

MEDIA RELEASE - WEDNESDAY, 12 MARCH 2025

Auditor-General tables Volumes 2 and 3 reports 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 2 and Volume 3 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.

Volume 2 provides analysis and commentary on General Government Sector, while Volume 3 reports on the results of the Local Government Sector.

Volume 2

The General Government Sector (GGS) Underlying Net Operating Balance for 2023-24 was a deficit of \$1.84 billion, a significant deterioration of \$1.23 billion from the deficit of \$616 million reported for the previous year. Allowing for the provision for claims related to child sexual abuse in State care which amounted to \$571 million, the remaining deficit would have been almost double the deficit of each of the 4 years of this analysis.

GGS net debt grew significantly by \$1.46 billion to \$3.34 billion at the end of June 2024, with increased borrowings of \$1.42 billion. The cumulative deficit over the last 4 years amounts to \$3.42 billion, based on current budget and forward estimates, the cumulative deficit will grow to \$5.17 billion by the end of 2028. This period will also see an increase in GGS net debt from the current level of \$3.34 billion to \$8.59 billion.

The significance of Australian Government grant funding on the financial performance of the GGS continued in 2023-24, with this source of revenue representing 62.8% of total GGS revenue. Tasmania has the second highest level of reliance on Australian Government grants in the nation.

Capital expenditure for Departments in the sector consistently increased over the first 3 years of our analysis, however it decreased slightly, to \$762 million in 2023-24. As per the prior year, the actual capital expenditure was well short of the \$1.11 billion budgeted capital expenditure. The overall capital expenditure gap from the budget increased to 31.2% in the current year.

A total of 55 audit findings arose from these audits, a significant decrease from the 103 findings identified in the previous year. There has also been an increase in the rate at which matters raised in prior years are being resolved, with 45.9% of findings being resolved, up from 41.6%.

Volume 3

In aggregate the underlying surplus result for Councils has improved, as they generated an underlying surplus of \$39.32 million for 2023-24, an improvement of \$26.79 million on the previous year. Urban councils earned an aggregate underlying surplus of \$33.55, while Rural councils recorded an aggregated underlying surplus of \$5.77 million, after successive deficits in the previous 3 years of the analysis.

Councils continue to struggle to achieve their capital expenditure budgets. In 2023-24, Councils collectively spent \$369.22 million on capital projects, which equated to 81.1% of their budgeted spend. In total, 22 Councils spent less than their budget, including 5 Urban councils, and 17 Rural councils. However, Rural councils showed an increased focus on asset renewal, recording an asset sustainability ratio of 103.1% in 2023-24.

Cash and investments held by Councils have increased although this is heavily influenced by a small number of Councils with significant cash balances. An analysis of the cash expense cover ratio showed that only 2 Councils had a ratio over 12 months whereas 4 Councils recorded a ratio below 3 months and 3 Councils had a ratio below 0, as their committed funds exceed their current cash holdings. However, borrowings have decreased across the sector, with 11 Councils have no borrowings or borrowings less than \$1 million.

Audit findings in the Local Government sector showed a slight increase, from 98 findings to 116, however the rate of prior year findings being addressed has improved. In total, 133 prior year findings were resolved, an increase from 72 findings from the prior year.

Click through to the reports – [AGR 2023-24 Volume 2](#) / [AGR 2023-24 Volume 3](#).

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