

Report on a page

This report summarises the audit results of six entities in Queensland’s water sector: Seqwater, Sunwater, Urban Utilities, Unitywater, Gladstone Area Water Board, and Mount Isa Water Board.

Liabilities from the 2011 South East Queensland floods class action

Seqwater’s financial statements should have included a liability and expense as a result of an unfavourable court judgement relating to the 2011 South East Queensland floods class action. We assessed this unrecorded liability and expense to be of significant value. Sunwater appropriately recorded its share of the liability and expense, at \$330 million.

Financial statements are reliable

Apart from this non-recorded liability and expense, all entities’ financial reports are reliable and comply with relevant laws and standards. They were prepared in a timely manner and were of good quality.

Information security continues to be a challenge

This year, we identified more weaknesses in the systems and processes (internal controls) entities use to prepare financial statements. Security of information systems is an issue in four of the six entities, and continues to be the most common weakness across the public sector.

Profits and shareholder returns have declined

The combined profit of the sector was reduced by the liability related to the class action. As a result, shareholder returns were lower than in previous financial years.

Continuing asset improvement programs involving significant infrastructure investment are likely to impact on the sector’s returns to shareholders over the next decade.

Drought and the need to provide a sustainable supply of water are posing challenges

The sustainable supply of water continues to be a challenge for the sector, with the majority of Queensland in drought—particularly South West Queensland. Extreme weather conditions increase operating costs and the need to prioritise water security projects.

