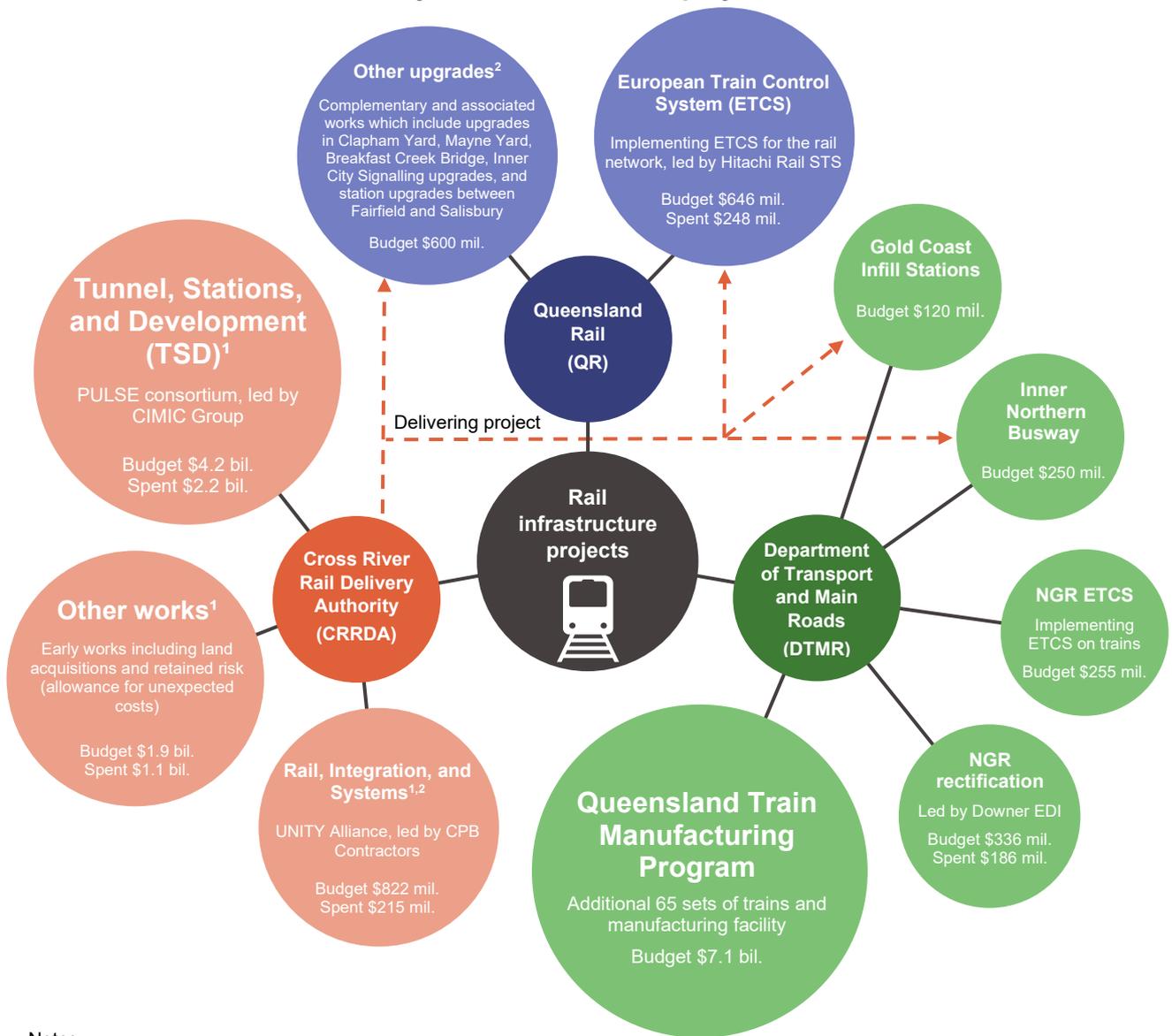
Upgrades to the Bruce Highway involve a 15-year program of works, which began in 2013 and are funded by the Australian and state governments. The proportion of funding varies by project. At 30 June 2021, 382 projects have been delivered, 121 projects are in the design or construction phase, and 37 projects are in the planning phase.

## Rail infrastructure

Figure 3F shows the major rail projects currently underway or being planned.



**Figure 3F**  
**Major rail infrastructure projects**



**Notes:**

- <sup>1</sup> The Cross River Rail Delivery Authority capital budget for the Cross River Rail project (including private finance) is \$6.888 billion.
- The Rail, Integration, and Systems total package value is now commercially available. (We did not disclose this in the *Transport 2020* (Report 10: 2020–21) report due to commercial sensitivities.)
- <sup>2</sup> Budget for Rail, Integration, and Systems package is \$1.4 billion, which comprises of \$822 million as part of the \$6.888 billion Cross River Rail capital budget and \$600 million of 'Other upgrades' relating to Complementary and Associated (C&A) Works funded by Queensland Rail.
- An infill station is one that's built on a rail line to address demand in a location between existing stations.
- The European Train Control System offers signalling and control improvements.

Source: Compiled by the Queensland Audit Office.

On 20 October 2021, the Queensland Government announced the \$7.1 billion Queensland Train Manufacturing Program to deliver 65 new six-car passenger trains at a purpose-built manufacturing facility. The program will replace QTRIP's \$600 million Rollingstock Expansion Project which initially provided for 20 new six-car passenger trains. Three manufacturers have been identified to bid on the new program, with a preferred supplier expected to be announced in the second half of 2022.

In addition, work continues on the rectification and upgrades for 75 New Generation Rollingstock (NGR) trains, to make them more accessible to passengers with disabilities. Downer EDI is delivering the \$335.7 million project.



The department had spent \$185.6 million as at 30 June 2021, mostly for planning and design phases prior to beginning works on the first train. Subsequent payments will be made on a train-by-train basis as the upgraded trains return to service. Three upgraded trains were delivered in 2020–21, with a further 25 planned to return to service in 2021–22. All trains are expected to be in service by 2024.

### The Cross River Rail is progressing

Major construction on the Cross River Rail project began in 2019. The \$6.888 billion project is funded through \$5.409 billion of state contributions and \$1.479 billion in private finance contributions. The capital budget includes funding for the Tunnel, Stations, and Development (TSD) and Rail, Integration, and Systems work packages and for other works such as station upgrades and land acquisitions, and for delivering the European Train Control System (ETCS) for the rail network, which is funded by Queensland Rail. The department will lead the \$255 million project to fit the required ETCS technology to the trains.

Figure 3F shows the transport agencies funding the major rail infrastructure projects.

The TSD is the largest work package. Delivered via a public–private partnership, it is funded through a combination of state contributions (\$2.7 billion) and private finance contributions (\$1.479 billion). The private finance contributions are now fully committed, and the Queensland Government started capital contributions in June 2021. The service payments covering the interest and private finance contributions will be made over the five-year construction period and 25 years of maintenance.

#### DEFINITION

**Public–private partnerships** are cooperative agreements generally entered into with private sector entities for the delivery of government services.

The TSD is currently in the design and construction phase, which is expected to be completed in 2024. It is expected to be operational in 2025, after testing and commissioning. We have not identified any significant financial reporting issues in our audit of the financial statements.

As indicated in our *Forward work plan 2021–24*, we will be producing a report on major projects early in 2022. This will assess preliminary procurement activities and progress against budget and milestones on the Cross River Rail project. The report will also cover procurement, planning, coordination, and delivery of other major infrastructure projects across Queensland.

### Early stages of the Inland Rail Project

Inland Rail is an Australian Government infrastructure project designed to connect Melbourne to Brisbane via regional Victoria, New South Wales, and Queensland. The estimated 1,700 kilometre project is being delivered through the Australian Rail Track Corporation (ARTC), in partnership with the private sector.

On 29 November 2019, the Australian and Queensland governments signed a bilateral agreement for Inland Rail, outlining details of the proposed project, and in December 2020, the Australian Government announced an additional \$5.5 billion investment for the project, bringing the total budget to \$14.5 billion.

The Department of Transport and Main Roads is the lead agency engaging with ARTC on behalf of the state. The department and ARTC are negotiating agreements for the project, including the Queensland Development Agreement, which sets out the terms and conditions for the delivery in Queensland, including the construction and operating lease agreements.

The department is not required to make capital contributions to the project and is compensated from ARTC for involvement in project planning, land resumptions, and other project-related costs.

Construction across all Queensland sections is currently expected to start by 2023.



# Appendices

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# A. Full responses from entities

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As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the:

- Treasurer and Minister for Investment
- Minister for Transport and Main Roads
- Under Treasurer.

We also provided a copy of the report to the following entities with an invitation to respond:

- Premier and Minister for the Olympics
- Director-General, Department of the Premier and Cabinet
- Director-General, Department of Transport and Main Roads
- Chair of the board for
  - Cross River Rail Delivery Authority
  - Queensland Rail and Queensland Rail Limited
  - Gladstone Ports Corporation Limited
  - North Queensland Bulk Ports Limited
  - Port of Townsville Limited
  - Far North Queensland Ports Corporation Limited (Ports North).

This appendix contains the detailed responses we received.

The heads of these entities are responsible for the accuracy, fairness, and balance of their comments.



# Comments received from Director-General, Department of Transport and Main Roads



Our ref: MC122037

27 NOV 2021

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
qao@qao.qld.gov.au

Office of the  
Director-General  
Department of  
Transport and Main Roads

Dear Mr Worrall

I refer to your emails of 10 and 15 November 2021 to the Honourable Mark Bailey MP, Minister for Transport and Main Roads, enclosing the proposed report to Parliament for Transport 2021– the consolidated report that summarises the Queensland Audit Office's (QAO) financial audit results of seven entities in Queensland's transport sector. The Minister has asked that I respond on his behalf.

The Department of Transport and Main Roads (TMR) has a mature financial statement processes and QAO issued an unmodified opinion that TMR's statements are accurate and prepared in accordance with relevant legislative requirements.

In the proposed report, QAO identified that the three general recommendations raised in the Transport 2020 report around procurement and expenditure, payroll processes and the security of information systems require further action by the entities. TMR already has established processes in place around these three recommendations and continues to monitor and strengthen the controls around the identified risk areas.

As you acknowledge in the report, TMR has been able to maintain services through the COVID-19 pandemic without significant additional costs or interruption. However, the impacts of this, including ongoing reduced public transport patronage, will continue to be a focus for TMR as the pandemic continues.

TMR's Internal Audit branch is liaising directly with your team to resolve minor anomalies noted in this report prior to publishing.

If your officers require any further information, they are encouraged to contact

TMR appreciates the opportunity to provide comments on this proposed report.

Yours sincerely

A handwritten signature in brown ink that reads 'Scales'.

Neil Scales  
Director-General  
Department of Transport and Main Roads

1 William Street Brisbane  
GPO Box 1549 Brisbane  
Queensland 4001 Australia

Telephone +61 7 3066 7316  
Website www.tmr.qld.gov.au  
ABN 39 407 690 291

# Comments received from Under Treasurer, Queensland Treasury



Queensland Treasury

Our Ref: 05269-2021

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
PO Box 15396  
CITY EAST QLD 4002  
Email: [qao@qao.qld.gov.au](mailto:qao@qao.qld.gov.au)

Dear Mr Worrall

Thank you for providing the Queensland Audit Office's (QAO) draft Transport 2021 Report (the report) summarising the audit results of entities in Queensland's transport sector.

I note QAO has issued unmodified audit opinions in the 2020–21 financial statements for all of Queensland's publicly-owned transport entities.

A key focus for the Queensland Government is ensuring that these enterprises can operate as efficiently and effectively as possible, while also working with government to meet its objectives of fostering economic recovery and providing community support through the changing market conditions.

I note the report discusses how the transport entities faced a very challenging operating environment in 2020–21 due to lower passenger traffic caused by the COVID-19 pandemic. Despite this, these businesses continued to provide customers and industry with transport services, invested in major infrastructure projects and supported customers in line with government objectives. Although this contributed to lower financial returns for these entities in 2020–21, the Queensland Government's financial support for the transport sector is crucial to helping sustain our economic recovery.

I welcome the report's findings that QAO did not identify any significant financial reporting issues in its audit of the financial statements for the Cross River Rail project, a project which will support transformation of public transport in South East Queensland. It is pleasing that these major works packages are progressing without significant issue, and we will continue to monitor progress toward their successful delivery.

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Website [www.treasury.qld.gov.au](http://www.treasury.qld.gov.au)  
ABN 90 856 020 239

Regarding QAO's observation of significant internal control deficiencies identified in its 2020–21 audits, including issues relating to Gladstone Ports Corporation Limited, I am advised there have been constructive discussions between my officers and QAO to understand the nature of QAO's concerns and encourage ongoing close engagement on these matters.

The performance, sustainability and internal control environments of all transport entities will continue to be monitored to ensure continued improvement, prudent investment and the delivery of transport services.

If you require any further information, please contact [REDACTED] who will be pleased to assist.

Yours sincerely



Leon Allen  
**Under Treasurer**

26/11/2021



# Comments received from Chair, Gladstone Ports Corporation Limited



Our Ref #1753560 AL:ML  
Your Ref 2022 2484, #1753551

1 December 2021

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
PO Box 15396  
CITY EAST QLD 4002

Email: [gao@gao.qld.gov.au](mailto:gao@gao.qld.gov.au)

## **TRANSPORT 2021 PROPOSED REPORT - QUEENSLAND AUDIT OFFICE RECOMMENDATION – STRENGTHEN GOVERNANCE AND OVERSIGHT AT GPC**

Dear Mr Worrall,

I refer to your Transport 2021 proposed report received on 10 November 2021, and include GPC's response herewith.

GPC supports the recommendation that governance and oversight be strengthened. Shareholding Ministers have appointed three new Directors to the Board. A principal focus of the newly reconstituted Board is enhanced governance and oversight of GPC's strategy, business and operations.

The GPC Board and executive management are both committed to ensuring that effective internal controls exist to deliver an accountability culture to facilitate GPC achieving its corporate objectives, complying with all laws and regulations and operating with the levels of transparency and integrity expected of a Government Owned Corporation.

The GPC Board has endorsed the particular measures recommended by the QAO to improve governance and oversight. They include, amongst others:

- updating policies to provide guidance of payments through deeds of settlement and release (please refer to further discussion at QAO Issue 3)
- ensuring appropriate processes are implemented to inform the external auditor and ensure shareholding Ministers are informed of substantive matters including litigation, claims and transactions, and
- ensuring the proceedings and resolutions of directors' meetings are approved and signed in a reasonable timeframe.

It is important to note, that despite the issues identified by QAO, GPC continues to deliver both excellent financial performance and key commercial outcomes by recording a record dividend during FY21, and noting the accounts for FY21 were given an unmodified audit opinion by QAO.

#1751357

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### **QAO Issue 1: Departures of key management personnel and executives**

#### **GPC Response:**

GPC accepts that seven key management personnel and executives have left GPC since December 2018. These departures occurred for a variety of reasons.

The situation with respect to the lack of a permanent Chief Executive Officer (“CEO”) has been unsatisfactory for an extended period. A permanent CEO recruitment process was undertaken in 2019 but the position remained unfilled on a permanent basis. The refreshed GPC Board has resolved to commence a new market-based recruitment process for a CEO immediately. The GPC Board aims to have identified and appointed a CEO, ideally by 31 March 2022.

Once the CEO is appointed, the GPC Board is committed to promptly support the establishment of a permanent and committed executive management team.

This executive management team recruitment exercise, once completed, will bring stability to GPC’s governance structure, create clear reporting lines and accountability, and support the Board’s endeavour for a strong and diligent decision-making culture within GPC.

### **QAO Issue 2: Lack of stability in executives results in over-reliance on professional services consultants**

#### **GPC Response:**

Significant legal expenses have arisen for reasons beyond GPC Board’s control.

A major legal financial expense is GPC’s defence of the class action connected with the Western Basin Dredging and Disposal Project. It is prudent for GPC to properly defend this claim which GPC considers to be without merit. To act otherwise would necessarily involve an extremely significant waste of taxpayer’s funds. This is a “one-off” legal proceeding.

Another significant recurring contributor to legal expenses has been a major contractual reform project with key customers over the past five years. That project is expected to conclude by 30 June 2022 and the associated expenses cease to be incurred in FY23. This is a “one-off” major contract renewal for significant revenue generating contracts and any costs incurred in transitioning these agreements are 100% recoverable under the commercial agreements and associated pricing frameworks with GPC’s counterparties.

The Board and executive management are focused upon ensuring that professional services consultants are only appropriately engaged as and when required.

### **QAO Issue 3: Transparency and governance of decisions relating to employee settlement payments**

#### **GPC Response:**

Settlement and release arrangements were not a feature for all departures of Key Management Personnel.





Since finalisation of GPC's statutory accounts for FY21, the Board has requested executive management amend the "Executive Management Team – Remuneration Policy" ("Policy") to ensure any departure from the Policy must be Board approved to strengthen governance.

Management have completed the review of the Policy (and the associated Delegation of Authority Specification) to incorporate Board feedback. Input is being obtained from QAO into the effectiveness of the additional controls built into the documents and Shareholding Departments will be advised when complete.

These amendments are expected to be finalised and endorsed by the GPC Board in December 2021.

GPC management will ensure that its Board and shareholding Ministers are kept regularly and appropriately informed about these matters.

#### **QAO Issue 4: Matters relating to legislative compliance**

##### **GPC Response:**

To comply with its legal obligations, the QAO reported suspected legislative contraventions by GPC to shareholding Ministers and ASIC respectively. In GPC's view (based on external advice), there was no breach of the relevant provisions by GPC of either the *Government Owned Corporations Act 1993* (Qld) or the *Corporations Act 2001* (Cth). Appropriate submissions have been provided to ASIC on behalf of GPC in relation to the issues reported by QAO concerning the *Corporations Act 2001* (Cth).

#### **QAO Issue 5: Failure to finalise audit opinion by 31 August 2021**

##### **GPC Response:**

The audit opinion was finalised on 14 September 2021 – after the legislative deadline of 31 August 2021.

The accounts were only settled after QAO made further information requests regarding finalisation of notes to the accounts and completed their assessment of disclosures detailing salary and other benefits to former Key Management Personnel. GPC executive management responded to these requests in a timely fashion.

GPC executive management intends to work collaboratively with QAO to meet the relevant legislative deadline in FY22 set for finalisation of the audit opinion.

Yours sincerely,

**Dr Anthony Lynham**  
**CHAIR**

## B. Legislative context

### Frameworks

Transport entities prepare their financial statements in accordance with the following legislative frameworks and reporting deadlines.

**Figure B1**  
**Legislative frameworks for the transport sector**

Entity type	Entities	Legislative framework	Legislated deadline
<b>Departments</b>	<ul style="list-style-type: none"> <li>Department of Transport and Main Roads</li> </ul>	<ul style="list-style-type: none"> <li><i>Financial Accountability Act 2009</i></li> <li>Financial and Performance Management Standard 2019</li> </ul>	<b>31 August</b>
<b>Statutory bodies</b>	<ul style="list-style-type: none"> <li>Cross River Rail Delivery Authority</li> <li>Queensland Rail</li> </ul>	<ul style="list-style-type: none"> <li><i>Financial Accountability Act 2009</i></li> <li>Financial and Performance Management Standard 2019</li> <li><i>Statutory Bodies Financial Arrangements Act 1982</i></li> </ul>	<b>31 August</b>
<b>Wholly owned subsidiary of a statutory body</b>	<ul style="list-style-type: none"> <li>Queensland Rail Limited</li> </ul>	<ul style="list-style-type: none"> <li><i>Corporations Act 2001</i></li> <li>Corporations Regulations 2001</li> </ul>	<b>31 October</b>
<b>Government owned corporations</b>	<ul style="list-style-type: none"> <li>Gladstone Ports Corporation Limited</li> <li>North Queensland Bulk Ports Limited</li> <li>Port of Townsville Limited</li> <li>Far North Queensland Ports Corporation Limited</li> </ul>	<ul style="list-style-type: none"> <li><i>Government Owned Corporations Act 1993</i></li> <li><i>Corporations Act 2001</i></li> <li>Corporations Regulations 2001</li> </ul>	<b>31 August</b>

Source: Compiled by the Queensland Audit Office.

### Accountability requirements

The *Financial Accountability Act 2009*, which applies to the Department of Transport and Main Roads, Cross River Rail Delivery Authority, and Queensland Rail, requires them to:

- achieve reasonable value for money by ensuring the operations of the entity are carried out efficiently, effectively, and economically
- establish and maintain appropriate systems of internal control and risk management
- establish and keep funds and accounts that comply with the relevant legislation, including Australian accounting standards.



The *Government Owned Corporations Act 1993*, which applies to the four port entities, establishes key principles for government owned corporations covering:

- clarity of objectives
- management autonomy and authority
- strict accountability for performance
- competitive neutrality (which means the corporations should not have a competitive advantage or disadvantage solely due to their government ownership).



# C. Status of prior recommendations

Our report, *Transport 2020* (Report 10: 2020–21), identified the following recommendations for transport sector entities. Although some corrective actions have addressed parts of the recommendations, further action needs to be taken for all three recommendations.

**Figure C1**  
**Status of recommendations from prior year's report**

Improve procurement processes (all entities)		Further action needs to be taken*
REC 1	<p>All entities should:</p> <ul style="list-style-type: none"> <li>• assess their compliance with conflict of interest processes</li> <li>• ensure supplier information and payments are appropriately authorised and independently reviewed.</li> </ul>	<p>The entity with the significant deficiency has updated procurement checklists to ensure the conflicts of interest declarations are completed prior to being appointed as a panel member.</p> <p>However, we continue to identify other control deficiencies relating to officers not completing independence declarations before participating on tender panels. Further action is needed to improve these processes.</p> <p>Entities have undertaken appropriate corrective action to ensure the integrity of supplier information and payments. No new issues have been identified that indicate an ongoing, underlying risk.</p>



Strengthen the security of information systems (all entities)	Further action needs to be taken*
<p>REC 2 We recommend all public sector entities strengthen the security of their information systems. They rely heavily on technology, and increasingly, they have to be prepared for cyber attacks. Any unauthorised access could result in fraud or error, and significant reputational damage.</p> <p>Their workplace culture, through their people and processes, must emphasise strong security practices to provide a foundation for the security of information systems.</p> <p>All entities across the public sector should:</p> <ul style="list-style-type: none"> <li>• provide security training for employees so they understand the importance of maintaining strong information systems, and their roles in keeping them secure</li> <li>• assign employees only the minimum access required to perform their job, and ensure important stages of each process are not performed by the same person</li> <li>• regularly review user access to ensure it remains appropriate</li> <li>• monitor activities performed by employees with privileged access (allowing them to access sensitive data and create and configure within the system) to ensure they are appropriately approved</li> <li>• implement strong password practices and multifactor authentication (for example, a username and password, plus a code sent to a mobile), particularly for systems that record sensitive information</li> <li>• encrypt sensitive information to protect it</li> <li>• patch vulnerabilities in systems in a timely manner, as upgrades and solutions are made available by software providers to address known security weaknesses that could be exploited by external parties.</li> </ul> <p>Entities should also self-assess against all of the recommendations in <i>Managing cyber security risks</i> (Report 3: 2019–20) to ensure their systems are appropriately secured.</p>	<p>We continue to identify several control deficiencies relating to information systems. Cyber attacks continue to be a significant risk, with ongoing changes in entities' working environments due to COVID-19.</p> <p>Entities have undertaken the following to strengthen the security of information systems:</p> <ul style="list-style-type: none"> <li>• implemented security monitoring systems to detect and report on potential security threats and events</li> <li>• enabled multi-factor authentication on all external systems available to the public</li> <li>• implemented strong password practices in line with the state's recommendations (for example, a minimum of eight-character passwords)</li> <li>• implemented mandatory cyber security awareness training</li> <li>• implemented policies and processes to identify critical security vulnerabilities.</li> </ul> <p>We recommend all transport entities continue implementing policies and processes to strengthen the security of information systems.</p>



Strengthen payroll processes and controls (all entities)		Further action needs to be taken*
REC 3	All entities should ensure employee information, timesheets, and payments are recorded accurately, appropriately authorised, and independently reviewed.	<p>Transport entities have:</p> <ul style="list-style-type: none"> <li>reconciled fortnightly payment summaries to bank statements and the general ledger</li> <li>updated processes for changes to employee information to ensure they are adequately documented, appropriately authorised, and accurately entered in the system</li> <li>matched employee pay rates set up in payroll systems to employment contracts.</li> </ul> <p>We continue to identify several control deficiencies relating to the completion and review of manual timesheets. Given the high volume of employees still using some form of paper-based timesheets, there is an increased risk of errors that require correcting in a subsequent pay run.</p> <p>These adjustments take significant time and resources, which could be reduced using electronic timesheet systems.</p> <p>We recommend that all transport entities ensure timesheet processes are followed and consider a technology solution to automate timesheets.</p>

Notes: \*Refer to 'Recommendation status definitions'.

Source: Queensland Audit Office.

## Recommendation status definitions

Status	Definition
<b>Fully implemented</b>	Recommendation has been implemented, or alternative action has been taken that addresses the underlying issues and no further action is required. Any further actions are business as usual.
<b>Partially implemented</b>	Significant progress has been made in implementing the recommendation or taking alternative action, but further work is required before it can be considered business as usual. This also includes where the action taken was less extensive than recommended, as it only addressed some of the underlying issues that led to the recommendation.
<b>Not implemented</b>	<b>Recommendation accepted</b> No or minimal actions have been taken to implement the recommendation, or the action taken does not address the underlying issues that led to the recommendation.
	<b>Recommendation not accepted</b> The entity did not accept the recommendation.
<b>No longer applicable</b>	Circumstances have fundamentally changed, making the recommendation no longer applicable. For example, a change in government policy or program has meant the recommendation is no longer relevant.



Where a general recommendation has been made for all entities to consider, we have assessed action on issues reported to specific entities in the prior year, as well as any further issues identified in the current year. On this basis, we have concluded whether *appropriate action has been taken* across the sector, or if *further action needs to be taken* to address the risk identified.

Status	Definition
<b>Appropriate action has been taken</b>	Recommendations made to individual entities have been implemented, or alternative action has been taken that addresses the underlying issues and no further action is required. No new issues have been identified across the sector that indicate an ongoing underlying risk to the sector that requires reporting to parliament.
<b>Further action needs to be taken</b>	Recommendations made to individual entities have not been fully implemented, and/or new recommendations have been made to individual entities, indicating further action is required by entities in the sector to address the underlying risk.



## D. Audit opinions for entities preparing financial reports

Each year, Queensland state public sector entities must table their audited financial statements in parliament.

These financial statements are used by a broad range of parties, including parliamentarians, taxpayers, employees, and users of government services. For these statements to be useful, the information reported must be relevant and accurate.

The Auditor-General's audit opinion on these entities' financial statements assures users that the statements are accurate and in accordance with relevant legislative requirements.

We express an *unmodified opinion* when the financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards. We *modify* our audit opinion when financial statements do not comply with the relevant legislative requirements and Australian accounting standards and are not accurate and reliable.

The following table details the types of audit opinions issued, in accordance with Australian auditing standards for the 2020–21 financial year.

**Figure D1**  
**Audit opinions issued in 2020–21**

Entity type	Entity	Date audit opinion issued	Type of audit opinion issued
Department	Department of Transport and Main Roads	30.08.2021	Unmodified
Statutory bodies	Cross River Rail Delivery Authority	18.08.2021	Unmodified
	Queensland Rail	30.08.2021	Unmodified
Wholly owned subsidiary of a statutory body	Queensland Rail Limited	30.08.2021	Unmodified
Government owned corporations	Gladstone Ports Corporation Limited	14.09.2021	Unmodified
	North Queensland Bulk Ports Limited	31.08.2021	Unmodified
	Port of Townsville Limited	26.08.2021	Unmodified
	Far North Queensland Ports Corporation Limited (Ports North)	27.08.2021	Unmodified

Note: The audit opinion results for Gold Coast Waterways Authority and Transmax Pty Ltd will be detailed in the state entities 2021 report.

Source: Compiled by the Queensland Audit Office.



## E. Entities not preparing financial reports

For each state public sector company, other than government owned corporations, the board of directors considers the requirements of the *Corporations Act 2001* and the company's constitution to determine whether financial statements need to be prepared. The board must revisit the assessment every three years or whenever a significant change occurs.

When entities are part of a larger group and are secured by a guarantee with other entities in that group (that they will cover their debts), the Australian Securities and Investments Commission allows them to not prepare a financial report. In addition, dormant or small companies that meet specific criteria under the *Corporations Act 2001* are not required to prepare financial statements.

Accordingly, the Auditor-General will not issue audit opinions for the following controlled public sector entities for 2021, as they were not required to produce financial statements.

**Figure E1**  
**Transport sector entities not preparing financial reports in 2020–21**

Public sector entity	Reason for not preparing financial statements
<b>Controlled entities of Queensland Rail Limited</b>	
On Track Insurance Pty Ltd	Non-reporting
<b>Controlled entities of Gladstone Ports Corporation Limited</b>	
Gladstone Marine Pilot Services Pty Ltd	Non-reporting
<b>Controlled entities of North Queensland Bulk Ports Limited</b>	
Mackay Ports Limited	Dormant
Ports Corporation of Queensland Limited	Dormant

Source: Compiled by the Queensland Audit Office.

## F. Financial results

**Figure F1**  
For the year ended 30 June 2021

Amounts in \$' 000									
Entity	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax (loss)	Shareholder returns	Finance costs	New borrowings	Repayment of borrowings
DTMR	87,575,717	10,218,610	6,785,407	6,740,271	45,136	7,930	117,878	–	–
QR	8,336,785	5,044,708	2,222,607	1,959,391	263,216	260,216	136,353	88,814	–
CRRDA	3,663,290	2,325,617	247,708	251,221	(3,513)	–	40,562	–	–
GPC	2,480,954	1,380,914	516,592	383,638	132,954	132,576	32,381	–	876
NQBP	812,987	392,351	118,095	95,602	22,493	10,916	8,003	–	–
POTL	883,143	231,400	77,171	56,703	20,468	19,686	4,891	–	–
Ports North	408,232	46,815	48,610	57,089	(8,479)	(2,300)	16	–	–

Notes for Figures F1–F2:

- Shareholder returns are made up of dividends (a share of profits paid to shareholders) and income tax equivalents (which are paid by commercial operations in government instead of tax). DTMR shareholder returns are income tax equivalents from the Roadtek business unit.
- DTMR—Department of Transport and Main Roads; QR—Queensland Rail; CRRDA—Cross River Rail Delivery Authority; GPC—Gladstone Ports Corporation Limited; NQBP—North Queensland Bulk Ports Limited; POTL—Port of Townsville Limited; and Ports North—Far North Queensland Ports Corporation Limited.

**Figure F2**  
For the year ended 30 June 2020

Amounts in \$' 000									
Entity	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax (loss)	Shareholder returns	Finance costs	New borrowings	Repayment of borrowings
DTMR*	82,417,092*	10,413,403*	6,660,146*	6,423,861*	236,285*	7,541	121,778	–	–
QR	8,095,891	4,798,702	2,115,206	1,944,649	170,557	170,557	162,468	250,000	–
CRRDA	2,276,600	1,204,984	164,795	161,654	3,141	–	19,679	–	–
GPC	2,493,092	1,392,343	513,146	394,820	118,326	116,902	34,305	–	628
NQBP**	838,462	409,040	114,046	104,155**	9,891**	16,906**	8,525	–	–
POTL	732,355	202,672	81,323	61,452	19,871	19,513	5,258	–	–
Ports North	407,609	48,011	55,190	88,788	(33,598)	(7,561)	19	–	–

Notes for Figure F2:

\* Prior year figures have been restated by the entity in its 2020–21 financial statements due to the implementation of new accounting standard AASB 1059 *Service Concession Arrangements: Grantors* and prior period land and building valuation errors.

\*\* Prior year figures have been restated by the entity in its 2020–21 financial statements due to a change in accounting policy impacting depreciation and amortisation expense.

Source: Compiled by the Queensland Audit Office.





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