

FINANCIAL AUDIT REPORT 23 November 2026

Energy 2026

Report 5: 2026–27

Queensland Audit Office
Better public services

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- provides professional audit services, which include our audit opinions on the accuracy and reliability of entities' financial statements
- provides insights on entities' 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, insights, and advice, and provides recommendations for improvement
- connects our reports to regions and communities with graphics, tables, and other visualisations
- 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 entities, our professional networks, industry, and peers.

We conduct all our audits and reports to parliament under the *Auditor-General Act 2009*.

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The Honourable P Weir MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

23 November 2026

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

Rachel Vagg
Auditor-General

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Acknowledgement

The Queensland Audit Office acknowledges the Traditional Owners and Cultural Custodians of the lands, waters, and seas across Queensland. We pay our respects to Elders past and present.

Reference to comments

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.

Report on a page

This report summarises the audit results of Queensland's state-owned energy sector entities. These entities generate, transmit, and distribute most of Queensland's electricity and provide retail services to regional residential, commercial, and industrial customers. The financial statements of the entities are reliable and comply with relevant reporting requirements.

Entities' financial performance

In 2025–26, energy entities recorded a combined loss of $660.9 million, compared to the $131.6 million profit reported in 2024–25. No dividends were declared this year.

The 3 generators recorded a total loss of $465.0 million. The reduced results were due to lower wholesale electricity revenue, increased losses from amounts owed by a coal supplier, and losses from projects that were cancelled, discontinued, or transferred before completion. Generators and retail entities also incurred losses on contracts used to manage electricity price fluctuations.

The 2 transmission and distribution entities recorded a total loss of $195.9 million, primarily due to project write-offs, higher depreciation, and borrowing expenses. While they have reported net losses, they did report increased revenue and reduced operating costs.

Entities' first sustainability reports

Energy entities delivered their first sustainability reports in 2025–26. Our reviews found the reported governance, greenhouse gas emissions, and climate-related risks and opportunities disclosures met the reporting requirements.

Governance	All entities established board and subcommittee oversight of climate-related matters.
Climate-related risks and opportunities	Extreme weather was a common risk across all entities, while climate-related opportunities varied between entities.
Greenhouse gas emissions	The entities generated total emissions of 28.8 million tCO2-e in 2025–26. In 2025, the Clean Energy Regulator disclosed that Stanwell and CS Energy were among Australia's top 10 greenhouse gas emitters.

We will extend our review to all sustainability report disclosures in 2026–27.

Key transactions and developments

The Queensland Government released the *Energy Roadmap* in 2025–26, outlining its priorities for affordable, reliable, and sustainable energy. To facilitate the priorities, the QIC Investor Gateway is connecting investors and developers with existing and planned energy initiatives. The financial effect of some of these transactions were reported in the financial statements of energy entities.

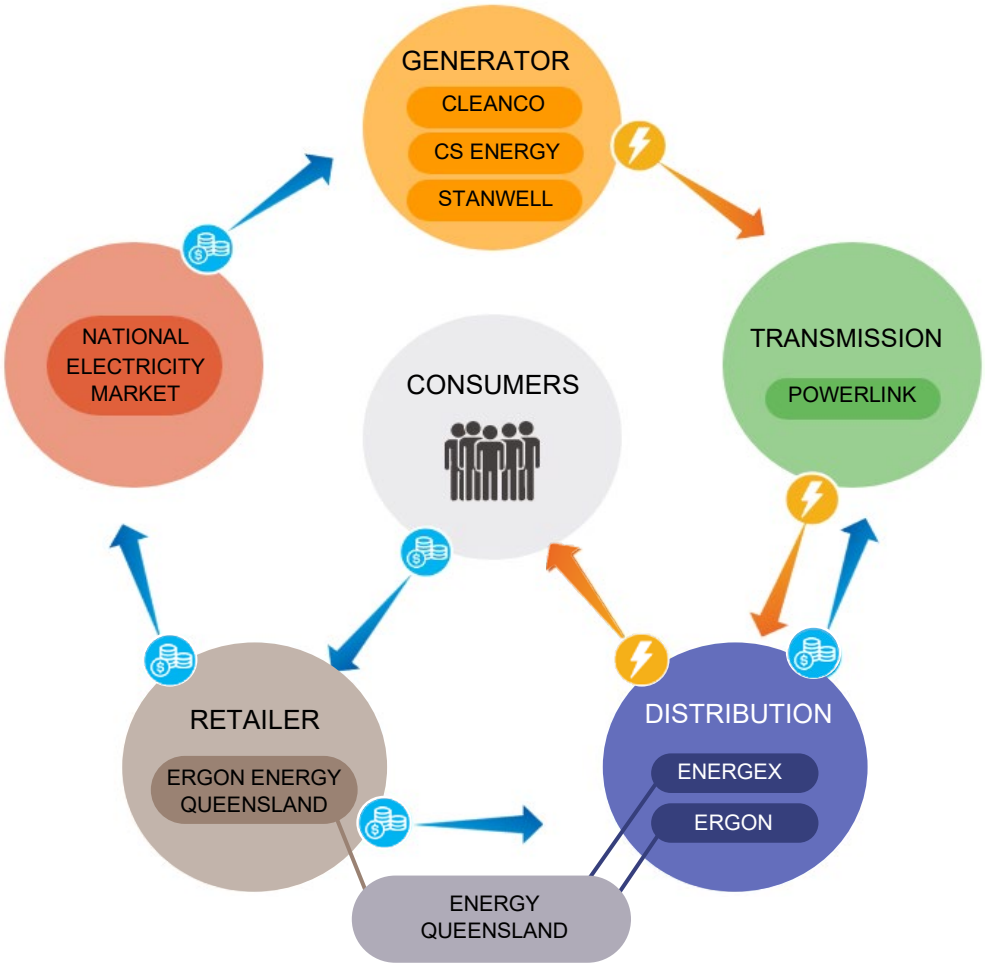
These include CS Energy's transfer of its 50 per cent equity ownership in Boulder Creek Wind Farm to a private investor. CS Energy also reported Brigalow Peaking Power Plant and Lotus Creek Wind Farm projects as held for sale at $907.2 million. CS Energy is working towards the transfer of these projects to the private sector. Powerlink will also transfer the CopperString project to QIC group in 2026–27. Changes in the scope of the CopperString project resulted in an impairment loss of $84.7 million in Powerlink's financial statements.

Other developments included a draft regulatory decision for Powerlink, which reflected lower revenue for Powerlink for 2028–32 than it had proposed. It also included the introduction of the Connections Guarantee performance measures for Energy Queensland and Powerlink, commencing in 2026–27.

1. Entities in this report

In this report, we cover the Queensland state government-owned corporations that generate, transmit, and distribute electricity and provide retail services to regional customers. Figure 1A shows the corporations' roles in Queensland's energy sector supply chain.

Figure 1A
Queensland's energy sector



Source: Compiled by the Queensland Audit Office.

CleanCo, CS Energy, and Stanwell generate electricity. Powerlink transmits this electricity to Energy Queensland, which then distributes it to retail consumers. The National Electricity Market is the wholesale electricity market where generators and retailers from Australia's eastern and southern states trade electricity. The Australian Energy Market Operator manages the wholesale and retail markets.

Energex Limited (Energex), Ergon Energy Corporation Ltd (Ergon), and Ergon Energy Queensland are subsidiaries of Energy Queensland. These entities service South East Queensland and regional areas of Queensland. Ergon Energy Queensland refers to itself as Ergon Energy Retail, and Ergon Energy Corporation Ltd refers to itself as Ergon Energy Network.

CleanCo, CS Energy, and Stanwell also participate in the retail market, providing energy solutions to large commercial and industrial organisations.

2. Results of our audits

This chapter gives an overview of our audit opinions for the energy sector entities. It provides conclusions on the effectiveness of the systems and processes (internal controls) that the entities use to prepare financial statements.

Chapter snapshot

The financial statements of all entities are reliable

8 unmodified audit opinions

Network entities complied with Australian Energy Regulator orders

15 unmodified audit opinions and review conclusions

Energy entities complied with financial services licence requirements

4 unmodified opinions

The disclosures we reviewed in the sustainability reports are reliable

5 unmodified review conclusions

We raised 14% more deficiencies this year

Includes 1 significant deficiency on payroll overpayment

Prior year deficiencies are taking longer to resolve

18 prior year issues unresolved (9 in 2025)

Audit opinion results

We issued unmodified audit opinions for all state-owned energy entities in Queensland. This means their financial statements can be relied upon, and they were prepared in accordance with the relevant legislative requirements and Australian accounting standards.

In 2025–26, Stanwell also prepared separate general purpose financial statements for its parent entity to comply with the Australian financial services licence requirement.

All entities reported their results within the legislative deadlines. Appendix E provides details on the audit and review opinions we issued for energy entities in 2026.

Energy entities complied with regulatory reporting and financial services licence requirements

The Australian Energy Regulator uses annual information orders to collect information from the distribution and transmission entities. It uses this information to decide how much these entities can earn. This year we issued 7 audit opinions and 8 review conclusions for Energex, Ergon, and Powerlink in relation to these orders.

We issued 4 unmodified audit opinions relating to compliance with Australian financial services licences. Energy entities are required to hold these licences to trade in electricity financial products. These financial products are used for managing the risk of fluctuating wholesale and retail electricity prices.

In Appendix E, we list the assurance engagements we performed during the year on annual information orders and Australian financial services licences.

Some entities are not required to prepare financial statements

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.

Some entities are part of a larger group and are secured by a guarantee that the larger group will cover each of the entity's debts. These entities are not required to prepare financial statements. In addition, dormant or small companies that meet specific criteria under the *Corporations Act 2001* are not required to prepare financial statements. Appendix F lists the energy entities that were not required to produce financial statements for 2026.

Energy entities prepared their first sustainability reports

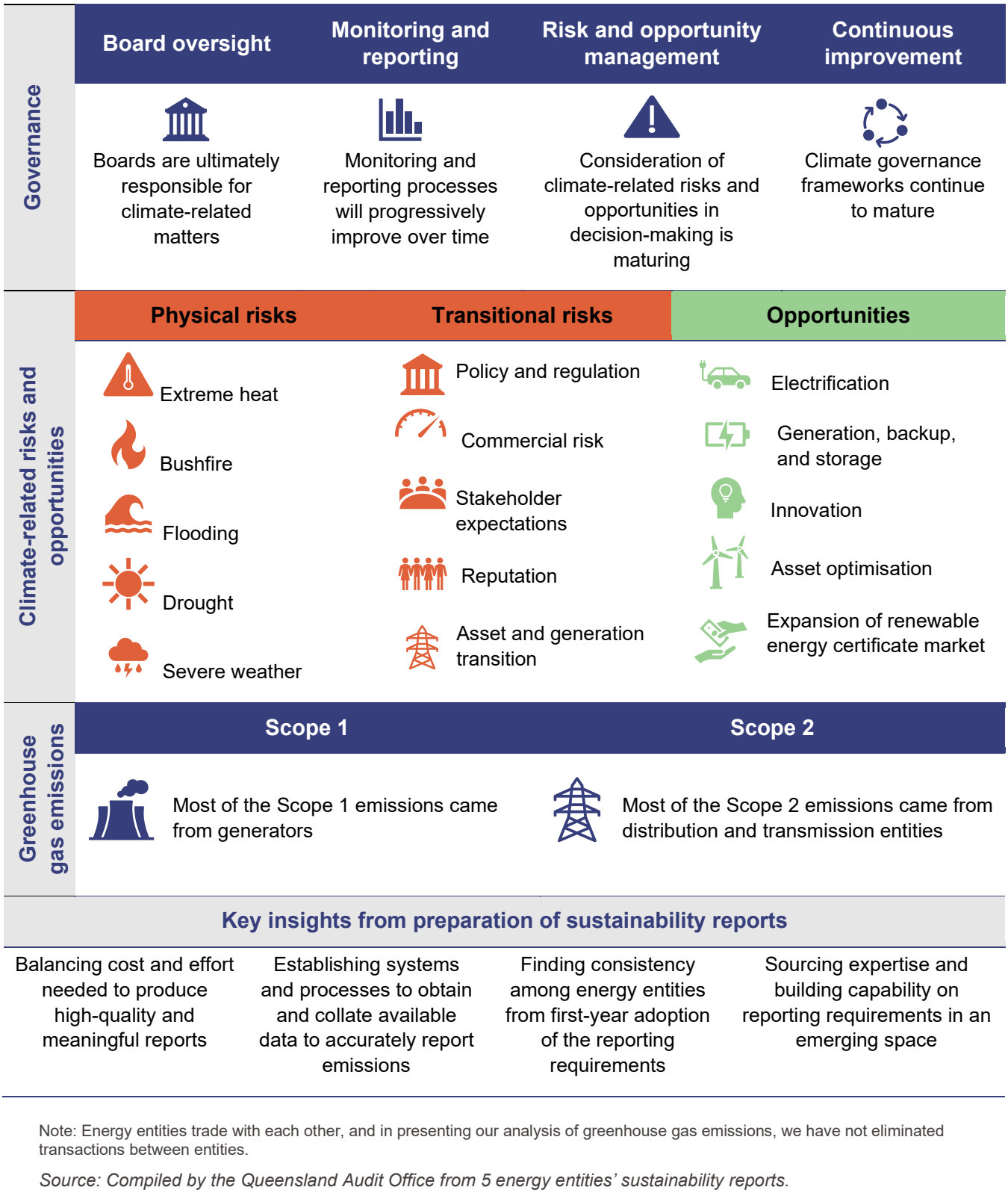
In 2025–26, energy entities prepared their first sustainability reports to meet new climate reporting requirements of the *Corporations Act 2001.* They delivered them on time with their financial statements. Boards are responsible for overseeing climate-related matters and these reports provide greater transparency on governance, climate-related risks and opportunities, and greenhouse gas emissions. Our reviews resulted in 5 unmodified limited assurance opinions on governance, climate-related risks and opportunities, and emissions. Appendix E lists the entities covered by these engagements.

The reports include disclosures on how entities govern and make decisions about climate-related risks and opportunities. They also include how these affect business strategy and operations, descriptions of the management of the risks, and quantitative emission information. Emission information includes Scope 1, which are emissions that are directly from operations such as electricity generation. It also includes Scope 2 emissions that are indirect emissions from production of purchased electricity and transporting electricity through distribution and transmission networks.

As this was the first year of mandatory sustainability reporting, entities worked on establishing reliable emissions reporting processes, building capability and expertise, and achieving consistency in reporting approaches.

Figure 2A provides a summary of the key themes identified across the energy sector.

Figure 2A
Insights from energy sector sustainability reports



Note: Energy entities trade with each other, and in presenting our analysis of greenhouse gas emissions, we have not eliminated transactions between entities.

Source: Compiled by the Queensland Audit Office from 5 energy entities' sustainability reports.

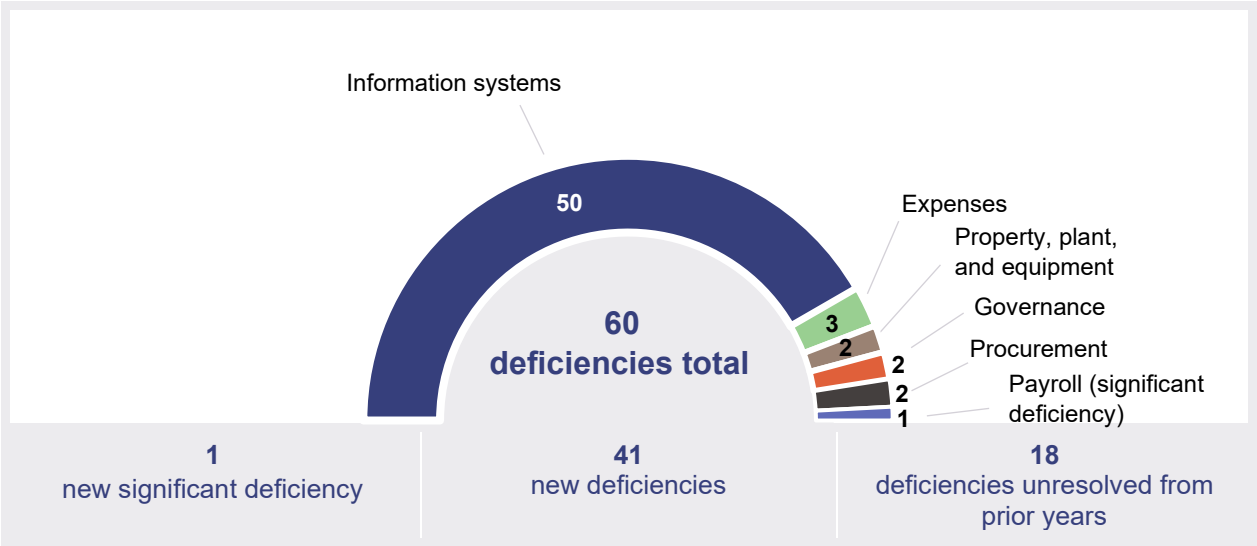
Internal control environment

We found that the controls over the systems and processes used to prepare financial reports were effective but can be improved. The main area for improvement relates to information systems controls, including system and access security controls.

We assess whether the internal controls entities used to prepare financial statements are effective in preventing material errors and fraud. We report to management any deficiencies in the design or operation of those internal controls. Findings 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 managerial action.

This year we found 60 internal control deficiencies (2024–25: 46). Figure 2B shows the 42 new deficiencies identified during the year (2024–25: 37) and 18 re-raised or unresolved deficiencies from prior years.

Figure 2B
Types of deficiencies in internal controls in 2025–26



Source: Compiled by the Queensland Audit Office from reports issued to the relevant entities.

We have reported internal control deficiencies to individual entities during our audits. We do not make any new recommendations in this report.

Information systems controls face ongoing challenges

Most of the deficiencies we reported to management involved weaknesses in information security. This year, we identified 32 new information security issues (2024–25: 29) and resolved 22 issues reported last year. The new issues are consistent with those reported in previous years, indicating that the root causes of weaknesses are unresolved. This increases the risk that similar deficiencies will continue to occur.

Information systems control deficiencies across all entities include:

- weaknesses in systems security and password settings, which increases the risk of unauthorised access to key financial systems.
- inadequate monitoring of the privileged users' access and activities. Privileged users can access restricted information and make changes to critical systems. Weak monitoring increases the risk that unauthorised activities may not be detected promptly.

We provide further detail of information systems deficiencies in our report, *Information systems 2026* (Report 4: 2026–27).

Our previous recommendations remain relevant and include strengthening user access controls, reviewing high-risk activities and security settings, and maintaining key cyber security measures. We have included further details relating to the status of recommendations from *Energy 2023* (Report 5: 2023–24) in Appendix D.

A former senior executive received a redundancy overpayment

We identified a significant deficiency after finding that a former senior executive received a redundancy overpayment of $242,754. The entity is in the process of recovering the amount, with the first payment of $159,449 received.

The overpayment resulted from an incorrect calculation and inadequate checking process. This included a limited understanding of how to calculate redundancy payments and how to apply the relevant policies and agreements appropriately.

Senior executive changes

Senior executives, led by chief executive officers (CEOs), are responsible for managing day-to-day business operations and supporting organisational objectives and accountability.

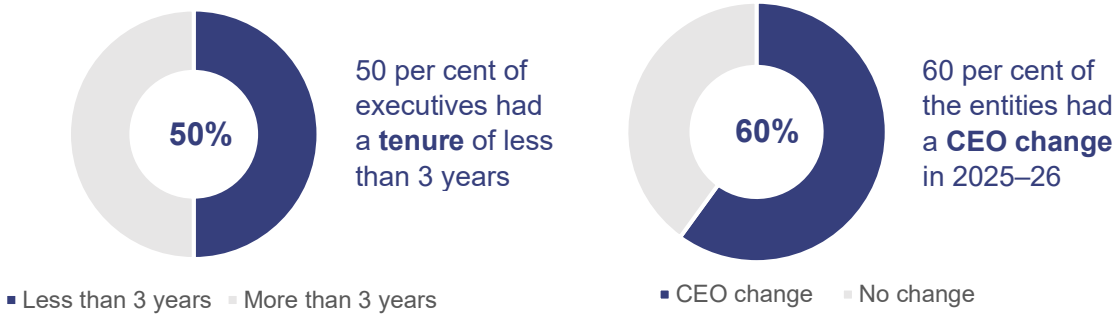
Changes in key leadership bring new strategic focuses and perspectives to organisations. They can also affect governance and decision-making as new executives transition into their roles. Entities should identify and manage the risks associated with loss of corporate knowledge and continuity as part of the change management process. Figure 2C summarises the movement of senior executives within the energy sector.

As of 30 June 2026, the energy entities employed 36 senior executives, averaging 7 executives per entity. Senior executives had an average tenure of 3.7 years, with half employed for less than 3 years. Of this, 28 per cent were employed for less than one year, which reflects significant changes in leadership. CEOs served an average tenure of 3.6 years.

During 2025–26, the entities appointed 16 senior executives. Generators made 10 appointments (average of 3 per generator), compared with 4 appointments by distribution entities and 2 by transmission entities. This includes existing senior executives who were newly appointed to a different executive role within the organisation.

Our analysis includes 3 CEOs who resigned, including one who resigned shortly after 30 June 2026. Entities have advised that the average time needed to recruit a CEO was just over 6 months, at an average cost of $154,000. This excludes Stanwell's CEO who departed in October 2026.

Figure 2C
Summary of senior executive changes



Note: Numbers exclude acting roles, and tenures exclude Powerlink's new CEO, onboarded for 2 days in 2025–26.

Source: Compiled by the Queensland Audit Office from annual reports issued by the energy entities.

Energy Queensland’s digital transformation program

In 2025–26, Energy Queensland wrote off a further $48.3 million relating to a legacy digital transformation program. This brought total write-offs for this program over the past 4 years to $122.1 million, representing 17 per cent of its total costs. The write-offs related to parts of the program where the timing and delivery of benefits were assessed by the entity as not able to be delivered or achieved.

Energy Queensland started the program in 2016, and it rescoped and closed the program in 2024–25 with total spending of $713.2 million.

Energy Queensland continues to replace its ageing systems. It wrote off an additional $3.8 million in 2025–26 (2024–25: $35.9 million) relating to a customer management experience system.

3. Financial performance of energy sector entities

This chapter analyses the financial performance and position of energy sector entities. It also considers emerging issues relevant to the sector.

Chapter snapshot

Generators' losses totalled $465 mil.
(▼$588 mil. from 2025)
- CleanCo: $23 mil. loss
- CS Energy: $27 mil. loss
- Stanwell: $415 mil. loss

Key drivers of performance:
- Lower wholesale prices
- Higher losses from hedging
- Increased losses from amounts owed by a coal supplier

Projects transferred and discontinued impacted results.
- $167 mil. in costs incurred on discontinued projects
- $33 mil. loss on a wind farm transfer

Distributor and retailer (Energy Queensland) results improved to a $67 mil. loss.
(▲$27 mil. from 2025)

Retail $80 mil. profit
(▼$71 mil. from 2025)

Key drivers of performance:
- Distribution – higher revenue and lower operating costs were partially offset by higher borrowing costs
- Retail – higher losses from hedging

Borrowings increased to replace ageing distribution network.
- Borrowings up 3%
- Finance costs up 16%

Transmission (Powerlink) incurred $129 mil. loss.
(▼$232 mil. from 2025)

Key drivers of performance:
- Lower revenue
- Impairments from the CopperString and pumped hydro projects
- Higher borrowing costs and employee expenses

All entities:
- Nil net returns made to shareholders
  (▼$778 mil. from 2025)
- Customer rebates reduced to $1,561 mil.
  (▼$620 mil. from 2025)

▲ indicates an improvement in financial performance compared to 2024–25.

▼ indicates a decline in financial performance or rebates compared to 2024–25.

Energy sector financial results

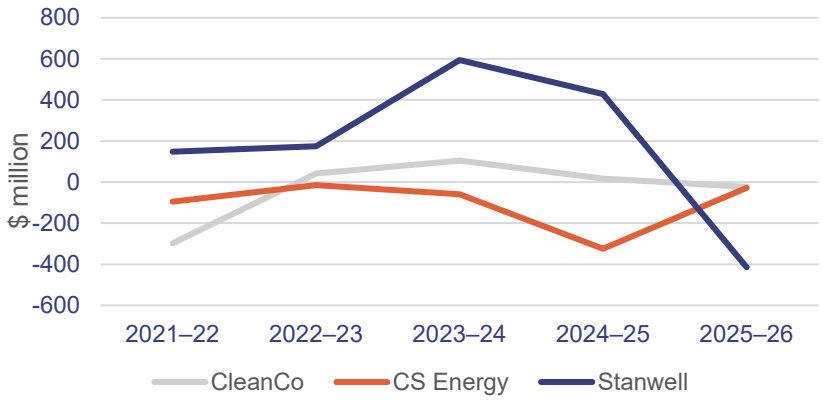
In 2025–26, energy sector entities reported a total loss of $660.9 million, compared with a total profit of $131.6 million in 2024–25. This was a decline of $792.5 million. As a result, the entities declared no dividends to the Queensland Government in 2025–26, compared with $438.9 million in the previous year.

Figures 3A and 3B outline the financial results of the energy entities.

Generators have been the primary contributor to sector profits in recent years, but their results declined this year. Wholesale electricity prices decreased as renewable generation increased, battery storage expanded, and coal plant performance improved. These factors improved electricity supply but reduced revenues for the generators.

Losses from discontinued projects, contracts used to manage changes in wholesale electricity prices, and losses from amounts owed by a coal supplier all affected energy generator results. Increased generation and insurance recoveries partially offset these impacts.

Figure 3A
Financial results of generator entities



In 2025–26, Stanwell's financial results included a loss of $661.6 million from amounts owed by a coal supplier.

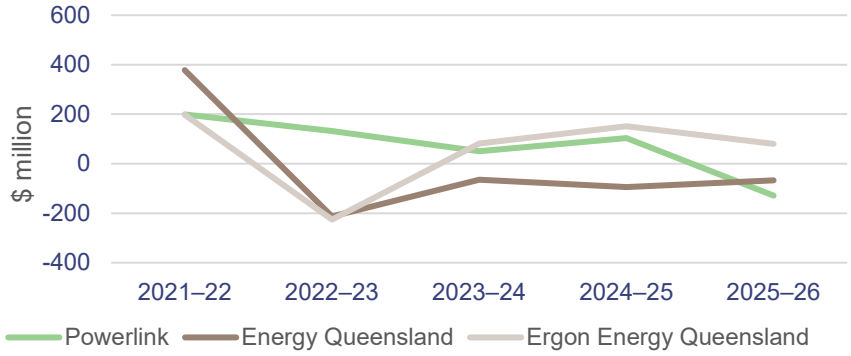
CS Energy's results included a receipt of insurance proceeds related to the 2020–21 Callide Unit C4 incident.

Without these impacts, the generators' combined result would have been close to break even.

Source: Compiled by the Queensland Audit Office from generator entities' audited financial statements.

The transmission and distribution entities also reported losses in 2025–26. Depreciation and financing expenses affected their results, which reflects the capital-intensive nature of their networks. Powerlink's net loss was largely due to a $133.2 million write-off arising from changes to the scope and delivery strategies of major infrastructure projects.

Figure 3B
Financial results of transmission, distribution, and retail entities



In 2025–26, Powerlink's financial results included $111.9 million in impairment losses related to CopperString and Borumba Pumped Hydro Energy Storage Connection projects. It also included impairment losses of other projects totalling $21.3 million.

Without these impairment losses, Powerlink would have reported a profit of $4.3 million.

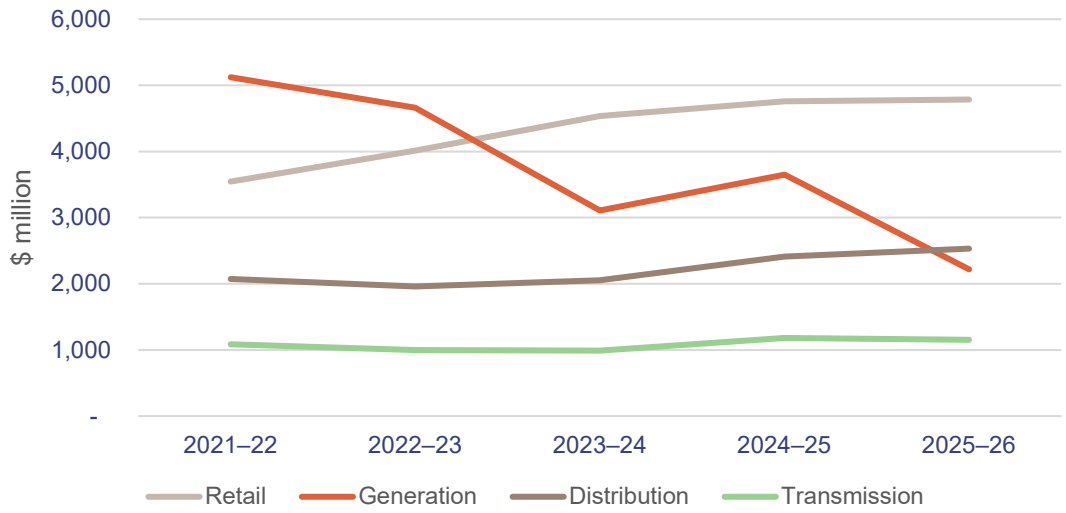
Source: Compiled by the Queensland Audit Office from distribution, retailer, and transmission entities' audited financial statements.

Analysis of energy sector revenue

In 2025–26, the total revenue decreased to $12,891.5 million (2024–25: $13,353.6 million). Queensland's energy entities earn revenue primarily from wholesale generation, retail sales, and network services. This total revenue amount excludes government grants and other income from non-operating activities such as interest income. Energy entities trade with each other, and in presenting our analysis of the energy sector revenue, we have not eliminated these transactions between entities.

Figure 3C shows revenue trends varied across the sector.

Figure 3C
Trend of energy sector revenue ($ mil.)



Note: This graph only includes the primary revenue sources, being retail, generation, distribution, and transmission revenue. Other revenue items have been excluded.

Source: Compiled by the Queensland Audit Office from energy entities' audited financial statements.

Retail revenue was stable

Retail revenue increased from $4,756.0 million in 2024–25 to $4,785.3 million in 2025–26, an increase of $29.3 million. While retail revenue has continued to increase, its growth has slowed over the last 2 years.

Fifty-three per cent of retail revenue is earned from electricity sold to regional Queensland by Ergon Energy Retail. Lower electricity consumption by customers resulted in lower revenue growth, which partly offset price increases approved by the Queensland Competition Authority.

The generators also sell electricity on the retail market to commercial and industrial customers. Unlike regulated retail revenue, the contracts are negotiated with the customers and are based on market conditions. Revenue from these contracts increased during the year due to growth in the number of commercial and industrial customers.

Network revenue is being outpaced by operating costs

Transmission and distribution revenues are primarily earned from transporting electricity to households and businesses. The Australian Energy Regulator manages these revenues and sets the amount network businesses can recover to operate, maintain, and invest in their networks.

Distribution revenue increased by $122.0 million (5 per cent) in 2025–26 as a result of higher electricity demand and increased tariff rates. While revenues have grown, operating costs have exceeded the assumptions reflected in the current Australian Energy Regulator determination, placing pressure on network profitability.

Powerlink is also likely to face a challenge with its revenue determination as it seeks to recover increasing network costs while balancing affordability for Queenslanders. The Australian Energy Regulator is expected to finalise Powerlink's revenue determination in 2026–27, which will set the revenue it can earn for the period 1 July 2027 to 30 June 2032.

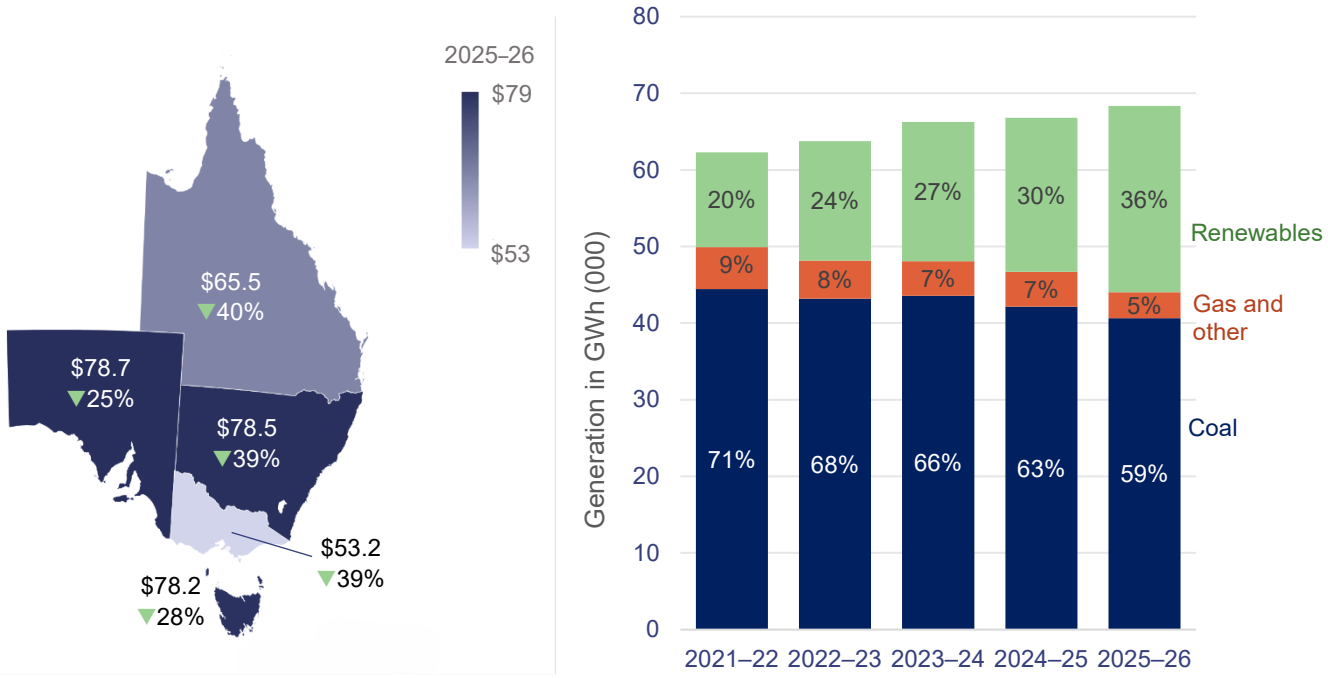
Generation revenue declined as wholesale electricity prices fell

As shown in Figure 3C, generation revenue has declined over the past 5 years. Queensland's average wholesale electricity prices reduced from $109.5 in 2024–25 to $65.5 per megawatt-hour in 2025–26. This, combined with lower price volatility, reduced profits for the generators.

Wholesale electricity prices are reducing as renewable generation, battery storage, and rooftop solar capacity expand. Increasing renewable output reduced the use of coal and gas-fired generation, particularly during daylight hours.

Figure 3D shows that the generation mix in Queensland is continuing to change. Coal plants remain the main source of electricity generation in Queensland, with increases in renewable energy generation over the past 5 years. Underlying electricity demand continued to grow.

Figure 3D
Queensland's average wholesale electricity prices in 2025–26 and the changing energy generation mix



Note: GWh – a gigawatt-hour, which is equal to 1,000 megawatts of energy used continuously for one hour. The 'renewables' category includes rooftop solar but excludes household battery storage.

Source: Compiled by the Queensland Audit Office from Australian Energy Market Operator pricing data and Open Electricity (the National Energy Market's information portal) generation data, extracted 7 July 2026.

While 2024–25 experienced greater wholesale electricity price volatility, prices were generally more stable in 2025–26. Queensland experienced a high number of low-price days and relatively stable market conditions.

On most days, average wholesale prices stayed below $100 per megawatt-hour. The highest average daily price was $243.3 (2024–25: $1,597.9) in January 2026 due to coal unit outages and reduced imports from New South Wales. Electricity prices are increasingly being shaped by renewable energy availability, battery charging and discharging patterns, and the growing uptake of distributed energy resources. Figure 3E summarises the wholesale electricity market in Queensland.

Figure 3E
Overview of Queensland's wholesale electricity market in 2025–26

Price summary

Minimum average daily price	Maximum average daily price	Number of days with average price below $80	Number of days with average price above $100
$11.7 (2024–25: $24.3)	$243.3 (2024–25: $1,597.9)	278 days (2024–25: 156 days)	31 days (2024–25: 133 days)
Coal units' availability, demand, renewable generation, and network constraints contributed to this year's lower minimum and maximum average daily prices.		Of these, 105 days (2024–25: 70 days) saw prices between $60 and $80. The frequency of low-price days increased significantly in the spring and summer of 2025.	Of these, 4 days (2024–25: 40 days) saw average daily prices above $150.

Key drivers

Rapid growth in wind generation	Continued expansion of solar	Increasing battery participation	Improved coal generation availability
Commissioning and ramp-up of Clarke Creek, MacIntyre, and Wambo Wind Farm increased generation capacity.	More households and businesses installed solar, which led to increased daytime generation and, in turn, lower prices.	Battery charging absorbed excess solar generation, while evening 'discharging' reduced the need for generators.	Coal units' availability and reliability increased. Increased renewable output and other external factors reduced the use of plants.

Source: Compiled by the Queensland Audit Office from Australian Energy Market Operator pricing data, extracted 7 July 2026.

Analysis of energy sector expenditure

The energy entities' total expenditure, inclusive of income tax equivalent, increased to $14,759.8 million (2024–25: $14,194.9 million). The main drivers for increased expenditure included losses from amounts owed by a coal supplier, asset impairment, and hedging and non-hedging losses. These increases are partially offset by lower transmission charges, lower electricity purchases, and lower income tax equivalent expenses. Energy entities trade with each other, and in presenting our analysis of the energy sector expenditure, we have not eliminated these transactions between entities.

Losses from amounts owed by a coal supplier increased

During 2025–26, Stanwell amended its contracts with a coal supplier to support the continued supply of coal to the Stanwell Power Station. The amendments included Stanwell providing liquidity support to the coal supplier through a loan of $406.3 million, which was secured against the supplier's assets.

In exchange, Stanwell extended its coal supply arrangements until 2043 and obtained discounts on the cost of coal. Stanwell will also have greater ability to nominate the supply coal volumes in response to its generation and market conditions.

The amended arrangements increased Stanwell's exposure to the supplier's future financial performance and ability to repay amounts owed. At 30 June 2026, the coal supplier owed Stanwell $1,311.2 million. Stanwell subsequently reassessed how much of this amount it expected to recover and recognised a loss of $661.6 million.

Stanwell's ability to recover the amounts owed remains uncertain and will depend on future market conditions such as export coal prices, foreign exchange, and the supplier's financial and operational performance. Future reassessments may result in additional losses or a reduction of the losses recognised in the current year, which may flow through positively in future periods.

Assets' impairment increased

Energy entities recorded $247.0 million in asset write-downs (impairments) in 2025–26. These write-downs occur when projects or assets are no longer expected to deliver the benefits originally anticipated. They reflected changes in project scope, updated business cases, and decisions to discontinue projects.

The main drivers for the impairment loss included:

- Powerlink writing off $84.7 million for CopperString and $27.2 million for the Borumba Pumped Hydro Energy Storage Project. Changes to the scope of these projects led to the costs being impaired
- CleanCo impairing $54.2 million on the Moah Creek Wind Farm project, which was discontinued during the year
- Energy Queensland writing off $48.3 million related to its digital transformation program.

Hedging and non-hedging losses increased

Hedging involves using contracts to manage fluctuations in wholesale electricity prices. These contracts usually form part of risk management activities. Entities make profits or losses on those contracts based on the actual movement of wholesale energy market prices. Gains or losses on hedging contracts are offset by corresponding losses or profits on wholesale electricity purchases.

Profits or losses from hedging contracts are either realised or unrealised at the end of each reporting period. Realised profits or losses are those that have been settled in cash, while unrealised profits or losses will be settled at the end of the contract.

Energy Queensland's net losses on hedging contracts were $298.8 million in 2025–26 (2024–25: $31.3 million). The increase was driven by lower, more stable electricity prices in 2025–26 compared with the prices when the hedges were entered into.

Stanwell recognised an unrealised loss of $492.1 million (2024–25: 300.2 million) due to a decline in the value of its electricity supply contracts. Lower wholesale electricity prices reduced the value of these contracts because the agreed prices were higher than market prices.

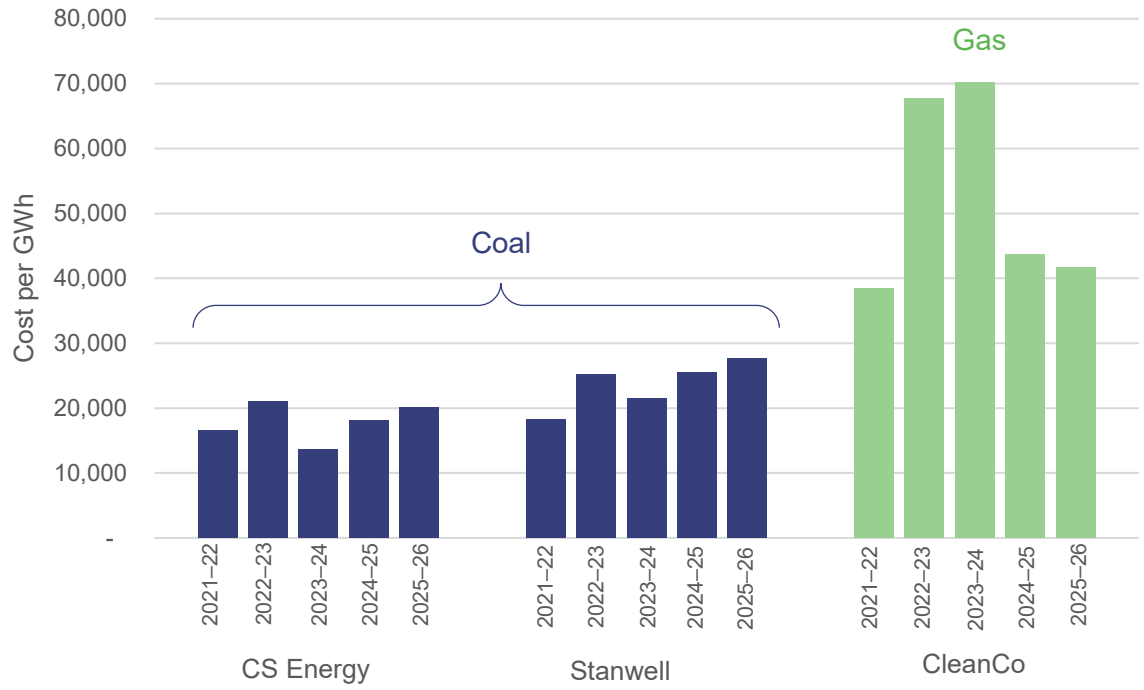
Generator fuel expenses increased

In 2025–26, the generators reported total fuel expenses of $723.5 million, which represents a 5 per cent increase from 2024–25 ($690.7 million).

Fuel expenses reflect the fuel used to generate electricity, including coal, gas, diesel, and other oil-based fuels. Generators enter long-term coal and gas supply contracts to secure reliable fuel supplies and manage costs. Additionally, some generators also source coal from their own mines.

Although overall fuel expenses increased, costs per gigawatt-hour of energy generated varied across the generators, as shown in Figure 3F. The fuel expenses for coal plants have increased over the last 3 years. This reflected the impact of planned overhauls that lowered generation, contract renegotiation, and disruptions to global energy markets. CleanCo uses a gas-fired power station to generate electricity. Even though the cost of gas has decreased over the past 2 years, it remains a higher-cost fuel source than coal.

Figure 3F
Fuel expense per gigawatt-hour of energy generated



Notes: Where possible, we have removed the gigawatt-hours CleanCo generates from offtake agreements.

Source: Compiled by the Queensland Audit Office from energy entities' audited financial statements. We have calculated fuel cost per gigawatt-hour as fuel cost divided by energy generated in gigawatt-hours.

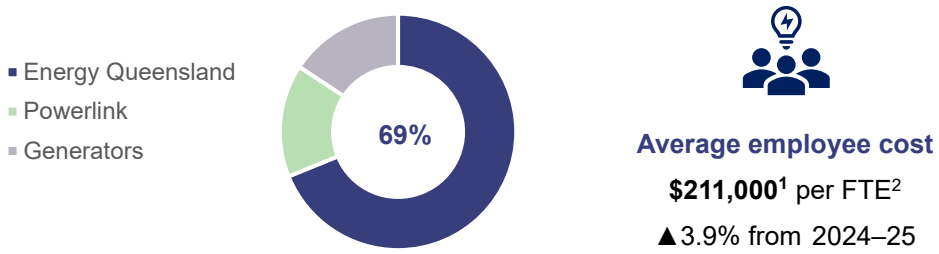
Transmission charges and electricity purchases decreased

Transmission charges are the cost of moving electricity across transmission networks. Electricity purchases are the cost of buying electricity from the National Electricity Market. Energy entities' expenditure on transmission charges and electricity purchases decreased by 16 per cent to $4,184.1 million (2024–25: $4,963.4 million). Lower wholesale electricity prices and the transmission of less electricity, due to the stronger generation of renewable energy, were key contributors to this decrease.

Employee expenses increased

Total employee expenses increased to $2,755.8 million in 2025–26 (2024–25: $2,703.4 million), despite the full-time equivalent workforce decreasing from 13,289 to 13,042. Higher salaries and wages led to higher total and average employee costs. Figure 3G shows that the network businesses employed the majority of the full-time equivalent employees, with Energy Queensland accounting for 69 per cent of the sector's workforce.

Figure 3G
Percentage of full-time equivalent employees per entity, and average employee cost



Note: [1]Average employee cost includes project-related staff costs. [2]FTE – full-time equivalent.

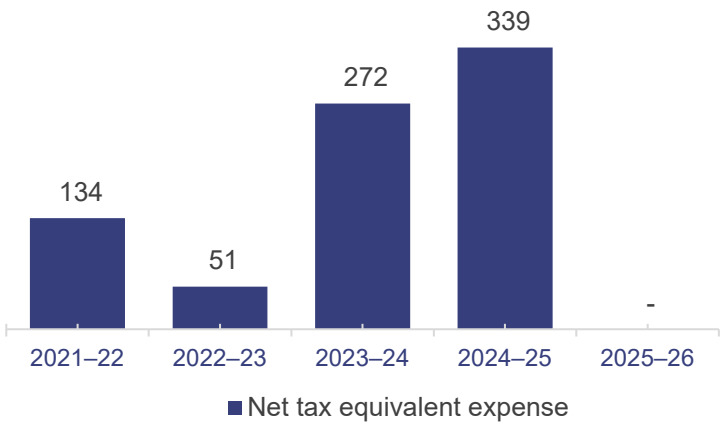
Source: Compiled by the Queensland Audit Office from energy entities' audited financial statements and annual reports.

Returns to shareholders

Returns are made up of income tax equivalents and dividends. The current year losses across all energy entities resulted in no returns to shareholders in 2025–26, compared with $777.9 million last year.

Figures 3H and 3I summarise the net returns to shareholders over the past 5 years.

Figure 3H
Net returns to shareholders from income tax equivalents ($mil.)



Energy entities had a combined net income tax benefit of $250.7 million in 2025–26, with nil amounts payable. This means that taxes were not paid or payable on the losses that were incurred.

An income tax equivalent benefit can be used to offset income tax equivalent expenses in future years.

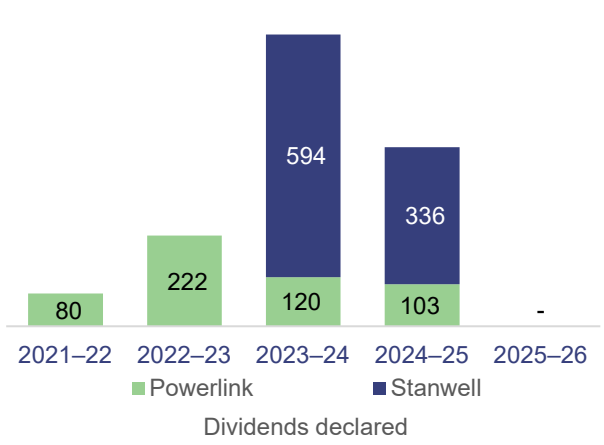
The decrease in income tax equivalent amounts this year is in line with the current year losses.

Source: Compiled by the Queensland Audit Office from energy entities' audited financial statements.

The 2025–26 state budget projected $541.0 million in dividend payments from the energy entities.

Future dividends may also remain under pressure as energy entities continue to invest in generation, transmission, storage, and network infrastructure to support Queensland's energy transition. Lower wholesale electricity prices are also expected to reduce earnings and dividend-paying capacity for the generation entities.

Figure 3I
Returns to shareholders from dividends ($mil.)



Energy entities normally pay out 80 to 100 per cent of their net profit after tax as dividends unless directed by the shareholding ministers.

As all energy entities reported losses in 2025–26, the Queensland Government received no dividends.

Over the last 5 years, only Powerlink and Stanwell have declared dividends. The maximum dividend returned to shareholders was $714.6 million from Stanwell and Powerlink combined in 2023–24.

The lower dividends in 2021–22 and 2022–23 are due to entities retaining their profits for investment in energy projects.

Source: Compiled by the Queensland Audit Office from the energy entities' audited financial statements.

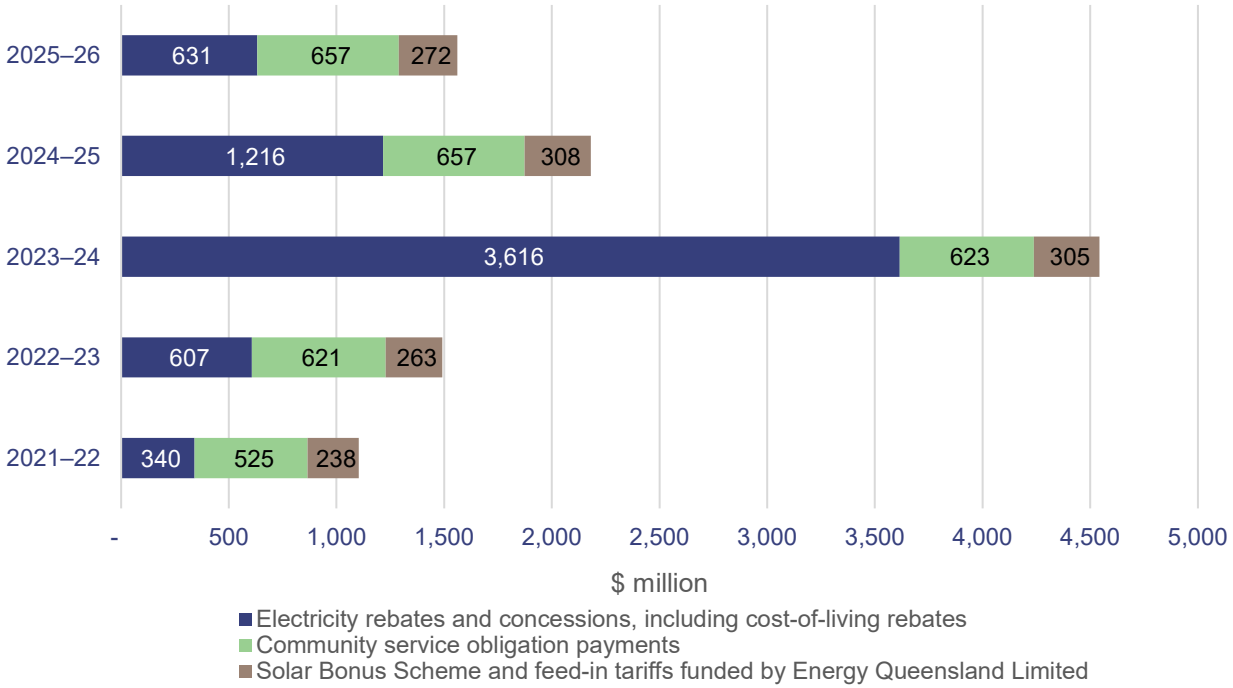
Customer rebates

Rebates aim to reduce electricity costs for customers through government payments, subsidies, and incentives for customers to generate their own solar energy.

Total support to customers has decreased over the last 3 years. In 2025–26, it decreased to $1,560.8 million, a decline of 28 per cent from 2024–25. Decreases in rebates drove this decline as cost-of-living support was scaled back and fewer customers met the eligibility for the Solar Bonus Scheme.

Figure 3J shows the support to customers from 2021–22 to 2025–26.

Figure 3J
Total support to customers



Source: Compiled by the Queensland Audit Office from the energy entities' audited financial statements; data from Queensland Treasury; and data from the Department of Families, Seniors, Disability Services and Child Safety.

Government payments, subsidies, and incentives for customers include:

- Community service obligation payments subsidise higher supply costs in regional Queensland, with $657.0 million paid in 2025–26. The subsidies allow the government to set notified regional electricity prices below the actual supply cost, reducing bills in regional Queensland.
- The Solar Bonus Scheme and feed-in tariffs, including the 44 cents per kilowatt-hour feed-in tariff, continue for eligible rooftop solar customers. Energy Queensland recovers the 44 cents through tariffs charged to customers. The Solar Bonus Scheme will end for existing eligible customers on 1 July 2028.
- Vulnerable households remain eligible for the $399.5 electricity rebate from the state government.

Generators' Electricity Maintenance Guarantee targets

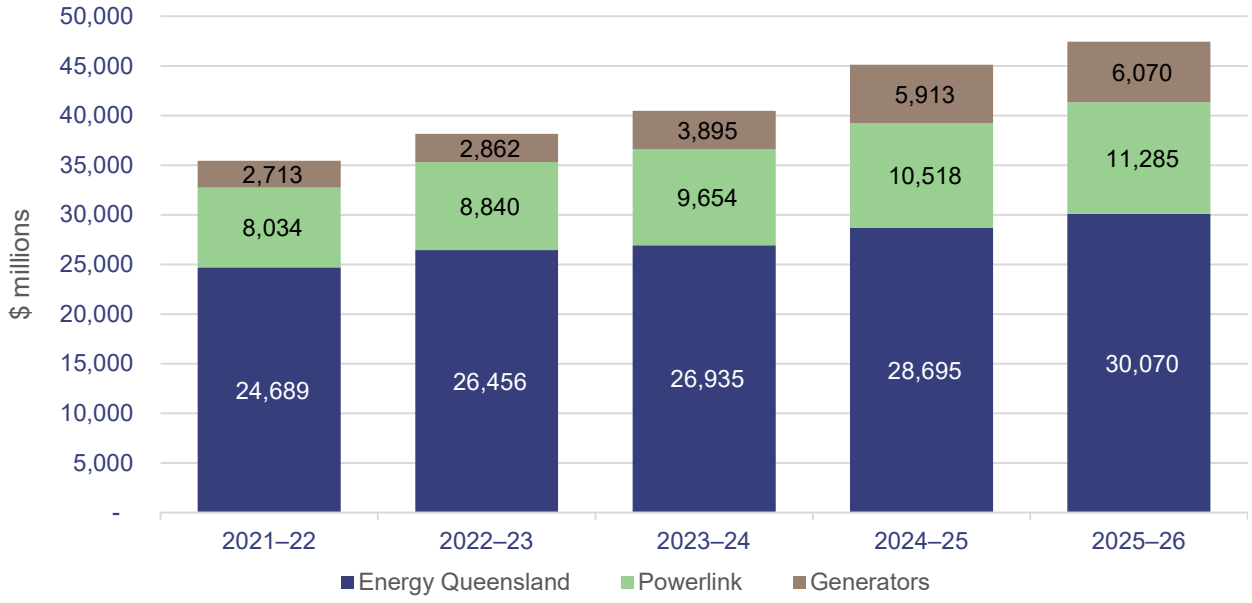
The Queensland Government introduced the Electricity Maintenance Guarantee in 2024–25 to improve the maintenance, safety, and long-term reliability of state-owned power stations. In 2025–26, CleanCo, CS Energy, and Stanwell reported that they achieved all maintenance, safety, process safety, and plant performance targets.

Asset balances

In 2025–26, energy entities reported property, plant, and equipment balances of $47,425.0 million, most of which relate to power stations and network assets. Transmission and distribution network entities held 87 per cent of these balances.

Figure 3K summarises the reported balances of power stations, transmission, and distribution network assets. It excludes projects held for sale.

Figure 3K
Property, plant, and equipment balances over the past 5 years



Note: In previous reports, these figures included the value of right-of-use assets. We have not included right-of-use assets in the figures this year.

Source: Compiled by the Queensland Audit Office from energy entities' audited financial statements.

In the financial statements, entities report assets at cost for generators and fair value for the majority of Energy Queensland and Powerlink assets. Fair value represents the value the asset could be sold for in an arm's length transaction.

Generation asset values are stable despite significant capital spend

Property, plant, and equipment values increased to $6,070.3 million in 2025–26. The increase resulted from investments in renewable energy, battery projects, and maintenance of electricity generation assets. However, the transfer and planned transfers of wind and gas assets offset this increase. This is detailed further below in 'The private sector is investing in energy infrastructure' section.

Transmission and distribution network assets' values have increased

Network assets' values have increased by $2,142.2 million in 2025–26. This was due to significant spending to upgrade the network assets and the valuation of assets.

Powerlink spent $947.7 million in network upgrades, new energy connections, and major projects such as the CopperString and Gladstone projects. Energy Queensland's $2,149.5 million capital program focused on network replacement and renewal, customer connections, resilience improvements, smart meter deployment, and renewable energy integration.

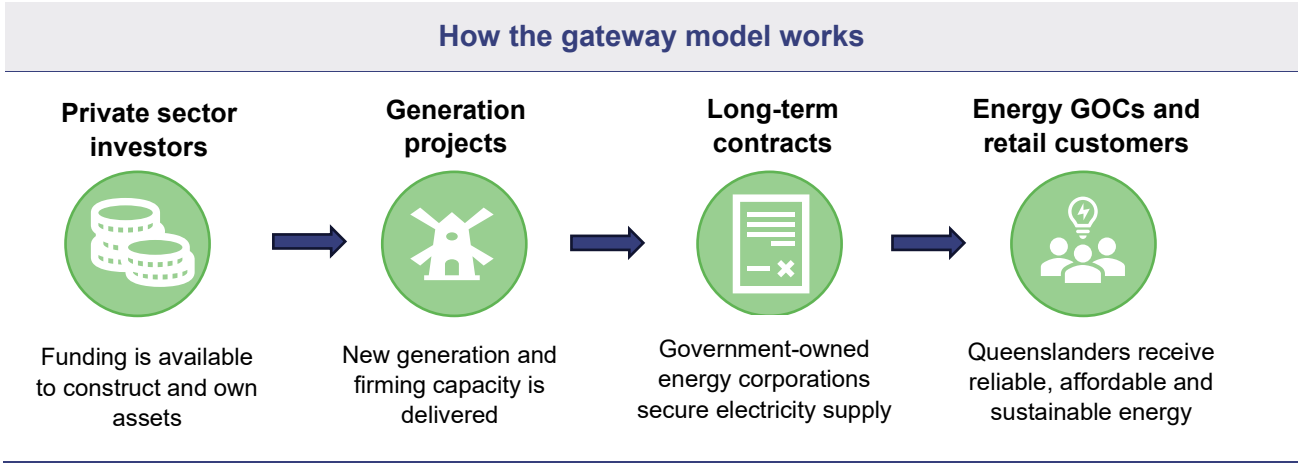
The fair value of transmission and distribution assets also increased by $796.7 million in 2025–26. This resulted from higher forecasted revenues from the assets as approved by the regulator as well as inflation.

The increase was partly offset by network costs that exceeded the Australian Energy Regulator's approved levels. The regulator assesses whether these costs can be recovered from customers. Costs that are unlikely to be recovered from customers may reduce future revenue and asset values.

The private sector is investing in energy infrastructure

The Queensland Government is using the QIC Investor Gateway to attract private sector investment into new energy assets. Under this approach, private investors fund and own energy assets, while government owned corporations secure access to the electricity supply through contractual agreements. Figure 3L outlines this model.

Figure 3L
QIC Investor Gateway model



Note: GOCs – government owned corporations.

Source: Adapted from the QIC Investor Gateway, available at https://www.qic.com/QLD-Energy.

In 2025–26, CS Energy completed a transaction to transfer its 50 per cent equity ownership in Boulder Creek Wind Farm to a private investor, and secured a 100 per cent offtake agreement with the new owner. As a result, it derecognised $255.1 million of assets, and reported a $32.9 million loss in the 2025–26 financial statements.

CS Energy classified the Brigalow Peaking Power Plant and the Lotus Creek Wind Farm project as held for sale at 30 June 2026, at a value of $907.2 million. In September 2026, CS Energy signed an agreement to transfer 80 per cent interest in the Brigalow Peaking Power Plant to a private investor. It also secured a 100 per cent offtake agreement with the private investor. We will audit the transfer of Brigalow Peaking Power Plant in 2026–27.

CS Energy also reported that it is facilitating the transfer of Lotus Creek Wind Farm through the QIC Investor Gateway.

Figure 3M summarises the changes in CS Energy's asset ownership.

Figure 3M
CS Energy – projects transferred or held for sale

Non generation assets		
Boulder Creek Wind Farm	**Brigalow Peaking Power Plant**	**Lotus Creek Wind Farm**
• 50% of CS Energy's interest transferred at a loss of $32.9 million • Expected to be operational by 2027 • Capable of supplying electricity to approximately 85,000 homes • 100% output will be supplied to CS Energy	• 80% share held for sale with a net carrying value of $284.6 million • Expected to be operational by 2029 • Capable of supplying electricity to more than 150,000 homes • 100% output will be supplied to CS Energy • CS Energy will operate the plant upon completion	• 100% share held for sale with a net carrying value of $622.5 million • Expected to be operational by 2027 • Capable of supplying electricity to more than 170,000 homes

Source: Compiled by the Queensland Audit Office from energy entities' audited financial statements.

Energy entities wrote off costs from discontinued projects

The state government and the energy entities' boards may decide to discontinue or no longer pursue an energy project based on a range of economic, social, and environmental factors. Changes may also occur to align with the government's overall energy policy.

In 2025–26, energy entities had discontinued or were no longer developing several energy projects. The discontinued projects commenced development between 2020 and 2024, and the associated costs written off for them in 2025–26 amounted to $186.4 million. The total costs associated with discontinued energy sector projects since 1 July 2024 was $483.2 million. Figure 3N shows these costs in 2025–26 by project type.

Figure 3N
Costs associated with energy sector projects discontinued in 2025–26

Pumped hydro	Wind farms	Transmission network
$78.5 mil.	$88.1 mil	$19.8 mil

Source: Compiled by the Queensland Audit Office from energy entities' audited financial statements.

Borrowings and related costs

Total borrowings increased to $33,600.8 million in 2025–26 (2024–25: $31,730.6 million).

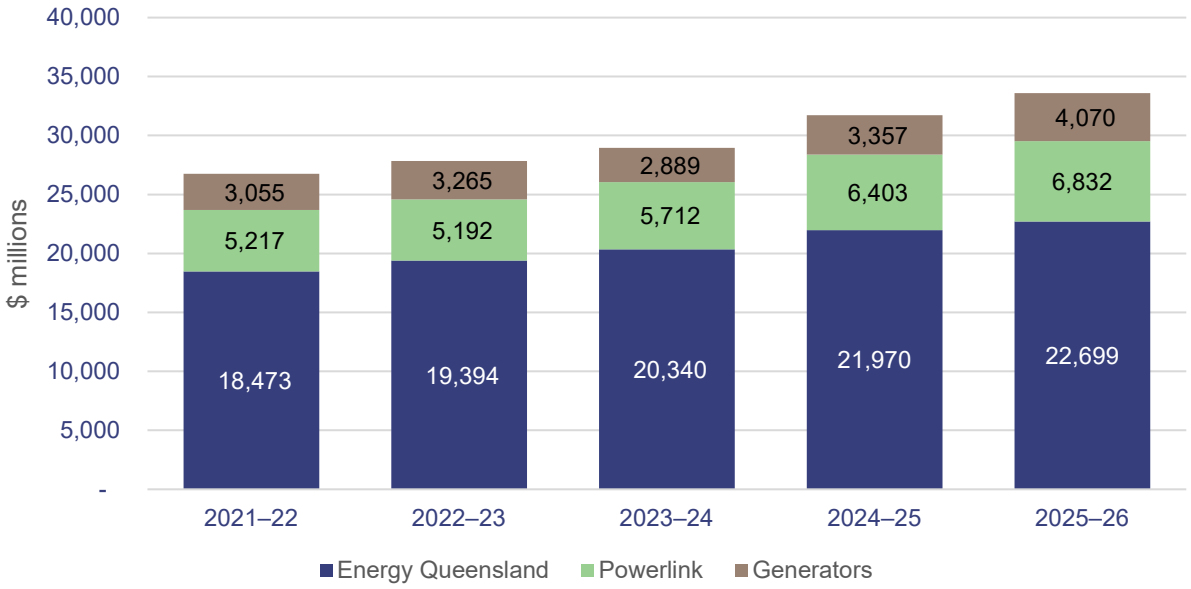
During the year, the energy entities borrowed $2,624.3 million and made repayments of $753.3 million.

Energy Queensland and Powerlink have the largest borrowings, due to the size of their network assets. Borrowings are used to maintain and expand the network assets and customer connection projects.

Stanwell's borrowings increased by $749.6 million, of which it used $406.3 million to provide financial support to its coal supplier. It also used borrowings to fund its investment in renewable energy, batteries, and overhaul of its coal plants.

Entities also use borrowings, specifically working capital facilities, for short-term financing. Figure 3O illustrates the increase in borrowings in 2025–26.

Figure 3O
Energy entities' borrowings



Note: In previous reports, this figure included the value of lease liabilities and customer security deposits. We have excluded these from the figure this year.

Source: Compiled by the Queensland Audit Office from energy entities' audited financial statements.

Borrowing expenses have increased and interest cover ratios were mixed

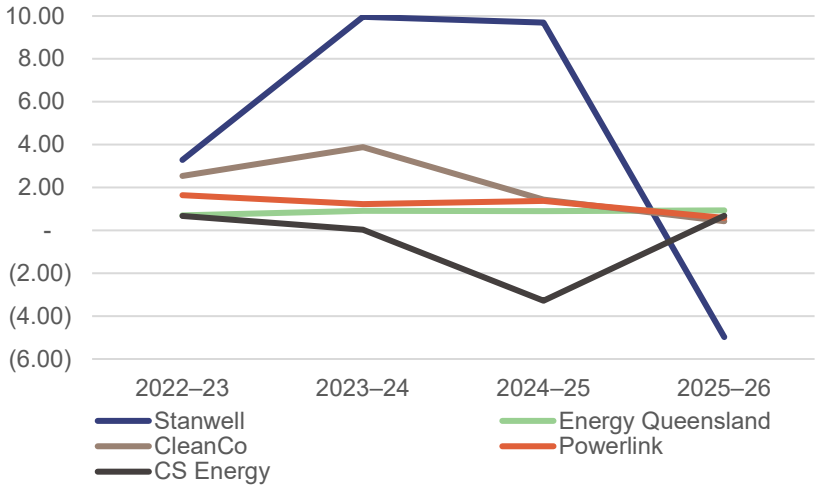
Borrowing expenses include interest paid on loans, administration, and competitive neutrality fees but exclude interest on lease liabilities and provisions. Competitive neutrality fees represent the competitive advantage government-owned entities may gain from borrowing at lower interest rates than private businesses.

In 2025–26, borrowing expenses increased overall by $195.6 million to $1,496.0 million, due to a combination of growth in borrowing levels and interest rates. Average effective interest rates on borrowings increased by 0.4 per cent to 4.5 per cent.

Figure 3P shows that the interest cover ratios were mixed, despite all entities experiencing losses. The ratio measures a company's ability to meet interest payments on its borrowings, calculating the proportion of earnings before interest used to pay for interest.

All entities had ratios lower than one, which shows that interest costs were greater than available earnings. A lower ratio indicates that entities may find it more difficult to cover interest costs. However, they were able to pay the interest on their debts during the year. Stanwell's interest coverage ratio decreased due to higher interest expenses and its loss position in 2025–26. CS Energy saw an improvement in its interest coverage ratio as its financial performance improved.

Figure 3P
Interest cover ratios



In 2025–26, Stanwell's ratio decreased, primarily due to the $661.6 million losses from amounts owed by a coal supplier.

CS Energy's ratio increased, primarily because of revenue from insurance proceeds related to the 2020–21 Callide Unit C4 incident.

If these were excluded, Stanwell's ratio would increase and CS Energy's ratio would decrease.

Note: In previous reports, this figure included interest from lease liabilities. We have excluded lease interest from the figure this year.

Source: Compiled by the Queensland Audit Office from energy entities' audited financial statements.

Energy entities carried varying levels of debt relative to their assets

We have assessed leverage using borrowings as a percentage of total property, plant, and equipment balances, because energy entities mostly borrow to fund their assets. For our analysis, we have included non-current assets transferred or held for sale by CS Energy within the year.

Energy Queensland and Powerlink ratios have remained stable over the last 5 years. The stable ratios indicate borrowing growth is broadly in line with growth in network assets. They are also supported by regulated revenue streams.

The leverage ratios of 2 of the generators improved over the last 5 years. CleanCo's ratio reduced from 5.0 in 2021–22 to 0.6 in 2025–26, while CS Energy's ratio reduced from 0.9 to 0.6 over the same period. This is mostly due to an increase in asset balances, with additions to renewable energy and energy transition projects. CleanCo also reduced its borrowings during 2025–26.

Stanwell's leverage ratio increased from 0.4 in 2024–25 to 0.5 in 2025–26 following an increase in borrowings. The additional borrowings help to provide financial support to its coal supplier and increases in its assets.

Current energy sector developments

CopperString project will be transferred to QIC in 2026–27

In 2025–26, following a review of the CopperString project, the Queensland Government announced that it would transfer the project to entities managed by QIC Limited. As at 30 June 2026, Powerlink included the project's assets and related costs in its financial statements. The transfer is expected to take place in 2026–27.

Powerlink submitted its revenue proposal for 2028–32

On 30 January 2026, Powerlink submitted its financial year 2028–32 revenue proposal to the Australian Energy Regulator for the period starting 1 July 2027. Powerlink proposed higher revenue to replace ageing assets, enhance network security, and acquire easements to support future network expansion. It also forecasted higher operating costs due to workforce growth and higher interest rates.

The regulator's draft decision approved $5.7 billion, which is $16.1 million lower than the revenue proposed by Powerlink. These figures include forecast inflation over the period. The approved amount is lower because the regulator reduced some forecast operating and capital expenditure. The draft decision is expected to increase transmission charges. The Australian Energy Regulator is expected to make its final decision in April 2027.

Network performance measures have been introduced

The Queensland Government introduced new Connections Guarantee performance measures for Energy Queensland and Powerlink. It aims to improve electricity connection times to support housing delivery, economic development, and business growth across Queensland.

Energy Queensland will measure performance against targets for standard customer connections, new developments, and more complex connection projects. It will also monitor delays and check the quality of connection data. Powerlink will measure performance against targets for connection enquiries, connection assessments, connection agreements, and the on-time delivery of connection projects.

Both entities will publicly report their performance against these targets each year, providing greater transparency over connection outcomes and time frames.

The scope of assurance over sustainability reports is increasing

In 2025–26, our assurance over sustainability reports covered 3 areas: governance, climate-related risks and opportunities, and Scope 1 and Scope 2 emissions. From 2026–27, our assurance expands to cover the full sustainability report, including strategy, risk management, and Scope 3 emissions. Scope 3 emissions relate to all other indirect emissions not captured in Scope 1 and Scope 2 emissions.

The Australian Government is currently reviewing the climate reporting requirements through a Treasury consultation on assurance requirements, reporting guidance, and value-chain disclosures. The review may affect future reporting and assurance requirements.

Appendices

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A. Entity responses

As mandated in s. 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, Minister for Energy and Minister for Home Ownership
- Minister for Finance, Trade, Employment and Training
- Under Treasurer, Queensland Treasury.

We also provided a copy of the report to the following and gave them the option of providing a response:

- Premier and Minister for Veterans
- Director-General, Department of the Premier and Cabinet
- board chairs and chief executive officers for
  - CleanCo Queensland Limited
  - CS Energy Limited
  - Energy Queensland Limited
  - Queensland Electricity Transmission Corporation Limited (trading as Powerlink Queensland)
  - Stanwell Corporation Limited.

This appendix contains the responses we received.

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

Comments received from Under Treasurer, Queensland Treasury

DELIVERING FOR QUEENSLAND | Queensland Government

Queensland Treasury

Our Ref: QT04859-2026

Ms Rachel Vagg
Queensland Audit Office

Email: qao@qao.qld.gov.au

Dear Ms Vagg Rachel

Thank you for your correspondence regarding the Queensland Audit Office (QAO) draft *Energy 2026 Report* (the Report), summarising the audit results of Queensland's publicly owned energy entities.

For 2025–26, I note QAO provided unmodified audit opinions on the financial statements for all energy sector entities, confirming that the statements are reliable and comply with relevant reporting requirements.

Although energy entities have seen lower revenues than last year, I note this comes as Queensland's wholesale and retail energy prices have materially decreased and become less volatile. In 2026–27, retail electricity prices are set to fall between 7 and 10 per cent for typical households and between 8 and 14 per cent for typical small businesses.

All government owned generators achieved 100 per cent of their Electricity Maintenance Guarantee KPIs for 2025–26, including metrics relating to higher plant availability and fewer forced outages. Through policies like this, the Queensland Energy Roadmap is delivering affordable, reliable, and sustainable energy for Queenslanders.

Queensland Treasury will continue to work with government-owned energy entities to ensure that financial sustainability remains a priority as the benefits of lower electricity prices are enjoyed by Queensland households and businesses.

I note the Report's findings regarding information systems. Queensland Treasury continues to emphasise government expectations that entities maintain robust information security, enhance cyber security capabilities and processes, and work with the Queensland Government Cyber Security Unit.

Thank you for the opportunity to respond to the Report.

Yours sincerely

PWilliams

Paul Williams
Under Treasurer
16 / 11 / 2026

1 William Street Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone +61 7 3035 1933
Website www.treasury.qld.gov.au

ABN 90 856 020 239

B. How we prepared this report

Queensland Audit Office reports to parliament

The Queensland Audit Office (QAO) is Queensland's independent auditor of public sector entities and local governments.

QAO's independent public reporting is an important part of our mandate. It brings transparency and accountability to public sector performance and forms a vital part of the overall integrity of the system of government.

QAO provides valued assurance, insights and advice, and recommendations for improvement via the reports it tables in the Legislative Assembly, as mandated by the *Auditor-General Act 2009*. These reports may be on the results of our financial audits, on the results of our performance audits, or on our insights. Our insights reports may provide key facts or a topic overview, the insights we have gleaned from across our audit work, the outcomes of an investigation we conducted following a request for audit, or an update on the status of Auditor-General recommendations.

We share our planned reports to parliament in our 3-year forward work plan, which we update annually: www.qao.qld.gov.au/audit-program.

A fact sheet how we prepare, consult on, and table our reports to parliament is available on our website: www.qao.qld.gov.au/reports-resources/fact-sheets.

About this report

QAO prepares its reports on the results of financial audits under the *Auditor-General Act 2009:*

- section 60, which outlines the Auditor-General must prepare a report to the Legislative Assembly on each audit conducted of a public sector entity.
- section 62, which outlines the Auditor-General may combine reports on any 2 or more audits.
- section 63, which outlines the discretion the Auditor-General has for reporting to parliament.

What we cover

Through our financial audit program, we form opinions about the reliability of entity financial statements. QAO completes these audits under the related Auditing and Assurance Standards Board standards. Each respective entity publishes our audit opinions in their annual report.

Our financial audit and review reports to parliament provide the results of our audits and assess the quality and effectiveness of internal controls. They also consider public sector-specific risks. These include the probity of matters associated with entity stewardship; propriety of administrative decisions; acts or omissions that give rise to a waste of public resources; and compliance with relevant acts, regulations, and policies.

Entities included in this report

- CleanCo Queensland Limited
- CS Energy Limited
- CS Energy Financial Services Pty Ltd
- Energy Queensland Limited
- Ergon Energy Queensland Pty Ltd
- Queensland Electricity Transmission Corporation Limited (trading as Powerlink Queensland)
- Stanwell Corporation Limited (consolidated)
- Stanwell Corporation Limited (parent entity)

Our approach

Data and information

We used the following data sets in preparing this report:

- wholesale electricity prices data from the Australian Energy Market Operator website. We used this to update Figure 3D and Figure H1 (in Appendix H) on the movement in wholesale electricity prices in Australia
- information on energy generation sources and generation capacity from Open Electricity (previously known as OpenNEM). This is a web platform that presents electricity market data from the Australian Energy Market Operator and other sources. We used this as the data source for some of the graphs in this report.

We have not audited these data sets for completeness and accuracy.

We also used information from the annual reports and the certified financial statements of the energy sector entities.

Presentation

Where possible and useful, we present our graphs and figures with comparative data going back 4 to 5 years to show relevant movements.



C. Legislative context

Frameworks

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

Figure C1
Legislative frameworks for the energy sector

Entity type	Entities	Legislative framework	Legislated deadline
Government owned corporations	• CleanCo Queensland Limited • CS Energy Limited • Energy Queensland Limited • Queensland Electricity Transmission Corporation Limited (trading as Powerlink Queensland) • Stanwell Corporation Limited (consolidated)	• *Government Owned Corporations Act 1993* • *Corporations Act 2001* • Corporations Regulations 2001 • Government Owned Corporations Regulation 2024	31 August 2026
Controlled entities that are companies	• Ergon Energy Queensland Pty Ltd • CS Energy Financial Services Pty Ltd • Stanwell Corporation Limited (parent entity)	• *Corporations Act 2001* • Corporations Regulations 2001	31 October 2026

Note: Controlled entity – an entity owned by one or more public sector entities.

Source: Queensland Audit Office from the entities' financial reports and Queensland Treasury.

Accountability requirements

The *Government Owned Corporations Act 1993* establishes 4 key principles for government owned corporations:

- clarity of objectives
- management autonomy and authority
- strict accountability for performance
- competitive neutrality – they should not have a competitive advantage over the private sector because they are owned by government.

Queensland Government financial statements

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

These financial statements are used by a 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.

There are 3 types of modified opinions:

- qualified opinion – the financial statements as a whole comply with relevant accounting standards and legislative requirements, with the exceptions noted in the opinion
- adverse opinion – the financial statements as a whole do not comply with relevant accounting standards and legislative requirements
- disclaimer of opinion – the auditor is unable to express an opinion as to whether the financial statements comply with relevant accounting standards and legislative requirements.

We may include an *emphasis of matter* in our audit reports to highlight an issue that will help users better understand the financial statements. It does not change the audit opinion.

D. Status of recommendations made in *Energy 2023* (Report 5: 2023–24)

Strengthen information system controls	Status
1. With the evolving security threats and advancement in security controls and technology, we recommend that the energy sector entities: • limit the access to information systems provided to employees and third-party contractors to only what they need to perform their jobs • monitor activities performed by employees and third-party contractors who have access to sensitive data and can make changes within the system • fully assess the design and effectiveness of any new controls they implement to ensure they do not create control gaps in other parts of the information system security chain • update security settings in line with updated risk assessments, security policies, and better practices. We also recommend energy entities continue implementing the following recommendations, which we made in our *Energy 2020* report: • provide security training for employees so they understand the importance of maintaining strong information systems, and their roles in keeping them secure • 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 • encrypt sensitive information to protect it • 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.	**Further action needs to be taken** Entities are implementing our recommendations to resolve the deficiencies we reported last year. This resulted in the resolution of recommendations for: • user access management – 3 • system security – 1 • privileged user accounts – 1 • change management – 1. Resolution of the following recommendations is ongoing: • privileged accounts – 7 • user access management – 6 • system security – 3. Within 2025–26, we have re-raised 10 previously resolved deficiencies in the following areas: • privileged accounts – 3 • system security – 1 • user access management – 6. While entities are implementing our recommendations to resolve the issues we reported to them last year, we continued to identify similar internal control deficiencies this year. Further details are provided in our report *Information systems 2026* (Report 4: 2026–27).

E. Audit opinions for entities preparing financial reports

The following table details the types of audit opinions issued, in accordance with Australian Auditing Standards, for the 2025–26 financial year.

Figure E1
Our audit opinions for energy sector financial reports for 2025–26

Entity type	Entity	Date audit opinion issued	Type of audit opinion issued
Generation	CleanCo Queensland Limited	27.08.2026	Unmodified
	CS Energy Limited	28.08.2026	Unmodified
	Stanwell Corporation Limited (consolidated)	28.08.2026	Unmodified
Transmission	Queensland Electricity Transmission Corporation Limited (trading as Powerlink Queensland)	27.08.2026	Unmodified
Distribution	Energy Queensland Limited	21.08.2026	Unmodified
Retail	Ergon Energy Queensland Pty Ltd	20.08.2026	Unmodified
Other	CS Energy Financial Services Pty Ltd (subsidiary of CS Energy Limited)	25.09.2026	Unmodified
	Stanwell Corporation Limited (parent entity)[1]	21.10.2026	Unmodified

Notes: We express an unmodified opinion when the financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards.
1 – Stanwell prepared separate financial statements for its parent entity in 2025–26 to comply with the Australian financial services licence requirement.

Source: Queensland Audit Office from relevant financial reports.

Specified sustainability disclosures

Sustainability reporting became mandatory on 1 January 2025 for Group 1 entities, with specified disclosures subject to limited assurance in 2025–26.

Figure E2
Our review conclusions for energy sector sustainability reports for 2025–26

Entity type	Entity	Date issued	Type of opinion/conclusion issued
Generation	CleanCo Queensland Limited	27.08.2026	Unmodified
	CS Energy Limited	28.08.2026	Unmodified
	Stanwell Corporation Limited	28.08.2026	Unmodified

Entity type	Entity	Date issued	Type of opinion/conclusion issued
Transmission	Queensland Electricity Transmission Corporation Limited (trading as Powerlink Queensland)	27.08.2026	Unmodified
Distribution	Energy Queensland Limited	21.08.2026	Unmodified

Source: Queensland Audit Office from relevant sustainability reports.

Annual information orders

The Australian Energy Regulator uses annual information orders to regulate and determine the amount of revenue distribution entities can earn.

For the year ended 30 June 2026, Energex, Ergon, and Powerlink will complete a set of templates and a basis-of-preparation description for each template. These completed templates constitute the annual information orders.

These orders are subject to an audit if the information is based on *actual* data. They are subject to a review if the information is based on *estimated* financial and non-financial data.

Figure E3
Results of the 2025–26 audits and reviews of Energex, Ergon, and Powerlink annual information orders

Type of information provided	Certification date	Type of opinion/conclusion issued
Financial	29.10.2026 (Energex)	3 unmodified audit opinions 1 unmodified review conclusion
	29.10.2026 (Ergon)	3 unmodified audit opinions 1 unmodified review conclusion
	30.10.2026 (Powerlink)	1 unmodified audit opinion 2 unmodified review conclusions
Non-financial	29.10.2026 (Energex)	1 unmodified review conclusion
	29.10.2026 (Ergon)	1 unmodified review conclusion
	30.10.2026 (Powerlink)	2 unmodified review conclusions

Source: Queensland Audit Office from reports issued to entities.

Australian financial services licences

Energy entities must hold an Australian financial services licence when entering into fixed-price contracts to manage the risk of fluctuating electricity prices. They must meet the requirements set out in their licences.

To confirm their compliance, these entities lodge forms every year. The forms are lodged with the Australian Securities and Investments Commission within 4 months of the end of the financial year.

Figure E4
Results of the 2025–26 audit of Australian financial services licences

Entity	Date audit opinion issued	Type of audit opinion issued
CleanCo Queensland Limited	27.08.2026	Unmodified
CS Energy Financial Services Pty Ltd	25.09.2026	Unmodified
Ergon Energy Queensland Pty Ltd	23.09.2026	Unmodified
Stanwell Corporation Limited	21.10.2026	Unmodified

Source: Queensland Audit Office from reports issued to relevant entities.

F. 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* or the trust deed to determine whether financial statements need to be prepared. The board must revisit the assessment every 3 years or whenever a significant change occurs.

When entities are part of a larger group and are secured by deed of cross guarantee with other entities in that group (that the group will cover the entity's 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 reports.

Accordingly, the Auditor-General will not issue audit opinions for the following controlled public sector entities for 2025–26, as they were not required to produce financial reports.

Figure F1
Energy entities not preparing financial reports in 2025–26

Public sector entity	Reason for not preparing financial statements
Generation	
Controlled entities of CS Energy Ltd	
Aberdare Collieries Pty Ltd	Deed of cross guarantee ASIC order
Callide Energy Pty Ltd	Deed of cross guarantee ASIC order
CS Energy Group Holdings Pty Ltd	Deed of cross guarantee ASIC order
CS Energy Kogan Creek Pty Ltd	Deed of cross guarantee ASIC order
CS Kogan (Australia) Pty Ltd	Deed of cross guarantee ASIC order
CSE BESS Pty Ltd	Deed of cross guarantee ASIC order
CSE H2 Operations Pty Ltd	Deed of cross guarantee ASIC order
CSE H2 Pty Ltd	Deed of cross guarantee ASIC order
Kogan Creek Power Pty Ltd	Deed of cross guarantee ASIC order
Kogan Creek Power Station Pty Ltd	Deed of cross guarantee ASIC order
Lotus Creek Wind Farm Pty Ltd	Deed of cross guarantee ASIC order
T75 CS Energy Segregated Cell of White Rock Insurance (SAC) Ltd	Non-reporting
Queensland Wind 2 Holdings Pty Ltd	Deed of cross guarantee ASIC order
Controlled entities of Stanwell Corporation Limited	
Stanwell Hold 1 Pty Ltd (formerly CQ-H2 Facilities Pty Ltd)	Non-reporting
Stanwell Trading Pty Ltd (formerly CQ-H2 HLF Pty Ltd)	Non-reporting
Stanwell Hold 4 Pty Ltd (formerly CQ-H2 HPF Pty Ltd)	Non-reporting
Stanwell Hold 3 Pty Ltd (formerly CQ-H2 HTF Pty Ltd)	Non-reporting
Stanwell Hold 2 Pty Ltd (formerly CQ-H2 Industrial Water Pty Ltd)	Non-reporting
Glen Wilga Coal Pty Ltd	Dormant

Public sector entity	Reason for not preparing financial statements
Goondi Energy Pty Ltd	Dormant
Mica Creek Pty Ltd	Dormant
SCL North West Pty Ltd	Dormant
Stanwell Asset Maintenance Company Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Cressbrook Pty Ltd	Non-reporting
Stanwell Cressbrook Hold Co Pty Ltd	Non-reporting
Stanwell Cressbrook Hold Trust	Non-reporting
Stanwell Cressbrook Project Co Pty Ltd	Non-reporting
Stanwell Cressbrook Project Trust	Non-reporting
Stanwell Firming Holdings Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Lockyer Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Lockyer Land Co Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Lockyer Project Co Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Renewable Energy Holdings Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Wambo Stage 1 Hold Co Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Wambo Stage 1 Hold Trust	Non-reporting
Stanwell Wambo Stage 1 Project Co Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Wambo Stage 1 Project Trust	Non-reporting
Stanwell Wambo Stage 1 Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Wambo Stage 2 Hold Co Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Wambo Stage 2 Hold Trust	Non-reporting
Stanwell Wambo Stage 2 Project Co Pty Ltd	Deed of cross guarantee ASIC order
Stanwell Wambo Stage 2 Project Trust	Non-reporting
Stanwell Wambo Stage 2 Pty Ltd	Deed of cross guarantee ASIC order
Tarong Energy Corporation Pty Ltd	Dormant
Tarong Fuel Pty Ltd	Deed of cross guarantee ASIC order
Tarong North Pty Ltd	Deed of cross guarantee ASIC order
TEC Coal Pty Ltd	Deed of cross guarantee ASIC order
TN Power Pty Ltd	Deed of cross guarantee ASIC order
Distribution	
Controlled entities of Energy Queensland Limited	
Energex Limited	Deed of cross guarantee ASIC order
Ergon Energy Corporation Limited	Deed of cross guarantee ASIC order
Ergon Energy Telecommunications Pty Ltd	Non-reporting
Metering Dynamics Pty Ltd	Deed of cross guarantee ASIC order
SPARQ Solutions Pty Ltd	Deed of cross guarantee ASIC order
Varnsdorf Pty Ltd	Dormant
VH Operations Pty Ltd	Dormant
Yurika Pty Ltd	Deed of cross guarantee ASIC order

Public sector entity	Reason for not preparing financial statements
Transmission	
Controlled entities of Powerlink	
Harold Street Holdings Pty Ltd	Non-reporting
Powerlink Transmission Services Pty Ltd	Non-reporting
Queensland Capacity Network Pty Ltd	Non-reporting
CopperString 2.0 Electricity Transmission Corporation Pty Ltd[1]	Non-reporting

Notes: Controlled entity – an entity owned by one or more public sector entities.
1 – The transactions relating to CopperString 2.0 Electricity Transmission Corporation Pty Ltd are recorded in the consolidated financial statements of Powerlink Queensland.

Source: Compiled by the Queensland Audit Office.

G. Financial results

Figure G1
Energy sector entities' financial results – for the year ended 30 June 2026

Amounts in $'000								
Entity	Total assets	Total liabilities	Total income	Total expenses (incl. tax)	Operating result after tax	Returns to shareholders[4]	Finance costs[5]	Total borrowings[3]
CleanCo	2,354,069	1,440,114	850,106	872,995	(22,889)	10,669	62,582	595,353
CS Energy	4,026,026	2,859,446	2,080,431	2,107,858	(27,427)	16,851	103,865	1,540,289
Energy Queensland[1]	32,560,000	28,166,000	6,698,000	6,765,000	(67,000)	(35,000)	994,000	22,699,000
Powerlink	12,331,654	8,621,833	1,227,832	1,356,710	(128,878)	(55,123)	311,741	6,831,565
Stanwell (consolidated)	6,620,639	4,271,460	3,242,526	3,657,190	(414,664)	(188,091)	96,982	1,934,557
Total	**57,892,388**	**45,358,853**	**14,098,895**	**14,759,753**	**(660,858)**	**(250,694)**	**1,569,170**	**33,600,764**
Ergon Energy Queensland	960,327	960,327	2,542,784	2,463,070	79,714	123,928	499	-
CS Energy Financial Services[2]	-	-	-	-	-	-	-	-
Stanwell (parent entity)	5,016,906	4,643,745	3,120,071	3,514,267	(394,196)	(181,791)	77,898	1,934,557

Notes:

1 – This relates to the consolidated results of Energy Queensland and its subsidiaries, including Energex and Ergon (distribution entities) and Ergon Energy Queensland (retailer).

2 – The results of CS Energy Financial Services are included in the consolidated results of CS Energy and have been rounded down to nil, due to the negligible amounts on its financial statements.

3 – Total borrowings are Queensland Treasury Corporation loans and Clean Energy Finance Corporation loans (Powerlink). These figures exclude the lease liabilities and customer security deposits. If we were to include lease liabilities and customer security deposits, the total borrowings ($'000) would change to $34,138,114.

4 – Returns to shareholders consist of dividends and income tax equivalent payments. No dividend was paid in 2025–26. Some entities recorded income tax equivalent expenses on profits, while others recorded tax benefits from losses that can be used to reduce future tax payments. As the value of these benefits exceeded the expenses, there was no net payment to shareholders during the year. Therefore, returns to shareholders are reported as nil in Figure 3H.

5 – Finance costs include interest on lease liabilities, unwinding of discounts on provisions, and interest on borrowings. If interest on lease liabilities and unwinding of discounts on provisions are excluded, the total finance costs ($'000) would change to $1,496,003.

Source: Compiled by the Queensland Audit Office from audited financial statements.

Figure G2
Energy sector entities' financial results – for the year ended 30 June 2025

Amounts in $'000								
Entity	**Total assets**	**Total liabilities**	**Total income**	**Total expenses (incl. tax)**	**Operating result after tax**	**Returns to shareholders[4]**	**Finance costs[5]**	**Total borrowings[3]**
CleanCo	2,494,345	1,556,032	936,061	918,234	17,827	16,977	64,426	713,171
CS Energy	3,468,028	2,497,607	1,946,072	2,270,455	(324,383)	112,299	99,336	1,459,045
Energy Queensland[1]	31,662,000	27,371,000	6,682,000	6,776,000	(94,000)	(38,000)	860,000	21,970,000
Powerlink	11,809,462	8,242,739	1,309,276	1,206,290	102,986	147,253	279,012	6,403,471
Stanwell (consolidated)	5,934,807	3,651,985	3,453,149	3,023,917	429,232	539,419	65,548	1,184,931
Total	**55,368,642**	**43,319,363**	**14,326,558**	**14,194,896**	**131,662**	**777,948**	**1,368,322**	**31,730,618**
Ergon Energy Queensland	1,018,282	856,857	2,555,712	2,404,606	151,106	211,774	493	-
CS Energy Financial Services[2]	-	-	-	-	-	-	-	-
Stanwell (parent entity)	4,258,440	3,972,104	3,212,091	3,309,299	(97,208)	146,571	57,495	1,184,931

Notes:

1 – This relates to the consolidated results of Energy Queensland and its subsidiaries, including Energex and Ergon (distribution entities) and Ergon Energy Queensland (retailer).

2 – The results of CS Energy Financial Services are included in the consolidated results of CS Energy, and have been rounded down to nil, due to the negligible amounts on its financial statements.

3 – Total borrowings are Queensland Treasury Corporation loans, and Clean Energy Finance Corporation loans (Powerlink). These figures exclude the lease liabilities and customer security deposits. If we were to include lease liabilities and customer security deposits, the total borrowings ($'000) would change to $32,345,875.

4 – Returns to shareholders consist of dividends and income tax equivalents. A negative figure indicates a tax benefit from losses that can be used to reduce future tax payments.

5 – Finance costs include interest on lease liabilities, unwinding of discounts on provisions, and interest on borrowings. If interest on lease liabilities and unwinding of discounts on provisions are excluded, the total finance costs ($'000) would change to $1,300,420.

Source: Compiled by the Queensland Audit Office from audited financial statements.

H. Wholesale electricity prices

Figure H1
Historical wholesale electricity prices

Average price by year ($ per MWh)					
Financial year	**NSW**	**QLD**	**SA**	**VIC**	**TAS**
2021–22	$132.35	$162.06	$104.60	$91.06	$84.89
2022–23	$144.96	$144.97	$123.25	$100.20	$111.98
2023–24	$101.57	$87.80	$78.56	$63.29	$69.07
2024–25	$128.16	$109.54	$104.31	$86.84	$109.26
2025–26	$78.45	$65.47	$78.67	$53.21	$78.17
Movement from 2024–25 to 2025–26	**-$49.71**	**-$44.07**	**-$25.64**	**-$33.63**	**-$31.09**
Movement % from 2024–25 to 2025–26	-38.79%	-40.23%	-24.58%	-38.73%	-28.46%

Notes:

- MWh – a megawatt-hour, which is equal to 1,000 kilowatts of energy used continuously for one hour.
- NSW – New South Wales, QLD – Queensland, SA – South Australia, VIC – Victoria, TAS – Tasmania.

Source: Compiled by the Queensland Audit Office from Australian Energy Market Operator pricing data, extracted 7 July 2026.



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T: (07) 3149 6000
E: qao@qao.qld.gov.au
W: www.qao.qld.gov.au
53 Albert Street, Brisbane Qld 4000
PO Box 15396, City East Qld 4002

Queensland Audit Office
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