

# Transport: 2017–18 results of financial audits

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(Report 11: 2018–19).  
Tabled 11 December 2018.

## Slide 1: Welcome

Welcome to our presentation on the results of audit for entities in the transport sector. This report covers the Department of Transport and Main Roads and the Queensland Rail Group. It also covers Gladstone Ports Corporation, North Queensland Bulk Ports, Port of Townsville and Ports North.

## Slide 2: Audit results

This year, we provided unmodified audit opinions on all transport entities' financial statements. All audits were completed within the statutory deadline. In our opinion, these financial statements give a true and fair view of the transport entities' financial position and performance.

## Slide 3: Audit results

Most transport entities have effective year end processes and can produce draft financial statements on a timely basis.

The Department of Transport and Main Roads is leading the way for the sector having completed complex asset valuations by mid-April 2018. By moving key financial reporting practices earlier in the year, transport entities have a better opportunity to resolve potential accounting issues should they arise.

Continued emphasis is required within this sector to improve the quality of financial reporting practices, particularly in complex areas such as asset valuations and tax accounting.

## Slide 4: Financial performance

The transport entities are financially sound. Their operating result before tax increased by five per cent to \$522 million. From this year's profit, QR and three port entities declared dividends of \$195 million.

Transport entities added \$2.5 billion of new infrastructure assets during the year. However, the revaluation of road infrastructure assets at the Department of Transport and Main Roads resulted in a \$6.2 billion decrease.

## Slide 5: Financial performance

The total number of trips on bus, ferry, rail and gold coast light rail increased by three per cent to 183 million trips. Revenue collected from these passenger services was four per cent lower than last year due to the implementation of the Fairer Fares package. Demand on ports has also increased in the 2018 financial year with a 5.7 per cent increase in coal throughput.

## Slide 6: Internal controls

We assessed the control environments for each entity. In most cases we found they were suitably designed to prevent and correct material misstatements.

We did not identify any new significant deficiencies in internal controls for the sector. We are satisfied that most transport entities have implemented corrective action or are on track to implement our recommendations during the 2018–19 financial year.

## Slide 7: Future challenges and emerging risks

The transport landscape in Queensland is changing. Increasing costs and rising demand are challenging the sector to find sustainable solutions to maintain transport infrastructure and services. To meet these challenges, there is significant investment planned into the sector which includes the \$21.7 billion Queensland Transport and Roads Investment Program.

Transport entities are also preparing for four new accounting standards; which will have an impact on their future financial reports. Initial impact assessments have been undertaken and implementation for the new standards is on track.

## Slide 8: For more information

For more information on the results, financial performance, future challenges and emerging risks highlighted in this summary presentation, please see the full report on our website.

Thank you.