



Tasmanian
Audit Office

Audit of State entities and audited subsidiaries of State entities 31 December 2021 and 30 June 2022 (Volume 1)

**Report of the Auditor-General
No. 2 of 2022-23**








Introduction

- Report is first of two volumes
- First volume tabled today – looks at:
 - Financial outcomes and significant events impacting the:
 - General Government Sector (GGS) entities
 - Public Non-Financial Corporations (PNFC)
 - Public Financial Corporations (PFC)
 - Other audited entities
 - Commentary on the Treasurer’s Annual Financial Report (TAFR)
 - Other State entities (excluding local government entities)
- Second volume to be tabled in first quarter of 2023

Today's presentation

- Status of completion of financial statement audits
- Commentary and analysis on entities in the GGS
- Commentary and analysis on PNFC and PFC
- Other audited entities, including University of Tasmania

Completion of financial statement audits

158	142 	38
entities with a financial year ending 31 December 2021 or 30 June 2022	financial statements received within 45 days of the end of the financial year	audits dispensed with
69 	39 	12
audits completed within 45 days of receiving the financial statements	audits completed after 45 days of receiving the financial statements	audits in progress (11) or awaiting dispensation (1)

As at 15 November 2022

Structure of the GSS and TSS at 30 June 2022

General Government Sector (GGS)

Government Departments

- Communities Tasmania
- Education
- Health
- Justice
- Natural Resources and Environment Tasmania
- Police, Fire and Emergency Management
- Premier and Cabinet
- State Growth
- Treasury and Finance (including Finance-General)

Other entities that principally provide public services

- Brand Tasmania
- Environment Protection Authority
- House of Assembly
- Inland Fisheries Service
- Integrity Commission
- Legislative Council
- Legislature-General
- Marine and Safety Tasmania
- Office of Director of Public Prosecutions
- Office of the Governor
- Office of the Ombudsman
- Royal Tasmanian Botanical Gardens
- State Fire Commission
- Tasmanian Audit Office
- TasTAFE
- Tourism Tasmania

Public Non-Financial Corporations (PNFC)

State-Owned Companies

- Aurora Energy Pty Ltd
- Metro Tasmania Pty Ltd
- Tasmanian Irrigation Pty Ltd
- Tasmanian Networks Pty Ltd
- Tasmanian Ports Corporation Pty Ltd
- Tasmanian Railway Pty Ltd
- Tasracing Pty Ltd
- TT-Line Company Pty Ltd

Government Business Enterprises

- Hydro-Electric Corporation
- Port Arthur Historic Site Management Authority
- The Public Trustee
- Forestry Tasmania

Statutory Authorities

- Macquarie Point Development Corporation
- Private Forests Tasmania

Public Financial Corporations (PFC)

Government Business Enterprises

- Motor Accidents Insurance Board
- Tasmanian Public Finance Corporation

Total State Sector (TSS) =
GGG + PNFC + PFC less inter-entity transactions



General Government Sector

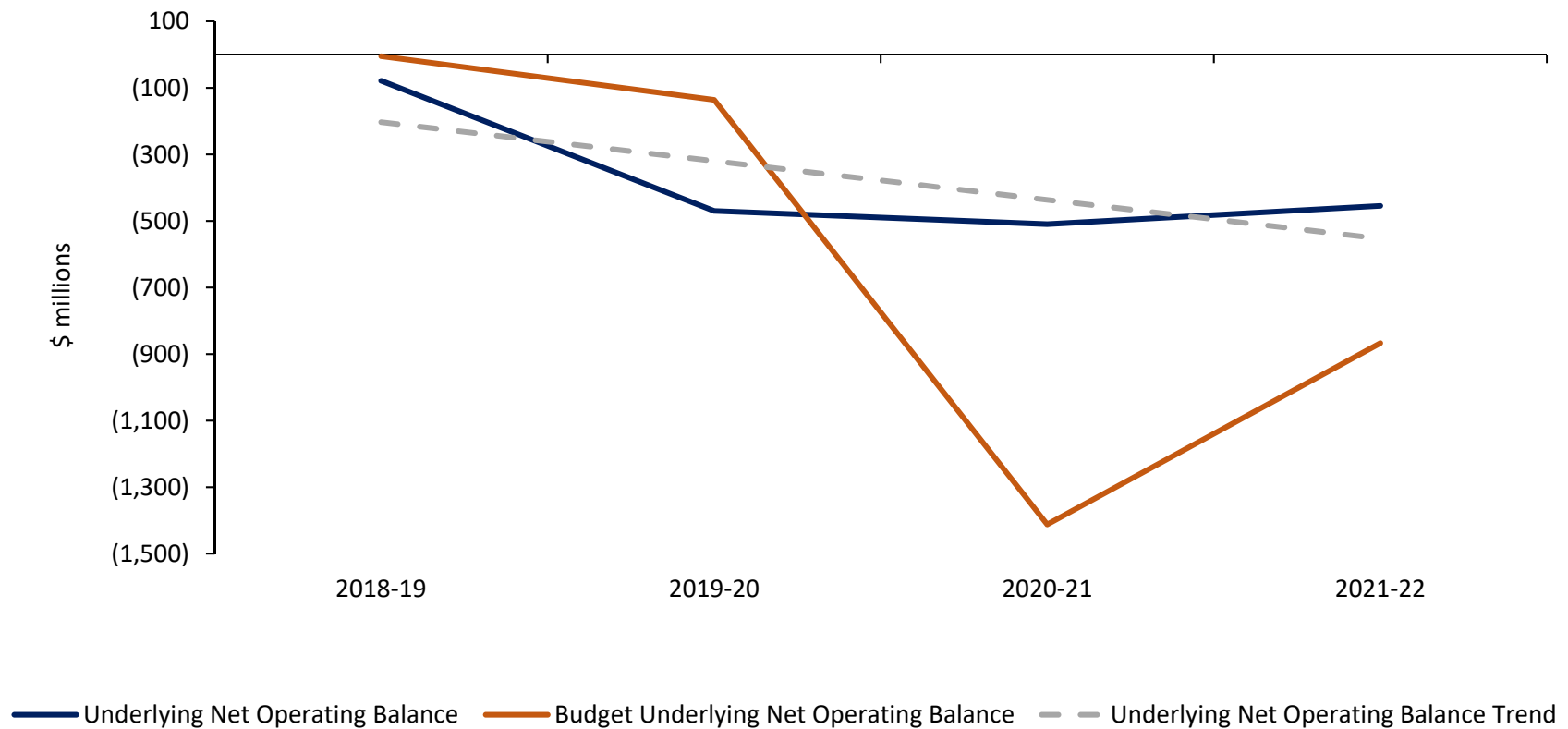


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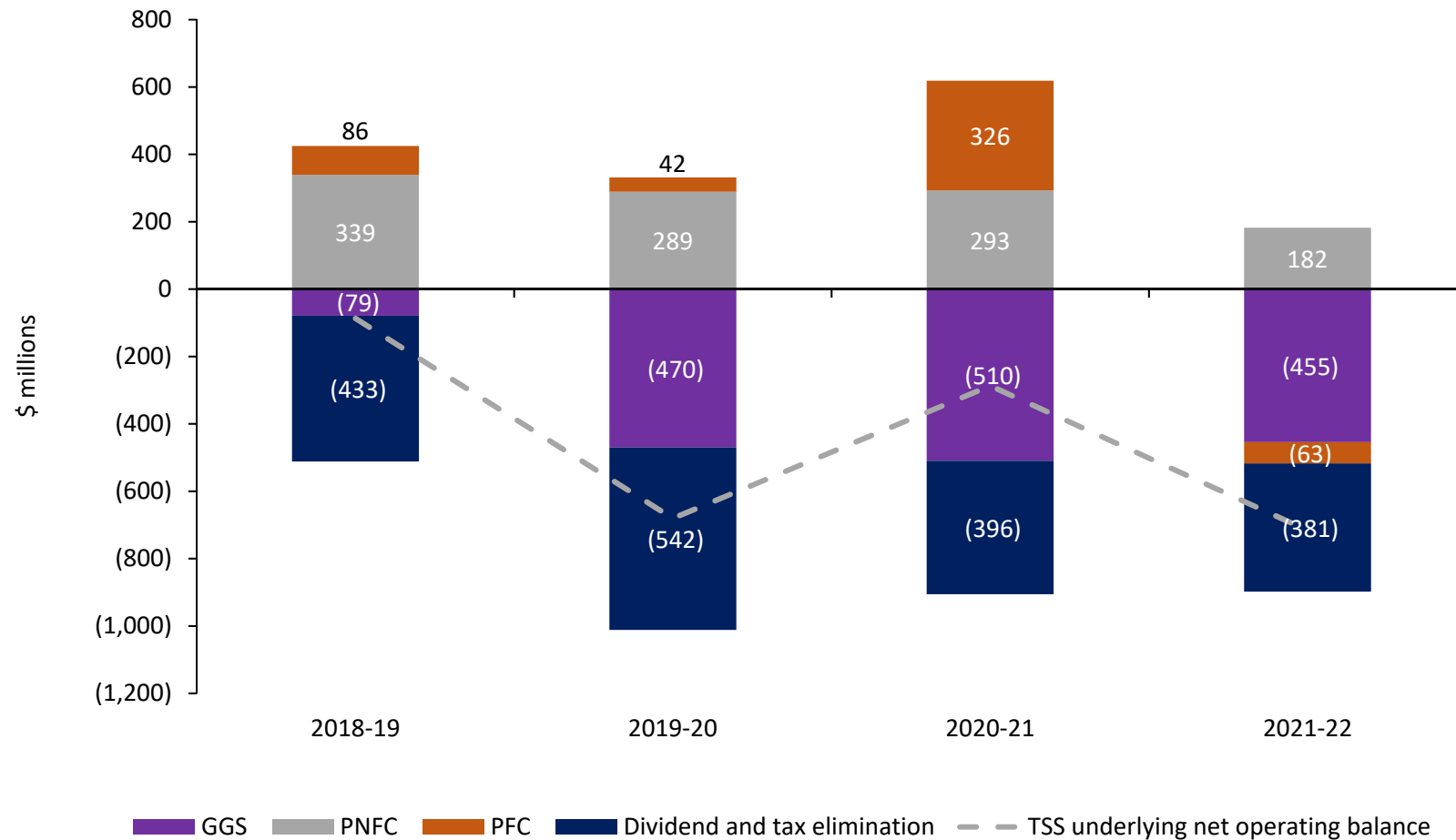
GGs highlights

- Chapter covers significant developments for:
 - The 9 Government departments
 - Environment Protection Authority (1 December 2021)
 - State Fire Commission
 - TasTAFE
 - Tourism Tasmania
- Outlines the 2021-22 machinery of government changes
- Department of Treasury: Borrowings, Superannuation, TRMF
- Department of Justice: National Redress Scheme & civil claims
 - Additional discussion in Volume 2 on these items

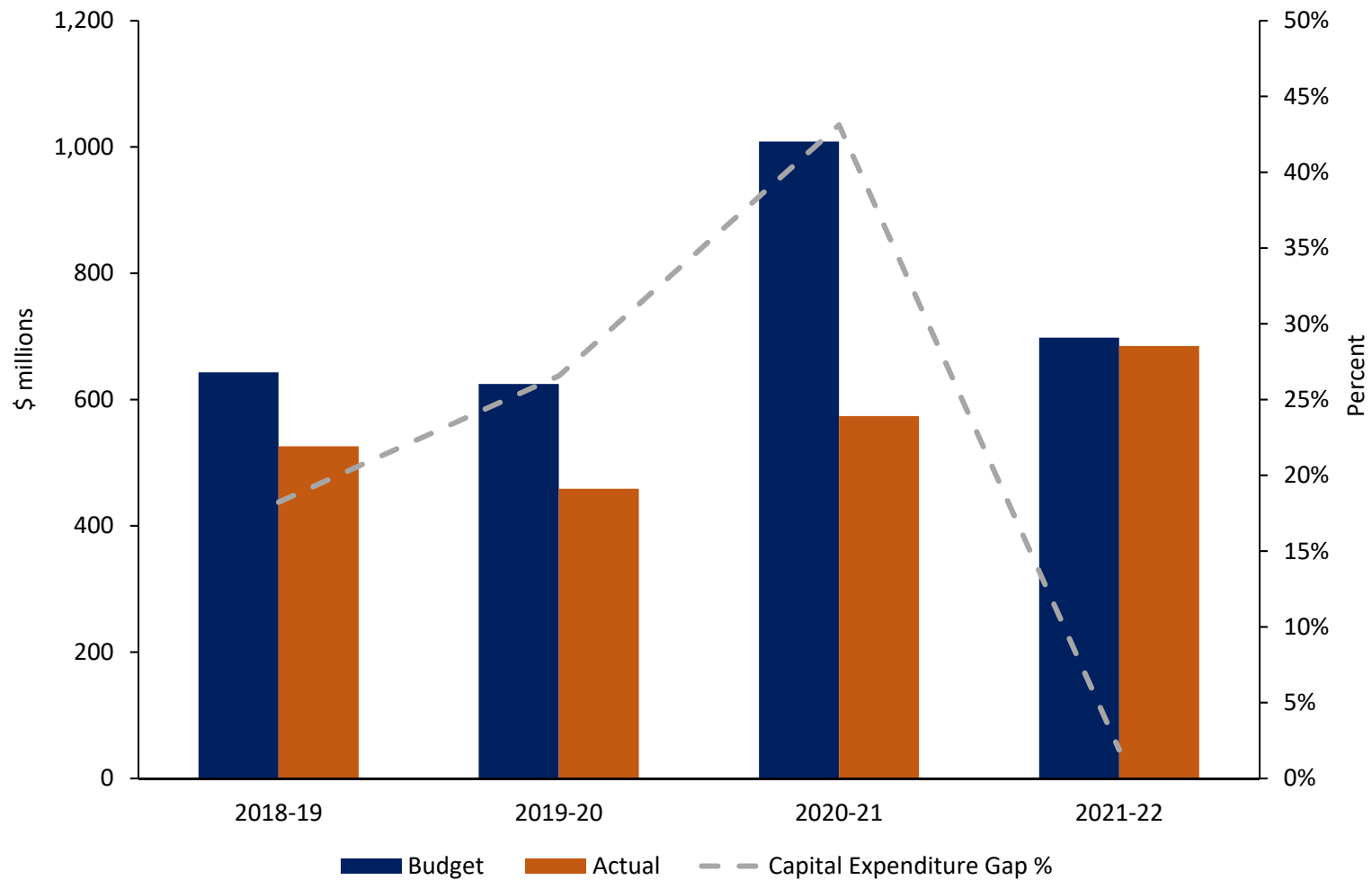
GGs underlying net operating balance



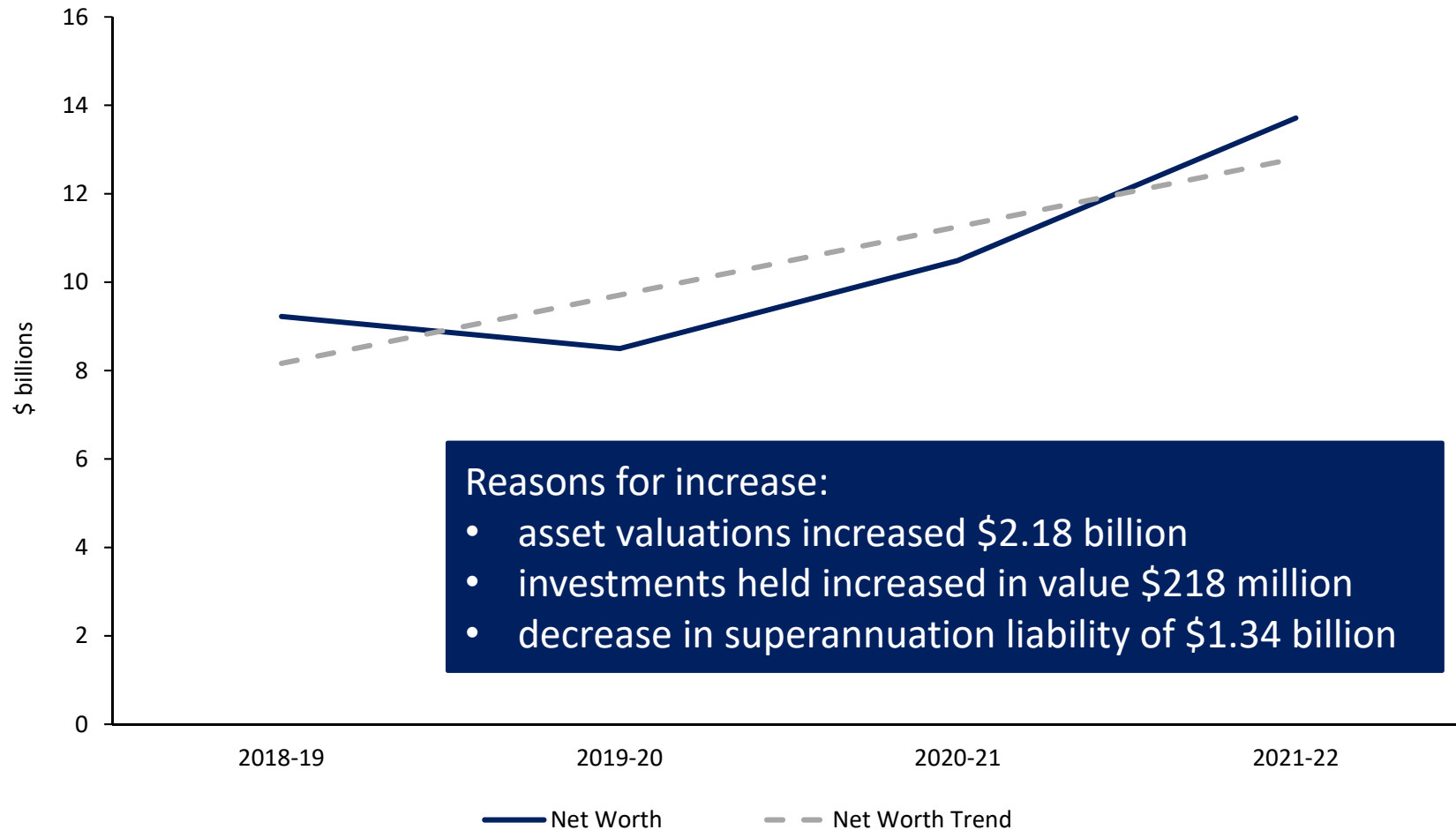
TSS underlying net operating balance



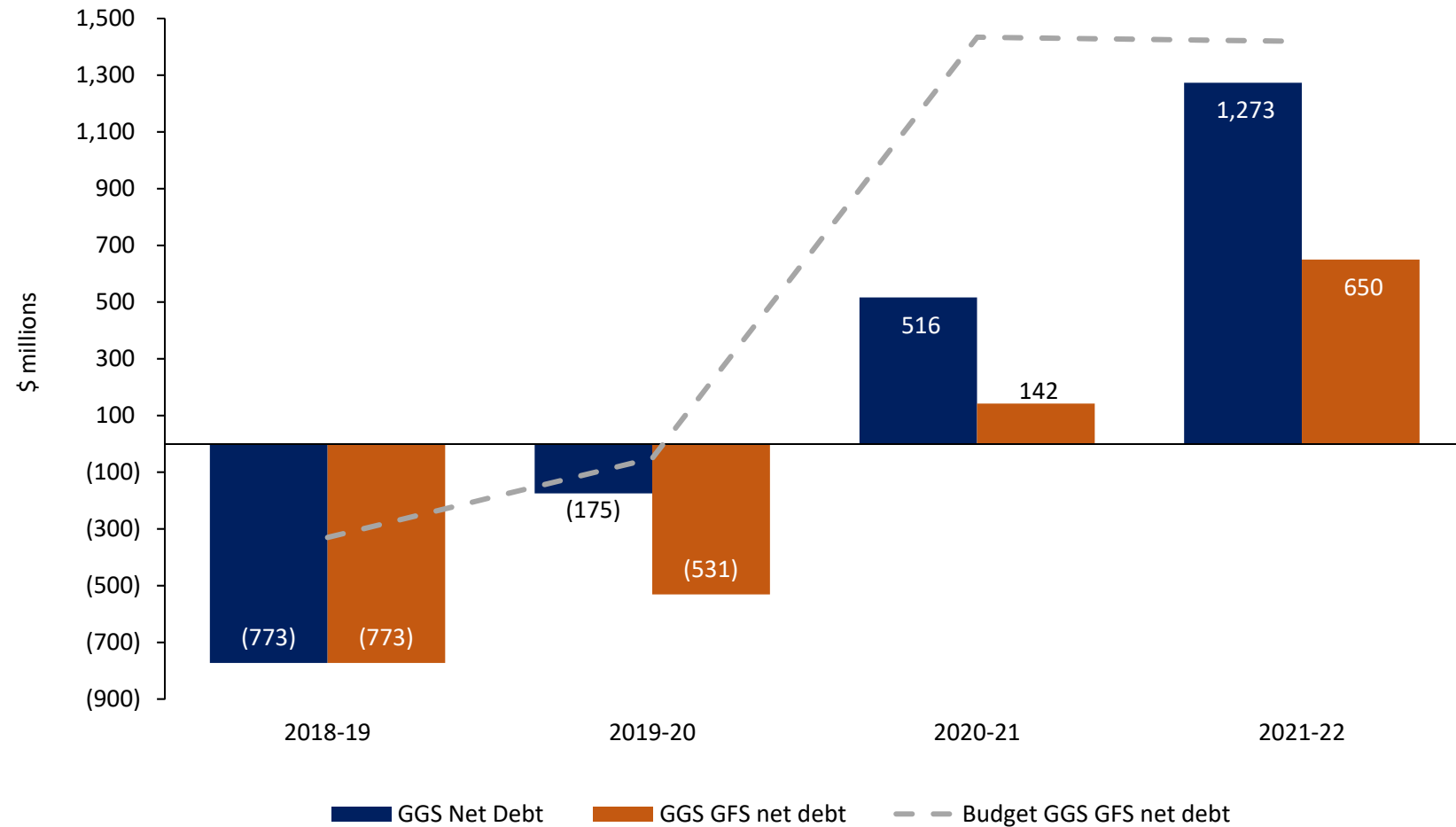
Capital expenditure gap – Departments



GGs net worth

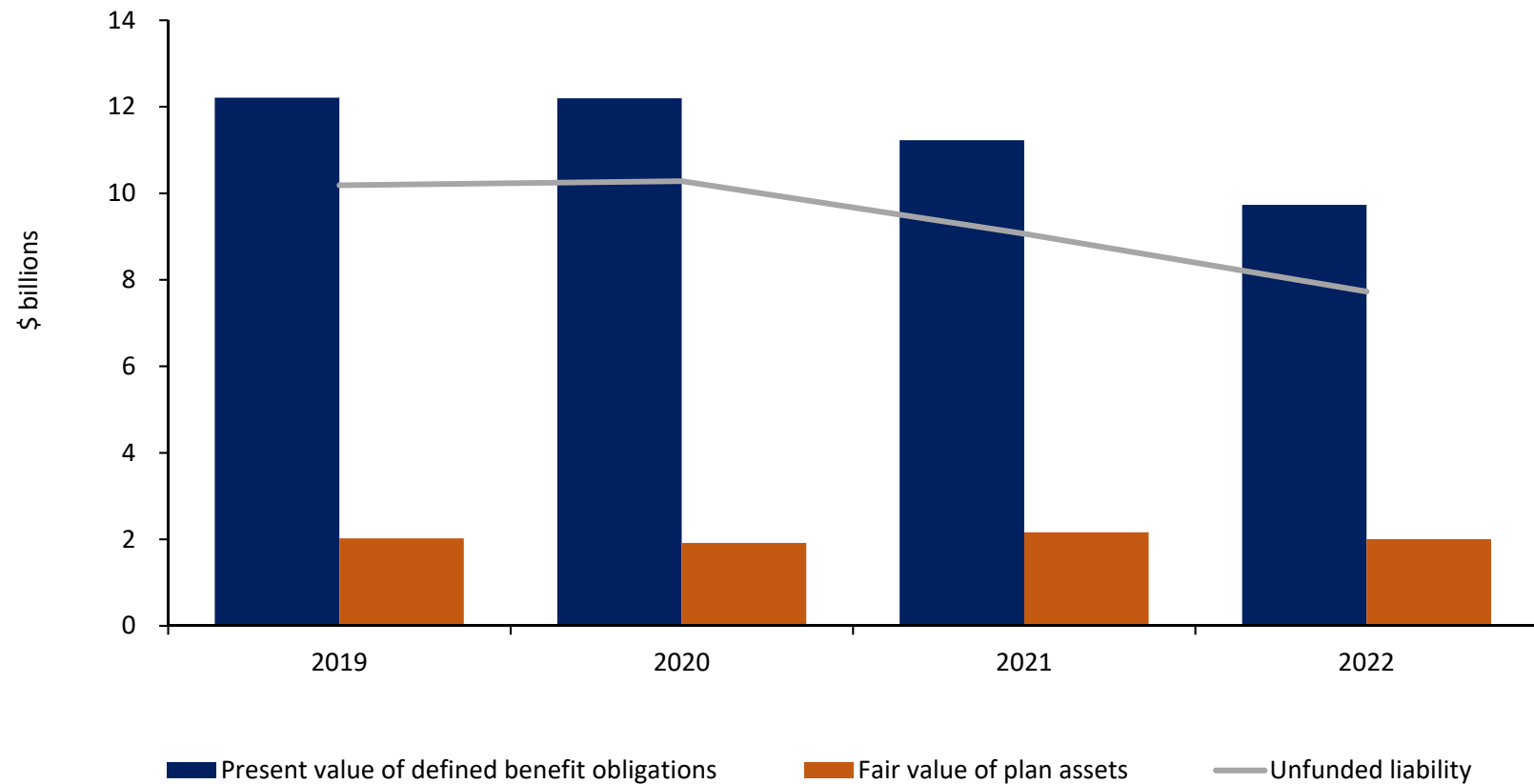


GGs net debt & GGs GFS net debt



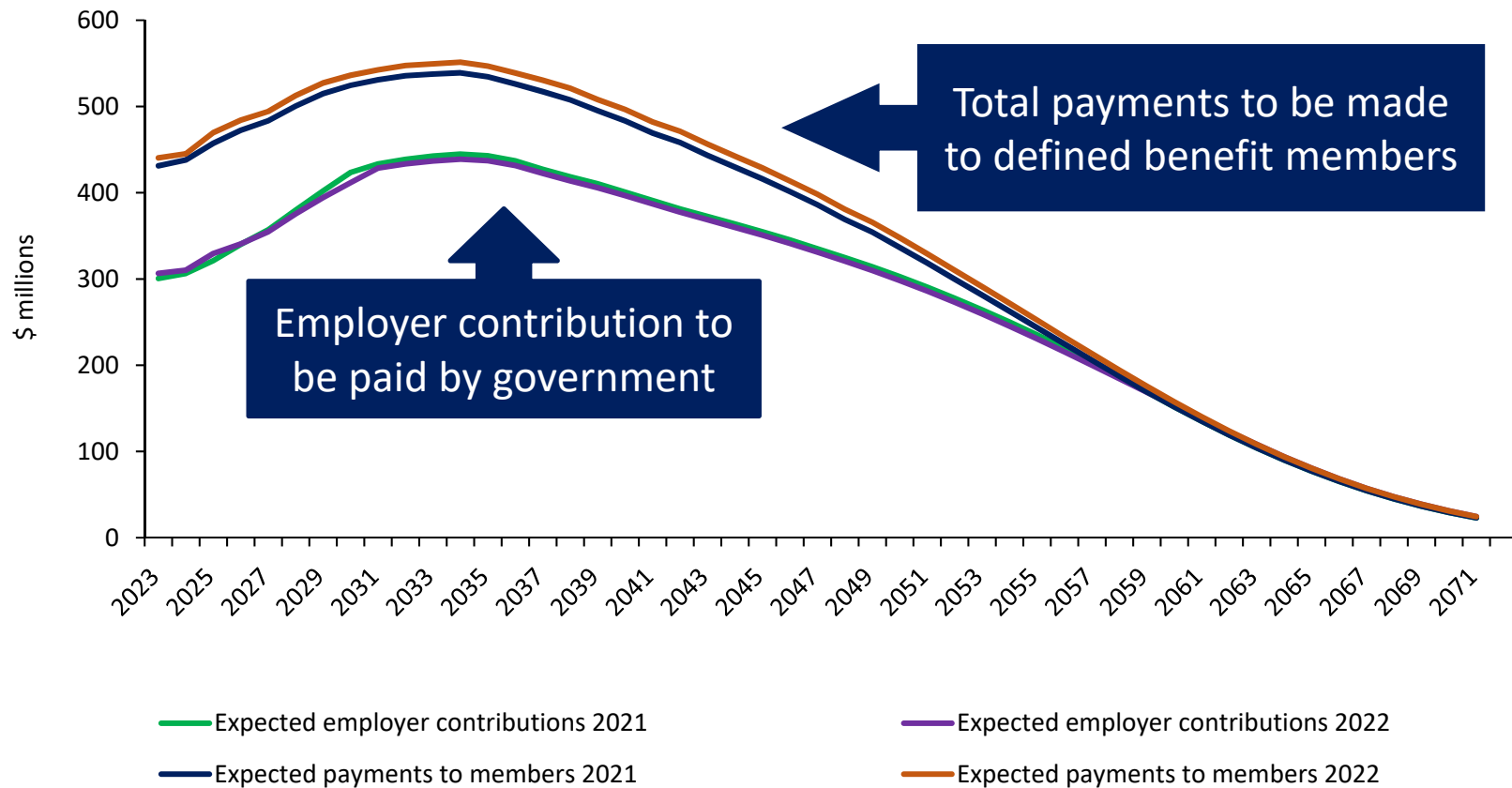
GGS defined benefit superannuation liability

Unfunded liability



GGs defined benefit superannuation liability

Expected nominal (undiscounted) cash flows



Public Non-Financial Corporations and Public Financial Corporations



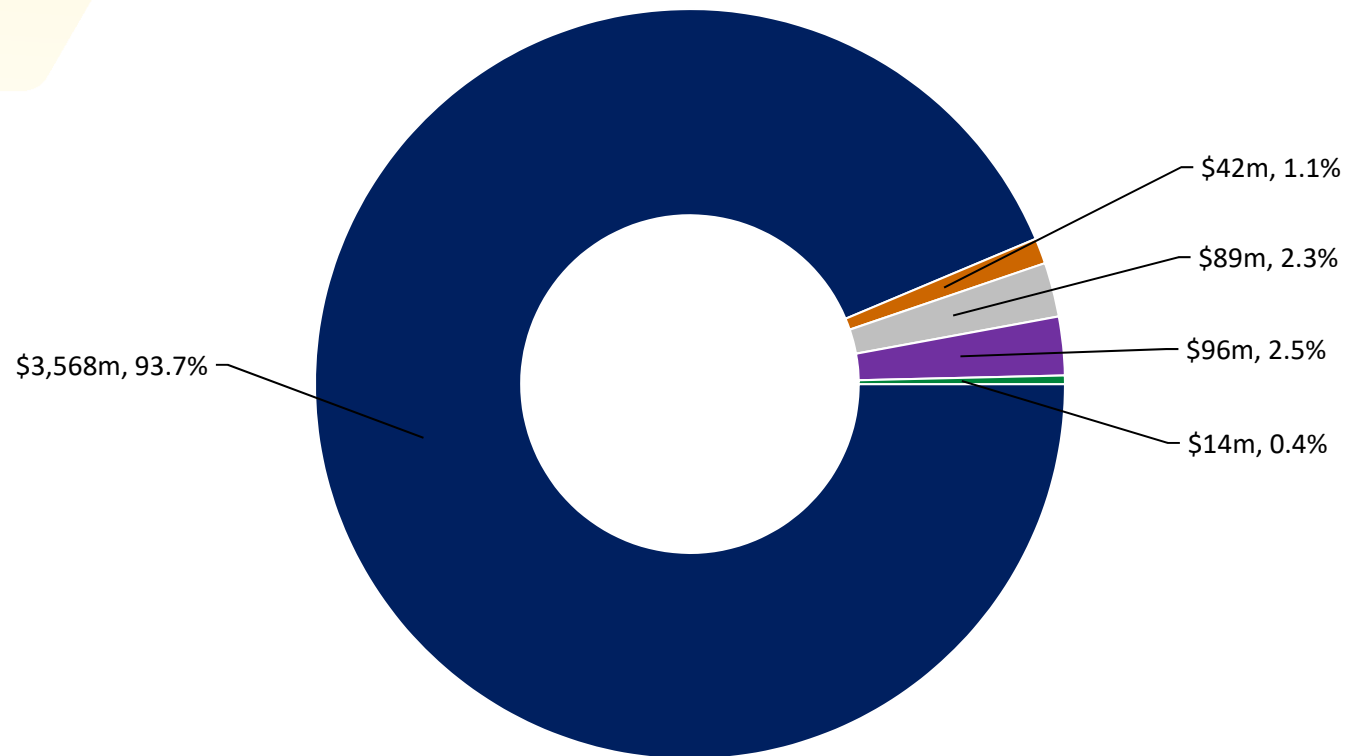
PNFC and PFC underlying profit (loss)

\$424m	\$331m	\$618m	\$125m
2018-19	2019-20	2020-21	2021-22
▼ (16%)	▼ (22%)	▲ 87%	▼ (80%)

▲ Improvement from prior year ▼ Deterioration from prior year ● No material change from prior year.

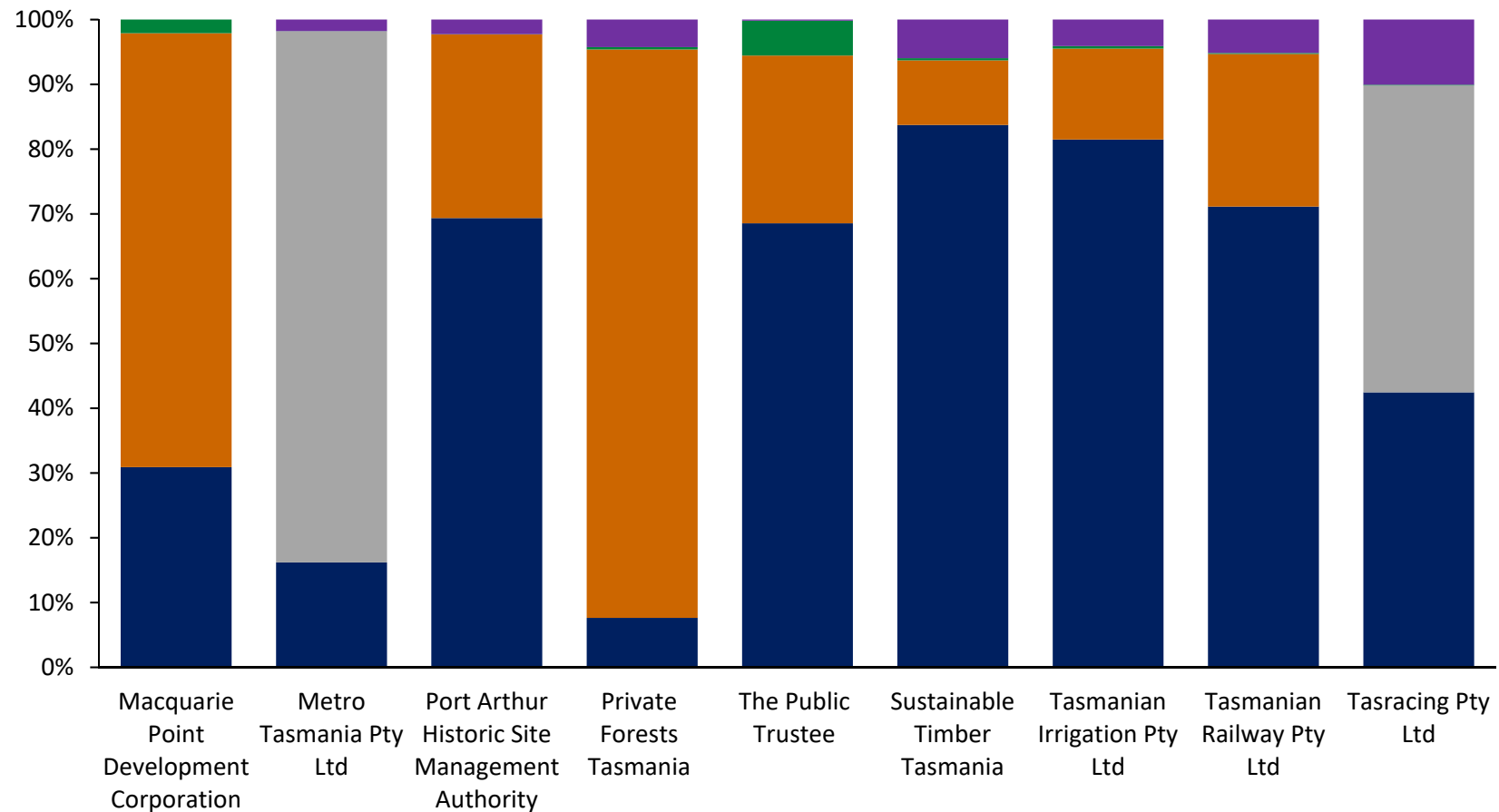
2021-22		
\$125m	\$1,045m	\$450m
Underlying profit (loss)	Profit (loss) before tax	Total comprehensive profit (loss)

PNFC and PFC operating revenue 2021-22

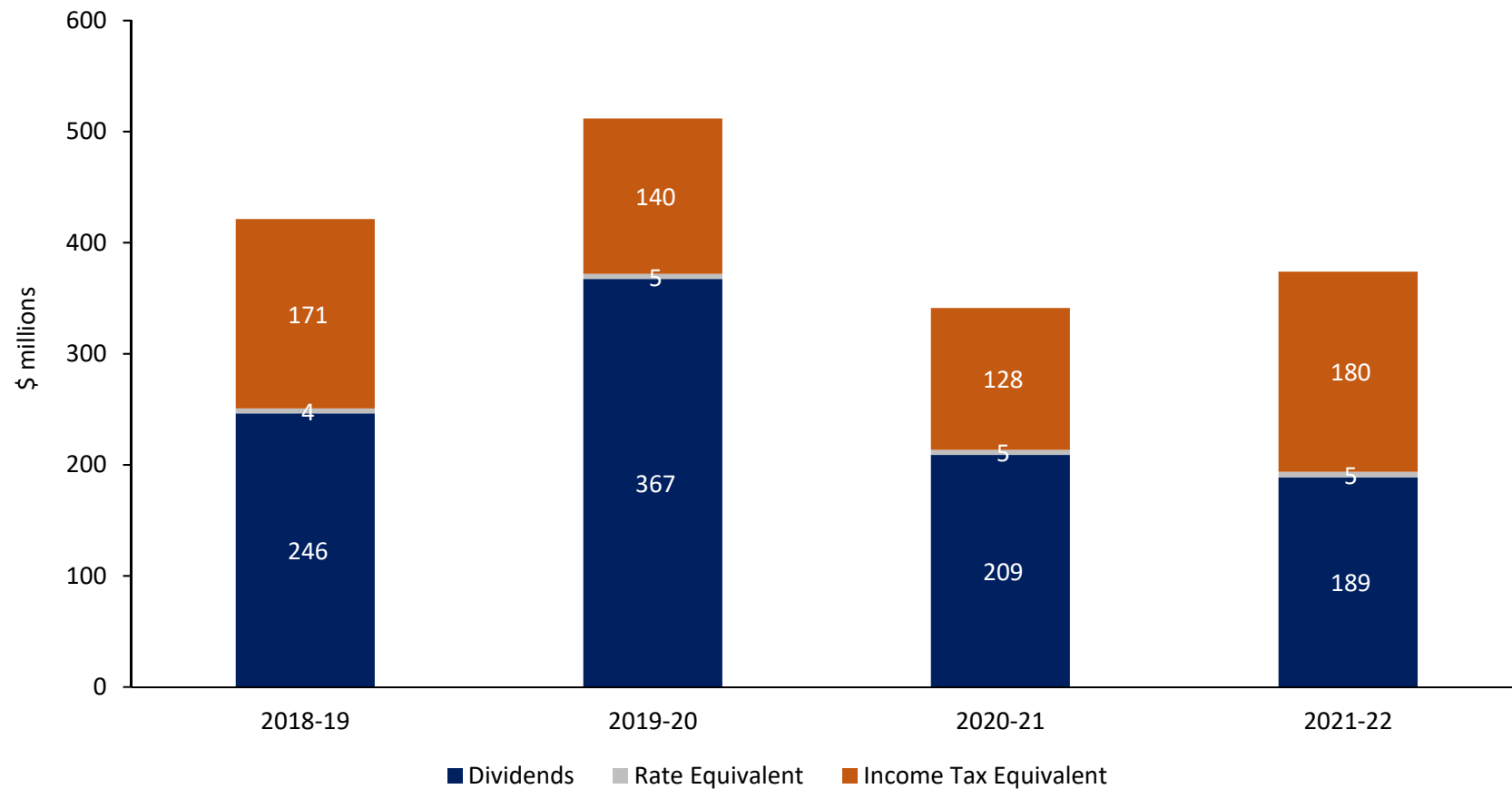


■ Trade Revenue ■ Government operational funding ■ Commercial industry support ■ Investment revenue ■ Other revenue

Sources of revenue for PNFCs

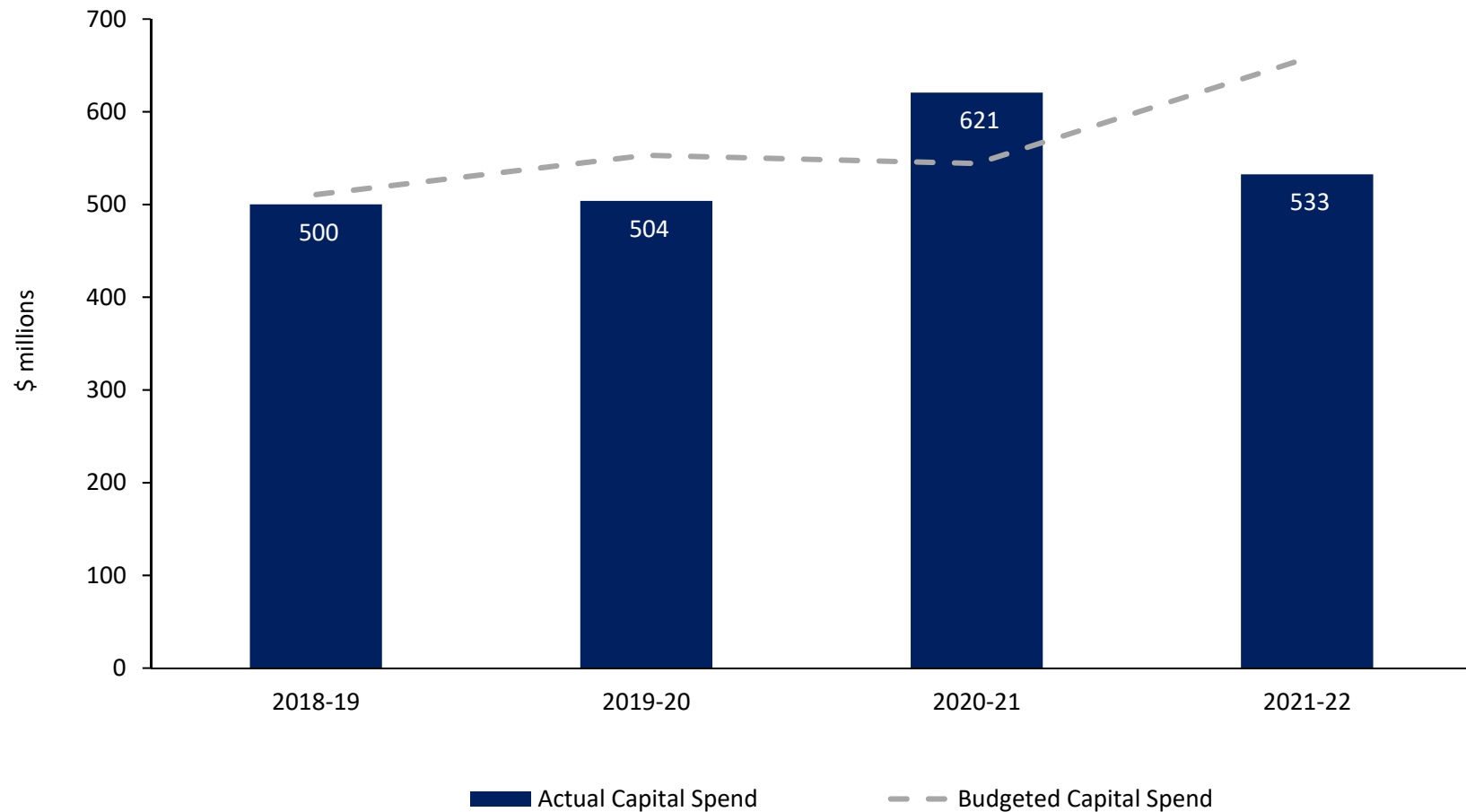


PNFC and PFC payments to Government



Excludes Mersey Community Hospital Fund dividend, returned by Tasmanian Public Finance Corporation.

Capital spending by PNFCs



Borrowings and equity contributions

\$2.87bn ● 0.3%

Total loan borrowings as at 30 June 2022

\$140.85m ● 4.3%

Total equity contributions in 2021-22

▲ Improvement from prior year ▼ Deterioration from prior year ● No material change from prior year.

Other State entities



Other State entities

Other Entities

31 December 2021 year-end

- AMC Search
- Tasmanian University Union
- The University of Tasmania
- Theatre Royal Management Board
- Solicitors' Trust

30 June 2022 year-end

- Aboriginal Land Council of Tasmania*
- Asbestos Compensation Fund
- Council of Law Reporting
- Forest Practices Authority
- Legal Profession Board
- National Trust of Australia (Tasmania)*
- palawa Enterprise Unit Trust*
- Property Agents Board
- Property Agents Trust

Other Entities

30 June 2022 year-end (continued)

- Retirement Benefits Fund
- Tasmanian Beef Industry (Research and Development) Trust
- Tasmania Building and Construction Industry Training Board
- Tasmanian Community Fund
- Tasmanian Dairy Industry Authority
- Tasmanian Economic Regulator
- Tasmanian Heritage Council
- Tasmania Legal Aid
- Tasmanian Pharmacy Authority
- Tasmanian State Health Funding Pool
- Tasmanian Timber Promotion Board
- The Nominal Insurer
- Wellington Park Management Trust
- WorkCover Tasmania Board

* The audit of this entity's financial statements had not been finalised as at 15 November 2022.



Thank you



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