

MEDIA RELEASE

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Auditor-General's report on the financial statements of State entities Volume 1 - Audit of State entities and audited subsidiaries of State entities 31 December 2021 and 30 June 2022

The Auditor-General, Rod Whitehead, today tabled Volume 1 of his report to Parliament on the audit of financial statements of State entities and audited subsidiaries of State entities for the years ended 31 December 2021 and 30 June 2022.

This first volume provides financial commentary on the General Government Sector, and Public Non-Financial Corporations and Public Financial Corporations. These include all Departments and state entities other than Local Government and those entities that have a 31 December financial year end.

Overall, the General Government Sector recorded an Underlying Net Operating Balance deficit of \$455 million, for 2021-22, an improvement of \$412 million from the original State Budget deficit of \$867 million.

The positive variance in the Underlying Net Operating Balance result is largely due to an increase of \$374 million in grants received from the Australian Government.

Total borrowings held by the General Government Sector increased by \$608 million from last financial year, primarily to support expenditure of the General Government Sector.

The report identifies that the Capital expenditure 'gap' between actual and budgeted capital expenditure was the lowest over the past 4 financial years, with total capital expenditure by Departments representing 98.1% of budgeted capital expenditure.

The Public Financial and Public Non-Financial Corporation Sector generated an underlying profit of \$119 million for 2021-22, an 80% decrease from the 2020-21 result. This reflected a decrease in investment revenue generated by the Public Financial Corporations due to the low interest rate environment for the majority of 2021-22 and volatility in financial markets during June 2022.

The complete Report can be downloaded from www.audit.tas.gov.au.

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