

MEDIA RELEASE - THURSDAY, 28 November 2024

Auditor-General tables Volume 1 report to Parliament on results of the audit of State entities and audited subsidiaries of State entities for 30 June 2024

The Auditor-General, Martin Thompson, today tabled Volume 1 of their report to Parliament on the audit of financial statements of State entities and audited subsidiaries of State entities for the year ended 30 June 2024.

This first volume provides analysis and commentary on Public Non-Financial (PNFC) and Public Financial Corporations (PFC). Volume 2 will report on the results of the General Government Sector, and Volume 3 will report on the results of the Local Government Sector.

PNFCs and PFCs aggregated underlying profit of \$272.99 million was a \$263.45 million, or 49.1%, decrease on the 2022-23 result. The deteriorated result was primarily driven by Homes Tasmania which recorded an underlying profit of \$116.23 million in 2022-23 compared to loss of \$100.20 million in 2023-24, a decrease of \$216.43 million.

This report summarises the findings from our audits of PNFCs and PFCs. A total of 50 audit findings arose from these audits, a significant decrease from the 90 findings identified in the previous year. There has been an improvement on the rate at which matters raised are being resolved at PFCs and PNFCs. The current period recorded an overall reduction in all outstanding matters from 108 to 82, representing a reduction of 24.1% in matters to be addressed.

The level of Government support provided to PNFCs and PFCs over the 4 financial years 2020-21 to 2023-24 through government operational funding and commercial industry support has increased significantly. Over this period, the support provided has increased by 115.0%, from \$109.17 million to \$234.69 million. Much of this increase relates to Homes Tasmania which received \$89.65 million in 2023-24, compared to nil in 2020-21 as the entity was only established on 1 December 2022.

The Government received \$319.52 million in payments from PNFCs and PFCs, \$100.02 million more than the prior year. This was primarily due to an increase of \$88.96 million in payments from Hydro Tasmania.

PNFCs continue to heavily rely on borrowings, with a total of \$4.11 billion of loan borrowings at 30 June 2024, a 25.1% increase on the previous year's \$3.30 billion. Tasmanian Networks Pty Ltd has the highest amount of loans, at \$2.29 billion as at 30 June 2024, as well as having the highest debt to equity ratio of 170.3%.

Similar to previous years, PNFCs failed to meet their budgeted capital expenditure for 2023-24. The budget for 2023-24 was \$1.74 billion compared to actual expenditure of \$1.40 billion, a gap of \$339.84 million. This is significantly greater than the average gap over the past 4 years of \$185.89 million.

Click on this [link to read the Report](#).

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Further information contact Martin Thompson, Auditor-General, on (03) 6173 0900