

E. Entities not preparing financial reports

For each state public sector company, other than government owned corporations, the board of directors considers the requirements of the *Corporations Act 2001* and the company's constitution to determine whether financial statements need to be prepared. The board must revisit the assessment every three years or whenever a significant change occurs.

When entities are part of a larger group and are secured by a (deed of cross) guarantee with other entities in that group (that they will cover their debts), the Australian Securities and Investments Commission (ASIC) allows them to not prepare a financial report. In addition, dormant or small companies that meet specific criteria under the *Corporations Act 2001* are not required to prepare financial statements.

Accordingly, the Auditor-General will not issue audit opinions for the following controlled public sector entities for 2021, as they were not required to produce financial statements.

Figure E1
Water sector entities not preparing financial reports in 2020–21

| Public sector entity | Reason for not preparing financial statements |
|---|---|
| Bulk water supplier | |
| Controlled entities of Sunwater Limited | |
| Burnett Water Pty Ltd | |
| Eungella Water Pipeline Pty Ltd | Deed of cross guarantee ASIC instrument |
| North West Queensland Water Pipeline Pty Ltd | |
| Distributor-retailer | |
| Controlled entities of Northern SEQ Distributor-Retailer Authority (trading as Unitywater) | |
| Unitywater Properties Pty Ltd | Non-reporting (exemption under <i>Corporations Act 2001</i>) |
| Headworks Australia Pty Ltd | |

Note: ASIC—Australian Securities and Investments Commission.

Source: Compiled by the Queensland Audit Office.