

Report on a page

This report summarises the audit results of Queensland's six energy entities. These entities generate (CleanCo, CS Energy and Stanwell), transmit (Powerlink) and distribute (Energy Queensland) most of Queensland's electricity; while Ergon Energy Queensland is the electricity retailer for most customers in regional Queensland.

Financial statements are reliable

The financial statements of all entities in the energy sector are reliable and comply with relevant laws and standards. All entities prepared their financial statements in a timely manner.

Entities should strengthen the security of their information systems

While we were able to rely on the entities' internal controls, we identified some deficiencies. Most involved the security of information systems, including high-risk issues relating to the security and authorisation of online payments. These high-risk issues required immediate action and were resolved in a timely manner.

Sector profitability continues to decline

While the energy sector is still financially viable, its profits have declined significantly.

Queensland continues to have the lowest wholesale electricity prices in the National Electricity Market, and they have reduced further this year. This influences the price customers pay, but also contributes to the significant reduction in revenues and values of assets for the generators.

The profits of the transmission and distribution businesses continue to decline. This is largely driven by decisions of the Australian Energy Regulator to reduce the revenue they can earn from their core business activities. We expect to see this trend continue in the next financial year.

Future challenges

The energy sector is undergoing significant change. Our electricity system needs to adapt to these changes to ensure affordable and reliable electricity supply for Queenslanders.

Coal-fired power plants are scheduled to progressively be retired over the next 26 years. As this occurs, their capacity is expected to be replaced by more renewables. The generators need to adapt to this changing mix to ensure they remain profitable and continue to deliver electricity reliably.

Integrating renewables and new technology into the electricity network is also a challenge. With reduced regulated revenues, transmission and distribution entities need to manage their costs while maintaining network strength and stability.

