

## MEDIA RELEASE

27 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 1 for 2017-18. This Report focuses on the Treasurer's Annual Financial Report (TAFR) and General Government Sector (GGS) entities.

The report provides analysis of the financial performance of the GGS, together with summary of the financial performance of, and key developments affecting, Government Departments, the Tasmanian Health Service and the Superannuation Commission.

Key matters highlighted in the report include:

- For 2017-18, the GGS Underlying net operating result was a deficit of \$21m, which was an improvement of \$46m on the 2016-17 deficit and a favourable outcome compared to the budget deficit of \$96m
- Funding from the Australian Government represented 64.1% of total GGS operating revenue in 2017-18 which continues to representing a high fiscal risk to the State's budget
- Payments for capital investments in the GGS sector in 2017-18 totalled \$436m in comparison to the original budget of \$603m. 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.
- At 30 June 2018, the GGS unfunded defined benefit superannuation liability had increased to \$8.28bn compared to \$7.87bn at 30 June 2017. The unfunded liability continues to be a key budget risk as annual superannuation costs are expected to increase significantly over the next 14 years, by 54.8%, peaking in 2031-32.

The complete Report can be downloaded from [www.audit.tas.gov.au](http://www.audit.tas.gov.au).

**Ends**

**Further information contact:**

**Rod Whitehead  
AUDITOR-GENERAL**

**Phone (03) 6173 0900**