

# 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.

