



Audit
Tasmania

Report of the Auditor-General No. 7 of 2025-26

Auditor-General's report on the
financial statements of State entities

Volume 3 – General Government Sector, including Treasurer's Annual Financial Report

Audit of State entities and audited
subsidiaries of State entities
31 December 2024 and 30 June 2025

9 December 2025

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Foreword

This volume highlights a number of concerns in the General Government Sector (GGS), including:

- lack of expenditure control
- setting of unrealistic budgets
- significant deficits over the past 4 years with more deficits planned in the budgeted forward estimates
- net debt continuing to increase at a rapid rate over the forward estimate period to 2029
- capital expenditure progressively falling further behind budget.

Over just the last 3 years, Departments spent \$2.42 billion more than what they had originally budgeted. The Department of Health made up the majority of the overspend in terms of dollars, overspending \$1.37 billion in the 3-year period.

Given the performance of Departments management of expenditure within budget, we conducted a limited review of the performance reporting information, publicly available for the Department of Health. The objective was to determine if publicly available performance information provided an insight into the drivers behind the significant budget overspends. We identified that current performance reporting is not providing a useful insight into the drivers of overspending at the Department of Health.

The GGS underlying net operating balance for 2024-25 was a deficit of \$1.61 billion, representing an improvement of \$227.00 million from the deficit of \$1.84 billion reported for the previous year. The cumulative deficit over the last 4 years amounts to \$4.53 billion. Based on current budget and forward estimates, the cumulative deficit will grow to \$6.63 billion by the end of 2029.

GGS net debt grew significantly by \$1.71 billion to \$5.05 billion at the end of June 2025, with increased borrowings of \$1.67 billion. Based on current budget and forward estimates, GGS net debt will increase from the current level of \$5.05 billion to \$10.40 billion by the end of 2029.

Actual capital expenditure was well short of the \$1.04 billion budgeted capital expenditure, with the Departments of State Growth, Health and Police, Fire and Emergency Management having the largest capital expenditure 'gap' against budget. The overall capital expenditure gap from the budget increased from 3.9% in 2021-22 to 38.8% in the current year.

Testing by Audit Tasmania identified that the Department of Health does not have an adequate fraud control framework in place. Two alleged frauds identified internally occurred during 2024-25. One fraud had an estimated cost of at least \$2.73 million and relates to incorrect billing, whilst the other relates to timesheet fraud and is still under investigation by the Department of Health. We found that these frauds had not been investigated in either a timely or adequate manner and at the date of drafting this report,

appropriate actions are yet to be completed by the Department to address these matters. These matters have been retained in this report, despite the Department strongly requesting that reference to the alleged frauds be removed from the Report¹.

I highlight these matters stemming from the audit of state entities because I consider them of sufficient importance to draw Parliament's attention to them.

A handwritten signature in black ink, appearing to read 'Martin Thompson', with a stylized flourish at the end.

Martin Thompson
Auditor-General

¹ The Department of Health provided a formal response with regards to the fraud control framework, as well as the two alleged frauds. Refer to pages 32 to 34 for the formal response.



**2025
PARLIAMENT OF TASMANIA**

Auditor-General's report on the financial statements of State entities

Volume 3

**Audit of State entities and audited subsidiaries of State entities 31 December 2024 and
30 June 2025**

9 December 2025

Presented to both Houses of Parliament pursuant to
Section 29 of the *Audit Act 2008*

Acknowledgement of Country

We acknowledge Tasmanian Aboriginal people as the traditional owners of this Land, and pay respects to Elders past and present. We respect Tasmanian Aboriginal people, their culture and their rights as the first peoples of this Land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships with all Aboriginal people.

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Executive summary

Introduction

This report is the third of 4 volumes reporting on our audits for the years ended 31 December 2024 and 30 June 2025. This volume reports on the status of audits of financial statements and provides analysis and commentary on State entities and audited subsidiaries in the General Government State Sector and other uncategoryed State entities and audited subsidiaries.

Lack of expenditure control and setting of unrealistic budgets

Our report focused on expenditure of Departments over the past 3 years and identified that Departments spent \$2.42 billion more than what they had originally budgeted. The Department of Health made up the majority of the overspend in terms of dollars, overspending \$1.37 billion in the 3 year period.

General Government Sector is reporting significant deficits over the past 4 years and budgeting more deficits into the future

The GGS Underlying Net Operating Balance for 2024-25 was a deficit of \$1.61 billion, an improvement of \$227.00 million from the deficit of \$1.84 billion reported for the previous year. The cumulative deficit over the last 4 years amounts to \$4.53 billion. Based on current budget and forward estimates, the cumulative deficit will grow to \$6.63 billion by the end of 2029.

GGs net debt has grown

GGs net debt grew significantly by \$1.71 billion to \$5.05 billion at the end of June 2025, with increased borrowings of \$1.67 billion. Based on current budget and forward estimates, GGs net debt will increase from the current level of \$5.05 billion to \$10.40 billion by the end of 2029. Given the current estimated Tasmanian population of 576,000, current GGs net debt of \$5.05 billion represents a debt of \$8,767 for each Tasmanian and the forecast 2029 debt level of \$10.40 billion represents \$18,056 for each Tasmanian.

Australian Government grant funding represents just under two-thirds of GGs revenue

The significance of Australian Government grant funding (excluding one-off Australian Government capital funding) on the financial performance of the GGs continued in 2024-25, with this source of revenue representing 63.3% of total GGs revenue, compared to 62.8% in the period year. Compared to the other states and territories, Tasmania recorded the second highest level of reliance on Australian Government grants, with these grants representing an average of 65.0% of total GGs revenue of the period of analysis.

GGs entities continue to fall short of budgeted capital expenditure levels

Capital expenditure is generally trending up, however continues fall short of budgeted levels. Capital expenditure for Departments in the GGs consistently increased over the first 3 years of our analysis, however it decreased to \$636.12 million in 2024-25. As per the prior year, the actual capital expenditure was well short of the \$1.04 billion budgeted capital expenditure, with the Departments of State Growth, Health and Police, Fire and Emergency

Management having the largest budgeted capital expenditure 'gap'. The overall capital expenditure gap from the budget increased from 3.9% in 2021-22 to 38.8% in the current year.

Guide to using this report

Guidance relating to the use and interpretation of financial information included in this report can be found on the Audit Tasmania website: www.audit.tas.gov.au

The guidance includes information on the calculation and explanation of financial ratios, performance indicators and the definition of audit finding risk ratings.

General Government Sector

Introduction

This chapter provides an overview of the structure of the GGS. The GGS consists of departments and legislative agencies, statutory offices and some State authorities, controlled and mainly financed by the Government.

The principal function of GGS entities is to provide non-market goods and services, such as roads and hospitals, to the community. These outputs are primarily financed by taxes. Other functions of GGS entities are to regulate and influence economic activity, to maintain law and order, and to redistribute income by means of transfer payments.

All agencies, with the exception of some State authorities, receive an appropriation from the Public Account to provide outputs (goods and services) on behalf of the Government, to achieve outcomes in areas such as health, education, law, public safety, the environment, and community infrastructure.

State authorities are established under specific legislation, which defines the purpose of the authority and the general functions for which it is responsible. Some State authorities are not directly funded through appropriations, but may receive funding from a department or raise revenue through their own activities.

The structure of the GGS is illustrated in Figure 1.

Figure 1: Structure of the GGS as at 30 June 2025



Some entities have been excluded from Figure 1 as they are not state controlled entities, however they do meet the definition of a State entity under the *Audit Act 2008* and therefore are included as General Government Sector entities for the purposes of Audit Tasmania Report. These entities are:

- Retirement Benefits Fund
- University of Tasmania
 - AMC Search Ltd
 - SciMex Pty Ltd
 - Sita Gen Tech Pty Ltd
 - Tasmania University Union
 - UTAS Holdings Pty Ltd
 - UTAS Properties Pty Ltd

Legislative requirements

Section 40 of *Financial Management Act 2016* requires the Treasurer to prepare an annual financial report containing:

- the original estimates disclosed in the Budget Papers in respect of the major GGS statements
- the results in respect of the major GGS statements
- the results in respect of the major Public Account Statements disclosed in the Budget Papers
- the balances of Specific Purpose Accounts at the end of that financial year
- an assessment of the Government's fiscal performance against its current fiscal strategy statement, within the meaning of the *Charter of Budget Responsibility Act 2007*
- the Auditor-General's report on the GGS financial statements, Public Account Statements and balances of Specific Purpose Accounts.

The Treasurer is required to table the annual financial report in both Houses of Parliament by no later than 31 October, immediately following the financial year to which the report relates.

Financial reporting framework

The GGS and Total State Sector (TSS) financial statements are prepared in accordance with AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. They incorporate the reporting requirements of the Australian Accounting Standards Board and the Uniform Presentation Framework, which is based on the reporting standards of the Australian Bureau of Statistics' Government Finance Statistics (GFS) framework.

Explanations of the Uniform Presentation Framework Key Fiscal Aggregates are provided in notes to the GGS and TSS financial statements and are not reproduced in this report.

The Public Account Statements are a specific purpose financial report prepared on a cash accounting basis incorporating GGS receipts and expenditure.

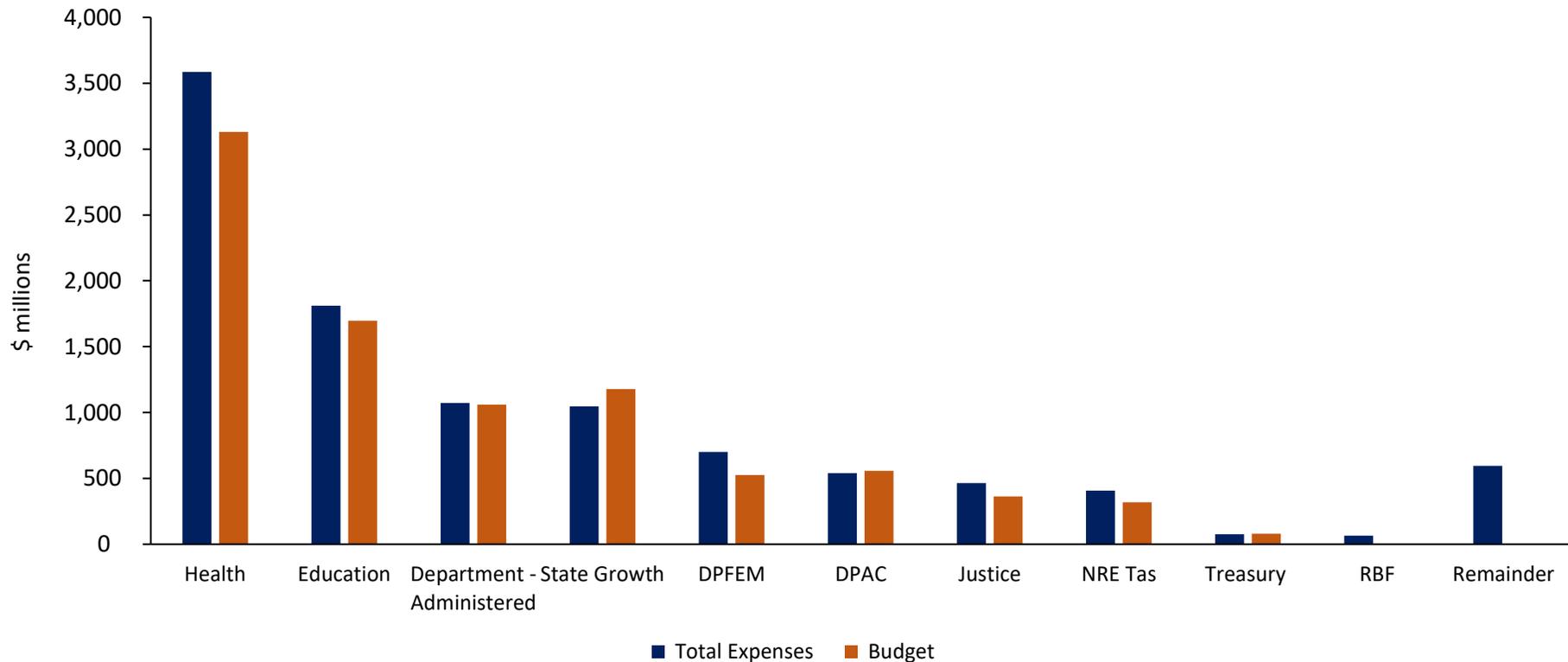
The Public Account includes various Specific Purpose Accounts established by the Treasurer. The majority of these accounts hold funds that will be utilised to fund the cost of certain transactions over more than 1 year. Other accounts in the Public Account included whole-of-government, business unit accounts and accounts established under legislation. Accounts of a true trust nature do not form part of the Public Account.

General Government Sector analysis

As Figure 1 highlighted, there were 66 entities which made up the GGS as at 30 June 2025. The following figures assist in highlighting that outside of the 8 Departments and Retirement Benefits Fund (RBF), the remaining 57 entities which make up the General Government Sector are not material. Additionally, a number of entities include 'Administered' items as a separate note disclosure in their financial statements. All administered items have been added together and disclosed in each of the following figures.

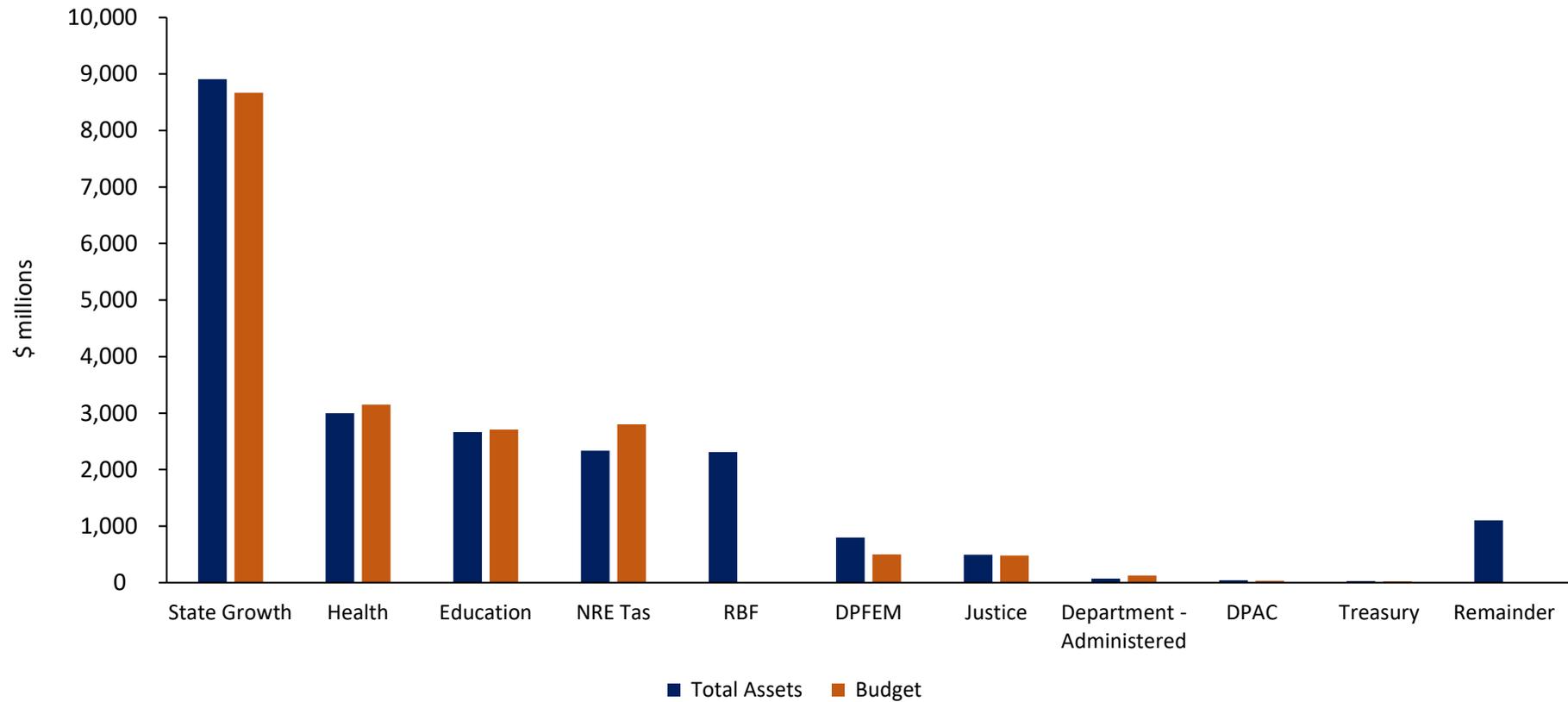
Expenses for the 8 Departments primarily relates to employee expenses, with employee expenses making up the following percentages: Education: 68.3%, Health: 67.3%, Treasury: 57.7%, Justice: 54.4%, NRE Tas: 43.6%, DPFEM: 42.6%, DPAC: 17.9%, State Growth: 11.8%.

Figure 2: Expenses



Assets for the 8 Departments primarily consists of property, plant and equipment, and infrastructure assets, making up: State Growth: 96.6%, NRE Tas: 92.0%, Health 89.0%, Education: 88.3%, Justice: 84.4%, DPFEM: 40.1%, DPAC: 15.4% and Treasury: 4.6%.

Figure 3: Assets



As Figure 4 highlights, RBF has significant liabilities, totalling \$8.00 billion as at 30 June 2025. Defined benefit member liabilities made up 99% of total liabilities. For further information and analysis on this, refer to ‘Defined benefit superannuation liability’ section later in this report.

In contrast, Department liabilities are typically made up primarily of employee benefits provisions, with employee benefits making up the following: Education 87.6%, Treasury: 78.4%, Health: 65.8%, NRE Tas: 58.1%, DPAC: 56.7%, DPFEM: 17.4%, State Growth: 15.9%, Justice: 8.9%.

Figure 4: Liabilities (incl. RBF)

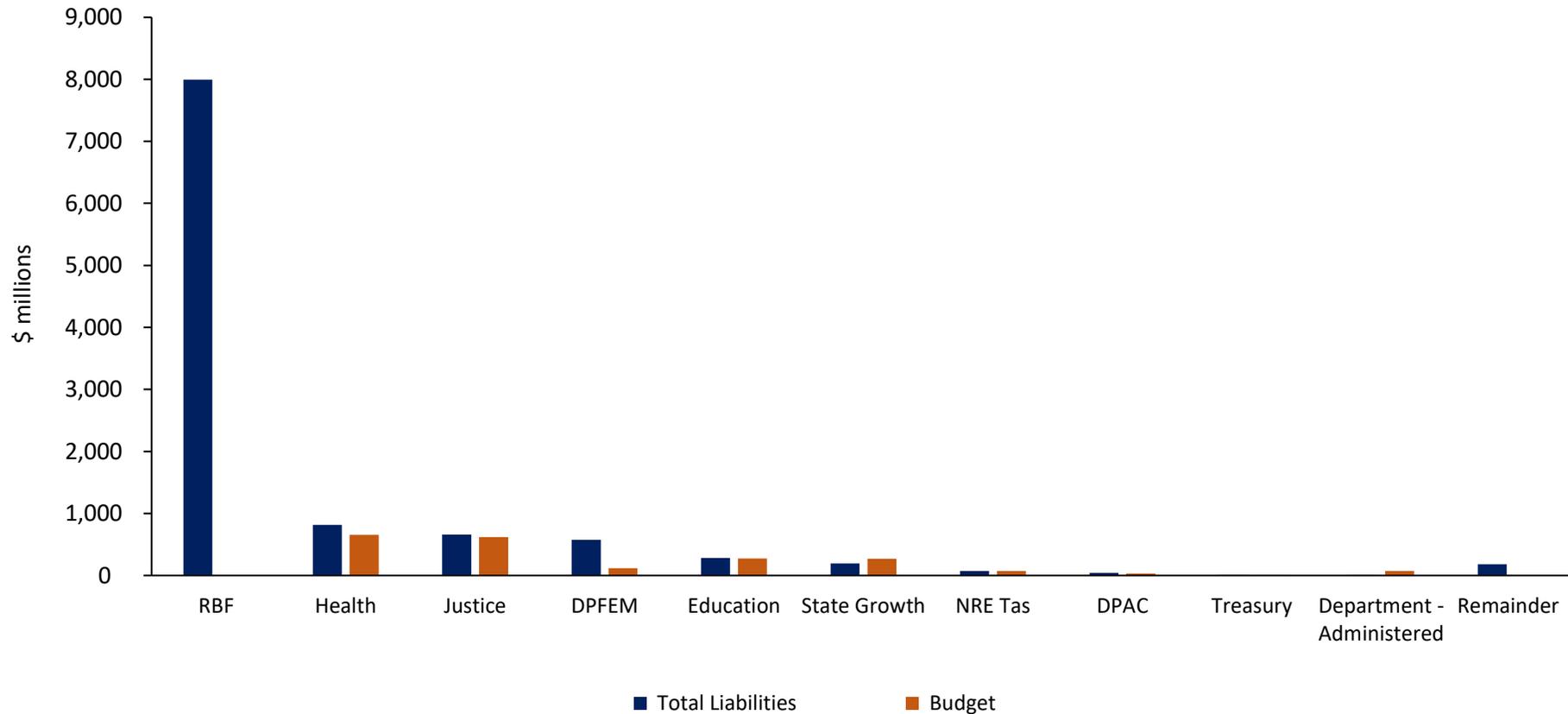
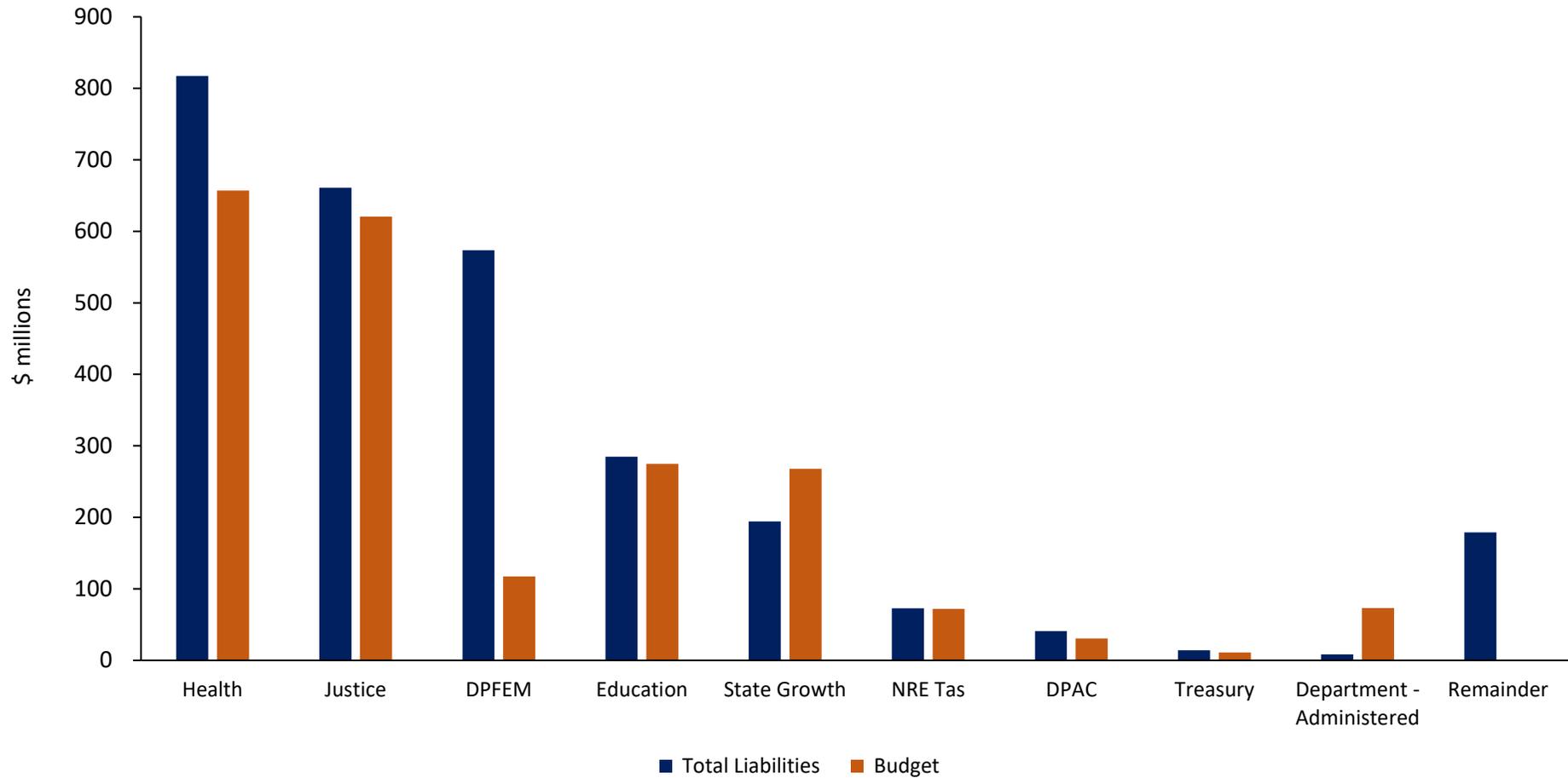


Figure 5: Liabilities (excl. RBF)



Based on the above, this Report will focus primarily on the 8 Departments, RBF, as well as commentary on items as they appear in the TAFR.

Lack of expenditure control and setting of unrealistic budgets

The 2021-22 Budget Paper No 1, forward estimates forecast that by 2024-25 net debt would be \$3.48 billion. Net debt at 30 June 2025 was \$5.05 billion. The same 2021-22 budget forecast a Net Operating Balance of a surplus of \$126.80 million, however for 2024-25, the GGS recorded a deficit of \$1.26 billion. An additional \$1.57 billion was borrowed, largely to fund the operating deficit which was \$1.39 billion worse than that forecast in 2021-22.

The analysis below highlights that Departments are spending well in excess of their original budgets. Table 1 highlights how much Departments have either overspent / (underspent) in excess of their original budgets for financial years 2022-23 to 2024-25.

Table 1: Budget overspend by Departments

Departments	Original Budget overspend / (underspend)			Cumulative overspend / (underspend) \$'000
	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	
Education, Children and Young People	123,825	86,205	114,414	324,444
Health	396,462	522,763	447,947	1,367,172
Justice	59,632	65,014	39,799	164,445
Natural Resources and Environment Tasmania	28,761	56,322	80,026	165,109
Police, Fire and Emergency Management	44,764	138,022	176,161	358,947
Premier and Cabinet	200,168	(17,553)	(18,298)	164,317
State Growth	65,036	(7,751)	(148,565)	(91,280)
Treasury and Finance - Corporate	(29,300)	(2,985)	(4,753)	(37,038)
Total	889,348	840,337	686,731	2,416,416

The outcome for Police, Fire and Emergency Management is impacted by a number of variables specific to that Department, including significant revenues offsetting the overspend, adjusted for these factors the impact on the appropriation provided to the Department is reduced to \$26.27 million.

Another major item not included in the above table are impacts of Machinery of Government changes. The Department of Communities Tasmania ceased operation on 30 November 2022, with the budget for this entity primarily being reallocated to Education (\$95,042,000) and DPAC (\$211,974,000). The cumulative overspend for Education would be \$229.40 million whereas the cumulative underspend for Premier and Cabinet would be \$47.66 million if the Machinery of Government budget reallocations are taken into consideration.

Two factors contribute to the significant and ongoing levels of expenditure above budget, these are the setting of unrealistic budgets and a lack of expenditure control. Given the limited level of performance information and reporting within the financial statements, it is not possible to accurately determine to what extent each factor contributes to the overspending. Our limited review of the Department of Health performance reporting detailed in the next section highlights the current challenges in this area.

Reporting of Performance Information – Department of Health

As detailed in the preceding analysis, 6 of the 8 departments have incurred significant cumulative overspends (from budget) over the last 3 years. We also noted that the financial information in isolation does not provide a clear understanding of the reasons for the overspend.

To assist the Parliament and public in understanding and assessing performance, including these overspends, departments report a range of non-financial performance information. In the current year we have undertaken a limited review of the public performance reporting by the Department of Health, to assess to what extent the publicly available information assists in assessing performance, including explaining overspending.

The Department of Health has developed an online Health System Dashboard that provides data on activities across the health network. Trend data can also be accessed through the dashboard. This data provides a useful insight into the level of activity undertaken by the Department and how key measures have changed over the last 12 months. However, the dashboard provides limited information on targets and Key Performance Indicators. This results in significant limitations in assessing the performance of the Department and in particular, whether the overspend had resulted in higher levels of service delivery.

In addition to the online Health Dashboard, the Department publishes a range of performance information within its annual report in the 3 key areas:

1. Within the financial report, note 3 provides explanations of material variances between budget and actual outcomes. As these variations are at a whole of Department level, they are of limited use in understanding service level performance. In the 2024-25 annual report, the main factor reference for the overspend was increased health demand.
2. Section 4.1 of the Department of Health Annual Report reports on a 4-year trend of measures of activity, that is largely in line with the online Health Dashboard. The trend data provides additional information and is complementary to that detailed in the online Health Dashboard. However, like the online Dashboard, this section of the annual report has no detail of targets or financial impacts. The table below has been developed utilising data within section 4.1 as well as elsewhere in the Department's reporting. It highlights that the assertion noted in the financial report that "the increased expenditure is largely demand driven" is not consistent with the increased costs reported in the financial statements, costs have increased significantly more than the activity level, indicating that cost escalation is another significant factor (along with increased demand).
3. Section 4.2 of the Department of Health Annual Report details Key Performance Indicators (KPIs) of the Department, this section includes target and actual result for the year. In summary the KPI Report:
 - covers 27 pages

- details 403 KPIs across the Department's 5 Strategic Priority areas
- indicates that the Department failed to meet the target for 249 of the 403 KPIs.

The report does not include a summary of results, insight into performance, an explanation of why a KPI target was not achieved or what, if any, action is proposed to improve performance. As a result, other than informing that the Department is failing to meet 62% of its targets, section 4.2 of the Annual Report does not help the reader understand the reasons behind the reported performance.

Table 2: Department of Health Activity Reporting

In the 2024-25 Health budget, the output group ...	Over 4 years (2021-22 to 2024-25), demand for this output group's services ...	Over 4 years, the output group costs ...
admitted services was allocated 51% of funding	Increased with: <ul style="list-style-type: none"> admitted patients increasing by 19.5% elective surgery admissions increasing by 10.9%. 	increased by 42.4%
non-admitted services was allocated 23% of funding	Increased with: <ul style="list-style-type: none"> outpatient attendances increasing by 22.5% ED presentations increasing by 5.7%. 	increased by 38.8%
community health services was allocated 11% of funding	Increased overall with: <ul style="list-style-type: none"> district hospital separations decreasing by 3.2% community nursing occasions of service increasing by 8.6% aged care assessments increasing by 25.6% oral health occasions of service decreasing by 1%. 	increased by 37.2%
statewide mental health services was allocated 9% of funding	Increased with: <ul style="list-style-type: none"> inpatient separations increasing by 7.2% Community and Residential active clients increasing by 37.8% active Pharmacotherapy Program participants increasing by 41.8%. 	increased by 52.9%
ambulance services was allocated 6% of funding	Increased with: <ul style="list-style-type: none"> total ambulance responses increasing by 6.9% emergency ambulance responses increasing by 14.9%. 	increased by 19.2%
public health services was allocated 1% of funding	Increased with eligible women screened for breast cancer increasing by 2.2% .	decreased by 83.4%

Underlying Net Operating Balance

The receipt of Australian Government funding for capital programs, particularly one-off major projects, has the effect of improving the Net Operating Balance outcome, as it reflects the receipt of revenue from the Australian Government for infrastructure purposes, but does not factor in the expenditure of these funds on infrastructure projects.

The Underlying Net Operating Balance removes the impact of one-off Australian Government funding for specific capital projects by excluding this funding from the Net Operating Balance.

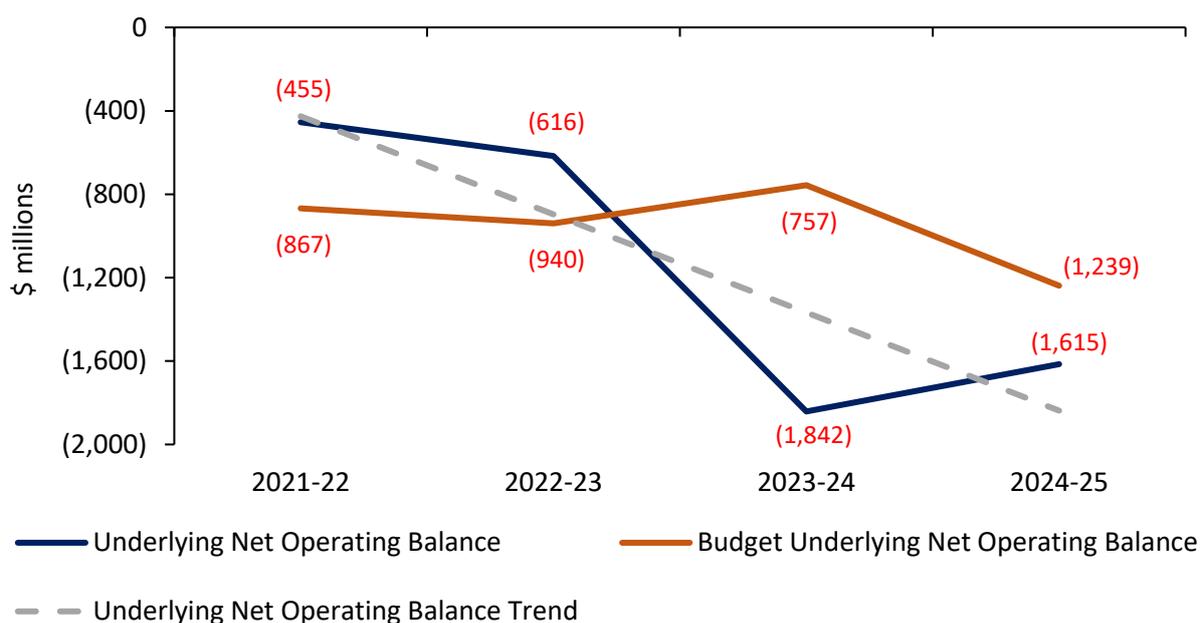
General Government Sector Underlying Net Operating Balance

2021-22	2022-23	2023-24	2024-25
(\$455m)	(\$616m)	(\$1.84bn)	(\$1.61bn)
▲ 11%	▼ (36%)	▼ (199%)	▲ 12%

▲ Improvement from prior year ▼ Deterioration from prior year ● No material change from prior year.

Figure 6 provides an overview of results for the past 4 years. It shows a GGS Underlying Net Operating Balance deficit in each of the 4 years, with movements fluctuating between years. The cumulative deficit over the last 4 years amounts to \$4.53 billion. Based on current budget and forward estimates, the cumulative deficit will grow to \$6.63 billion by the end of 2029. This period will also see an increase in GFS net debt from the current level, \$5.05 billion to \$10.40 billion. Ongoing deficits and increases in debt are not sustainable in the long term.

Figure 6: GGS Underlying Net Operating Balance



The GGS Underlying Net Operating Balance deficit of \$1.61 billion for 2024-25 was an improvement of \$227.00 million from the deficit of \$1.84 billion reported the previous year.

This year’s actual GGS Underlying Net Operating deficit was \$376.20 million more than the budgeted deficit of \$1.24 billion as a result of:

- actual revenue being \$107.90 million higher than budgeted revenue, primarily due to \$78.90 million more in grants and \$48.30 million in other revenue, offset by \$76.90 million less than budget in dividend, tax and rate equivalent income
- actual expenses were \$484.20 million higher than budgeted, mainly due to employee expenses being \$343.60 million higher than budgeted.

Total State Sector Underlying Net Operating Balance

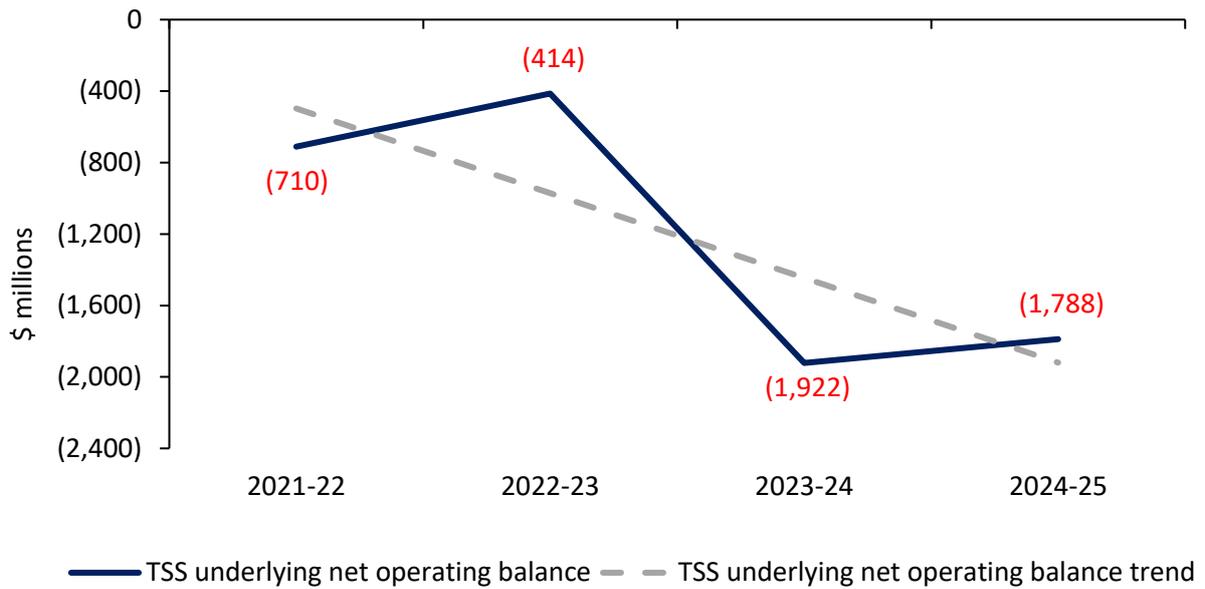
(\$710m)	(\$414m)	(\$1.92b)	(\$1.79b)
2021-22	2022-23	2023-24	2024-25
▼ (135%)	▲ 42%	▼ (364%)	▲ 7%

▲ Improvement from prior year ▼ Deterioration from prior year ● No material change from prior year.

The basis of calculation for TSS Underlying Net Operating Balance incorporates the underlying results for Public Non-Financial Corporations (PNFCs) and Public Financial Corporations (PFCs). The Underlying Net Operating Balance was a deficit of \$1.79 billion in 2024-25, an improvement of \$133.39 million from the deficit of \$1.92 billion for the prior year. The result reflects a slight improvement in the underlying results of the GGS.

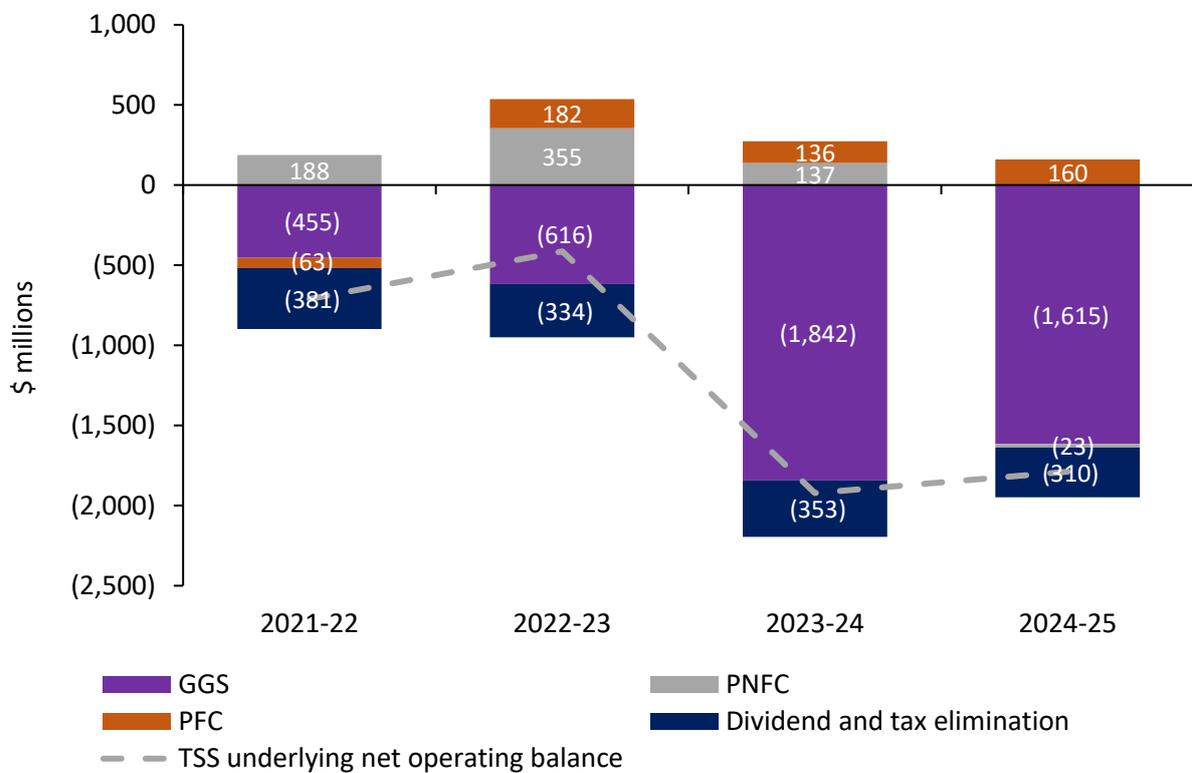
Figure 7 provides an overview of TSS Underlying Net Operating Balance for the past 4 years. It shows a declining trend over this period, consistent with Figure 6.

Figure 7: TSS Underlying Net Operating Balance



The TSS Underlying Net Operating Balance, disaggregated into GGS, PFCs and PNFCs sectors and inter-sector eliminations is shown in Figure 8. The dividend and tax eliminations are to remove the effect of dividends and income tax paid by PFCs and PNFCs to the Department of Treasury and Finance (Treasury) from the TSS Underlying Net Operating Balance.

Figure 8: Disaggregated TSS Underlying Net Operating Balance



The 4-year comparison illustrates the impact of the GGS results on the TSS Underlying Net Operating Balance. Although the results have slightly improved from the prior year, the 2024-25 is the only year where PNFCs recorded a deficit.

Revenue

General Government Sector Revenue

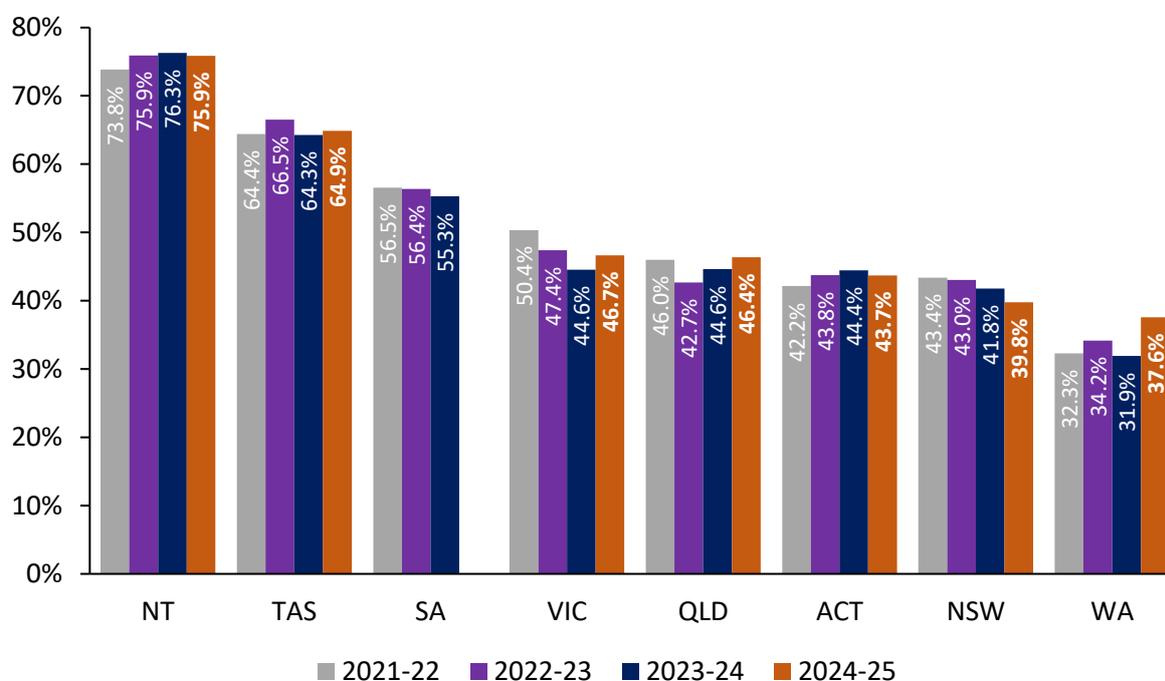
\$5.39bn	\$1.82bn	\$0.61bn	\$0.69bn
Australian Government grants (excluding capital grants)	State Taxation	Sales of Goods & Service Fees and Fines	Dividends and Income Tax Equivalents

GGS revenue, excluding one-off Australian Government capital funding, totalled \$8.51 billion in 2024-25, higher than the prior year's revenue of \$8.24 billion, representing an increase of 3.3% from the prior year.

Similar to previous years, Australian Government grant funding, excluding capital grants, represented the majority of GGS revenue, totalling 63.3% of operating revenue in 2024-25 (2023-24, 62.8%).

A comparison of the level of reliance on Australian Government grant funding as a percentage of total GGS revenue across states and territories is presented in Figure 9.

Figure 9: State by State Comparison of Grants received as a proportion of total GGS revenue



Note: Information obtained from publicly available equivalents of TAFR for other states. 2024-25 information for South Australia (SA) was not available as at the time of preparing this report.

Compared to the other states, Tasmania recorded the second highest average proportion of Australian Government grants to total GGS revenue with an average of 65.0% over the last 4 years.

Total State Sector Revenue

\$5.46bn	\$1.76bn	\$4.22bn	\$0.81bn
Australian Government grants (excluding capital grants)	State Taxation	Sales of Goods & Service Fees and Fines	Total Other Revenue

TSS revenue, excluding one-off Australian Government capital funding, totalled \$12.26 billion in 2024-25 (2023-24, \$11.80 billion). The increase of \$458.60 million was mainly due to an increase in grant revenue of \$287.90 million.

Analysis of revenue within the PNFCs and PFCs sectors is included in the AGR – Volume 2.

Capital investment

General Government Sector Capital Investment

Ongoing investment in infrastructure and other capital projects is essential to the delivery of services to the community, whether it be roads, bridges, hospitals, schools, housing, health centres, or many other forms of essential public infrastructure. In the 2024-25 State Budget, over the Budget and Forward Estimates period, the Government allocated \$3.90 billion to community infrastructure investment. As detailed in the 2024-25 Budget Paper 1, major infrastructure expenditure planned over this period included:

- roads and bridges, \$1.90 billion (2023-24 \$2.20 billion)
- hospitals and health, \$650 million (2023-24, \$503 million)
- schools, education and skills, \$359 million (2023-24, \$305 million)
- tourism, recreation and culture, \$356 million (2024-24, \$557 million)
- law and order, \$287 million (2023-24, \$375 million)
- information and communications technology (ICT) to support service delivery, \$283 million (2023-24, \$312 million)
- other infrastructure, \$21 million (2023-24, \$27 million).

Whilst there was only a 3.9% gap between budget and actual capital expenditure in 2021-22, there was a gap of 38.8% in 2024-25 as shown in Figure 10.

Figure 10: Department budgeted and actual capital expenditure 2021-22 to 2024-25

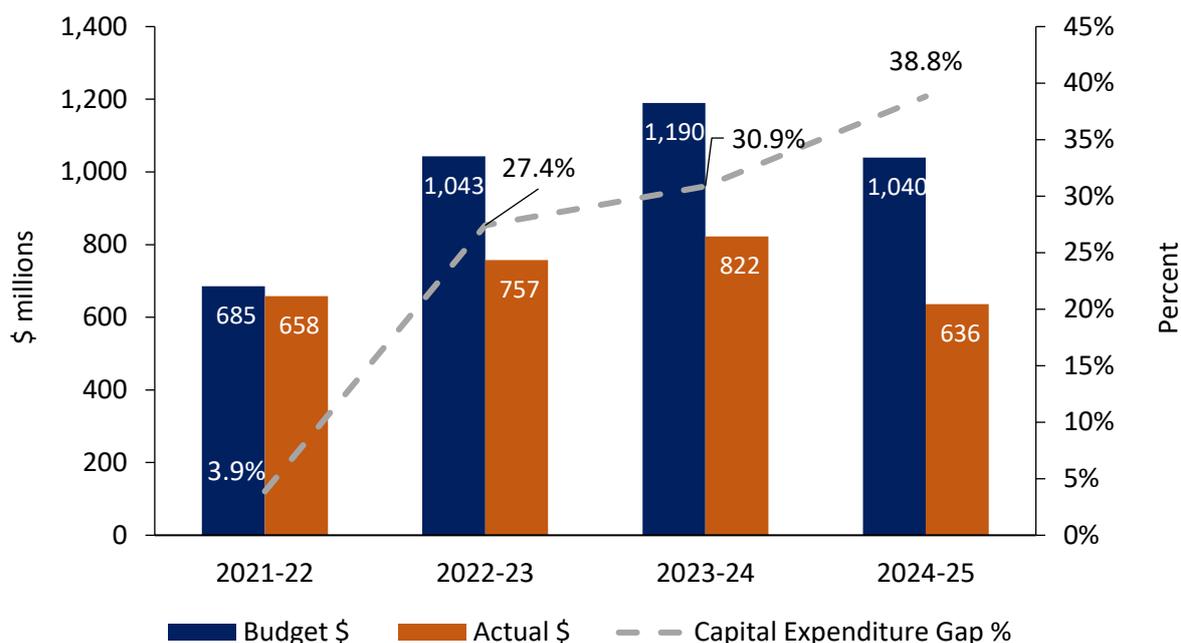


Table 3 shows the budgeted spend by each Department in 2024-25 against their actual expenditure on the acquisition of non-financial assets.

Table 3: Budget and actual cash payments for capital expenditure¹

Departments	2024-25				4 year Average Spending (shortfall)/ excess \$'000	4 year Average Spending (shortfall) / excess %
	2024-25 Budget \$'000	2024-25 Actual \$'000	Spending (shortfall) / excess \$'000	Spending (shortfall) / excess %		
Education, Children and Young People	107,107	86,518	(20,589)	(19.2%)	6,458	8.1%
Health	196,072	85,588	(110,484)	(56.3%)	(75,896)	(42.1%)
Justice	42,351	21,745	(20,606)	(48.7%)	(27,488)	(52.3%)
Natural Resources and Environment Tasmania	44,388	10,010	(34,378)	(77.4%)	(22,857)	(63.4%)
Police, Fire and Emergency Management	69,239	15,718	(53,521)	(77.3%)	(25,409)	(53.7%)
Premier and Cabinet	79	3,718	3,639	4,606.3%	1,803	163.3%
State Growth	492,953	361,885	(131,068)	(26.6%)	(102,704)	(19.8%)

Departments	2024-25				4 year	4 year
	2024-25 Budget \$'000	2024-25 Actual \$'000	Spending (shortfall) / excess \$'000	Spending (shortfall) / excess %	Average Spending (shortfall)/ excess \$'000	Average Spending (shortfall) / excess %
Treasury and Finance – Corporate	1,037	306	(731)	(70.5%)	(507)	(39.4%)
Treasury and Finance – Finance-General	86,508	50,628	(35,880)	(41.5%)	(24,281)	(33.6%)
Total	1,039,734	636,116	(403,618)	(38.8%)	(270,879)	(27.4%)

Note 1: Budget and actual figures represent payments for acquisition of non-financial assets as disclosed in the Statement of Cash Flows in the audited financial statements of each Department.

In 2024-25, Departments collectively spent 61.2% of their budgeted capital expenditure. Explanations for significant variations from budget capital expenditure are provided below:

- Capital expenditure shortfalls in Department of State Growth (State Growth) of \$131.07 million, reflecting an update in the infrastructure profile to reflect the updated project delivery timeframes and emerging industry capacity constraints. This ensures the infrastructure investment program remains realistic, supports effective delivery and is responsive to the evolving economic and supply-side conditions. The Capital Infrastructure Program provides for a sustainable pipeline of infrastructure improvements and work for the Tasmanian consulting and construction industries, while recognising the increasing complexity of much of the portfolio, particularly the urban projects.

State funding revised cashflow to reduce 2024-25 budget and reprofile over the forward estimates. Major reprofiles include AFL High Performance Centre (\$11.30 million), Urban Congestion Fund (\$6.84 million) Silverdome (\$6.00 million), Targeting Congestion (\$5.33 million) and New Bridgewater Bridge (\$4.13 million). The remainder of state variances are spread across many projects with a value of the less than \$4.00 million in cashflow change.

Australian Government revised cashflows of funding to reduce 2024-25 budget and reprofile over the forward estimates. Major reprofiles include Midlands Highway (\$20.26 million), Infrastructure Maintenance (\$12.44 million), Bass Highway Corridor (\$11.84 million), Road Safety Projects (\$9.47 million) and Remote Roads Pilot Funding (\$4.41 million).

- Capital expenditure shortfalls in Health of \$110.48 million, which was principally due to the approved deferral of Capital Investment Project expenditure, together with expenditure relating to information technology, which was expensed in accordance with the Australian Accounting Standards.

- Capital expenditure shortfalls in Department of Police, Fire and Emergency Management (DPFEM) of \$53.52 million primarily relates to:
 - the revised accounting treatment for the Department's contribution to the Tasmania Government Radio Network (TasGRN)
 - the reprofile of the Department's Capital Investment Program from 2024-25 into future years in line with updated project timelines
 - accounting decisions to not capitalise actual expenditure, particularly relating to Project Unify.
- Capital expenditure shortfalls in the Department of Treasury - Finance-General of \$35.88 million relates primarily to:
 - Capital Investment Program – Digital Transformation Priority Expenditure. Expenditure reimbursements to agencies are driven by the agency program timeframes, which were lower than forecast in 2024-25.
 - Motor Vehicle fleet acquisitions. Fleet acquisitions were budgeted to be \$58.75 million in 2024-25 Budget, reflecting an increase due to a delay in the delivery of fleet replacement vehicles from the prior year. The actual fleet acquisitions is driven by the agency replacement cycles and fleet availability and was lower than forecast, totalling \$42,10 million.
- Capital expenditure shortfalls in Department of Natural Resources and Environment Tasmania (NRE Tas) of \$34.38 million are mainly associated with project delays which have been moved to future years. These delays include:
 - extended community and stakeholder consultation
 - more complex site investigations required
 - resourcing constraints (including the impact of an extended fire season on operational staff)
 - procurement delays
 - change in Government tendering process.
- Capital expenditure shortfalls in Department of Justice (Justice) of \$20.61 million is due to the timing of expenditure in various Departmental capital projects. The unspent funding has been re-cash flowed or rolled over into future years. These revised cashflows are included in the 2025-26 Budget and includes:
 - Burnie Court Complex (\$4.50 million reallocated from 2024-25 into 2026-27)
 - Risdon Prison Construction Program (\$5.44 million reallocated from 2024-25 into 2026-27)
 - Electronic Security and Mobile Duress (\$2.10 million reallocated from 2024-25 into 2026-27)

- Risdon Prison – Critical Infrastructure Maintenance (\$2.00 million reallocated from 2024-25 into 2026-27).
- Capital expenditure shortfalls in Department for Education, Children and Young People (Education) of \$20.59 million are mainly associated with 5 Capital Investment Program Projects. The total of these projects is higher than the variance as there are also projects with payments exceeding the budget:
 - Glen Dhu Pool - \$2.44 million
 - This was due to the subsequent decision by the Minister to have the pool decommissioned based on engineering advice and the balance of the unspent funds redirected to undertake capital improvements at Glen Dhu Primary School which required new planning to be undertaken.
 - Legana - \$2.10 million
 - This mainly reflects project savings resulting primarily from a favourable construction tender result. The Government approved \$2.90 million of savings from the project to be repurposed to the Cambridge Primary School Major School Redevelopment.
 - Montello - \$6.06 million
 - Construction staging to ensure the continued safe operation of the school impacted the cashflow.
 - New Brighton High School - \$12.50 million
 - This is due to a combination of factors:
 - project savings due to unused construction contingency and some anticipated civil works not being required
 - funds still being held for resolution of the land acquisition (which is an ongoing legal matter being managed by the Office of the Crown Solicitor
 - finalisation of TasWater infrastructure costs.
 - Support School Package - \$3.15 million
 - This is due to an adjustment to the project schedule due to the need to consult extensively with the North West Support School community in relation to sites for the redevelopment of the new Devonport campus.

Net worth and net debt

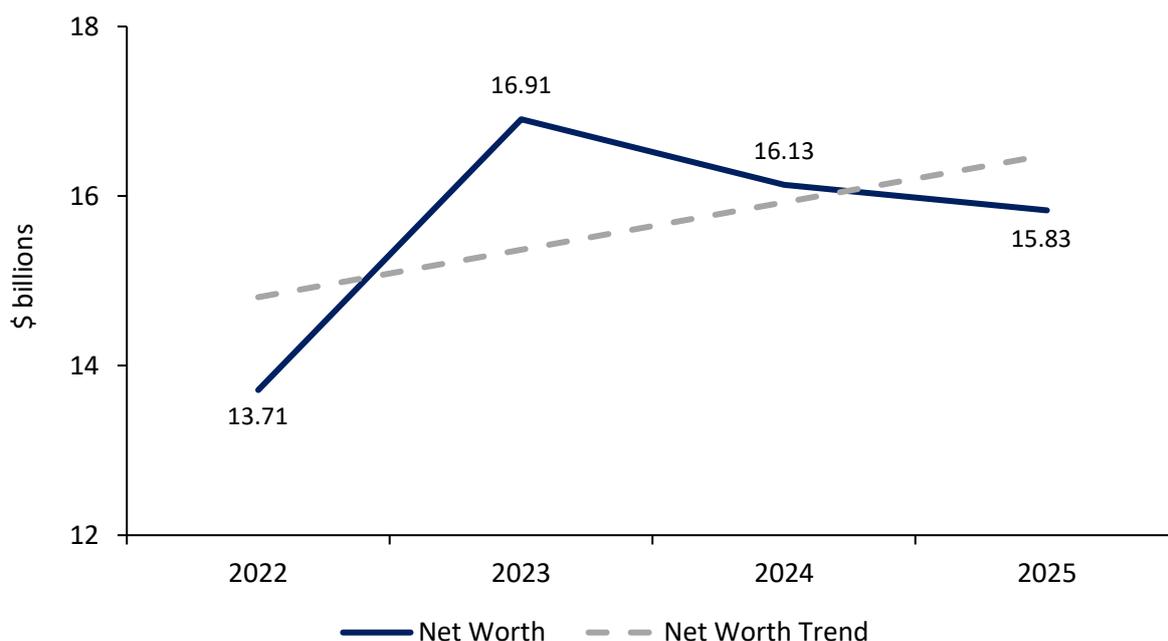
General Government Sector		Total State Sector	
\$15.83bn	\$5.05bn	\$15.83bn	\$7.28bn
Net worth	GFS Net debt	Net worth	GFS Net debt

GSS Net worth

GGS Net worth, also referred to as net assets, decreased by \$301.40 million to \$15.83 billion as at 30 June 2025. Net worth includes certain financial assets and liabilities not captured by the Net debt measure, most notably, accrued employee superannuation liabilities, ownership of equity investments, debtors and creditors.

Figure 11 shows GGS Net worth is trending upwards over the 4 financial years 2022 to 2025, despite the decrease in the last 2 years.

Figure 11: Net worth



Major contributors to the \$301.40 million decrease in GGS Net worth in 2024-25 were:

- an increase in Total Assets of \$1.24 billion, due to:
 - \$540.60 million increase in infrastructure assets
 - \$461.20 million revaluation increase in PNFCs and PFCs equity investments
- offset by an increase in Total Liabilities of \$1.54 billion, made up of:
 - \$1.67 billion increase in borrowings.

TSS Net worth

TSS Net worth is the same as GGS Net worth. This is because PNFCs and PFCs equity investments included in GGS Net worth are removed and replaced with the assets and liabilities of the PNFCs and PFCs entities in arriving at TSS Net worth. As the PNFCs and PFCs entities are recognised at a fair value equivalent to their net asset value in GGS financial statements, net worth is the same for GGS and TSS.

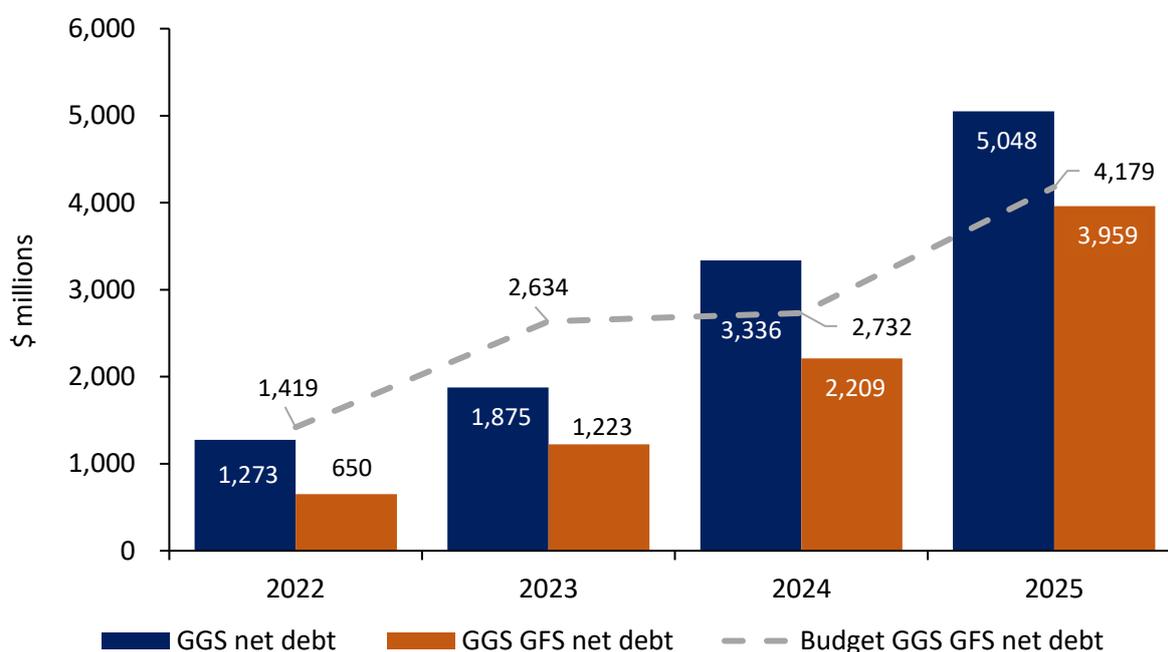
GGS net debt and GFS net debt

Net debt is a measure used to help assess the overall strength of a Government's fiscal position. Net debt comprises borrowings plus lease liabilities less cash, deposits and investments. The reference to negative net debt means cash, deposits and investments exceeded borrowings and lease liabilities.

GFS net debt is also a measure of net debt, calculated using the GFS reporting framework, which excludes the impact of leases liabilities and service concession liabilities. GFS net debt comprised borrowings less the sum of cash and deposits and investments.

GGS net debt continued to grow during 2024-25, as shown in Figure 12, largely due to the increase in borrowings of \$1.67 billion, drawn down by the Government to support the expenditure of the GGS and to ensure Specific Purpose Accounts and Agency Trust Accounts were cash backed.

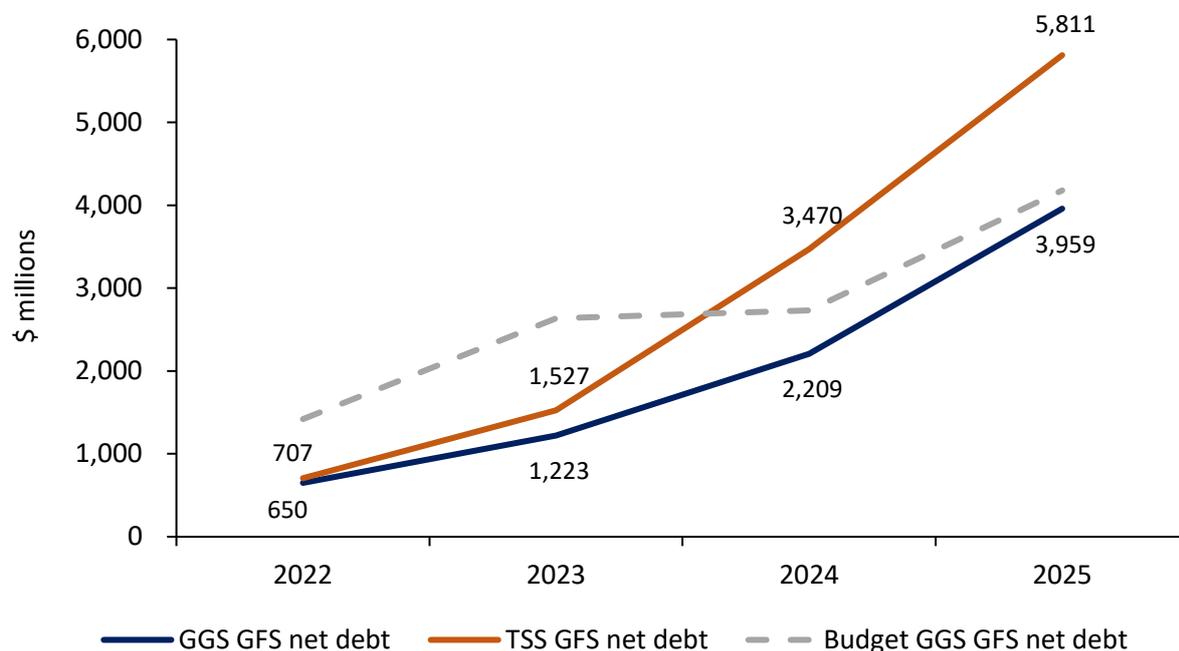
Figure 12: GGS net debt and GGS GFS net debt



GGS GFS net debt was \$3.96 billion at 30 June 2025 in comparison to budgeted GGS GFS net debt of \$4.18 billion.

Figure 13 provides a comparison of GGS GFS net debt to TSS GFS net debt for the past 4 years.

Figure 13: GFS net debt



TSS GFS net debt increased by \$2.34 billion to \$5.81 billion at 30 June 2025. The increase comprised additional borrowings of \$3.49 billion less additional cash and investments of \$1.15 billion.

Defined benefit superannuation liability

Superannuation Commission

The Superannuation Commission (Commission) is responsible for the management of the funded assets of the Retirement Benefits Fund (RBF) Defined Benefit Contributory Scheme, the Tasmanian Ambulance Service Superannuation Scheme, the State Fire Commission Superannuation Scheme and the Parliamentary Schemes (consisting of Parliamentary Superannuation Fund and Parliamentary Retiring Benefits Fund). All of the defined benefit funds are closed to new members. The Commission has no responsibility for the Judges' Contributory Pensions or the Housing Tasmania Superannuation Scheme.

The Commission is supported by the Office of the Superannuation Commission (OSC) which is an output group of Treasury. The operating costs of the OSC and the Commission in administering the 5 public sector defined benefits schemes are funded directly by appropriation, rather than through operating expenses charged directly against scheme assets.

Defined benefit superannuation liability

The Government is ultimately responsible for meeting obligations of the schemes. Superannuation payments are met on an emerging cost basis from the Public Account, funded partly by agency contributions and by a Reserved-by-Law contribution, which comprises the balance of the Government's share of pension and lump sum benefit costs.

At 30 June 2025, the GGS unfunded defined benefit liability was \$6.99 billion (30 June 2024, \$7.14 billion). The unfunded superannuation liability comprised the following defined benefit schemes and arrangements:

- Retirement Benefits Fund Defined Benefit Contributory Scheme, \$6.99 billion liability (30 June 2024, \$7.13 billion liability)
- Parliamentary Schemes, \$2.03 million asset (30 June 2024, \$10.34 million liability)
- Judges’ Contributory Scheme, \$22.57 million liability (30 June 2024, \$24.72 million liability)
- Tasmanian Ambulance Service Superannuation Scheme, \$15.75 million asset (30 June 2024, \$13.86 million asset)
- State Fire Commission Superannuation Scheme, \$4.14 million asset (30 June 2024, \$5.45 million asset).

The net liability decreased by \$156.04 million in 2024-25, reflecting the difference between benefits paid and interest expense. There is a strong inverse relationship between the discount rate and the valuation of the superannuation liability, which means that the liability decreases when the discount rate increases and vice versa. However, the discount rate remained unchanged from 30 June 2024 at 4.55% and therefore had no impact on the liability during 2024-25.

Movements over the past 4 years in the unfunded liability, being the difference between the present value of the defined benefit obligation and fair value of plan assets, are shown in Figure 14.

Figure 14: GGS Unfunded Superannuation Liability

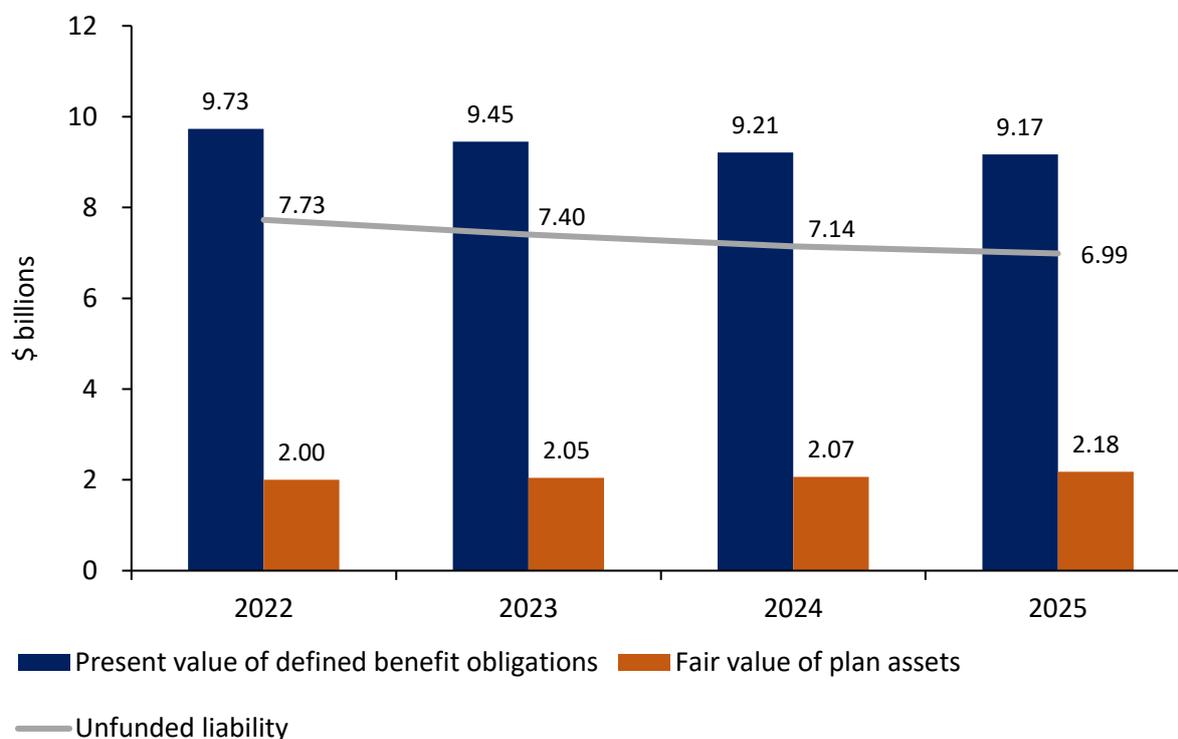
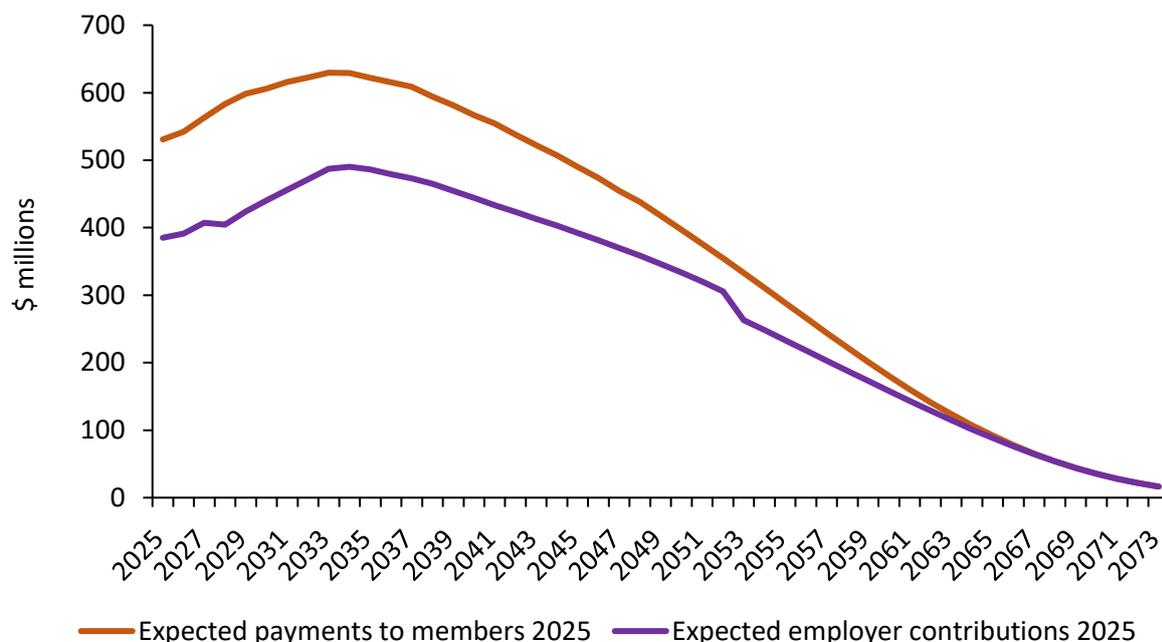


Figure 15 compares the expected nominal (un-discounted) cash outflows required to meet the emerging cost of superannuation benefits payable to members, before consideration of benefits funded from scheme assets, as estimated at 30 June 2025. Also shown are the expected future employer contributions to be paid by the Government, as estimated at 30 June 2025.

Figure 15: GGS Undiscounted Defined Benefit (2025-2073)



Payments required to meet defined benefit pensions and lump sum payments will peak in 2033 at around \$629.63 million. A key budget risk for the Government is the significant increase in the cost, with the defined benefit pensions and lump sum payments increasing by 18.7% over the next 8 years.

General Government Sector developments

This section summarises significant developments that affected the operations of GGS entities identified during the course of the audit of their financial statements.

Machinery of Government changes

Changes to the administration and structure of the GGS may result from:

- State Service (Agencies and Heads of Agencies) Orders, which the Governor makes to amend the list of Government agencies or State authorities in Schedule 1 of the *State Service Act 2000* (State Service Act), under section 12
- State Service (Restructuring) Orders, which the Governor makes to establish, abolish or change the name of a Department or State authority, or to restructure Departments and State authorities, under section 11 of the State Service Act
- new, or amendments to existing, Acts of Parliament.

Table 4: Changes to the administration and structure of the GGS during 2024-25

Effective date	Administrative restructure
1 July 2024	<p><i>State Service (Restructuring) Order (No. 1) 2024</i></p> <p>This Order transferred forestry functions and Acts relating to forestry from the Department of Natural Resources and Environment Tasmania to the Department of State Growth.</p>
1 November 2024	<p><i>State Service (Restructuring) Order (No. 2) 2024</i></p> <p>This Order transferred Aboriginal Heritage Tasmania from the Department of Premier and Cabinet to the Department of Natural Resources and Environment Tasmania.</p> <p>Additionally, the following parts of the Department of Premier and Cabinet were amalgamated with the Department of State Growth:</p> <ul style="list-style-type: none"> • the part known as Strategic Regional Partnerships • the part known as the State Planning Office.
23 October 2024	<p><i>Administrative Arrangements Order (No. 2) 2024</i></p> <p>Formally allocated the administration of certain Government enactments and responsibilities between ministerial portfolios.</p>
1 November 2024	<p><i>Administrative Arrangements Amendment Order (No. 2) 2024</i></p> <p>This order amends the <i>Administrative Arrangements Order (No. 2) 2024</i> by transferring responsibility for the administration of:</p> <ul style="list-style-type: none"> • certain Acts relating to Aboriginal matters from the Department of Premier and Cabinet to the Department of Natural Resources and Environment Tasmania; and • certain Acts relating to housing and planning matters from the Department of Premier and Cabinet to the Department of State Growth.
22 November 2024	<p><i>Administrative Arrangements Amendment Order (No. 3) 2024</i></p> <p>This order amends the <i>Administrative Arrangements Order (No. 2) 2024</i> by transferring responsibility for the administration of certain Acts from the Minister for Finance to the Treasurer.</p>

Department for Education, Children and Young People

Financial result

The 2024-25 result for Department for Education, Children and Young People (DECYP) was a deficit of \$43.96 million (2023-24, surplus \$13.64 million). DECYP exceeded its original approved expenditure budget of \$1.70 billion by \$114.41 million. On a year-on-year basis, of the deterioration in net result from continuing operations was \$57.60 million, this was, in part, due to:

- increases across a number of expenditure categories, including employee expenses, which were \$79.62 million higher, mainly due to increased teacher numbers, award increases and increases within salary bands. There were also higher staffing levels for Child Safety Officers and Child Safety and Wellbeing workers from 30 September 2024. Superannuation expenses were higher due to a 0.5% increase in the superannuation guarantee rate during 2024-25. Supplies and consumables expenses increased by \$39.43 million primarily due to higher accommodation support, service provider hours and other client services, totalling \$16.81 million. Property services and maintenance expenses also increased by \$8.89 million and \$6.34 million respectively. There was also an increase in total depreciation expenses of \$9.14 million, due to revaluation increments of buildings and major projects completed in the prior year
- total revenue from Government was \$86.71 million higher and all other revenue streams were relatively consistent. The higher revenue from Government did not keep pace with the increased expenditure.

Property, plant and equipment

The Department's land, buildings and infrastructure assets were last valued as at 31 December 2019. A valuation of land, buildings and infrastructure was due to be undertaken in 2024-25, however the Office of the Valuer General advised they could not conduct a valuation due to resourcing issues. As a result, management planned to perform a valuation using in-house expertise, however, after further consideration, acknowledged that they did not have the right expertise and timeframe to complete the valuation.

Given the inability to undertake a valuation, indexation factors were applied to land, buildings and infrastructure for the 30 June 2025 reporting period. While the index based approach has been assessed as meeting the minimum requirement for issuing an unmodified audit report, the absence of a formal valuation process since December 2019 increases the risk of error in both the determination of the replacement costs and current condition of the school buildings across the state.

During 2024-25, property, plant and equipment increased by \$30.67 million to \$2.54 billion, primarily due to the index-based value revaluation increments, noted above, of \$36.51 million and additions of \$75.58 million. These increases were partially offset by depreciation for the year of \$78.26 million.

Significant capital expenditure on building projects, included within the additions figure during 2024-25, included:

- Cosgrove High School Comprehensive Improvement Plan redevelopment, \$10.67 million
- Continuation of new Brighton High School construction, \$6.86 million
- Exeter High School major redevelopment, \$6.71 million
- Legana Primary School construction, \$6.95 million.

Department of Health

Financial result

The Department of Health (DoH) recorded a deficit of \$6.66 million in 2024-25, compared to a deficit of \$267.22 million in 2023-24. The improved financial performance compared to the result of 2023-24 was mainly due to the:

- appropriation revenue – operating increase of \$434.99 million, representing an increase in approved funding
- offset by employee benefits increase of \$151.67 million, mainly due to the increased health demand and service requirements in the Tasmanian Health Service, including Hospitals and Mental Health Services. Also, the variance includes the payment of salaries and wages which are offset by recoveries included in other revenue.

Fraud framework

Under ASA 315, the auditor is required to obtain an understanding of the entity and its environment, including the entity's system of internal control, to identify and assess the risks of material misstatement, whether due to fraud or error. Testing by Audit Tasmania identified that DoH does not have an adequate fraud control framework in place as there were 2 alleged frauds which occurred during 2024-25, with an estimated cost of at least \$2.73 million. We found that these frauds had not been investigated in either a timely or adequate manner and at the date of drafting this report appropriate actions are yet to be completed by the Department to address these matters. Accordingly, we recommended management review their fraud framework to ensure that it is fit for purpose, including ensuring that the framework has adequate controls and processes to prevent, detect and adequately respond to fraud.

Response from the Department of Health

Thank you for the opportunity to respond to your draft Report. I note that this is the first time that I have had the opportunity to provide feedback on this Report.

There are two specific issues that I believe require your consideration.

The first is in relation to the claim in the Foreword that testing by Audit Tasmania identified that the Department of Health does not have an adequate fraud control framework in place.

As you are aware, the Department issued its Fraud and Corruption Plan in December 2023, in accordance with Treasurer's Instruction FC-5 Fraud and Corruption Control. I am not aware that Audit Tasmania has undertaken any review of the Plan or provided the Department with any feedback on the Plan's scope, coverage or adequacy, apart from an improvement opportunity noted in the recent Financial audit outcomes report dated 30 October 2025.

I note that this Report stated "It is recommended that management review their fraud framework to ensure that it is fit for purpose, including ensuring that the framework has adequate controls to prevent and detect fraud that it is fit for purpose, including ensuring

that the framework has adequate controls and processes to prevent, detect and adequately respond to fraud.” This was clearly presented and accepted as an improvement opportunity rather than as an Audit finding.

Given the general nature of Audit Tasmania’s observation, I request that this claim be removed from the draft Report or, as a minimum, amended to reflect an improvement opportunity having been identified for the Department. Please be aware that work is currently underway to review the Plan in line with the Review Date of December 2025.

Most importantly, the second issue I am significantly concerned about is in relation to the claims that there has been a lack of governance of fraud by the Department and that the Department has suffered a financial loss due to “two alleged frauds”. It is my understanding that there has been no finding of fraud and no finding from the appropriate regulator [REDACTED] that the related transactions were duplicated or somehow incorrect.

The Department undertook a review of the billing practices of [REDACTED] to ensure that the Department’s systems and processes enable [REDACTED] billing that is compliant with the Health Insurance Act 1973, Health Insurance Regulations 2018, National Health Reform Agreement – Addendum 2020-25 and the [REDACTED]

The Department is addressing the recommendations of the review and has met with the two impacted Doctors to discuss this process and outline the steps that will need to be taken to ensure compliance. The review did not identify a financial loss to the Department and there has not been a financial loss.

While it is the responsibility of the treating Doctor to ensure that their billing is compliant, given the review recommendations, an Action Plan is being prepared for the Audit and Risk Committee meeting in December 2025 and the Finance and Business Support Risk Register has been updated to reflect the risk of [REDACTED] Billing and the mitigating actions required.

I am also in the process of writing to [REDACTED], as the legislated regulator, to notify it of potential issues that it may wish to review. This will be a matter for [REDACTED] to regulate rather than the Department.

Therefore, any claims of a lack of governance in relation to an alleged fraud or the quantification of any financial loss appear not to be supported, particularly in light of the fact that an internal review identified the issue and the Department has had no financial loss from the billing practices identified. I strongly request that reference to the “alleged frauds” and these claims are removed from the draft Report.

Audit Tasmania response to the Department

Audit Tasmania's Financial Audit Outcome Report to the Department of Health detailed a finding relating to the Department's Fraud Framework which was rated as 'High Risk'. At no point has this matter been labelled or referred to as a performance improvement opportunity.

The Report refers to two alleged frauds that have been reported internally within Health and were confirmed by the Department in representations made to Audit Tasmania as part of the financial audit process. One of the alleged frauds related to timesheet fraud where staff had received payments from the Department of Health which they were not entitled to. The other alleged fraud related to staff employed by the Department of Health who defrauded an external body.

It is correct that no finding of fraud has been communicated to the Department of Health from the appropriate regulator, however it is unclear how such a communication could have occurred.

The Department of Health, having first become aware of the alleged fraud in October 2024, reported internally on the alleged frauds in February 2025, however had still not notified the appropriate regulator of the alleged frauds at the time of drafting this Report in October 2025.

Finally, the Department's request that references to the alleged fraud are removed from this report are noted, however in the interests of transparency and accountability, and in consideration of the requirements of section 29 (4) (a) of the *Audit Act 2008*, that requires the Auditor-General to draw attention to any case in which the functions of an accountable authority were not adequately and properly performed, this matter is retained in my report.

Department of Justice

Financial result

The Department of Justice (Justice) generated a surplus of \$66.74 million for 2024-25 (2023-24, \$567.16 million deficit). Justice's revenue increased by \$114.63 million to \$531.13 million for the 2024-25 financial year. Appropriation revenue increased by \$108.06 million due to an increase in recurrent appropriation and capital appropriation compared to the previous year.

During the year, expenses decreased by \$520.96 million mainly attributable to a decrease in recognition of claims expense related to the provision for claims related to Child Sexual Abuse in State Care of \$548.56 million which was recorded within income from continuing operations offset by an increase in Employee benefits of \$14.05 million and Other expenses of \$12.94 million.

Property, plant and equipment

Property, plant and equipment increased by \$15.40 million during 2024-25 to \$417.48 million, primarily due to increases in Building Improvements and Work in Progress (WIP). Major movements included additions related to Prison Buildings of \$14.10 million

and revaluation increments of \$8.90 million, offset by depreciation and amortisation of \$18.01 million.

The 2024-25 revaluation increment was based on indices for construction costs and land values, as advised by the Valuer-General.

National Redress Scheme for Institutional Child Sexual Abuse and related civil claims against the Crown

The provision for Claims related to Child Sexual Abuse in State Care decreased from \$646.87 million during 2024-25 to \$578.87 million.

During 2024-25, Justice expended \$128.81 million (2023-24, \$38.16 million) on payments to claimants under the National Redress Scheme for Institutional Child Sexual Abuse and for related civil claims against the Crown, which had the effect of reducing the provision. This reduction was offset by an actuarial assessment of the provision at 30 June 2025, which increased the provision by \$60.81 million.

As at 30 June 2025, Justice had received a number of applications under the National Redress Scheme for Institutional Child Sexual Abuse from individuals who had suffered abuse, with these claims yet to be resolved. Additionally, a number of civil claims had been made against various Government agencies relating to child abuse in State care which were still progressing.

Department of Natural Resources and Environment Tasmania

Financial result

NRE Tas recorded a deficit of \$20.76 million in 2024-25 compared to a surplus of \$6.43 million in 2023-24. This is mainly due to the increase in expenditure from continuing operations, including:

- grants and subsidies expenditure increased by \$31.69 million, primarily due to higher expenditure for wildfire suppression activities. Additional increases were also noted for marine farming and wild fisheries, the Tasmanian Institute of Agriculture, and Waste and Resource Recovery programs
- supplies and consumables expenditure increased by \$12.39 million, primarily due to higher travel and transport costs associated with operational activities, an increase in infrastructure and building maintenance expenses, and additional professional and contract services to support departmental projects.

Property, plant and equipment

Property, plant and equipment, including infrastructure assets, decreased by \$19.54 million in 2024-25 to \$2.15 billion. The movement primarily reflects depreciation of \$32.20 million, disposals of \$4.78 million, and asset write-downs of \$2.69 million. These decreases were partly offset by revaluation increments of \$12.99 million and additions of \$9.75 million, largely relating to ongoing capital works and upgrades across a number of assets.

Department of Police, Fire and Emergency Management

Financial result

The 2024-25 result for Department of Police, Fire and Emergency Management (DPFEM) was a surplus of \$0.02 million (2023-24, deficit \$20.42 million). The increase of \$20.44 million in the net result was due to:

- total revenue increasing \$79.08 million, the most significant components of the increase were \$37.83 million from the State Fire Commission, mainly in relation to bushfire response funding, \$10.68 million in non-appropriation contributions from government and \$6.26 million in increased contributions for access to TasGRN. In addition, a \$4.02 million increase in workers compensation wages recoveries partly offset the increase in workers compensation cost noted below
- total expenses increased by \$58.64 million, the most significant components of the increase were, a \$37.83 million increase in State Fire Commission expenses relating to bushfire response, offsetting the increase in revenue noted above and employee expenses increasing \$16.26 million higher, primarily due to increased average FTE from 610 to 657 as well as award increases and higher superannuation expenses. Other expenses increased by \$52.50 million, mainly due to increase in payments on behalf of the State Fire Commission and higher workers compensation cost due to higher premiums.

Property, plant and equipment

During 2024-25, property, plant and equipment increased by \$11.67 million, primarily due to indexation of land and buildings of \$6.26 million, and asset acquisitions of \$16.42 million. These increases were offset by depreciation for the year of \$10.62 million.

Significant capital expenditure on building projects during 2024-25 included \$13.47 million capitalisation on the replacement of police vessel Van Diemen.

Service concession assets and liabilities

The balances of service concession assets and liabilities were related to TasGRN. The carrying amount of service concession assets was reduced by \$43.13 million, mainly due to amortisation expense of \$37.32 million. The carrying amount of service concession liabilities reduced by \$42.57 million, principally due to interest expense and milestone payments made to Telstra Corporation Ltd.

Department of Premier and Cabinet

Financial result

DPAC recorded a surplus for 2024-25 of \$1.11 million compared to a deficit of \$3.62 million in 2023-24. Expenditure has increased \$44.49 million year on year, predominately due an increase in grant and subsidy expenses:

- Emergency Food Grant Funding of \$10.52 million paid to individuals impacted by the August/September 2024 floods and storm event in Northern and Southern Tasmania, and the February 2025 fire event on the West Coast

- a further \$19.46 million in grant expenses were paid in relation to the 2024 Election campaign, primarily for enhancing essential public services, investing in infrastructure and providing cost of living relief to communities.

Department of State Growth

Financial result

The Department of State Growth (State Growth) recorded a net result from continuing operations of \$259.17 million in 2024-25 compared to \$337.73 million in the prior year.

The reduction of \$78.56 million in the net result was partly due to increases across several expenditure categories:

- grants and subsidies expenses increased by \$65.33 million mainly due to increases in Active Tasmania grants (up 20.24 million) and the City Deal Launceston grant which saw \$22.55 million paid in 2024-25
- employee expenses were \$19.18 million higher, due to award increases and increases within salary bands
- superannuation expenses were higher due to a 0.5% increase in the superannuation guarantee rate during 2024-25
- supplies and consumables expenses increased by \$11.15 million, primarily due to higher non-road works contractor payments
- there was also an increase in total depreciation expenses of \$5.96 million, due to revaluation increments of buildings and heritage and cultural assets.

Overall operating revenue was largely consistent, with \$1.29 billion recorded in 2024-25 compared to \$1.26 billion in 2023-24. However, non-operational capital funding received was \$211.86 million for 2024-25, compared to \$263.32 million in the prior year. The reduction of \$51.46 million was due to a reduction in payments due to the near completion of the Bridgewater Bridge project.

Valuation of infrastructure assets

State Growth undertook revaluations of its roads and bridges during 2024-25 by applying relevant indices provided by external experts. This resulted in a revaluation increment for roads of \$115.85 million, land under roads of \$221.37 million and bridges of \$26.51 million.

Capital expenditure

In 2024-25 State Growth expended \$339.83 million for acquisition of non-financial infrastructure assets (2023-24, \$469.39 million). This included capital improvements related to roads \$55.82 million, bridges of \$4.23 million and WIP additions of \$277.55 million.

Other significant events

During the year, the transfer of the Silverdome stadium occurred, transferred by State Growth to Stadiums Tasmania. This was transferred by State Growth as an equity contribution, in line with the Department of Treasury and Finance's guidelines, at a value of \$49.50 million.

Performance audit matters

The *Report of the Auditor-General No. 6 of 2020-21: Management of the State Road network* made five recommendations to improve the management of the State Road network (the Network) by the Department of State Growth.

In our Follow up audit² of this report, we found significant progress has been made across each of the recommendations. However, the budget for renewal and maintenance has not increased at the same rate as the costs for these activities. This funding gap has been identified in State Growth's asset management planning. The funding gap has led to intervention (maintenance and renewal) not occurring at an optimal point in time, which has in turn contributed to the costs to maintain the Network doubling between 2022-23 and 2024-25.

Department of Treasury and Finance

Financial result

Department of Treasury and Finance recorded a deficit of \$1.31 million, a reduction from the surplus of \$1.16 million in 2023-24.

Total expenditure increased by \$5.70 million, driven by increases to Community Service Obligation payments to the Public Trustee of \$2.46 million and Employee benefits increasing by \$1.55 million.

Finance-General

The Finance-General Division is administered by Treasury. The major activities transacted through Finance-General include the management of the Government's financial assets and liabilities, meeting the Government's pension and other superannuation commitments, administration of the Tasmanian Risk Management Fund, management of the Government's light vehicle fleet and property portfolio, and payments to Government businesses.

Finance-General transactions are recorded in the Schedule of Administered Income and Expenses, Schedule of Administered Assets and Liabilities and Schedule of Administered Changes in Equity. Significant developments impacting Finance-General are described below.

Administered Equity investments

As shareholder of State-owned companies, statutory authorities, Government business enterprises and other entities, Finance General made a combined \$286.67 million in equity contributions across all entities, a \$76.44 million increase on prior year. \$289.10 million in Dividends were recognised in 2024-25 from these entities.

Administered loans from Tasmanian Public Finance Corporation (TASCORP)

Loans from TASCORP increased by \$1.65 billion during 2024-25, following on from a \$1.45 billion increase during 2023-24 to reach total borrowings of \$5.94 billion at 30 June

²Report of the Auditor-General No. 5 of 2025-26 – Follow up of *Report of the Auditor-General No. 6 of 2020-21: Management of the State Road Network*

2025. The additional borrowings were to increase the Government's cash holdings to support the expenditure of the GGS and to ensure Specific Purpose Accounts and Agency Trust Accounts are cash backed.

Administered superannuation liability

The administered superannuation liability decreased by \$176.01 million to \$6.99 billion at 30 June 2025. The decrease is driven by:

- the effect of changes in actuarial assumptions, \$30.61 million
- plus, benefits paid of \$544.37 million
- less, interest expense of \$404.01million recognised on the liability.

Tasmanian Risk Management Fund

The Tasmanian Risk Management Fund's outstanding claims liability increased from \$516.24 million at 30 June 2024, to \$665.87 million at 30 June 2025. The increase is primarily due to continuing increases in outstanding liabilities for personal injury.

The provision for personal injury risk category increased by \$140.92 million, due to:

- a continuation of very high numbers of psychological claims in 2024-25 resulting in higher overall costs
- increasing payment costs and continuance rates in weekly benefits, particularly for psychological claims
- general inflationary growth in the liability.

State Fire Commission

Financial result

The 2024-25 net result for State Fire Commission (the Commission) was a deficit of \$12.51 million (2023-24, surplus \$3.83 million). The decrease of \$16.34 million in the net result was partly due to:

- bushfire fighting contributions was \$18.83 million higher, with an increased Insurance fire levy of \$5.40 million.
- total expenses increased by \$42.72 million due to increases across a number of expenditure categories:
 - employee expenses were \$8.14 million, higher mainly due to award increases and increases within salary bands. Superannuation expenses were higher due to a 0.5% increase in the superannuation guarantee rate during 2024-25
 - supplies and consumables were \$5.46 million higher, due to increased maintenance, consultation and travel costs
 - bushfire fighting expenses increased by \$18.36 million which is the reflection of bushfire fighting contributions in the preceding paragraph

- workers compensation costs increased by \$6.29 million due to higher premiums paid.

Property, plant and equipment

During 2024-25, property, plant and equipment increased by \$3.69 million, primarily due to indexation of land and buildings, and acquisition of fire appliances. The increase was represented by revaluation increments of \$2.87 million, assets addition of \$9.00 million, offset by depreciation for the year of \$7.67 million.

Cash and deposits

The cash balance reduced from \$41.67 million to \$28.95 million due to repairs and maintenance expenditure linked to the Volunteer Infrastructure Investment Fund project, where funding was received in the prior year, and the purchase of bushfire personal protective clothing occurred in the current year.

TasTAFE

Financial result

TasTAFE recorded a deficit of \$4.46 million in 2024-25, compared to a deficit of \$0.74 million in 2023-24. This reduction was principally due to:

- Reduction in sales of goods and services – Revenue decreased from \$28.87 million to \$25.77 million, mainly due to the shift from the uncapped JobTrainer model to the capped Fee-Free TAFE program, reducing potential funding being earned. International fees also decreased during the Government Education and Training International to TasTAFE transition, while domestic fees rose slightly, with the introduction from the Academy of Sport diploma program, offset by lower apprenticeships.
- Higher employee expenses – Wages and salaries increased from \$98.15 million in 2023-24 to \$106.70 million in 2024-25, mainly due to a 3% salary increase for all staff and the implementation of the new Teaching Agreement in April 2024. The agreement affected teaching staff for only 3 months in 2023–24 but had a full-year impact in 2024–25.

Submission of financial statements

State entities and audited subsidiaries of State entities are required to submit financial statements to the Auditor-General within 45 days after the end of each financial year. For 31 December 2024 and 30 June 2025 financial reporting, the deadlines fell on 14 February 2025 and 14 August 2025, respectively. Before accepting the financial statements as submitted, the Auditor-General determines whether the financial statements are complete in all material respects. As part of this requirement, the financial statements must be signed by either the accountable authority or by a suitably senior finance officer responsible for financial reporting, such as the Chief Financial Officer or equivalent.

State entities and audited subsidiaries of State entities
31 December 2024 and 30 June 2025

66

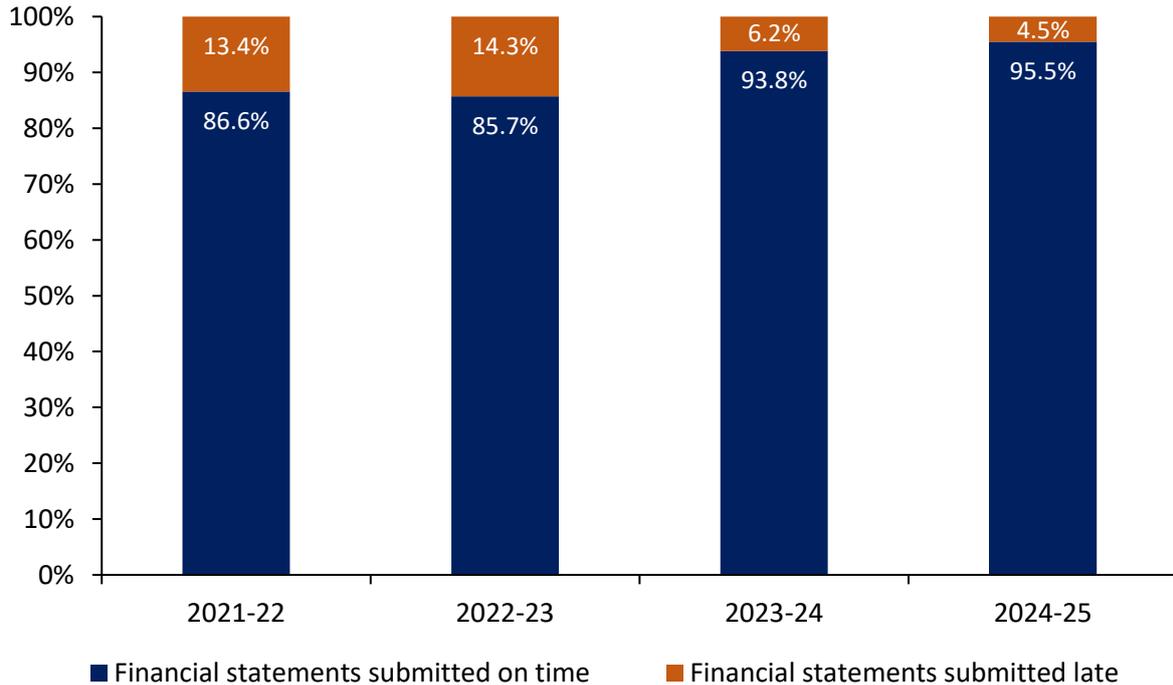
Financial statements submitted

95.5%

Financial statements submitted on time

A comparison of the timeliness of financial statement submission by State entities and audited subsidiaries of State entities for the past 4 years is shown in Figure 16.

Figure 16: Timeliness of submission of financial statements



For the years ended 31 December 2024 and 30 June 2025, 3 State entities failed to meet the financial statement submission deadline, compared to 4 State entities for the years ended 31 December 2023 and 30 June 2024.

Completion of financial statement audits

Audits of 30 June 2025 financial statements not yet completed

As at 31 October 2025, the audit of Aboriginal Land Council of Tasmania and National Trust of Australia (Tasmania) were in progress, and therefore results of these entities have been excluded from this report.

Timeliness of audit completion

The audit of the financial statements in TAFR are required to be completed in sufficient time to enable the Treasurer to table the report in Parliament by 31 October each year. The audit reports for these financial statements for 30 June 2025 were issued on 28 October 2025.

The Auditor-General must issue an audit report on the financial statements of State entities and audited subsidiaries of State entities within 45 days of the date of submission. For

financial statements submitted on 14 February 2025 and 14 August 2025, our deadlines fell on 31 March 2025 and 29 September 2025, respectively.

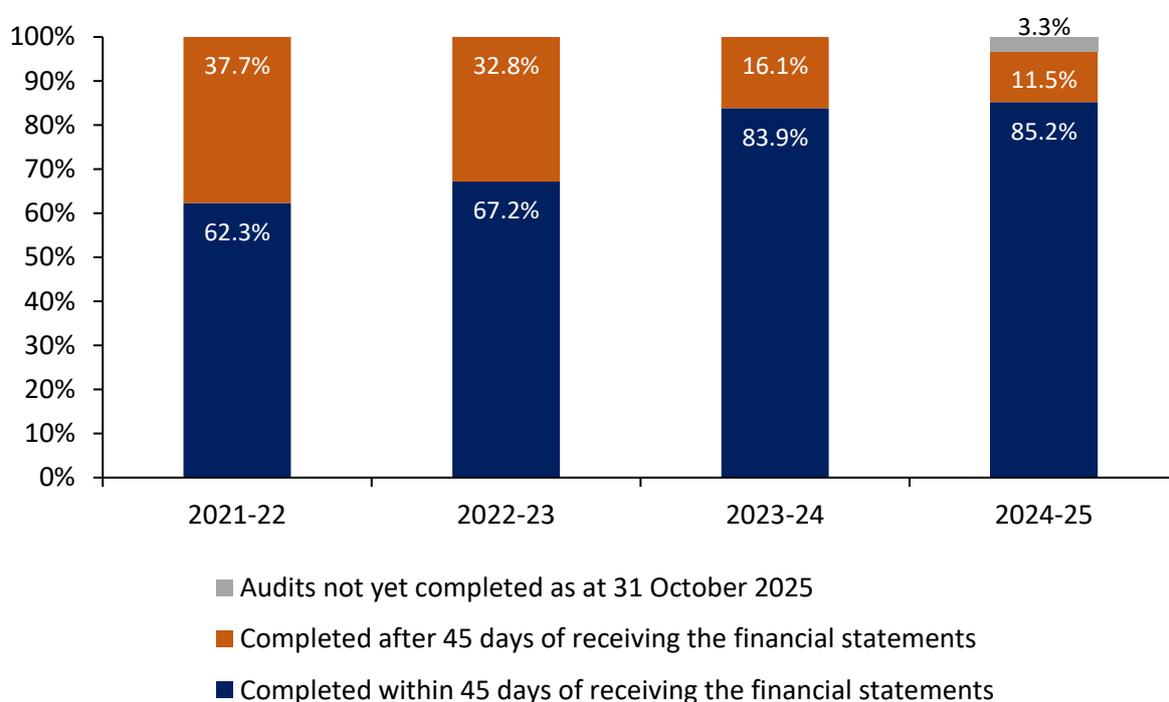
State entities and audited subsidiaries of State entities
31 December 2024 and 30 June 2025

52

Audit reports issued within deadline

A comparison of the timeliness of the completion of the audit of financial statements of State entities and audited subsidiaries of State entities for the past 4 years is shown in Figure 17.

Figure 17: Timeliness of audit completion



For the years ended 31 December 2024 and 30 June 2025, 7 audits were not completed within the statutory timeframe, as well as 2 audits which are in progress and will be completed outside of the statutory timeframe. As such, the 9 late audits for 2024-25 is a slight improvement on the 10 audits that were late for the years ended 31 December 2023 and 30 June 2024.

Audit opinions on financial statements

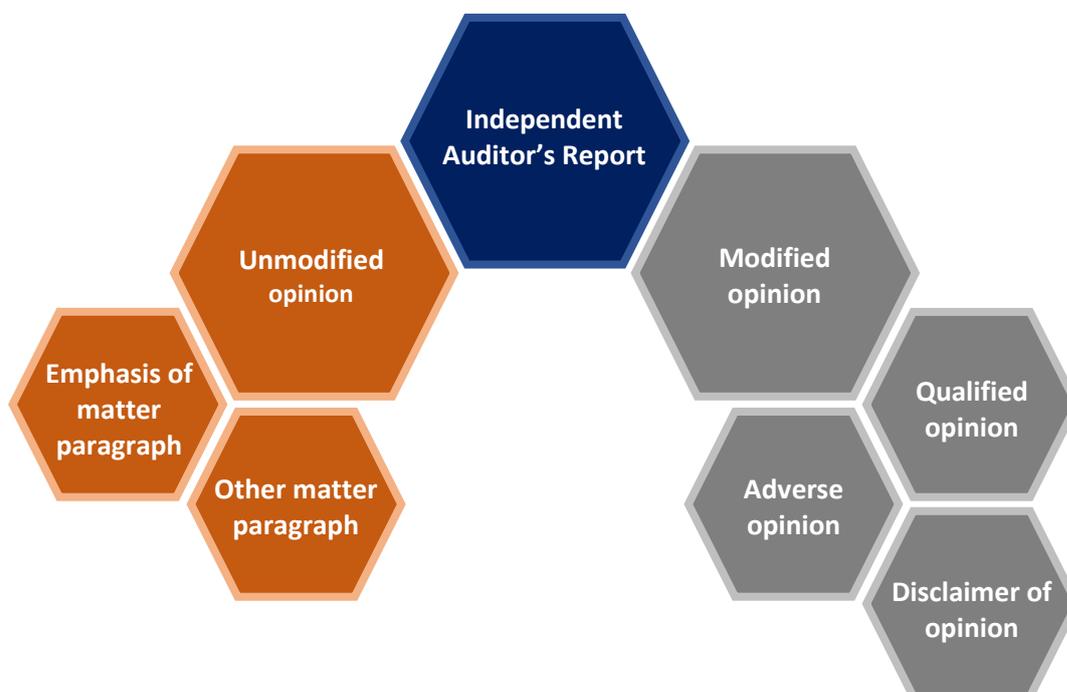
Types of audit opinions on the financial statements

Under section 19(1) of the Audit Act, the Auditor-General is to prepare and sign an opinion on an audit of the financial statements of State entities in accordance with Australian Auditing and Assurance Standards. Australian Auditing and Assurance Standards prescribe the auditor’s reporting responsibilities, including the responsibility to form an opinion on

whether the financial statements present fairly³, in all material respects, the financial performance and position of an entity and whether the financial statements were prepared in accordance with the relevant financial reporting framework.

The types of audit opinions that may be issued in an independent auditor's report are depicted in Figure 18.

Figure 18: Types of audit opinions



An unmodified opinion is issued when the auditor concludes that the financial statements were prepared, in all material respects, in accordance with the applicable financial reporting framework. A modified opinion is issued when the auditor concludes that the financial statements as a whole were not free from material misstatement or was unable to obtain sufficient appropriate audit evidence.

The auditor can also communicate additional matters in the auditor's report, while still expressing an unmodified opinion on the financial statements by including an emphasis of matter or other matter paragraph. The purpose of this is to draw the attention of the users of the financial statements to relevant information, which in itself is not significant enough to result in a modified opinion.

Audit opinions expressed on financial statements

Of the 59 auditor's reports issued on the audits of the 31 December 2024 and 30 June 2025 financial statements, all were unmodified (commonly referred to as 'unqualified').

Audit reports issued with an emphasis of matter paragraph

³ Give a true and fair view in the case of entities reporting under the *Corporations Act 2001* or the *Australian Charities and Not-for-profits Commission Act 2012*.

Of the 59 auditor's reports issued, 1 contained an emphasis of matter paragraph. An emphasis of matter paragraph was used to highlight matters that, although appropriately presented or disclosed in the financial statements, were fundamentally important to bring to the reader's attention to assist their understanding of the financial statements. Including an emphasis of matter paragraph does not modify the audit opinion.

An emphasis of matter paragraph was included in the auditor's report for the year ended 30 June 2025 for the following entity:

- Tasmanian Affordable Housing Limited (TAHL) – to draw attention to notes within the financial statements stating that the financial statements for TAHL were prepared on a non-going concern basis due to the activities of the company having ceased. TAHL chose to present their asset and liabilities in decreasing order of liquidity and expected to recover or settle all balances within 3 months of 30 June 2025.

TAHL received a similar emphasis of matter paragraph in their auditor's report for the year ended 30 June 2024.

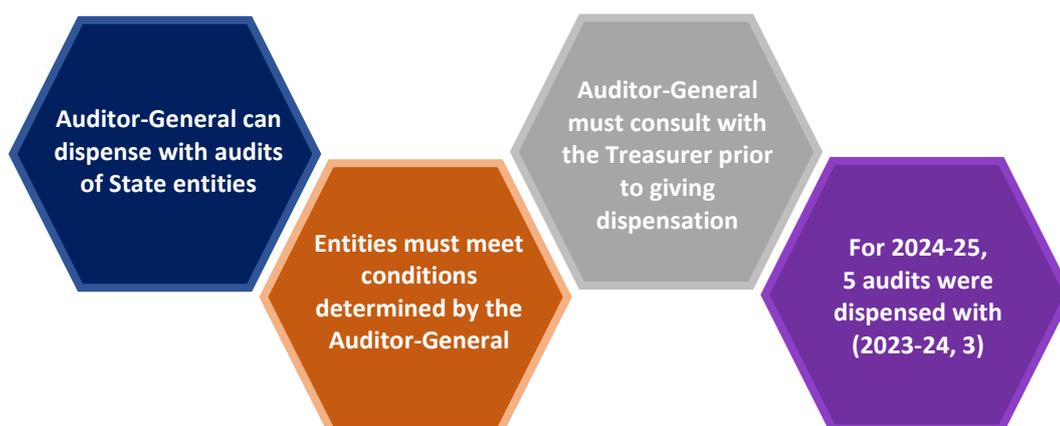
Audits dispensed with

The Auditor-General has discretion under section 18 of the Audit Act to dispense with all or any part of the audit of a particular State entity, if considered appropriate in the circumstances. The Auditor-General has determined dispensation from audit may be provided where 1 of the following conditions are met:

- the entity is controlled by another State entity and is included in the group audit of the controlling entity. The entity is not considered to have material trading activities, nor considered to be a high risk. The financial statements of the consolidating parent entity are required to disclose information about all subsidiaries within the group, in accordance with Australian Accounting Standards
- the entity has not operated, and the accountable authority has provided evidence to support this assertion.
- subject to any other condition that the Auditor-General may determine under section 18(2) of the Audit Act.

The audit dispensation process is illustrated in Figure 19.

Figure 19: Dispensation of audits process



It is important to note that dispensation of the audit does not limit any of the Auditor-General's functions or powers under the Audit Act. Where the entity is of significant size or by its nature of particular public interest, it is unlikely dispensation will be granted. The Audit Act also requires the Auditor-General to consult with the Treasurer before exercising the power to dispense with audits.

Entities where the Auditor-General has dispensed with the audit are listed in Appendix 3.

Identification of misstatements

In completing our audits, we may identify misstatements that result from:

- an inaccuracy in gathering or processing data from which financial statements are prepared
- the inappropriate classification, aggregation or disaggregation, of information
- incorrect accounting estimates arising from overlooking, or clear misinterpretation of, facts
- judgements of management concerning accounting estimates that we consider unreasonable or the selection and application of accounting policies that we consider inappropriate
- the omission of amounts or disclosures, including inadequate or incomplete disclosures, which are required to meet the disclosure objectives of the financial reporting framework
- the omission of disclosures necessary for the financial statements to achieve fair presentation beyond disclosures specifically required by the financial reporting framework.

Identified misstatements are discussed with management, with a determination made on whether the error will be corrected in the financial statements before our auditor's report is issued. The requirement to correct the error will depend on its nature, value, and impact on the users of the financial statements. All identified misstatements above an agreed threshold are formally communicated to those charged with governance of the entity as

part of our reporting on audit outcomes. Additionally, all material misstatements identified were corrected prior to an unqualified auditor’s report being issued.

Of the 59 financial statement audits for the years ended 31 December 2024 and 30 June 2025, 45 misstatements were identified, compared to 51 misstatements for years ended 31 December 2023 and 30 June 2024. Of the 45 misstatements, 31 were corrected by the entity before the auditor’s report was issued. The financial statement classification and value of the corrected and uncorrected misstatements, for 2021-22 to 2024-25, are shown in Figures 20 and 21, respectively.

Figure 20: Corrected misstatements

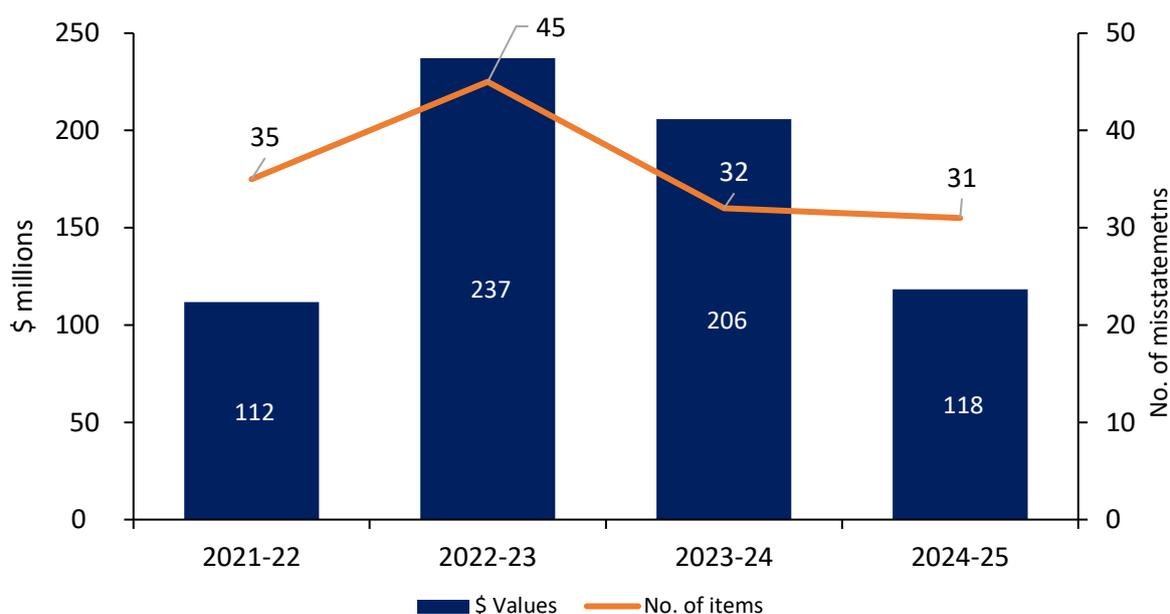
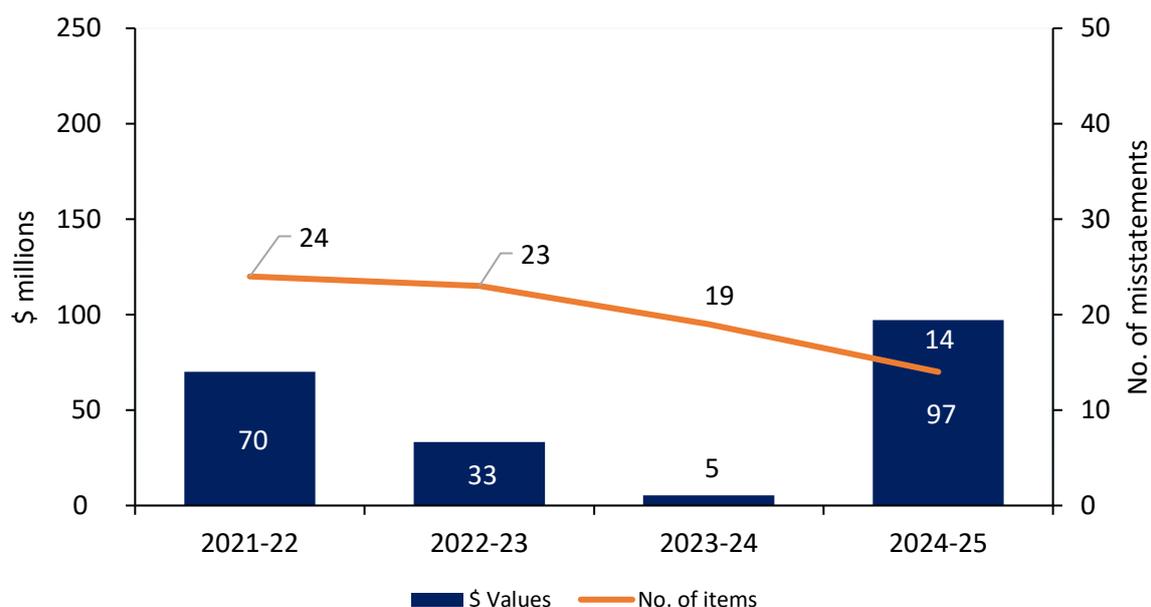


Figure 21: Uncorrected misstatements



Prior period errors

A prior period error represents an omission or misstatement in an entity's financial statements for 1 or more prior periods arising from a failure to use, or misuse of, reliable information that:

- (a) was available when financial statements for those periods were authorised for issue, and
- (b) could reasonably be expected to have been obtained and considered in the preparation and presentation of those financial statements.

For reported prior period errors, the following disclosures are required in the financial statements:

- (a) the nature of the prior period error
- (b) for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected
- (c) the amount of the correction at the beginning of the earliest prior period presented.

Where it is impracticable to adjust figures for a particular prior period, the financial statements must disclose the circumstances that led to the existence of the condition and a description of how and from when the error had been corrected.

Of the 59 audits completed, none had a prior period error. This is a good indication of both the quality of management preparing the financial statements, as well as audit quality.

Disposal of firearms and ammunition

Background

DPFEM is charged with the responsibility for firearms and ammunition disposed of under the *Firearms Act 1996* (Firearms Act). Under section 149(5) of the Firearms Act, the Auditor-General is to, once every year, arrange for an independent audit of all firearms and ammunition disposed of under this Act and to report on the audit to Parliament. The commentary below relates to the audit undertaken for the year ended 30 June 2025.

Audit requirement under section 149(5)

The scope of the Firearms Act limits our audit requirement to firearms or ammunition disposed of by the Crown, pursuant to the authority of the Firearms Act, in the following circumstances:

- by order of a magistrate under section 149(2)
- as determined by the Commissioner of Police under section 149(3A) associated with firearms or ammunition forfeited to the Crown after a conviction for inappropriate storage
- as determined by the Minister under section 104(4) associated with firearms or ammunition forfeited to the Crown after a conviction for inappropriate conveyance.

The Firearms Act does not define what ‘disposed of’ means but interpretation is ‘disposed of’ is not limited to the destruction of firearms or ammunition but can include disposals by other means, including sale. For a disposal to occur, firearms or ammunition must leave the Crown’s possession. Transfers of firearms or ammunition within the Crown does not constitute a disposal.

DPFEM recording and disposal practices

DPFEM utilises the Firearms and Weapons Data (FAWD) system to record the details of all seized and surrendered firearms and ammunition. DPFEM stores held firearms and ammunition securely until there is a sufficient quantity to warrant physical destruction.

On 17 October 2023, the *Firearms Amendment (Community Safety) Bill 2023* (the Bill) was introduced into the House of Assembly. The Bill provided for several improvements to community safety through increased management and oversight of firearms licencing, manufacturing, use, storage, disposal, forfeiture and auditing in Tasmania, as well as stronger offence provisions. The Bill also extended the obligations of the Auditor-General to perform an audit on all firearms, firearm parts and ammunition disposed of by the Crown. This was to address the limitation under the existing Firearms Act as discussed above.

The Bill received Royal Assent on 21 December 2023, with the date the provisions of the *Firearms Amendment (Community Safety) Act 2023* commencing on 1 July 2024.

The audit required to be undertaken under the new Act was completed, with an unmodified opinion being issued, on 20 November 2025.

Appendix 1 – Completion of audits of financial statements

Status of audits of financial statements

The audit of the Treasurer’s Annual Financial Report (TAFR), comprising the Public Account Statements and the Treasurer’s Annual Financial Statements for the year ended 30 June 2025, were completed on 28 October 2025 in line with the legislative timeframe.

The status of audits of State entities and audited subsidiaries as at 31 October 2025 is shown in Table 5 below.

Table 5: Status of audits of State entities and audited subsidiaries as at 31 October 2025

Audits of financial statements	December 2024 and June 2025	December 2023 and June 2024
State entity and audited subsidiaries of State entity financial statements submitted, complete in all material respects:		
<ul style="list-style-type: none"> within 45 days of the end of the financial year [Audit Act, section 17(1)] 	63	61
<ul style="list-style-type: none"> after 45 days of the end of the financial year 	3	4
	66	65
Audits of financial statements of State entities and audited subsidiaries of State entities:		
<ul style="list-style-type: none"> completed within 45 days of receiving the financial statements [Audit Act, section 19(3)] 	52	52
<ul style="list-style-type: none"> completed after 45 days of receiving the financial statements 	7	10
<ul style="list-style-type: none"> audits dispensed 	5	3
<ul style="list-style-type: none"> Total audits completed as at 31 October 2025 	64	65
<ul style="list-style-type: none"> Audits not yet completed 	2	0
<ul style="list-style-type: none"> Audits not yet dispensed 	0	0
	66	65

Appendix 2 – GGS financial results

Details of GGS financial results for 2024-25 are set out in the tables below. The financial information represents consolidated financial information for those entities with controlled entities.

Table 6: Financial information for Departments and other General Government Sector entities

Audited State entities	Underlying surplus (deficit) \$'000	Net surplus (deficit) \$'000	Comprehensive surplus (deficit) \$'000
Departments			
Education, Children and Young People	(143,169)	(43,958)	(8,126)
Health	(81,695)	(6,664)	19,570
Justice	51,410	66,742	75,637
Natural Resources and Environment Tasmania	(22,244)	(20,763)	(8,525)
Police, Fire and Emergency Management	(22,084)	19	6,280
Premier and Cabinet	864	1,114	1,114
State Growth	(118,436)	259,165	625,333
Treasury and Finance	(1,331)	(1,331)	(1,307)
GGS entities			
Brand Tasmania	398	398	398
Environment Protection Authority	222	222	222
House of Assembly	(72)	(72)	(45)
Inland Fisheries Service	732	732	732
Integrity Commission	36	36	36
Legislative Council	(253)	(253)	(279)
Legislature-General	(260)	(197)	(345)
Marine and Safety Tasmania	(657)	243	2,999

Audited State entities	Underlying surplus (deficit) \$'000	Net surplus (deficit) \$'000	Comprehensive surplus (deficit) \$'000
Office of the Director of Public Prosecutions	(22)	(22)	(22)
Office of the Governor	(507)	(213)	3,896
Office of the Ombudsman	89	89	89
Royal Tasmanian Botanical Gardens	(770)	(770)	(402)
State Fire Commission	(12,510)	(12,510)	(10,846)
TasTAFE	(14,556)	(4,456)	2,332
Tourism Tasmania	(340)	(340)	(340)

Table 7 shows the 2024-25 financial results of State entities that were consolidated into the financial results of entities included in Table 6. The name of the parent entity is included in parentheses after the name of the controlled entity.

Table 7: Financial information for consolidated General Government Sector entities

Audited State entities	Underlying surplus (deficit) \$'000	Net surplus (deficit) \$'000	Comprehensive surplus (deficit) \$'000
Ambulance Tasmania (Health)	(7,137)	22,104	17,853
Abt Railway Ministerial Corporation (State Growth)	4,307	4,307	4,307
Office of Tasmanian Assessment, Standards and Certification (DECYP)	(345)	(345)	(345)
Tasmania Development and Resources (State Growth)	14,742	14,742	14,742
Tasmanian Health Service (Health)	(104,588)	(49,714)	(19,656)
Tasmanian Museum and Art Gallery (State Growth)	(1,531)	4,583	35,265
Teachers Registration Board of Tasmania (DECYP)	(64)	(64)	(64)

Details of other State entity results for 31 December 2024 and 30 June 2025 are set out in Table 8. The financial information represents consolidated financial information for those entities with controlled entities. The table does not include controlled entities not subject to audit.

Table 8: Financial information for other State entities

Comprehensive surplus (deficit) \$'000	
Audited State entities and Audited subsidiaries ^{1,2}	
31 December 2024	
Theatre Royal Management Board	(119)
Solicitors' Trust	12,475
30 June 2025	
Asbestos Compensation Fund	0
Forest Practices Authority	(373)
Keystone Tasmania	2,373
Legal Profession Board	(119)
Property Agents Board	60
Property Agents Trust	3,842
Retirements Benefits Fund (Superannuation Commission)	162,503
Tasmania Legal Aid	(54)
Tasmania State Health Funding Pool	0
Tasmanian Affordable Housing Limited	0
Tasmanian Beef Industry (Research and Development) Trust	(74)
Tasmanian Community Fund	3,358
Tasmanian Dairy Industry Authority	(177)
Tasmanian Economic Regulator	212
Tasmanian Heritage Council	(1)
Tasmanian Pharmacy Authority	(92)

Audited State entities and Audited subsidiaries ^{1, 2}	Comprehensive surplus (deficit) \$'000
Tasmanian Timber Promotion Board	(72)
Tasmanian Waste and Resource Recovery Board	7,252
The Nominal Insurer	(286)
Veterinary Board of Tasmania	(3)
Wellington Park Management Trust	210
WorkCover Tasmania Board	0

Note 1: The following entities are not included in this table as the audit of their financial statements had not yet been finalised as at 31 October 2025:

- Aboriginal Land Council of Tasmania
- National Trust of Australia (Tasmania).

Note 2: The University of Tasmania and its subsidiaries (AMC Search Ltd, Tasmanian University Student Association, UTAS Holdings Pty Ltd and UTAS Properties Pty Ltd) have not been included in this table as commentary of their results was included in the Auditor-Generals Report - Volume 1.

Appendix 3 – Audits dispensed

Audits dispensed with
Board of Architects
Council of Law Reporting (Department of Justice)
Non-government Schools Registration Board
SciMex Pty Ltd (University of Tasmania)
Sita Gen Tech Pty Ltd (University of Tasmania)

Appendix 4 – Transmittal letter



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9 December 2025

President, Legislative Council
Speaker, House of Assembly
Parliament House
HOBART TAS 7000

Dear President, Speaker

Report of the Auditor-General No. 7 of 2025-26: Auditor-General's report on the financial statements of State entities, Volume 3 – General Government Sector, including Treasurer's Annual Financial Report, Audit of State entities and audited subsidiaries of State entities 31 December 2024 and 30 June 2025

In accordance with the requirements of section 29 of the *Audit Act 2008*, I have the pleasure in presenting the second volume of my report on the audit of the financial statements of State entities and audited subsidiaries of State entities for the years ended 31 December 2024 and 30 June 2025.

Yours sincerely

A handwritten signature in black ink, appearing to read "Martin Thompson".

Martin Thompson
Auditor-General

Appendix 5 – Our role

The Auditor-General and Tasmanian Audit Office (Audit Tasmania) are established under the *Audit Act 2008* (Audit Act) and *State Service Act 2000*, respectively. Our role is to provide assurance to Parliament and the Tasmanian community about the performance of public sector entities. We achieve this by auditing financial statements of public sector entities and by conducting audits, examinations and investigations on:

- how effective, efficient, and economical public sector entity activities, programs and services are
- how public sector entities manage resources
- how public sector entities can improve their management practices and systems
- whether public sector entities comply with legislation and other requirements.

Through our audit work, we make recommendations that promote accountability and transparency in government and improve public sector entity performance.

We publish our audit findings in reports, which are tabled in Parliament and made publicly available online. To view our past audit reports, visit our [reports](#) page on our website.

Acronyms and abbreviations

AASB	Australian Accounting Standards Board
Audit Act	<i>Audit Act 2008</i>
Audited subsidiaries	Audited subsidiaries of State entities
the Bill	<i>Firearms Amendment (Community Safety) Bill 2023</i>
Commission	Superannuation Commission
the Commission	State Fire Commission
DECYP	Department for Education, Children and Young People
DoH	Department of Health
DPAC	Department of Premier and Cabinet
DPFEM	Department of Police, Fire and Emergency Management
Education	Department for Education, Children and Young People
FAWD	Firearms and Weapons Data
Firearms Act	<i>Firearms Act 1996</i>
GETI	Government Education and Training International
GFS	Government Finance Statistics
GGs	General Government Sector
Health	Department of Health
ICT	information and communications technology
IT	information technology
Justice	Department of Justice
the Network	State Road network
NRE Tas	Department of Natural Resources and Environment Tasmania
OSC	Office of the Superannuation Commission
PFCs	Public Financial Corporations
PNFCs	Public Non-Financial Corporations

RBF	Retirement Benefits Fund
State Growth	Department of State Growth
State Service Act	<i>State Service Act 2000</i>
TAFR	Treasurer's Annual Financial Report
TAHL	Tasmanian Affordable Housing Limited
TASCORP	Tasmanian Public Finance Corporation
TasGRN	Tasmanian Government Radio Network
Treasury	Department of Treasury and Finance
TSS	Total State Sector
UTAS	University of Tasmania
WIP	work in progress



Front cover image:
The Gardens, Bay of Fires Conservation Area.
Photography: Emilie Ristevski and Tourism Tasmania.

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