

MEDIA RELEASE - MONDAY, 10 NOVEMBER 2025

Auditor-General's report to Parliament highlights that Tasmanian Government businesses experienced a challenging year in 2024/25

The Auditor-General, Martin Thompson, today tabled Volume 2 of the report to Parliament on the audit of financial statements of State entities and audited subsidiaries of State entities for the years ended 31 December 2024 and 30 June 2025. This volume includes the results of the financial audits of 18 Public Non-Financial (PNFC) and Public Financial Corporations (PFC).

'Our financial audit program helps maintain transparency and accountability while our audit opinions provide Parliament and Tasmanians with confidence that financial reports can be used to inform decision making,' Mr Thompson stated.

2024-25 was a challenging year for the financial performance of Tasmanian Government businesses. Compared to 2023-24, underlying profit was down \$136.21 million, direct government support increased \$52.84 million and equity contributions increased \$114.33 million. Returns to the government (dividends and other) were \$38.09 million lower, and borrowings increased \$771.56 million.

The significant increase in borrowings in 2024-25 followed increases in previous years, and together with additional planned borrowings over the coming years, servicing this level of debt will place further pressure on the profitability of PNFCs.

We have observed interest expense increase from \$115.93 million in 2022-23 to \$209.87 million in 2024-25. With the growing level of borrowings in the foreseeable future, interest expense will continue to rise, further impacting PNFC's ability to:

- generate an underlying surplus
- reduce reliance on government support and equity contributions, and
- provide a return to government.

This volume also provides commentary on other significant developments. Three significant matters included in this report are:

- At TT-Line, the Directors Declaration included significant additional disclosures, explaining why they remain of the view that the company will be able to meet debts as and when they fall due. This disclosure provides essential information for a reader of the financial report. However, it is important to note the auditor's assessment of the going concern basis of the company's financial statements is time limited to approximately twelve months from the current independent audit report. Unlike the auditor's obligations in assessing the appropriateness of the going concern assumption, the consideration of solvency is not time limited. Mr Thompson noted: 'While the audit of Tasmanian state entities is conducted according to the provisions of the *Audit Act (2008)*, for State owned companies such as TT-Line established under the *Corporations Act 2001 (Cmlth)* the Auditor-General is required to meet additional reporting obligations under that Act. Mr Thompson explained: 'During the conduct of my audit, I formed the opinion that TT-Line was likely to be able to

meet its debts as and when they fall due across the relevant period to August 2026. Concurrently, I developed reasonable grounds to suspect that the company would not be able to meet its longer-term debts that fall due after the relevant period. As a result, when I issued my audit report on 19 August 2025, it was my opinion that TT-Line was insolvent’.

- The Motor Accidents Insurance Board (MAIB) has experienced a deterioration of its underwriting over the past 5 years. Based on the current forecasts of MAIB, the deterioration in the underwriting result will not improve in the foreseeable future. Throughout the forecast period (next 4 years) MAIB will continue to incur losses from its underwriting business and will be reliant on positive investment returns to generate profitable operations. Mr Thompson noted: ‘increased reliance on investment returns, and volatility within those markets, increases the overall risk of operations for MAIB’.
- We noted varying approaches to termination payouts being made to KMPs on exiting employment contracts. While no payments were identified outside contractual conditions, the variation in amounts (as high as \$711,000) and frequency of payments are indicative that significant variations exist in contractual arrangements and interpretations for KMPs across different entities.

Mr Thompson concluded: ‘My intent in highlighting the above matters, that stem from the independent audit of the State’s Government businesses, is to provide a resource to Parliament in its scrutiny of these entities to aid transparency and accountability.’

Click through to the report – [AGR 2024-25 Volume 2](#)

ENDS

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