Rail and ports: 2016–17 results of financial audits (Report 3: 2017–18). Tabled 7 December 2017.

Slide 1: Welcome

This is a presentation about our report to parliament that summarises the results of our financial audits for the six Queensland rail and port entities for the 2016–17 financial year.

Please note, this is an overview and the full report can be read on our website.

Slide 2: Audit results

This year, we provided unmodified audit opinions on all rail and port entities' financial statements within the statutory deadline. Unmodified meaning they prepared their financial statements according to legislative requirements and relevant accounting standards, and that they can be relied upon.

Rail and port entities used good financial reporting practices to produce good quality financial statements for 2016–17 in a timely manner.

Slide 3: Revenue

Rail and port entities receive revenue from sources internal and external to the Queensland Government.

Queensland Rail—QR—sources 84 per cent of its revenue from a rail transport service contract with the state for Citytrain, Traveltrain, and rail infrastructure services. This level is consistent with the previous year.

Most revenue received from customers outside of government relates to rail network access, port access, commercial facility management, investment property and cargo handling of coal.

Slide 4: Profit

Profit after tax was nearly $219 million, but is down $80 million, or 27 per cent, from the previous year.

Two factors contributed to this:

- higher employee expenses at QR of $47 million
- a decrease in rail network access revenue of $50 million.

Slide 5: Assets

The rail and port entities are asset intensive. They collectively own and manage $11 billion worth, including large and complex infrastructure.

These entities paid $174 million in dividends to government.

QR property, plant and equipment increased by $255 million.

Slide 6: Borrowings

Borrowings increased by $744 million to fund asset acquisitions and pay returns declared to government.

Slide 7: Improvements and challenges

The entities have improved in actioning the internal control weaknesses we have raised over the last three years. Of the 48 weaknesses we raised, entity management have resolved 38 and are still actioning 10.

Their challenges are maintaining credit ratings and planning for growth.

Incoming accounting standards on leases and revenue may also present challenges. Further analysis will be needed to ensure medium-term strategic plans are not materially impacted.

Slide 8: For more information

For more information on the results, issues and opportunities highlighted in this summary presentation, please see the full report on our website.

Thank you.