



# Tasmanian Audit Office

## Report of the Auditor-General 2017-18 Financial Audits

*Volume 2*

## Government Businesses 2017-18

*Presentation to Members of Parliament  
27 November 2018*

# Presentation

- Report includes:
  - Executive summary
  - Sector analysis
  - Individual chapters
- Today's Presentation will cover:
  - Sector financial analysis
- Results and analysis include the results for the Tasmanian Water and Sewerage Company (TasWater)



# Sector financial analysis

Government businesses results in aggregate:

Underlying  
profit  
\$540m ▲

Net profit  
before tax  
\$583m ▲

Net profit  
after tax  
\$418m ▲

Total  
compre-  
hensive  
profit  
\$373m ▲

# Underlying profit

**\$540m**

2017-18

**▲ 27%**

**\$425m**

2016-17

**▲ 59%**

**\$267m**

2015-16

**▼ (37%)**

**\$424m**

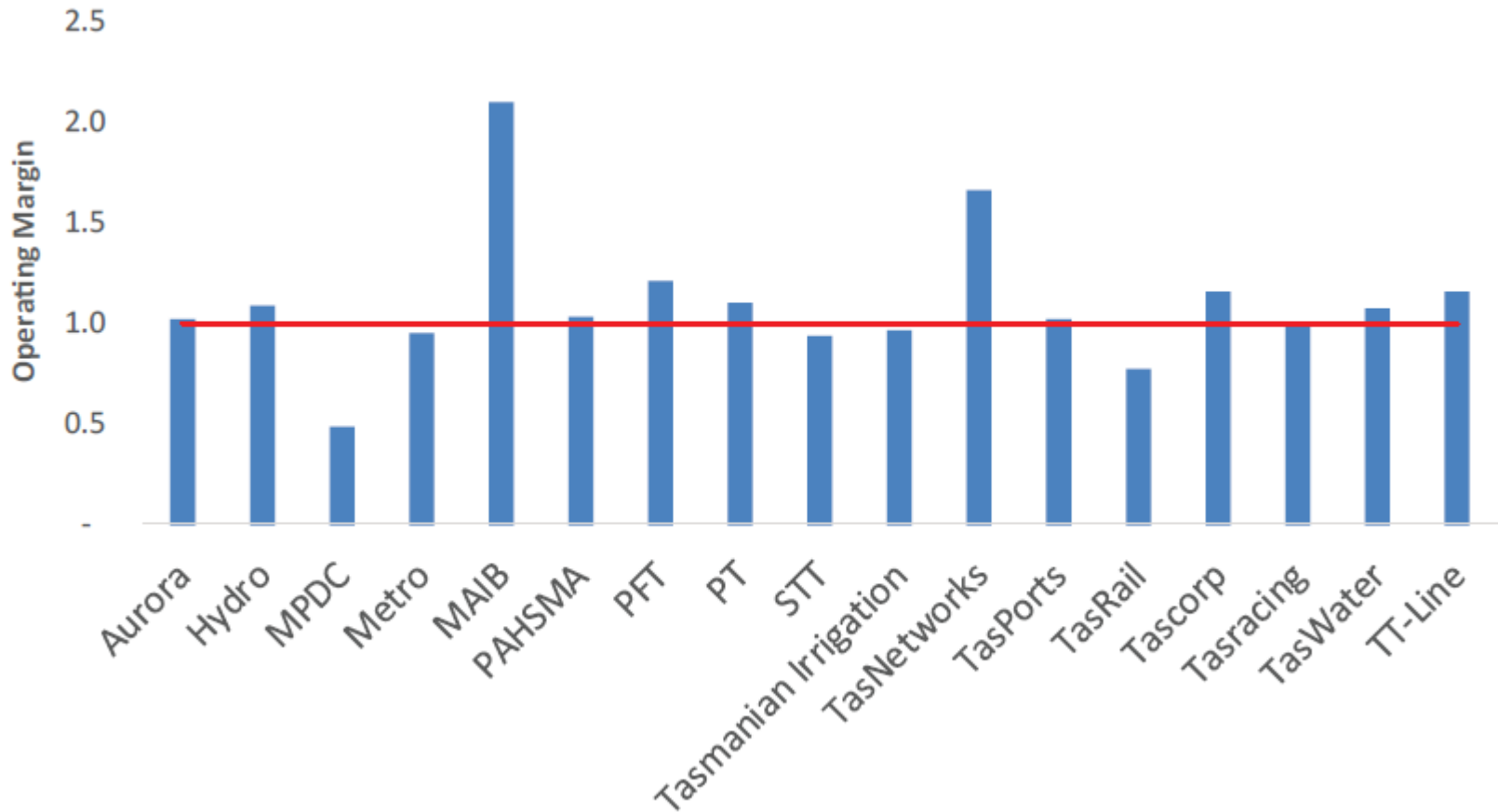
2014-15

**▼ (19%)**

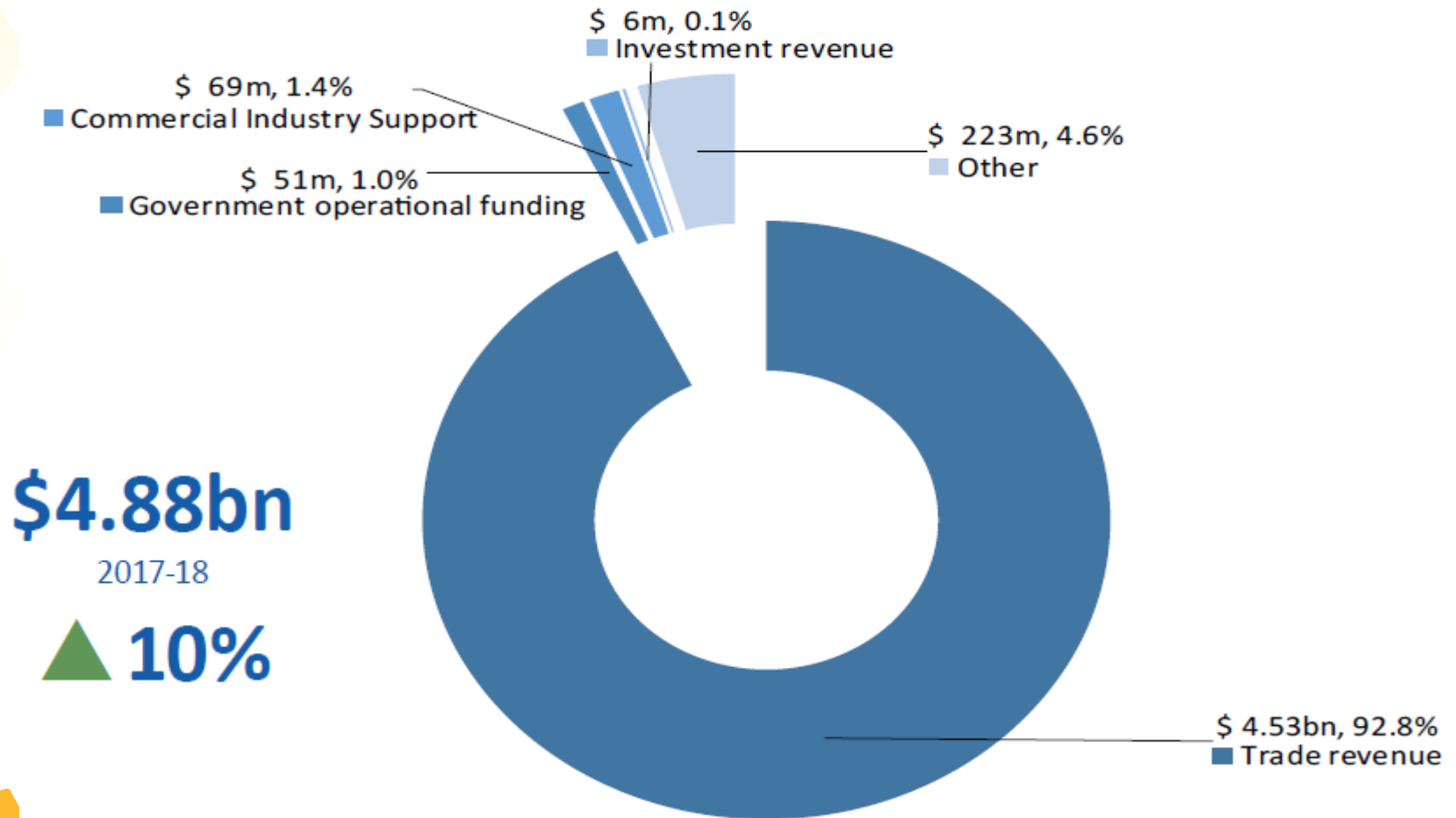
▲ *Improvement from prior year* ▼ *Deterioration from prior year* ● *No material change from prior year.*



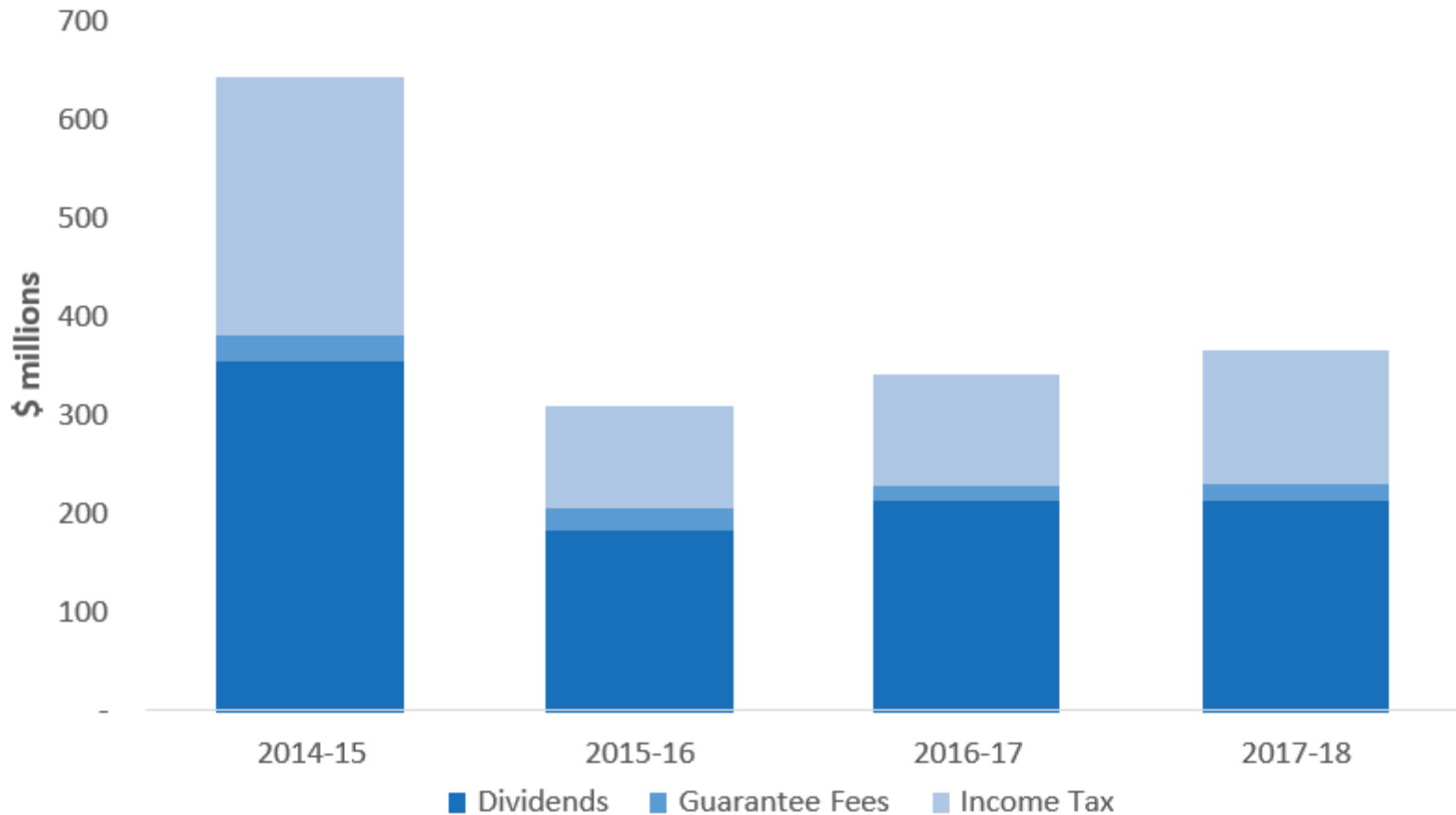
# Operating margin



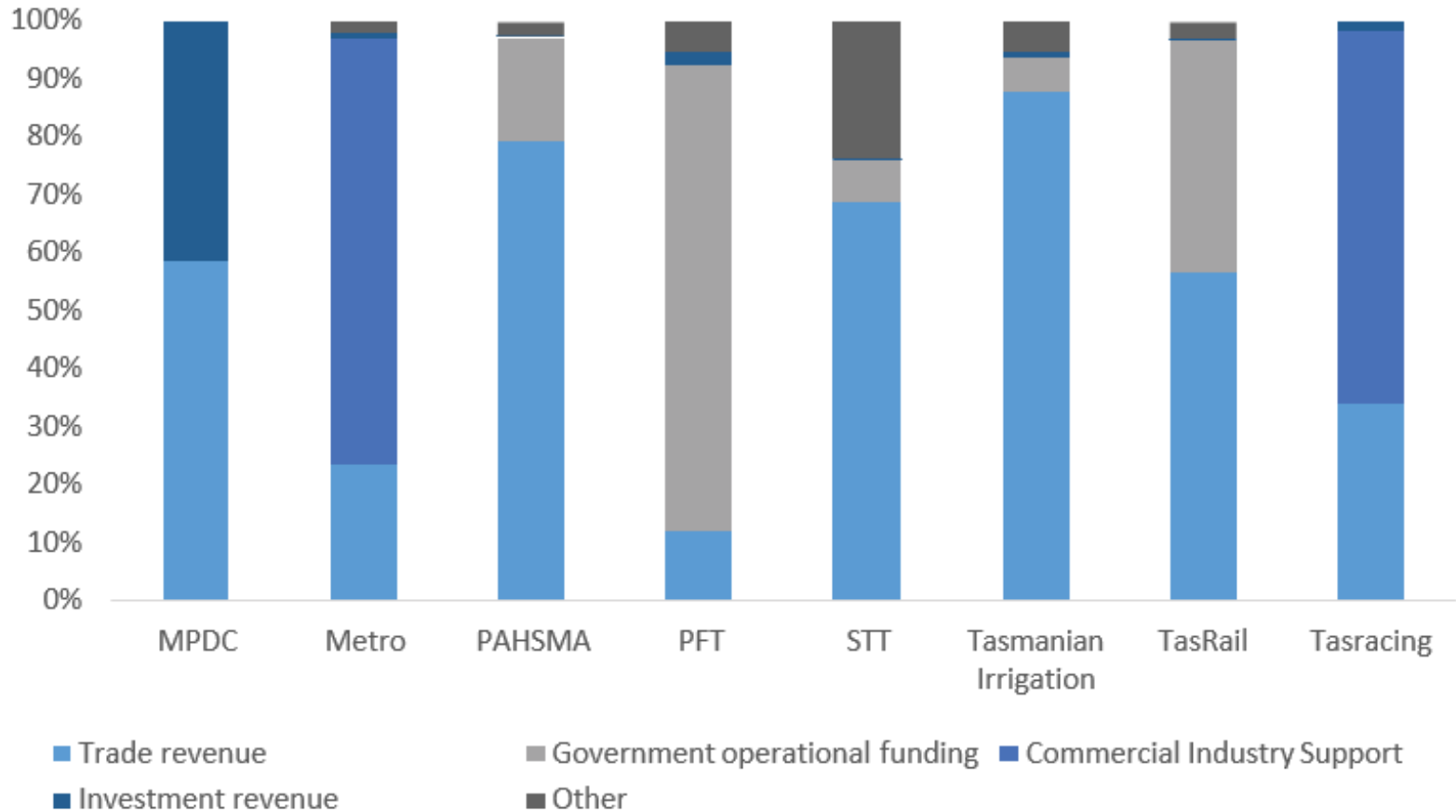
# Government business revenue



# Returns to government



# Government support



Note:

- Government operational funding includes monies for operational support or to meet community service obligations.
- Commercial industry support is funding received as part of a service agreement to establish and operate an industry.





# Financing

## Cash

**\$424.39m**

Total cash and cash equivalents held at 30 June 2018

**▲ 21.9%**

Change in cash and cash equivalents from prior year

## Borrowings

**\$3.27bn**

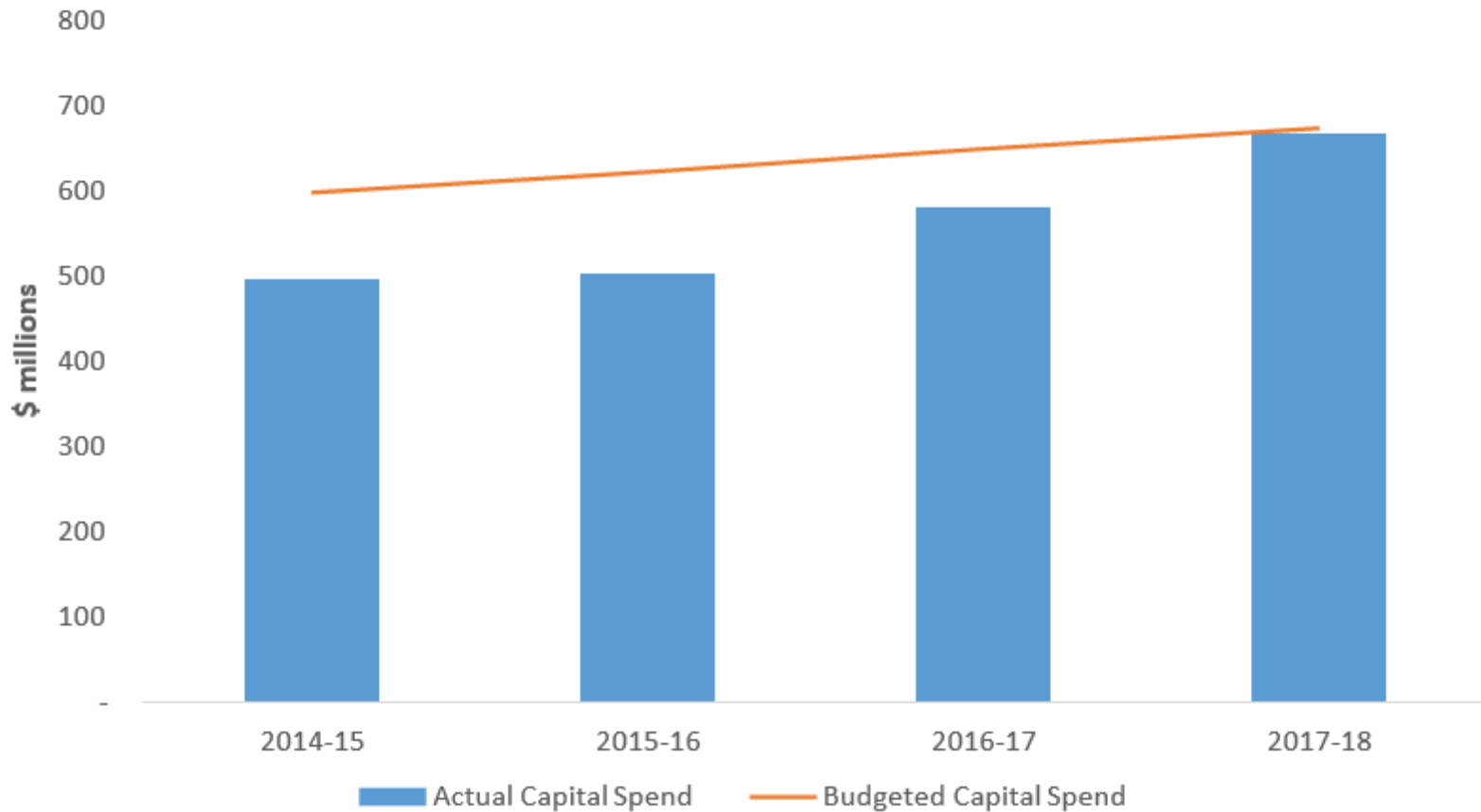
Total borrowings as at 30 June 2018

**▲ 1.2%**

Change in borrowings from prior year



# Capital spending gap



# Capital spending gap causes

- Delays in projects moving into construction
- Limited availability of contractors to undertake capital work
- Planned works no longer required
- Costs lower than forecast
- Ineffective or ambitious budgeting



**Thank you**



**Tasmanian**  
Audit Office