



Tasmanian
Audit Office

Audit of State entities and audited subsidiaries of State entities 31 December 2022 and 30 June 2023 (Volume 1)

Report of the Auditor-General
No. 2 of 2023-24



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 2024

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

Submission of financial statement audits

159	140 <input checked="" type="checkbox"/>	19
entities with a financial year ending 31 December 2022 or 30 June 2023	financial statements received within 45 days of the end of the financial year	financial statements received after 45 days of the end of the financial year

As at 31 October 2023, we had not received the financial statements for:

- Kentish Council
- Latrobe Council

Completion of financial statement audits

82 	24	34
audits completed within 45 days of receiving the financial statements	audits completed after 45 days of receiving the financial statements	audits dispensed

18	1
audits not yet completed	audits not yet dispensed

Structure of the GGS and TSS during 2023

General Government Sector (GGS)

Government Departments

- Communities Tasmania (to Nov 2022)
- 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

- Homes Tasmania (from Dec 2022)
- 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) =
GGS + PNFC + PFC less inter-entity transactions**

General Government Sector



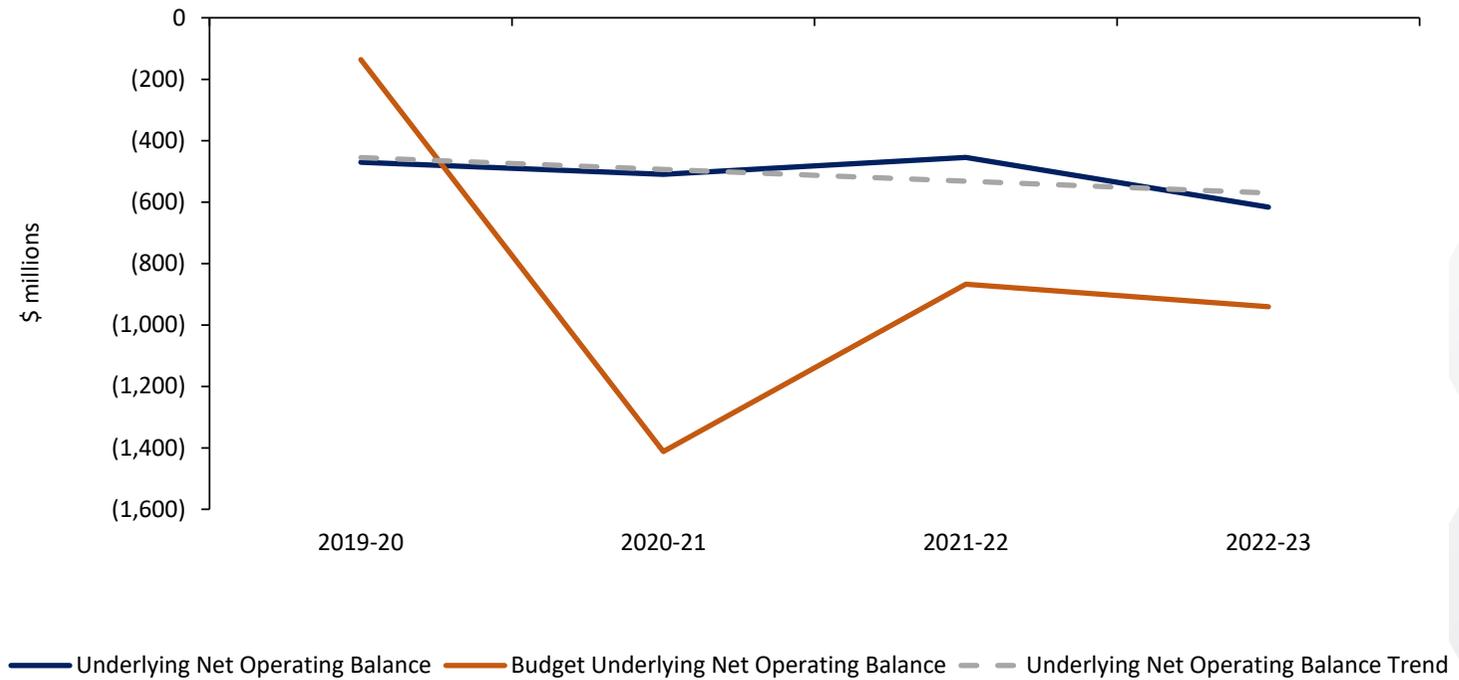
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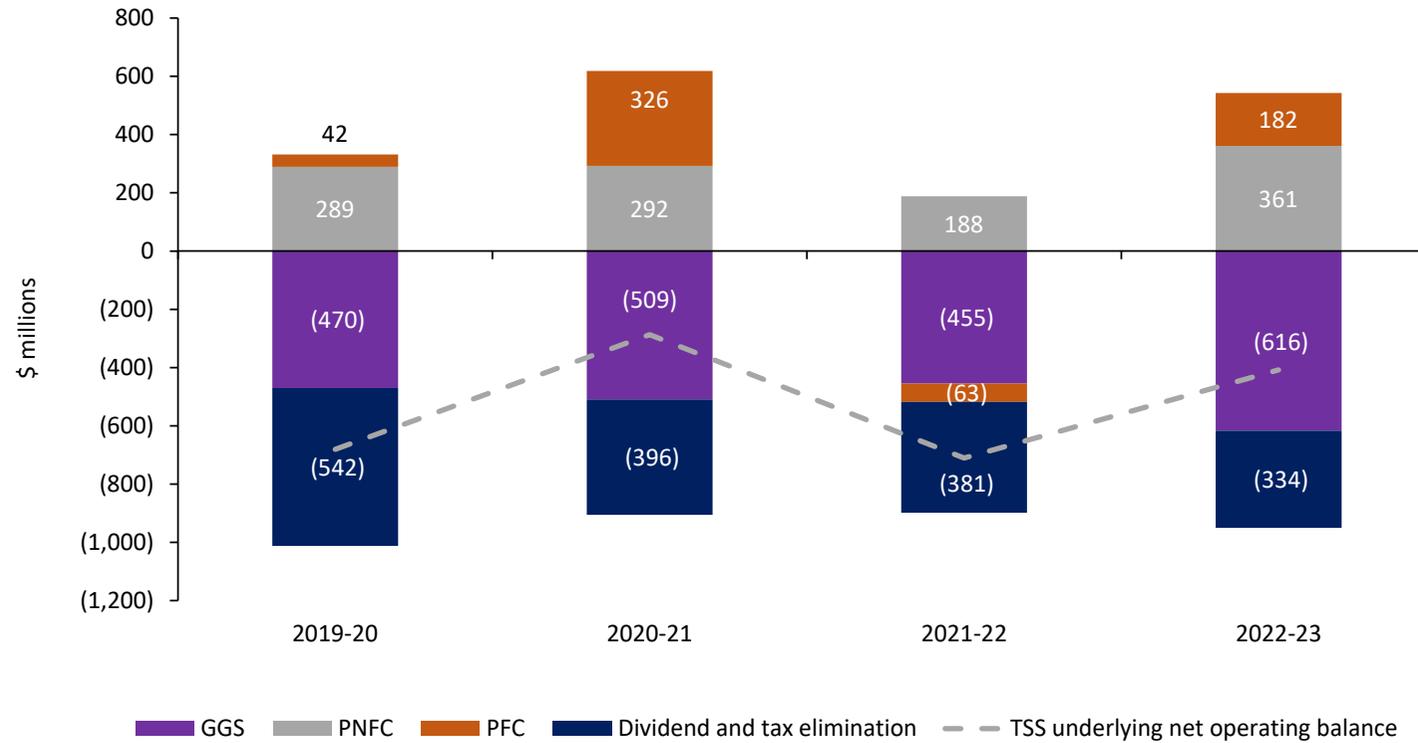
GGs highlights

- Chapter covers significant developments for:
 - The 9 Government departments
 - State Fire Commission
- Outlines the 2022-23 machinery of government changes
- \$2.14 billion in asset revaluation for departments
- Department of Justice: Provision for Claims related to Child Sexual Abuse in State Care
- Department of Treasury: Borrowings, Superannuation, Equity Investments

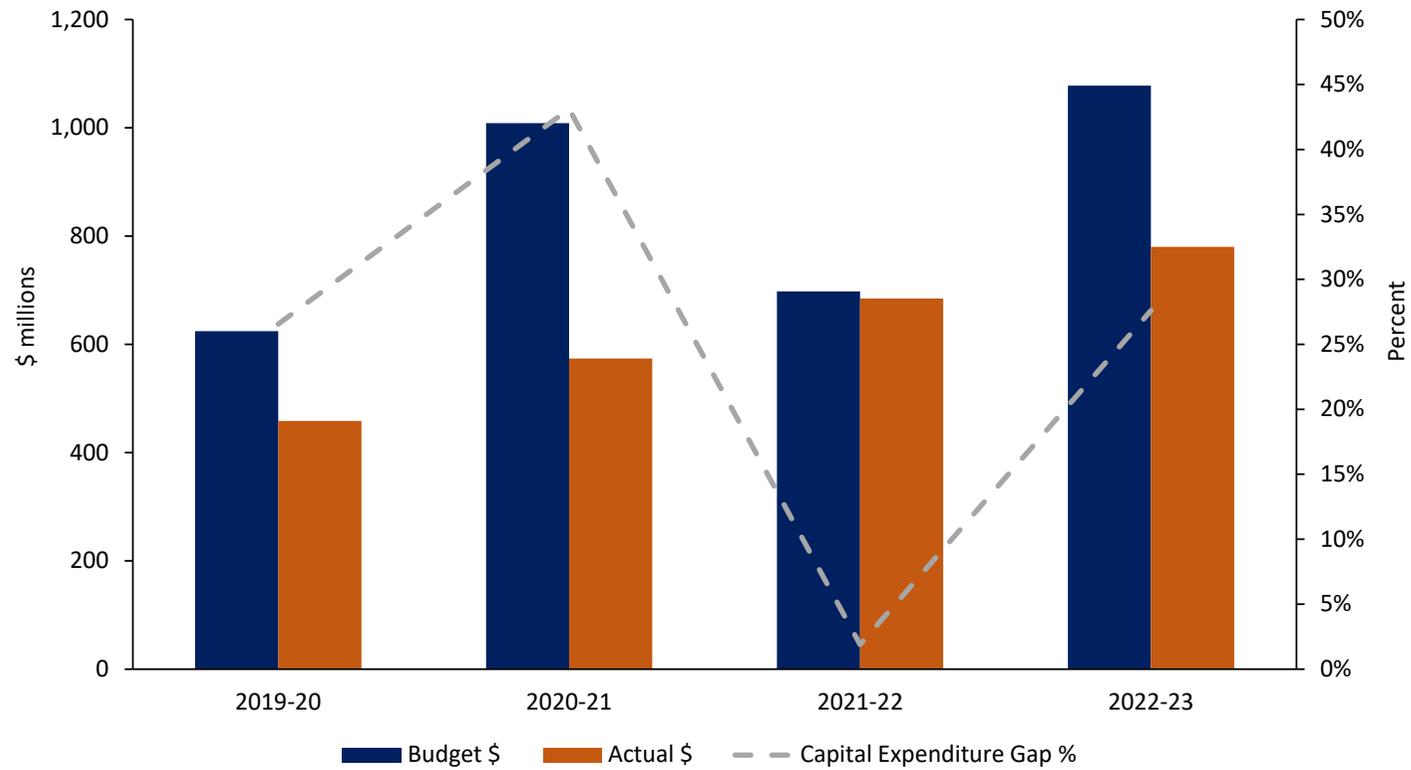
GGs underlying net operating balance



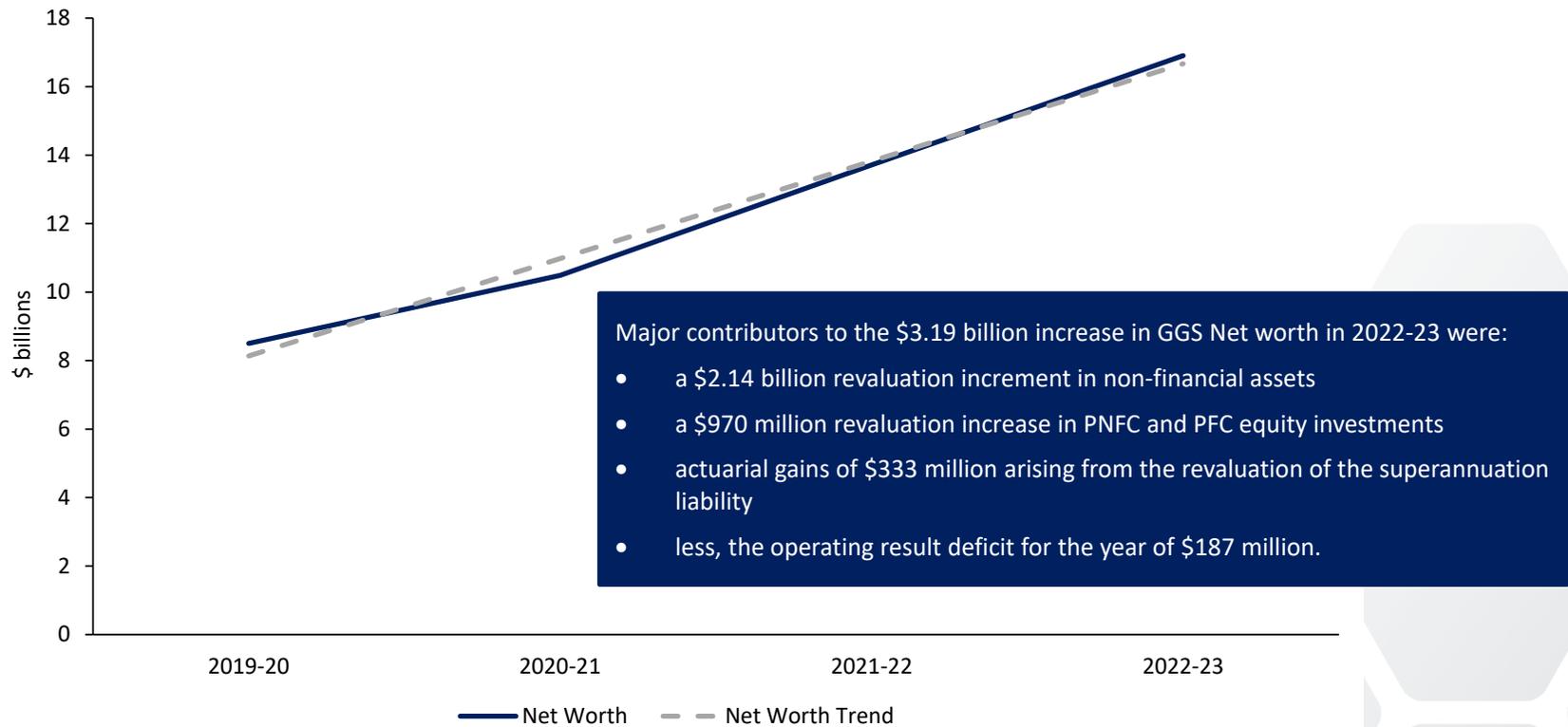
TSS underlying net operating balance



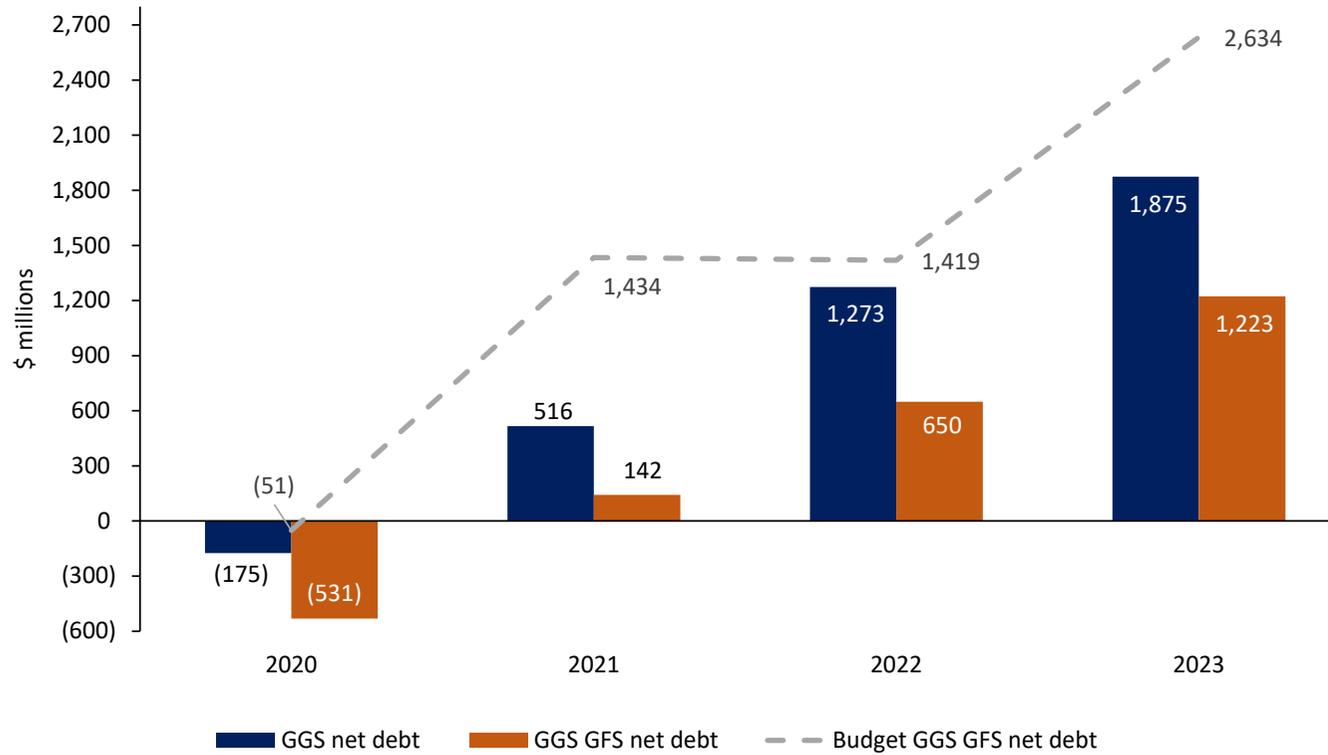
Capital expenditure gap – Departments



GGs net worth

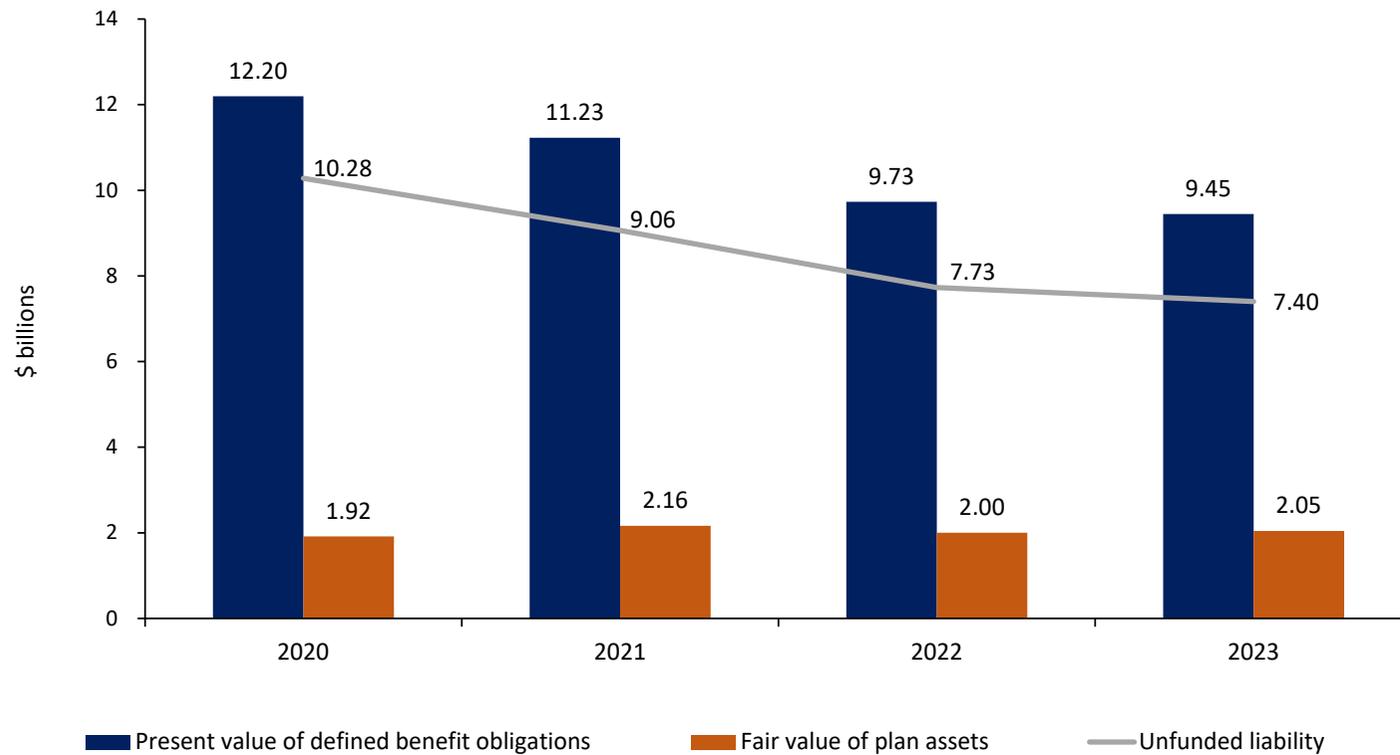


GGs net debt & GGS GFS net debt



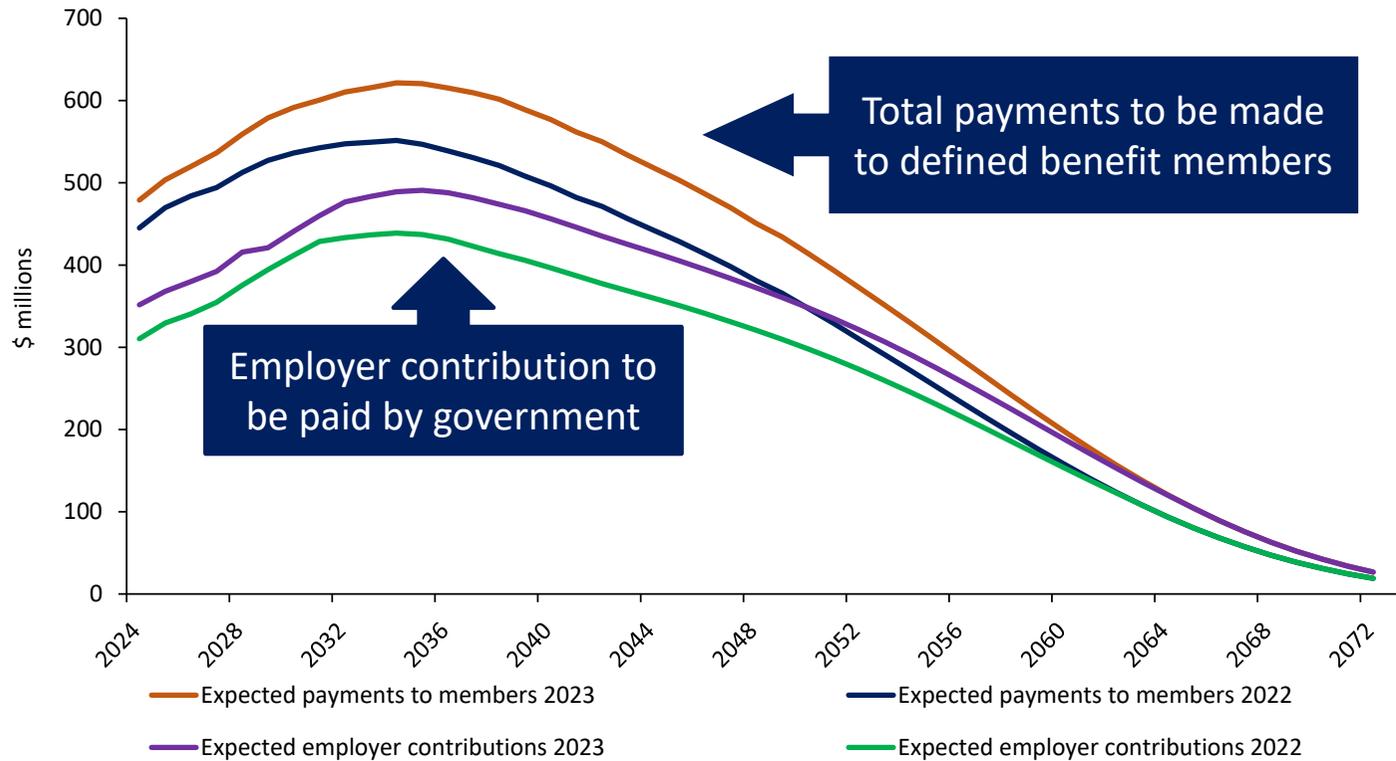
GGs defined benefit superannuation liability

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)

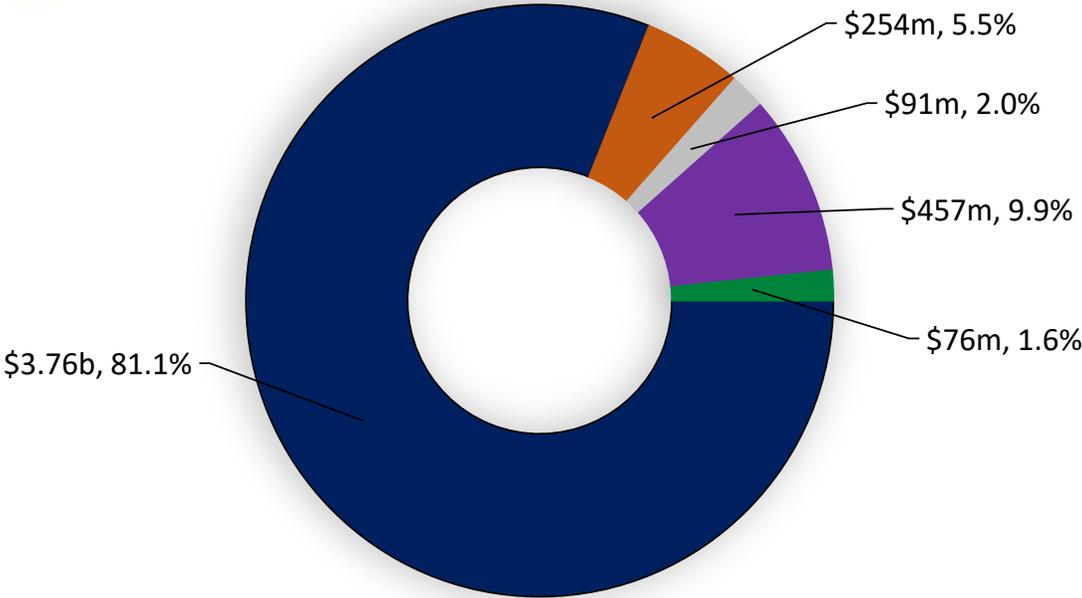
\$331m	\$618m	\$125m	\$543m
2019-20	2020-21	2021-22	2022-23
▼	▲	▼	▲
(22%)	87%	(80%)	334%

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

2022-23		
\$543m	\$555m	\$1,032m
Underlying profit (loss)	Profit (loss) before tax	Total comprehensive profit (loss)

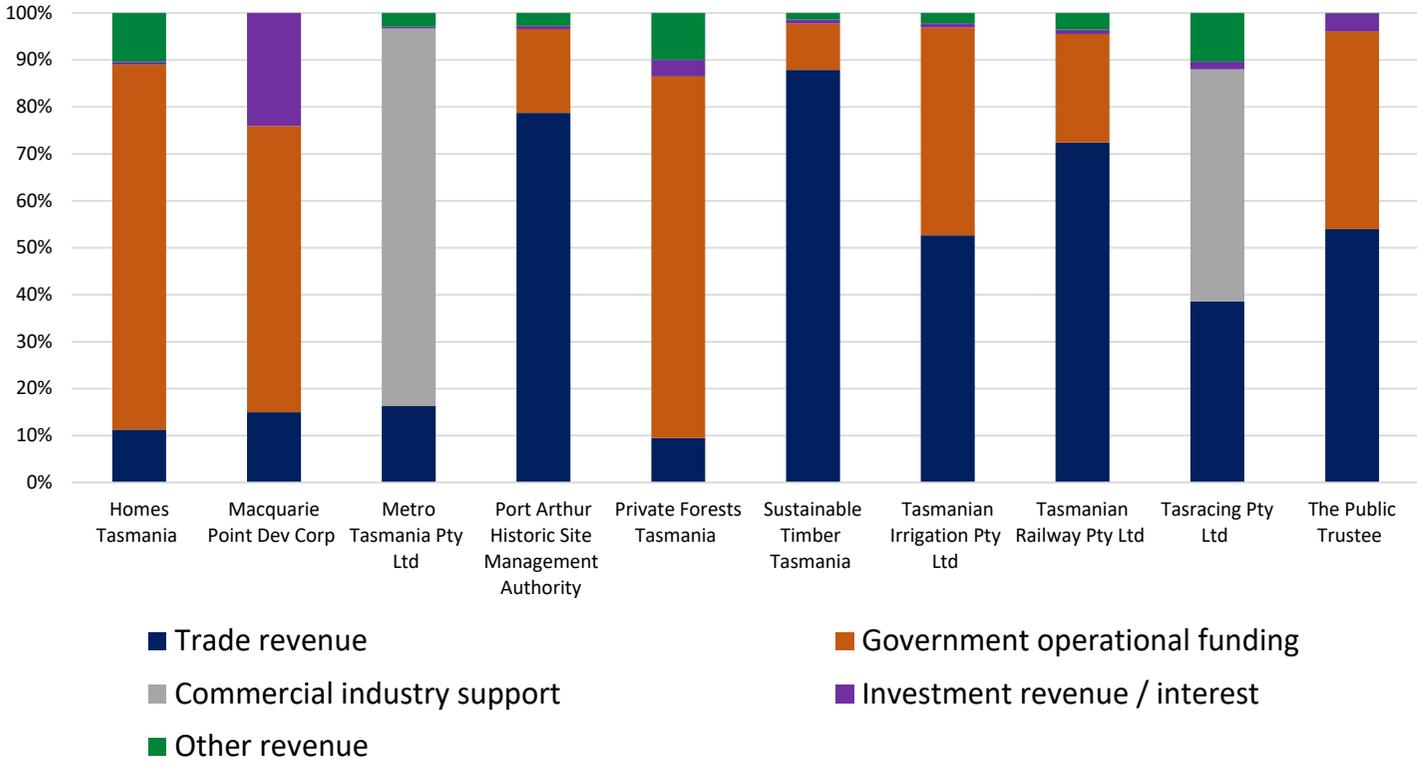
Results are aggregate of 16 PNFC and PFC entities included in the report

PNFC and PFC operating revenue 2022-23

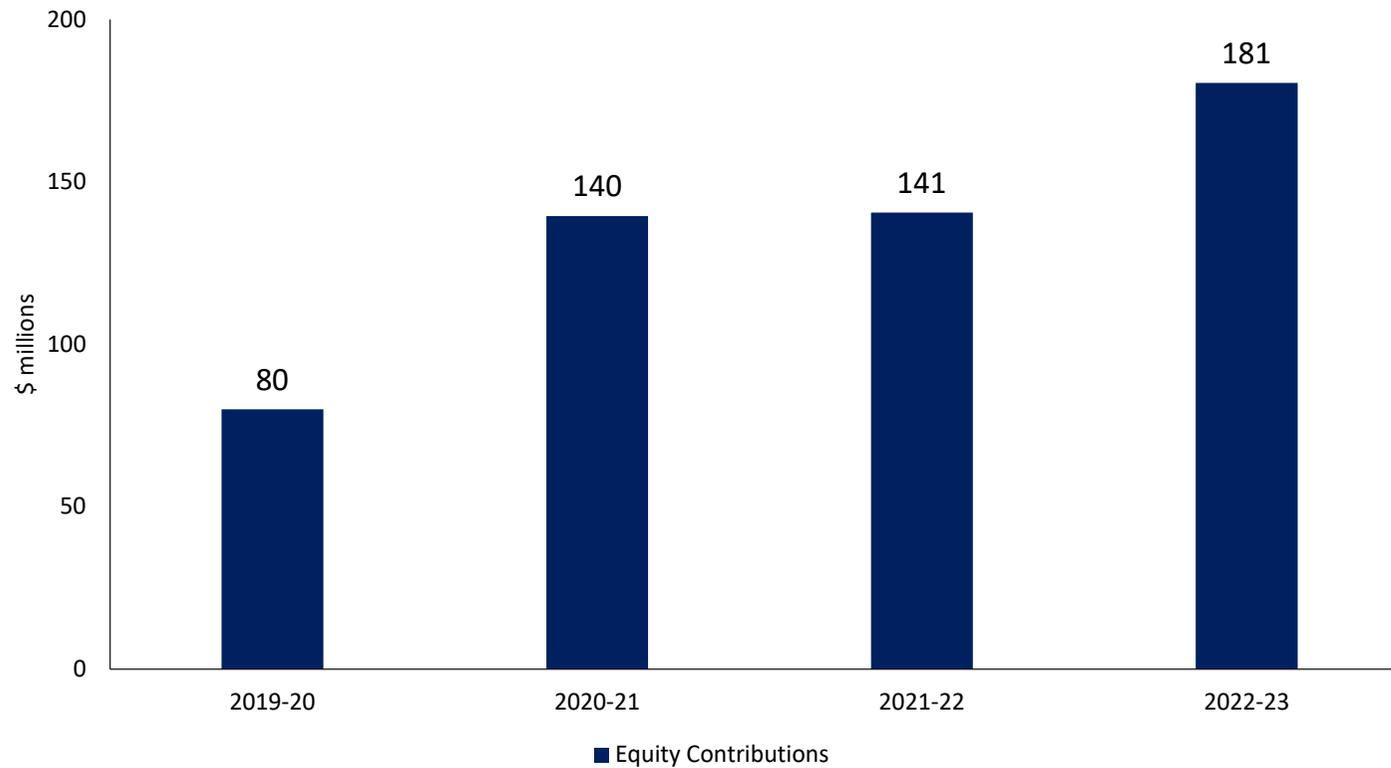


- Trade Revenue
- Commercial industry support
- Other revenue
- Government operational funding
- Investment revenue / interest

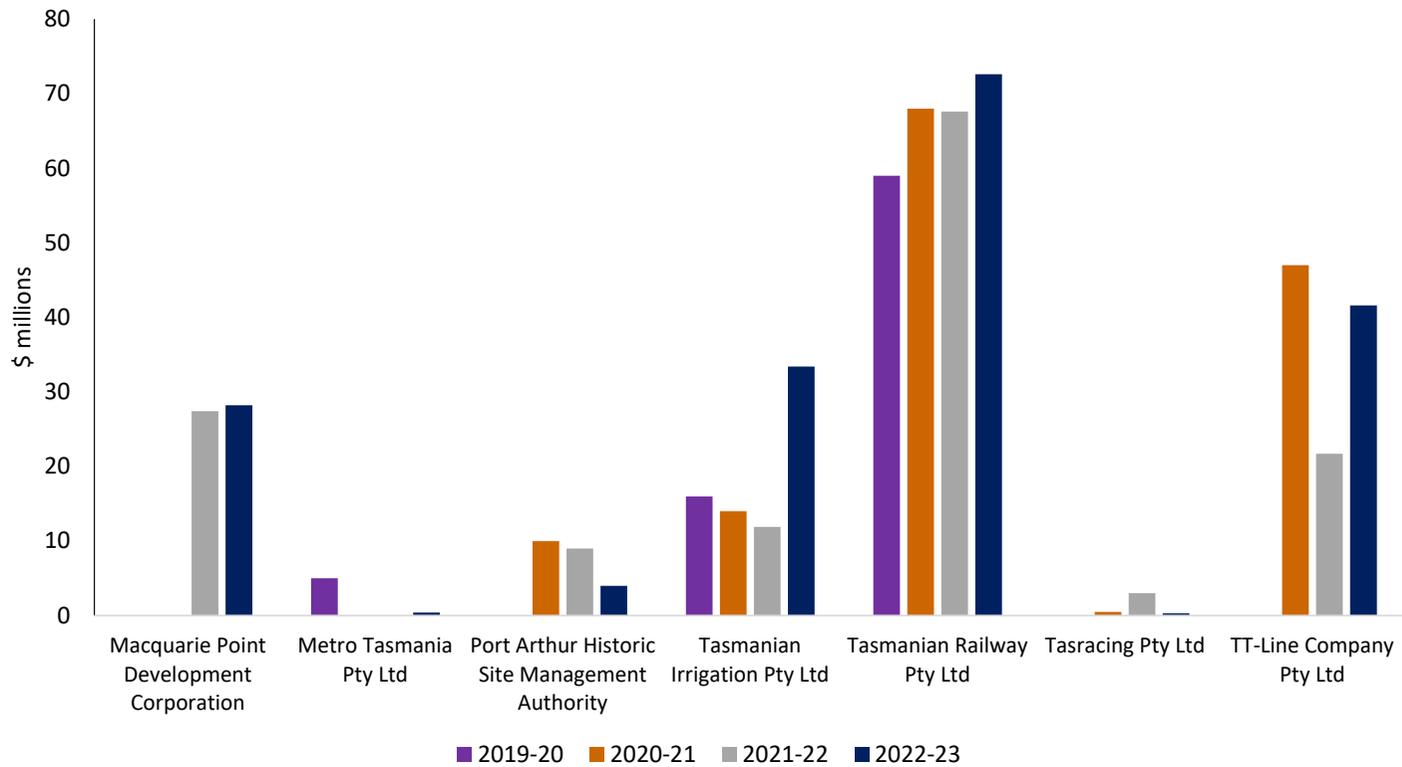
Sources of revenue for PNFCs



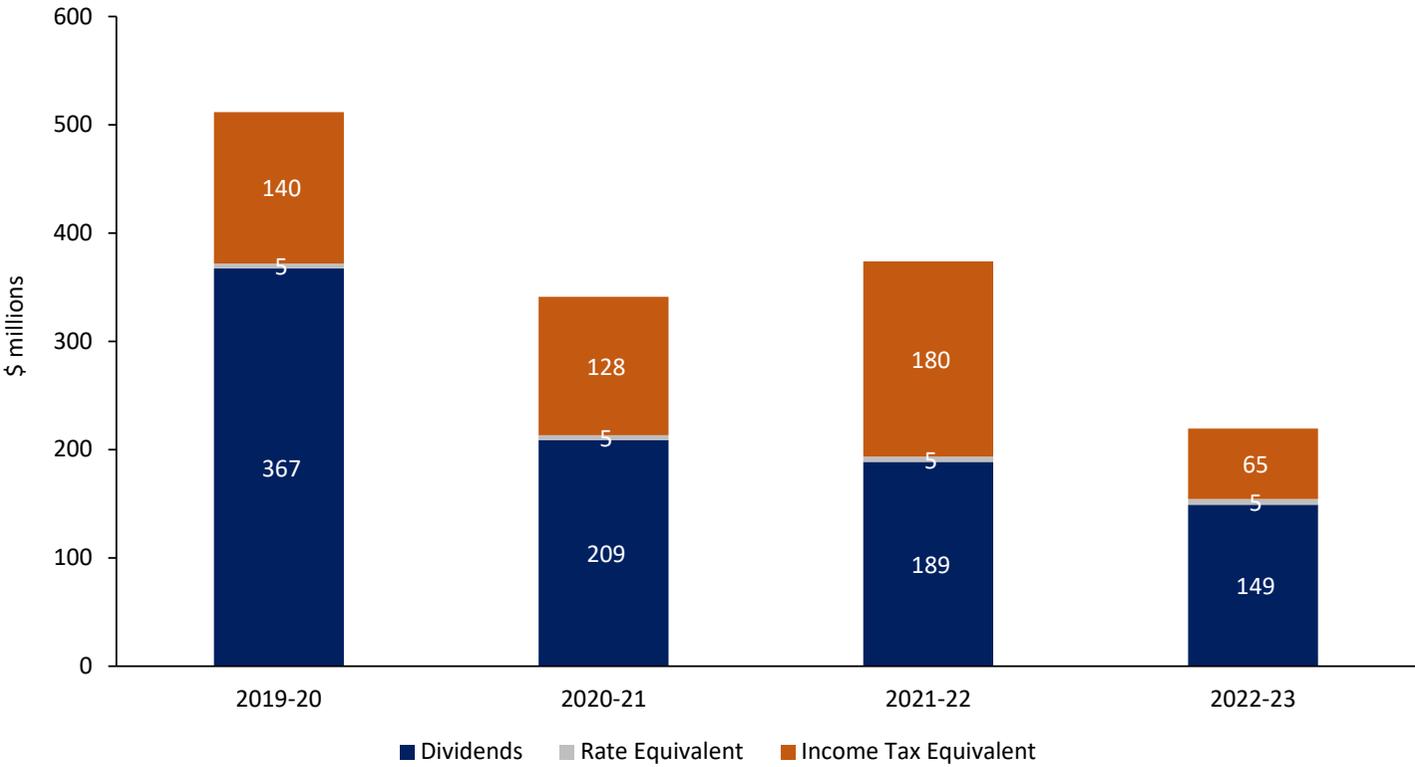
Equity Contributions to PNFCs



Equity contributions received by each PNFC

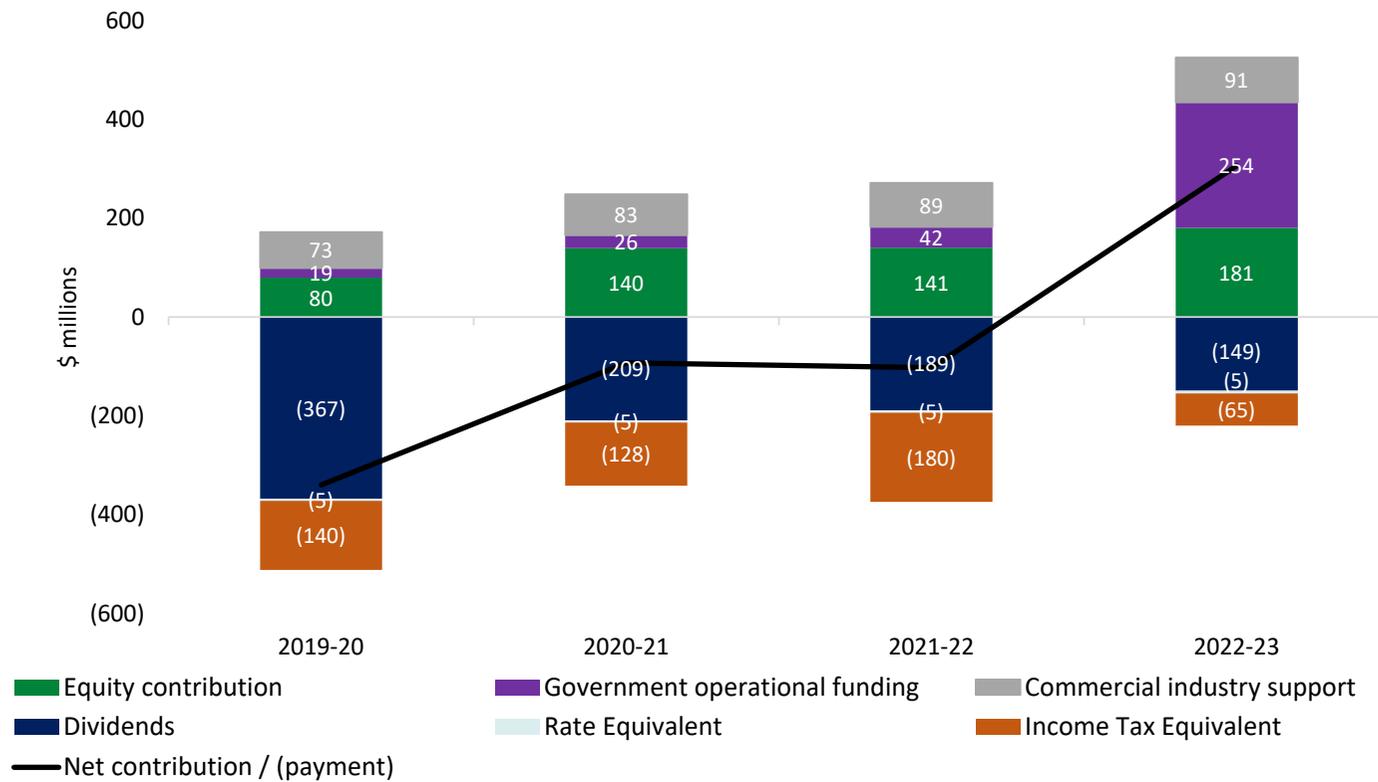


PNFC and PFC payments to Government

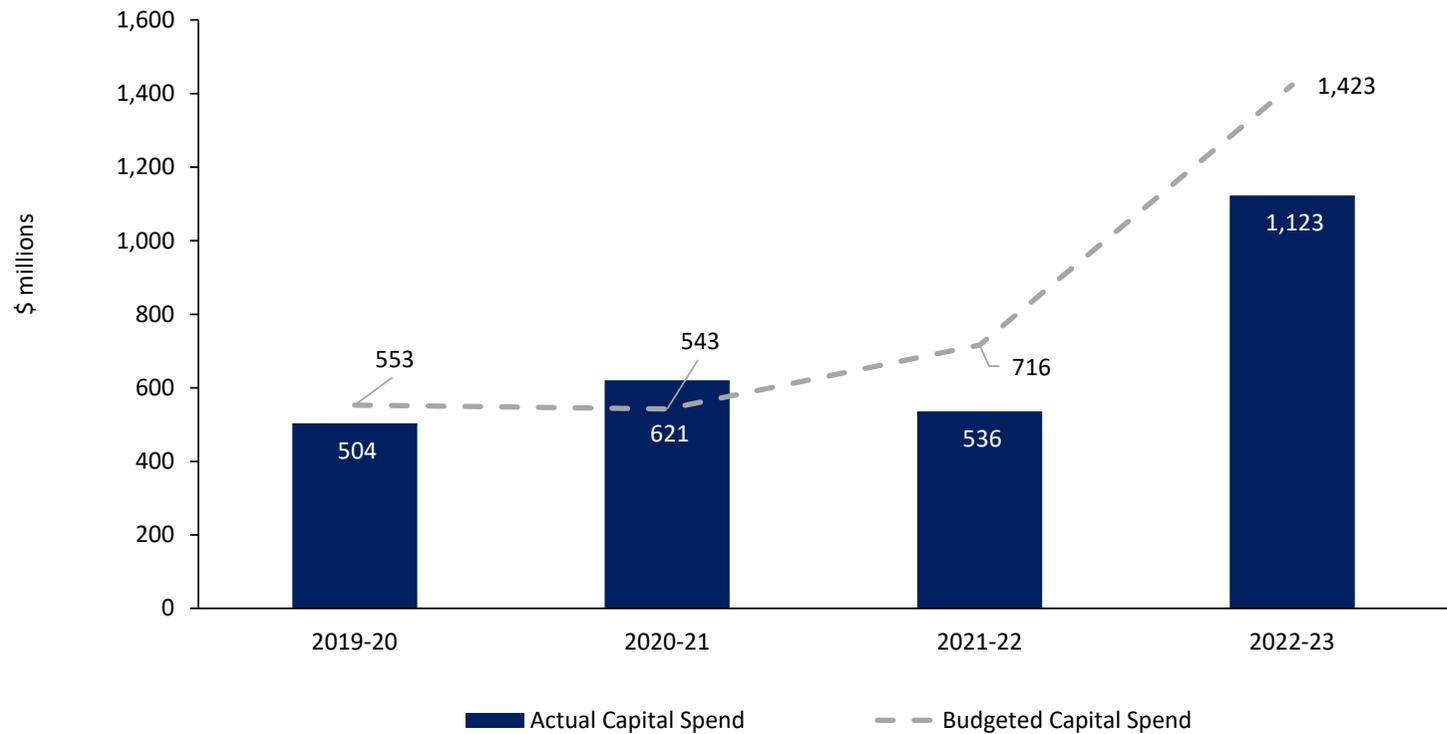


Excludes Mersey Community Hospital Fund dividend, returned by Tasmanian Public Finance Corporation.

Contributions by Government compared to payments to Government



Capital spending by PNFCs



Excludes Public Finance Corporations

Other State entities



Other State entities

Other Entities

31 December 2022 year-end

- AMC Search
- Tasmanian University Union
- The University of Tasmania
- Theatre Royal Management Board
- Solicitors' Trust
- UTAS Holdings Pty Ltd
- UTAS Properties Pty Ltd

30 June 2023 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
- Retirement Benefits Fund*

Other Entities

30 June 2023 year-end (continued)

- Southern Tasmania Regional Waste Authority*
- Tasmania Legal Aid
- Tasmania State Health Funding Pool
- Tasmanian Affordable Housing Limited
- 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
- Tasmanian Pharmacy Authority
- Tasmanian Timber Promotion Board
- The Nominal Insurer
- Waste Resource and Recovery Board
- Wellington Park Management Trust
- WorkCover Tasmania Board

* The audit of this entity's financial statements had not been finalised as at 31 October 2023.

Thank you

