

MEDIA RELEASE

29 November 2018

Auditor-General's Report on the Financial Statements of State Entities

The Auditor-General, Mr Rod Whitehead today tabled his report on the outcomes of the financial audits of state entities Volume 3 for 2017-18. This Report focuses on the 29 local government councils as well as three subsidiaries and eight other local government entities.

The report includes an analysis of council aggregated financial results and key sustainability indicators, an assessment of cash balances held and a comparison of actual capital expenditure against budgeted amounts.

Key matters highlighted in the report include:

- The combined 2017-18 Underlying surplus of the 29 councils was \$22m, an improvement of \$6m from 2016-17, with 22 councils returning break-even or better Underlying results this year, compared to 23 in 2016-17.
- Over the past four years, capital investment totalled \$1.04bn compared with a budgeted capital spend of \$1.12bn. On average, urban councils spent more than budgeted whilst rural councils spent less than budgeted. Over the four years, 78% of councils' capital spending were self-funded, with the balance from capital grants.
- Overall, councils were in a strong position. At 30 June 2018, working capital totalled \$297m, which included cash and financial assets of \$438m and borrowings of \$146m.
- Additional commentary has been included for Glenorchy City Council following media reports about the Council being "perilously close" to insolvency. Mr Whitehead said "based on our analysis, at 30 June 2018 the Council could meet its long-term debts, had sufficient cash to meet expenses, had some capacity to borrow if the need arose and had steadily improved its underlying results which was expected to continue into the future".

The complete Report can be downloaded from www.audit.tas.gov.au.

Ends

Further information contact:

Rod Whitehead

AUDITOR-GENERAL

Phone (03) 6173 0900