

MEDIA RELEASE

30 November 2017

Auditor-General's Report on the Financial Statements of State Entities Volume 1 Treasurer's Annual Financial Report and results of General Government Sector Entities 2016-17

The Auditor-General, Mr Rod Whitehead, today tabled his report on the outcomes of the financial audits of the Treasurer's Annual Financial Report (TAFR) and General Government Sector (GGS) entities for 2016-17.

Unmodified audit opinions were issued to all GGS entities, except for a modified audit opinion issued to the National Trust of Australia, as it held heritage collections but not all of these assets were recognised in the financial statements.

For 2016-17, the GGS Underlying net operating result was a deficit of \$67m, a decrease of \$46m from the 2015-16 result, but an improvement from the budget deficit of \$94m.

Funding from the Australian Government represented 62.4% of total GGS operating revenue in 2016-17, which was higher than the four-year average of 60.7%.

Mr Whitehead observed, "the dependence on Australian Government funding represents a high fiscal risk to the State's budget."

Investment in capital works increased to \$416m in the 2016-17 year, however this was \$109m lower than the original budget of \$525m. An analysis over the past four years identified that the Departments with the largest outlays, namely the Department of State Growth and the Department of Health and Human Services, were consistently spending below capital expenditure targets.

Mr Whitehead noted "capital expenditure estimates can subsequently change for a range of necessary and legitimate reasons." This included actions to reallocate funding between projects and bringing forward future project expenditure.

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

Ends

Further information contact:

**Rod Whitehead
AUDITOR-GENERAL**

Phone (03) 6173 0900