

MEDIA RELEASE

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Auditor-General's Report on the Financial Statements of State Entities Volume 2 Government Businesses and Tasmanian Water and Sewerage Corporation Pty Ltd 2016-17

The Auditor-General, Mr Rod Whitehead, today tabled his report on the outcomes of the financial audits of State entities Volume 2 for 2016-17. This report summarises the results of audits, key findings and developments and analyses financial position and performance of 17 Government businesses, including TasWater which is owned by councils.

Unmodified audit opinions were issued to all Government businesses, although two opinions included emphasis of matter paragraphs drawing attention to instances where individual Treasurer's instructions were issued to provide an exemption from applying certain Australian Accounting Standards.

Mr Whitehead stated "the process of issuing Treasurer's instructions to modify the reporting framework by exempting entities from applying certain Australian Accounting Standards should only be used in rare circumstances where changes to the reporting framework are necessary in order to present more reliable information to users."

The Report includes analysis of the financial performance and position of Government businesses. The combined 2016-17 Underlying result from Government businesses was \$425m, an improvement of \$158m from 2015-16. During 2016-17, Government businesses returned \$312.69m to the Tasmanian Government and TasWater returned \$30.00m to councils in the form of dividends, income tax equivalents and guarantee fees paid.

Mr Whitehead found that some businesses continue to be reliant on Government funding or commercial support to maintain sustainability, and are not expected or are unlikely to generate profit sufficient enough to provide future returns to Government.

Mr Whitehead observed "the 'for profit' corporate structures for these entities may not be appropriate unless a significant improvement in their financial performance is expected to occur".

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

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