

MEDIA RELEASE - TUESDAY, 14 NOVEMBER 2023

Auditor-General tables volume 1 report to Parliament on results of the audit of State entities and audited subsidiaries of State entities for 31 December 2022 and 30 June 2023

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 2022 and 30 June 2023.

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.

The General Government Sector Underlying Net Operating Balance for 2022-23 was a deficit of \$616 million, a deterioration of \$162 million from the deficit of \$455 million reported for the previous year. Positively, the deficit was \$324 million less than the budgeted deficit of \$940 million.

Capital expenditure for Departments in the General Government Sector has consistently increased over the past 4 years. In 2022-23, actual capital expenditure of \$780 million was well short of the \$1.08 billion budgeted capital expenditure, with the Departments of State Growth, Health and Justice having the largest budgeted capital expenditure 'gap'.

GGs net debt grew by \$602 million to \$1.88 billion at the end of June 2023, mainly due to increased borrowings of \$541 million, drawn down by the Tasmanian Government to support the expenditure of the sector and to ensure Specific Purpose Accounts and Agency Trust Accounts were cash backed.

The Total State Sector Underlying Net Operating Balance, which incorporates the financial results for PNFC and Public Financial Corporations (PFC), was a deficit of \$408 million in 2022-23, an improvement of \$302 million from the prior year deficit of \$710 million. The improved result primarily reflects the \$221 million increase in the underlying profit of the Motor Accidents Insurance Board, largely due to the improvement in financial markets during 2022-23.

<https://www.audit.tas.gov.au/publication/agr2022-23-v1>

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