

# Preliminary Outcomes Report 2023-24



**Preliminary Outcomes Report 2023-24**  
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For further information please contact:  
Department of Treasury and Finance  
GPO Box 147  
Hobart Tasmania 7001  
Telephone: +61 3 6166 4444  
Website: <https://www.treasury.tas.gov.au>

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# I. INTRODUCTION

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The *Preliminary Outcomes Report 2023-24* provides details on the General Government's financial results for 2023-24. It presents the preliminary financial data for the General Government Sector against the forecasts contained in the 2023-24 Budget.

The Report has been prepared in accordance with section 39 of the *Financial Management Act 2016* and applicable Australian Accounting Standards, including AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. Presentation of the financial statements is consistent with the 2023-24 Budget and reporting requirements of the Uniform Presentation Framework.

The data in this Report is unaudited and preliminary in nature. Financial information for this Report was provided by Government entities to Treasury in early July 2024. Due to the short timeframe for the preparation of the Report, estimation methods have been applied which are consistent with the requirements of AASB 134 *Interim Financial Reporting*. The final audited outcomes for 2023-24 will be presented in the *Treasurer's Annual Financial Report 2023-24* which is scheduled to be released by 31 October 2024.

The Report contains the following information:

- preliminary financial statements for the General Government Sector;
- receipts to, and expenditure from, the Public Account; and
- supplementary estimates of all expenditure from the Public Account.

All amounts in the financial statements have been rounded to the nearest \$100 000, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$50 000 are indicated by "...".

## Key Fiscal Measures

Table I.1 provides a summary of the key General Government Sector Fiscal Measures. Section 2 of this Report provides detailed financial statements for the GGS and commentary on the material variances between the Original Budget estimates and Preliminary Outcomes.

**Table I.1: Key Fiscal Measures Summary**

	<b>2023-24 Original Budget</b>	<b>2023-24 Preliminary Outcome</b>	<b>2022-23 Actual</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Net Operating Balance - Surplus/(Deficit)	(297.5)	(1 505.8)	(285.0)
Underlying Net Operating Balance - Surplus/(Deficit)	(756.7)	(1 838.7)	(616.4)
Fiscal Balance - Surplus/(Deficit)	(988.8)	(1 809.3)	(654.2)
Infrastructure Investment	1 234.8	921.0	957.4
Net Debt	3 497.2	3 528.1	1 874.6
GFS Net Debt	2 732.0	2 213.0	1 223.0
Net Worth	15 442.7	15 904.5	16 906.3
Net Financial Liabilities	12 082.5	12 524.3	10 158.2

### *Claims against the State by Survivors of Institutional Child Sexual Abuse*

The Preliminary Outcome for 2023-24 has been significantly impacted by the accounting recognition of a provision for claims by survivors of institutional child sexual abuse against the State.

In recent years, claims under the National Redress Scheme for Institutional Child Sexual Abuse and civil claims against the State of Tasmania through various Government agencies in relation to institutional child sexual abuse in State care have increased.

At 30 June 2023, the Department of Justice recognised a liability on its Balance Sheet of \$9.3 million as an Accrued Payable for payments under the National Redress Scheme and \$75.7 million as a Provision for civil claims related to child sexual abuse in State care. The provision estimated the value of expected future payments to persons who had an existing claim against the State of Tasmania in relation to compensation for child sexual abuse in institutional settings accepted by the State.

Due to the challenges involved in preparing a reliable estimate of the liability for all possible future claims, quantifiable and unquantifiable contingent liabilities were recognised on the Department of Justice Balance Sheet prior to 30 June 2023.

During 2023-24, the Department of Justice engaged an independent actuary to prepare an estimation of the State's abuse related liability that includes both current and future redress and civil claims. The actuary has assessed the liability at \$646.9 million as at 30 June 2024, which is an increase of \$571.2 million from 30 June 2023.

It is important to note that there is a high level of uncertainty regarding the measurement of this liability. The Actuary is required to make a number of judgments and assumptions including the number of future claims, the costs of settling civil claims and future claims cost inflation. The measurement of the liability is highly uncertain, creating a risk that the ultimate liability may be materially higher or lower than the estimated liability. The estimated value of the liability will change over time, potentially materially, as more information and claims experience become available. The Department of Justice will obtain further actuarial reports in the future to ensure it has the most up to date liability estimates.

Recognising the increased liability at 30 June 2024 results in an expense of \$571.2 million which is reported in the Income Statement for 2023-24. This has a significant one-off impact on the financial results for 2023-24.

### *Net Operating Balance*

The 2023-24 preliminary Net Operating Balance is a deficit of \$1 505.8 million which represents a deterioration of \$1 208.3 million from the Original Budget deficit of \$297.5 million.

The deterioration in the deficit is primarily due to the increase in Expenses from transactions which is \$1 377.5 million above the Original Budget estimate. The major variations include:

- an increase in Other expenses of \$604.8 million which is primarily due to an increase of \$571.2 million in the Provision for claims related to child sexual abuse in state care together with additional costs paid in 2023-24 as part of the National Redress Scheme for Institutional Child Sexual Abuse and associated civil claims;
- an increase in Employee expenses of \$363.6 million which is primarily due to additional costs recognised for the Department of Health reflecting increased hospital demand;
- an increase in Supplies and consumables of \$190.2 million which is primarily due to additional costs for the Department of Health and the Department for Education, Children and Young People; and
- an increase in Grant expenses of \$120.3 million which is primarily due to increases for:
  - Renewable Energy Dividend of \$64.7 million which is primarily funded from the dividends received from Hydro Tasmania;
  - Energy Bill Relief Fund of \$24.3 million which is funded by the additional Specific Purpose Payment from the Australian Government; and
  - Quality Schools, Quality Outcomes funding to Non-Government Schools of \$27.4 million which is funded by the additional Specific Purpose Payment from the Australian Government.

Preliminary Revenue from transactions is \$169.1 million above the Original Budget estimate which is primarily due to the increases in Taxation revenue of \$90.5 million, Dividend, tax and rate equivalent income of \$80.1 million, Other revenue of \$30.4 million, Fines and regulatory fees of \$24.9 million, Sales of goods and services of \$24.4 million and Interest income of \$20.3 million.

These increases are partially offset by a decrease in Grants revenue of \$101.6 million which reflects decreases in GST Grant revenue of \$138.7 million and National Partnership Payments of \$136.1 million partly offset by increases in Specific Purpose Payments of \$121.3 million and Other grants and subsidies of \$52 million.

## Underlying Net Operating Balance

The Underlying Net Operating Balance is a measure which removes the impact of one-off Australian Government funding for specific capital projects. The preliminary 2023-24 Underlying Net Operating Balance is estimated to be a deficit of \$1 838.7 million, a deterioration of \$1 082 million from the Original Budget deficit of \$756.7 million.

**Table 1.2: Underlying Net Operating Balance**

	2023-24 Original Budget	2023-24 Preliminary Outcome	2022-23 Actual
	\$m	\$m	\$m
<b>Net Operating Balance</b>	<b>(297.5)</b>	<b>(1 505.8)</b>	<b>(285.0)</b>
Less Impact of One-off Australian Government funding			
Battery of the Nation - Tarraleah	19.2	13.0	....
Construction of the Launceston Hospice	....	0.1	....
COVID-19 Infrastructure Stimulus Funding	0.4	0.3	4.4
COVID-19 World and National Heritage	....	0.1	0.4
Cradle Mountain Experience	5.7	....	....
Melba Line Bulk Minerals Rail Hub	3.2	....	....
National Water Infrastructure Development Fund	65.0	34.1	3.0
New Bridgewater Bridge	214.0	163.4	170.9
Redevelopment of the Royal Hobart Hospital	2.5	1.0	1.1
Roads and Rail Funding (Nation Building)	75.4	78.0	101.7
Roads of Strategic Importance	63.1	40.1	48.8
Tasman Bridge Upgrade	5.2	....	....
Urban Congestion Fund	5.3	2.7	1.1
	<b>459.2</b>	<b>332.8</b>	<b>331.3</b>
<b>Underlying Net Operating Balance</b>	<b>(756.7)</b>	<b>(1 838.7)</b>	<b>(616.4)</b>

## Fiscal Balance

The preliminary Fiscal Balance is a deficit of \$1 809.3 million which represents a deterioration of \$820.5 million from the Original Budget deficit of \$988.8 million. The variation from the Original Budget estimate is primarily due to:

- the movement in Net Operating Balance, as outlined above; and
- the decrease in Purchases of non-financial assets, which is \$366.8 million below the Original Budget estimate. This decrease primarily reflects revised cash flows for:
  - the Department of State Growth of \$169.5 million;
  - the Department of Health of \$65.6 million;
  - the Department of Justice of \$39.9 million; and
  - the Department of Police, Fire and Emergency Management of \$38.9 million.

For further detail on the capital projects impacted by timing, refer to Section 2 of this Report.



## *Infrastructure Investment*

Infrastructure Investment is a key measure for the General Government Sector. This measure includes expenditure for all infrastructure projects. It includes both purchases of non-financial assets and associated expenses but does not include minor asset purchases for non-infrastructure projects. As a result, this measure is not equivalent to Purchases of non-financial assets.

The preliminary outcome for Infrastructure Investment is \$921 million which is \$313.8 million less than the Original Budget estimate of \$1 234.8 million. The Infrastructure outcome reflects the timing impact of cash flows relating to projects being undertaken by departments, similar to the variation in Purchases of non-financial assets.

## *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 and Service concession liabilities, less the sum of Cash and deposits and Investments.

General Government Net Debt is \$3 528.1 million as at 30 June 2024, a \$1 653.4 million increase from 30 June 2023. The increase in Net Debt is primarily due to:

- an increase in Borrowings of \$1 421.7 million; and
- an increase in Service concession liabilities of \$668.9 million which is due to the recognition of the liability in 2023-24 for the Tasmanian Government Radio Network (TasGRN).

These increases are partially offset by an increase in Cash and deposits of \$454.1 million.

## *GFS Net Debt*

GFS Net Debt is a measure equivalent to Net Debt based on the Australian Bureau of Statistics Government Finance and Statistics reporting framework and excludes the impact of lease liabilities and service concession liabilities. As a result, this measure provides a more consistent and comparable time series. GFS Net Debt comprises Borrowings less the sum of Cash and deposits and Investments.

General Government GFS Net Debt is \$2 213 million as at 30 June 2024, a \$990 million increase from 30 June 2023.



## 2. GENERAL GOVERNMENT SECTOR

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# Income Statement

Table 2.1: General Government Income Statement

	2023-24 Original Budget	2023-24 Preliminary Outcome	2022-23 Actual
	\$m	\$m	\$m
<b>Revenue from transactions</b>			
Grants	5 619.0	5 517.4	5 664.4
Taxation	1 684.5	1 775.0	1 621.3
Sales of goods and services	418.7	443.1	435.9
Fines and regulatory fees	126.4	151.3	132.5
Interest income	74.6	94.9	58.9
Dividend, tax and rate equivalent income	302.8	382.9	333.9
Other revenue	196.4	226.8	268.9
	<b>8 422.2</b>	<b>8 591.3</b>	<b>8 515.8</b>
<b>Less Expenses from transactions</b>			
Employee expenses	3 710.5	4 074.1	3 646.6
Superannuation	439.6	457.1	415.4
Depreciation	448.1	473.1	444.7
Supplies and consumables	1 650.0	1 840.2	1 778.0
Nominal superannuation interest expense	289.2	310.8	290.8
Borrowing costs	144.9	179.2	82.8
Grant and subsidy expenses	1 991.8	2 112.1	2 001.6
Other expenses	45.7	650.5	141.0
	<b>8 719.7</b>	<b>10 097.2</b>	<b>8 800.8</b>
<b>Equals NET OPERATING BALANCE</b>	<b>(297.5)</b>	<b>(1 505.8)</b>	<b>(285.0)</b>
<b>Plus Other economic flows – included in Operating Result</b>			
Gain/(loss) on sale of non-financial assets	20.6	1.7	(5.1)
Other gains/(losses)	(41.8)	(41.6)	102.9
	<b>(21.2)</b>	<b>(39.9)</b>	<b>97.8</b>
<b>Equals Operating Result</b>	<b>(318.7)</b>	<b>(1 545.7)</b>	<b>(187.3)</b>

Table 2.1: General Government Income Statement (continued)

	2023-24 Original Budget	2023-24 Preliminary Outcome	2022-23 Actual
	\$m	\$m	\$m
<b>Plus Other economic flows – Other movements in Equity</b>			
Revaluations of non-financial assets	274.1	210.5	2 138.0
Revaluation of equity investment in PNFC and PFC sectors	280.5	75.4	970.3
Movements in superannuation liability	....	268.5	332.6
Other non-owner movements in Equity	....	(10.6)	(7.8)
	<b>554.6</b>	<b>543.9</b>	<b>3 433.1</b>
<b>Equals Comprehensive Result</b>	<b>236.0</b>	<b>(1 001.8)</b>	<b>3 245.9</b>
<b>KEY FISCAL AGGREGATES</b>			
<b>NET OPERATING BALANCE</b>	<b>(297.5)</b>	<b>(1 505.8)</b>	<b>(285.0)</b>
<b>Less Net acquisition of non-financial assets</b>			
Purchases of non-financial assets	1 178.2	811.4	846.5
Less Sales of non-financial assets	38.8	34.9	32.6
Less Depreciation	448.1	473.1	444.7
	<b>691.3</b>	<b>303.4</b>	<b>369.2</b>
<b>Equals FISCAL BALANCE – SURPLUS/(DEFICIT)</b>	<b>(988.8)</b>	<b>(1 809.3)</b>	<b>(654.2)</b>

Table 2.2: General Government Grants

	2023-24 Original Budget	2023-24 Preliminary Outcome	2022-23 Actual
	\$m	\$m	\$m
<b>Untied funding (General Purpose Payments)</b>			
GST Revenue	3 522.1	3 383.4	3 613.5
<b>Tied Funding (Payments for Specific Purposes)</b>			
Specific Purpose Payments	1 297.4	1 418.7	1 288.8
National Partnership Payments	753.4	617.3	697.8
	<b>2 050.7</b>	<b>2 036.0</b>	<b>1 986.6</b>
<b>Other Grants and Subsidies</b>	46.1	98.1	64.3
<b>Total Grants</b>	<b>5 619.0</b>	<b>5 517.4</b>	<b>5 664.4</b>

**Table 2.3: General Government Taxation**

	<b>2023-24 Original Budget</b>	<b>2023-24 Preliminary Outcome</b>	<b>2022-23 Actual</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Payroll tax</b>	512.6	548.3	494.4
<b>Taxes on property</b>			
Land tax	195.0	185.5	155.1
Fire service levies	100.0	97.8	95.4
Government guarantee fees	18.1	21.1	12.3
Conveyance duty	350.7	374.8	364.0
<b>Taxes on the provision of goods and services</b>			
Gambling taxes			
Annual wagering levy	1.6	1.6	1.6
Casino tax and licence fees <sup>1</sup>	....	....	58.2
General Casino Tax and licence fees <sup>1</sup>	9.6	9.1	....
Venue tax and licence fees <sup>1</sup>	40.5	45.0	....
Keno Operator and licence fees <sup>1</sup>	9.0	8.1	....
Lottery tax	51.0	54.2	46.2
Point of consumption wagering tax	15.5	15.0	15.2
Insurance duty	139.0	143.9	131.9
<b>Taxes on the use of goods and services</b>			
Vehicle registration fees	53.0	55.1	51.8
Motor vehicle fees and taxes			
Motor vehicle duty	64.6	74.9	66.8
Motor tax	113.3	129.1	117.4
Motor vehicle fire levy	11.0	11.4	10.9
	<b>1 684.5</b>	<b>1 775.0</b>	<b>1 621.3</b>

**Note:**

1. Casino tax and licence fees was split into three separate gambling taxation lines in the 2023-24 Budget, consistent with the new licensing arrangements commencing on 1 July 2023, being General Casino Tax and licence fees, Venue tax and licence fees and Keno Operator and licence fees.

## Major Revenue Variations from Original Budget

Preliminary Revenue from transactions is \$8 591.3 million in 2023-24, which is \$169.1 million higher than the 2023-24 Original Budget estimate of \$8 422.2 million. The major variations are outlined below.

Revenue Item	Variance	Reasons
Grants	\$101.6 million lower	
<ul style="list-style-type: none"> <li>General Purpose Payments</li> </ul>	\$138.7 million lower	<p>The decrease in GST revenue primarily reflects:</p> <ul style="list-style-type: none"> <li>the Australian Government decreasing Tasmania's projected share of the national population in its 2024-25 Budget; and</li> <li>a negative \$33.2 million residual adjustment to Tasmania for overpaid GST revenue in 2022-23, as a result of lower than anticipated GST receipts in that year.</li> </ul>
<ul style="list-style-type: none"> <li>Specific Purpose Payments</li> </ul>	\$121.3 million higher	<p>The increase in Specific Purpose Payments primarily reflects increases of:</p> <ul style="list-style-type: none"> <li>\$81.7 million for National Health Agreement Reform Agreement funding;</li> <li>\$29.6 million for the new Energy Bill Relief Fund; and</li> <li>\$27.9 million for <i>Quality Schools, Quality Outcomes</i> funding from the Australian Government.</li> </ul> <p>These increases are partially offset by a decrease of \$18.6 million reflecting the cessation of the National Skills and Workforce Development SPP which is now replaced by the National Skills Agreement NPP.</p>



## Major Revenue Variations from Original Budget (continued)

Revenue Item	Variance	Reasons
<ul style="list-style-type: none"> <li>National Partnership Payments</li> </ul>	\$136.1 million lower	<p>The decrease in National Partnership Payments primarily reflects changes in the timing of revenue recognition based on revised expenditure profiles. The main decreases include:</p> <ul style="list-style-type: none"> <li>\$50.6 million for the New Bridgewater Bridge;</li> <li>\$30.9 million for the National Water Infrastructure Development Fund;</li> <li>\$23.1 million for Roads of Strategic Importance;</li> <li>\$20.7 million for the Nation Building Roads Program; and</li> <li>\$13.5 million for the Launceston City Deal.</li> </ul> <p>These decreases are partly offset by an additional \$16.7 million for the new National Skills Agreement which commenced on 1 January 2024.</p>
<ul style="list-style-type: none"> <li>Other grants and subsidies</li> </ul>	\$52 million higher	<p>The increases in Other grants and subsidies primarily reflects increases of:</p> <ul style="list-style-type: none"> <li>\$29.7 million for the Department of Health which includes additional revenue for Commonwealth own-purpose expenses (COPEs); and</li> <li>\$12.6 million for the Department of State Growth which includes additional grants received from the Australian Government.</li> </ul>
Taxation revenue	\$90.5 million higher	<p>The increase in Taxation revenue primarily reflects increases of:</p> <ul style="list-style-type: none"> <li>\$35.7 million for payroll tax which is driven by strong wage growth;</li> <li>\$26.6 million for motor vehicle fees and taxes due to stronger than expected vehicle sales and registrations; and</li> <li>\$24.1 million for conveyance duty due to a number of unexpected large transactions.</li> </ul>

## Major Revenue Variations from Original Budget (continued)

Revenue Item	Variance	Reasons
Sales of goods and services	\$24.4 million higher	<p>The increase in Sales of goods and services primarily reflects increases of:</p> <ul style="list-style-type: none"> <li>\$15.9 million for the Department of Natural Resources and Environment Tasmania due to increases in visitor numbers to national parks including the new Cradle Mountain shuttle bus service; and</li> <li>\$9.7 million for the Department of Health which is primarily due to increased hospital demand.</li> </ul>
Fines and regulatory fees	\$24.9 million higher	<p>The increase in Fines and regulatory fees primarily reflects increases of:</p> <ul style="list-style-type: none"> <li>\$16.4 million for the Department of Justice which is primarily due to additional revenue from a number of sources including the Automated Traffic Enforcement Project, electrical safety inspection and building, and occupational licencing; and</li> <li>\$7.8 million for the Department of Natural Resources and Environment Tasmania which is primarily due to the salmon levy of \$3.9 million which came into effect on 1 July 2023 and was not included in the Original Budget together with an increase in Marine farm licences during 2023-24.</li> </ul>
Dividend, tax and rate equivalent income	\$80.1 million higher	<p>The increase in Dividend, tax and rate equivalent income primarily reflects:</p> <ul style="list-style-type: none"> <li>an increase of \$73.8 million in Hydro Tasmania's dividend payment; and</li> <li>an increase of \$7.8 million in Income tax equivalents paid by Government businesses.</li> </ul>
Other revenue	\$30.4 million higher	<p>The increase in Other revenue primarily reflects increased salary, workers compensation, insurance and other recoveries of:</p> <ul style="list-style-type: none"> <li>\$7.2 million for the Department for Education, Children and Young People;</li> <li>\$5.6 million for the State Fire Commission;</li> <li>\$5.5 million for the Department of Natural Resources and Environment Tasmania; and</li> <li>\$4 million for the Department of Health.</li> </ul>

## Major Expense Variations from Original Budget

Preliminary Expenses from transactions is \$10 097.2 million in 2023-24, which is \$1 377.5 million higher than the 2023-24 Original Budget estimate of \$8 719.7 million. The major variations are outlined below.

Expense Item	Variance	Reasons
Employee expenses	\$363.6 million higher	<p>The increase in Employee expenses primarily reflects an increase of \$308.2 million for the Department of Health which includes:</p> <ul style="list-style-type: none"> <li>increased staff numbers and an increased cost for medical locums and agency nurses to meet demand in the Tasmanian Health Service, including Hospitals and Mental Health Services;</li> <li>increased Emergency Department resourcing; and</li> <li>salaries and on-costs relating to Commission of Inquiry initiatives.</li> </ul> <p>In addition, an increase in annual leave, long service leave and other employee entitlements has primarily resulted in increases of:</p> <ul style="list-style-type: none"> <li>\$21.4 million for the Department of Police, Fire and Emergency Management;</li> <li>\$16.6 million for the Department of Natural Resources and Environment Tasmania; and</li> <li>\$11.9 million for the Department of Justice.</li> </ul>
Depreciation	\$25 million higher	The increase in Depreciation primarily reflects higher than anticipated values for Land and buildings and Infrastructure assets.
Supplies and consumables	\$190.2 million higher	<p>The increase in Supplies and consumables primarily reflects increases of:</p> <ul style="list-style-type: none"> <li>\$165.9 million for the Department of Health which includes additional expenditure on information technology, hospital demand pressures together with the write-off of obsolete pandemic personal protective equipment; and</li> <li>\$30.9 million for the Department for Education, Children and Young People which is primarily due to additional costs for Out of Home Care Services.</li> </ul>

## Major Expense Variations from Original Budget (continued)

Expense Item	Variance	Reasons
Nominal superannuation interest expense	\$21.6 million higher	The increase reflects the most recent actuarial assessment of the Government's superannuation liability, which includes the application of the 30 June 2023 'spot' discount rate of 4.3 per cent. A discount rate of 4.0 per cent was used in the 2023-24 Budget to determine the interest expense with respect to the liability.
Borrowing costs	\$34.3 million higher	The increase in Borrowing costs primarily reflects an increase of \$30 million for the Department of Police, Fire and Emergency Management which is due to the unbudgeted interest expense recognised for the Service concession liability relating to the TasGRN.
Grants and subsidy expenses	\$120.3 million higher	<p>The increase in Grant and subsidy expenses primarily reflects increases of:</p> <ul style="list-style-type: none"> <li>• \$86.3 million for Finance-General which includes: <ul style="list-style-type: none"> <li>– a \$64.7 million increase for the Renewable Energy Dividend; and</li> <li>– a \$24.3 million increase for the cost of the Energy Bill Relief Fund which is in part funded by the Australian Government through the Energy Bill Relief Fund SPP; and</li> </ul> </li> <li>• \$35.8 million for the Department for Education, Children and Young People which includes an increase of \$27.4 million for <i>Quality Schools, Quality Outcomes</i> funding from the Australian Government which is paid to Non-Government Schools.</li> </ul>
Other expenses	\$604.8 million higher	The increase in Other expenses primarily reflects an increase of \$589.7 million for the Department of Justice which includes an increase of \$571.2 million in the Provision for claims related to child sexual abuse in state care together with additional costs for the National Redress Scheme for Institutional Child Sexual Abuse and associated civil claims.

## *Other Economic Flows – Other movements in Equity Variations from Original Budget*

Preliminary Other economic flows – Other movements in Equity is an inflow of \$543.9 million in 2023-24, which is a decrease of \$10.7 million from the 2023-24 Original Budget estimate for an inflow of \$554.6 million. The major variances are detailed below.

<b>Line Item</b>	<b>Variance</b>	<b>Reasons</b>
Revaluation of non-financial assets	\$63.6 million lower	<p>The decrease primarily reflects the unanticipated revaluation loss of \$426.7 million for Land and buildings held by the Department of Natural Resources and Environment Tasmania.</p> <p>This decrease has been partly offset by higher than budgeted revaluation increases of:</p> <ul style="list-style-type: none"> <li>• \$325.7 million for Infrastructure assets held by the Department of State Growth; and</li> <li>• \$65 million for Land and buildings held by the Department for Education, Children and Young People.</li> </ul>
Revaluation of equity investment in PNFC and PFC sectors	\$205.1 million lower	<p>The revaluation is based on the movement in net assets in the PNFC and PFC sectors after excluding the impact of equity injections.</p> <p>The decrease includes changes between the budgeted and actual net asset values for:</p> <ul style="list-style-type: none"> <li>• Homes Tasmania;</li> <li>• Tasmanian Networks Pty Ltd; and</li> <li>• Tasmanian Railway Pty Ltd.</li> </ul>
Movements in superannuation liability	\$268.5 million higher	<p>The increase reflects an actuarial revaluation gain due to a change in the discount rate used to value the Superannuation liability from 4.3 per cent at 30 June 2023 to 4.55 per cent at 30 June 2024. For the 2023-24 Budget, the revaluation is nil as the same discount rate of 4.0 per cent was used to value the Superannuation liability at 30 June 2023 and 30 June 2024.</p>

## Net Acquisition of Non-Financial Assets Variations from Original Budget

Preliminary Net acquisition of non-financial assets is \$303.4 million in 2023-24, which is \$387.9 million less than the 2023-24 Original Budget estimate of \$691.3 million. The major variation relates to Purchases of non-financial assets which is outlined below.

Line Item	Variance	Reasons
Purchases of non-financial assets	\$366.8 million lower	<p>The decrease in Purchases of non-financial assets primarily reflects:</p> <ul style="list-style-type: none"><li>• a decrease for the Department of State Growth of \$169.5 million reflecting a change in the timing of expenditure which includes:<ul style="list-style-type: none"><li>– \$69.2 million for the Roads of Strategic Importance program;</li><li>– \$46.4 million for revised Australian Government funded National Partnership Payment expenditure profile for the New Bridgewater Bridge;</li><li>– \$34.7 million for the Greater Hobart Traffic Solution; and</li><li>– \$17.8 million for the Northern Suburbs (Launceston) Community Hub Project;</li></ul></li><li>• a decrease for the Department of Health of \$65.6 million for both a change in the timing of expenditure and the reclassification of some items to operating expenditure which includes:<ul style="list-style-type: none"><li>– \$39.8 million for the Digital Health Transformation Project; and</li><li>– \$29.5 million for the Royal Hobart Hospital Stage 2 Redevelopment;</li></ul></li></ul>

## Net Acquisition of Non-Financial Assets Variations from Original Budget (continued)

Line Item	Variance	Reasons
Purchases of non-financial assets (continued)		<ul style="list-style-type: none"> <li>• a decrease for the Department of Justice of \$39.9 million which includes: <ul style="list-style-type: none"> <li>– \$14.8 million for a change in the timing of expenditure for the new Southern Remand Centre;</li> <li>– \$10.2 million relating to two Intangible asset purchases which were included in the Original Budget but have since been determined that they do not meet the asset recognition criteria under AASB 138 <i>Intangible Assets</i>;</li> <li>– \$8.3 million for a change in the timing of expenditure for the new Northern Correctional Facility; and</li> <li>– \$5.8 million for a change in the timing of expenditure for the Burnie Court Complex;</li> </ul> </li> <li>• a decrease for the Department of Police, Fire and Emergency Management of \$38.9 million reflecting a change in the timing of expenditure which includes: <ul style="list-style-type: none"> <li>– \$19.6 million for TasGRN;</li> <li>– \$12.9 million for Project Unify; and</li> <li>– \$4.6 million for the Automatic Vehicle Location Upgrade Project;</li> </ul> </li> <li>• a decrease for the Department of Natural Resources and Environment Tasmania of \$30 million reflecting a change in the timing of expenditure which includes: <ul style="list-style-type: none"> <li>– \$12.2 million for the Cradle Mountain Experience;</li> <li>– \$5.1 million for the Freycinet Peninsula Wastewater;</li> <li>– \$4.3 million for Maria Island Re-discovered;</li> <li>– \$2.3 million for the Next Iconic Walk; and</li> <li>– \$2 million for Sustainable Renewal and Maintenance of Roads; and</li> </ul> </li> <li>• a decrease for TasTAFE of \$24.2 million reflecting a change in the timing of expenditure for major capital projects across the organisation.</li> </ul>

# Balance Sheet

Table 2.4: General Government Balance Sheet as at 30 June

	2024 Original Budget	2024 Preliminary Outcome	2023 Actual
	\$m	\$m	\$m
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	937.6	1 433.3	979.2
Investments	885.3	735.1	757.5
Equity investment in PNFC and PFC sectors	11 013.6	10 209.3	10 021.2
Other equity investments	189.9	233.7	141.0
Receivables	381.7	429.8	391.3
Contract assets <sup>1</sup>	....	2.7	2.6
Other financial assets	640.1	869.8	905.3
	<b>14 048.4</b>	<b>13 913.8</b>	<b>13 198.2</b>
<b>Non-financial assets</b>			
Land and buildings	7 022.7	8 119.4	8 305.2
Infrastructure	7 591.4	7 826.2	7 166.7
Plant and equipment	388.2	382.1	331.7
Heritage and cultural assets	505.4	529.0	482.9
Investment property	3.9	4.8	4.0
Intangibles	201.6	57.5	55.5
Assets held for sale	10.9	11.5	10.6
Lease - right-of-use assets	687.8	593.7	600.3
Service concession assets <sup>2</sup>	....	624.5	....
Other non-financial assets	99.6	70.7	86.5
	<b>16 511.6</b>	<b>18 219.5</b>	<b>17 043.3</b>
<b>Total Assets</b>	<b>30 560.0</b>	<b>32 133.4</b>	<b>30 241.4</b>
<b>Liabilities</b>			
Borrowings	4 555.0	4 381.4	2 959.7
Lease liabilities	765.1	646.1	651.7
Service concession liabilities <sup>2</sup>	....	668.9	....
Superannuation	7 759.3	7 142.3	7 401.6
Employee entitlements	898.8	1 048.1	937.5
Payables	178.0	326.7	232.9
Contract liabilities <sup>1</sup>	....	577.4	387.7
Other liabilities	961.0	1 437.9	764.1
<b>Total Liabilities</b>	<b>15 117.2</b>	<b>16 228.9</b>	<b>13 335.1</b>
<b>Net Assets</b>	<b>15 442.7</b>	<b>15 904.5</b>	<b>16 906.3</b>



**Table 2.4: General Government Balance Sheet as at 30 June (continued)**

	2024 Original Budget	2024 Preliminary Outcome	2023 Actual
	\$m	\$m	\$m
<b>Equity</b>			
Accumulated funds	7 831.8	7 232.3	8 520.1
Asset revaluation reserve	6 374.4	8 146.9	7 936.4
Other reserves	1 236.6	525.3	449.9
<b>Total Equity</b>	<b>15 442.7</b>	<b>15 904.5</b>	<b>16 906.3</b>
<b>KEY FISCAL AGGREGATES</b>			
<b>NET WORTH<sup>3</sup></b>	<b>15 442.7</b>	<b>15 904.5</b>	<b>16 906.3</b>
<b>NET FINANCIAL WORTH<sup>4</sup></b>	<b>(1 068.8)</b>	<b>(2 315.0)</b>	<b>(137.0)</b>
<b>NET FINANCIAL LIABILITIES<sup>5</sup></b>	<b>12 082.5</b>	<b>12 524.3</b>	<b>10 158.2</b>
<b>NET DEBT<sup>6</sup></b>	<b>3 497.2</b>	<b>3 528.1</b>	<b>1 874.6</b>
<b>GFS NET DEBT<sup>7</sup></b>	<b>2 732.0</b>	<b>2 213.0</b>	<b>1 223.0</b>

Notes:

1. The increase in Contract assets and Contract liabilities from the 2023-24 Budget reflects the reclassification of these balances from Other financial assets and Other liabilities.
2. The increase in Service concession assets and liabilities from the 2023-24 Budget reflects the recognition of the Government's arrangement with Telstra in relation to the operation and maintenance of the TasGRN which has been classified as a service concession arrangement, in accordance with AASB 1059 *Service Concession Arrangements: Grantors*.
3. Net Worth represents Total Assets less Total Liabilities.
4. Net Financial Worth represents Total Financial assets less Total Liabilities.
5. Net Financial Liabilities represents Total Liabilities less Total Financial assets, excluding Equity investment in PNFC and PFC sectors.
6. Net Debt represents Borrowings plus Lease liabilities and Service concession liabilities less the sum of Cash and deposits and Investments.
7. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments. This is equivalent to Net Debt based on the Australian Bureau of Statistics Government Finance Statistics reporting framework and excludes the value of Lease liabilities and Service concession liabilities.

## Balance Sheet Variations from 30 June 2023 Outcome

The following commentary is based on movements between the 30 June 2023 Actual outcome and the 30 June 2024 Preliminary Outcome.

### Asset Variations

Preliminary General Government Assets are \$32 133.4 million at 30 June 2024, an increase of \$1 892 million from the 30 June 2023 balance of \$30 241.4 million. The major variations are outlined below.

Line Item	Variance from 2023	Reasons
Cash and deposits	\$454.1 million higher	The increase in the Cash and deposits reflects an increase in the balance of the Public Account which includes additional cash being held as a result of borrowings undertaken in 2023-24 to support expenditure of the General Government Sector.
Equity investment in PNFC and PFC sectors	\$188.1 million higher	The increase in Equity investments primarily reflects an increase in net assets held by Hydro Tasmania, Homes Tasmania, Tasmanian Irrigation Pty Ltd and the Motor Accidents Insurance Board.
Other equity investments	\$92.7 million higher	The increase in Other equity investments primarily reflects: <ul style="list-style-type: none"><li>the Government's contribution of \$50 million to the Tasmanian Water and Sewerage Corporation Pty Ltd in 2023-24; and</li><li>the recognition of the Government's investment in Marinus Link Pty Ltd of \$42.7 million, which is now jointly owned by the Australian, Victorian and Tasmanian Governments.</li></ul>
Other financial assets	\$35.5 million lower	The decrease in Other financial assets primarily reflects a reduction in prepayments which has resulted in decreases of: <ul style="list-style-type: none"><li>\$40.3 million for the Department of State Growth; and</li><li>\$11.4 million for the Department of Health.</li></ul> These decreases are offset by an increase of \$18.5 million in the deferred tax assets held by Finance-General to mirror tax liabilities held in the PNFC and PFC sectors.

## Asset Variations (continued)

Line Item	Variance from 2023	Reasons
Land and building	\$185.8 million lower	<p>The decrease in Land and buildings is primarily due to a revaluation loss for the Department of Natural Resources and Environment Tasmania of \$447.5 million.</p> <p>This decrease is partially offset by increases related to capital works and asset revaluations of:</p> <ul style="list-style-type: none"> <li>• \$89 million for the Department of Health;</li> <li>• \$139.6 million for the Department for Education, Children and Young People; and</li> <li>• \$53.3 million for the Department of State Growth.</li> </ul>
Infrastructure	\$659.5 million higher	<p>The increase in Infrastructure primarily reflects an increase of \$629.2 million for the Department of State Growth due to capital works and revaluation of road infrastructure assets.</p>
Plant and equipment	\$50.4 million higher	<p>The increase in Plant and equipment primarily reflects capital purchases and additions of:</p> <ul style="list-style-type: none"> <li>• \$14.9 million for Finance-General;</li> <li>• \$12 million for the Department of State Growth;</li> <li>• \$6.6 million for the Department of Police, Fire and Emergency Management; and</li> <li>• \$6.2 million for the Department of Health.</li> </ul>
Heritage and cultural assets	\$46.1 million higher	<p>The increase in Heritage and cultural assets primarily reflects an increase for the Department of State Growth of \$44.9 million which includes a revaluation increase in the Tasmanian Museum and Art Gallery Collection.</p>
Service concession assets	\$624.5 million higher	<p>The increase in Service concession assets reflects the recognition by the Department of Police, Fire and Emergency Management of the agreement with Telstra in relation to the operation and maintenance of the TasGRN. In accordance with AASB 1059 <i>Service Concession Arrangements: Grantors</i>, an asset has been recognised for the TasGRN infrastructure and this will be amortised over its useful life.</p>

## Liability Variations

Preliminary General Government Liabilities are \$16 228.9 million at 30 June 2024, \$2 893.8 million higher than the 30 June 2023 balance of \$13 335.1 million. The major variations are outlined below.

Line Item	Variance from 2023	Reasons
Borrowings	\$1 421.7 million higher	The increase in Borrowings primarily reflects additional borrowings undertaken by the Government to support the expenditure of the General Government Sector.
Service concession liabilities	\$668.9 million higher	The increase in Service concession liabilities reflects the recognition by the Department of Police, Fire and Emergency Management of the agreement with Telstra in relation to the operation and maintenance of the TasGRN. In accordance with AASB 1059 <i>Service Concession Arrangements: Grantors</i> , a liability is recognised to reflect the value of the payments owing to Telstra.
Superannuation	\$259.3 million lower	The Superannuation liability reflects the most recent actuarial estimate of the liability. The decrease in the value of the liability reflects an increase in the discount rate to 4.55 per cent as at 30 June 2024 (4.3 per cent as at 30 June 2023).
Employee entitlements	\$110.6 million higher	The increase in Employee entitlements primarily reflects increases in accrued salaries, annual leave and long service leave liabilities of: <ul style="list-style-type: none"> <li>• \$69.8 million for the Department of Health;</li> <li>• \$14.3 million for the Department for Education, Children and Young People;</li> <li>• \$6.8 million for the Department of Police, Fire and Emergency Management; and</li> <li>• \$6 million for the Department of Justice.</li> </ul>
Payables	\$93.8 million higher	This increase in Payables primarily reflects increases in accrued expenses and trade creditors of: <ul style="list-style-type: none"> <li>• \$62 million for the Department of Health; and</li> <li>• \$38.7 million for Finance-General.</li> </ul> <p>These increases are partially offset by decreases of \$11.3 million for the Department of Justice and the \$10.4 million for the Department for Education, Children and Young People.</p>

### Liability Variations (continued)

Line Item	Variance from 2023	Reasons
Contract liabilities	\$189.7 million higher	The increase in Contract liabilities primarily reflects an increase of \$188.4 million for Finance-General which includes an increase in revenue received in advance associated with National Partnership Payment expenditure.
Other liabilities	\$673.8 million higher	This increase in Other liabilities primarily reflects increases of: <ul style="list-style-type: none"><li>• \$571.2 million for the Department of Justice which includes the increase in the Provision for claims related to child sexual abuse in state care. The Provision recognises the expected value of future payments to persons who have a claim against the State of Tasmania in relation to compensation for child sexual abuse in institutional settings in state care; and</li><li>• \$77.9 million for Finance-General which includes an increase in the Tasmanian Risk Management Fund outstanding claims liabilities.</li></ul>

# Cash Flow Statement

Table 2.5: General Government Cash Flow Statement

	2023-24 Original Budget	2023-24 Preliminary Outcome	2022-23 Actual
	\$m	\$m	\$m
<b>Cash flows from operating activities</b>			
<b>Cash received from operating activities</b>			
Grants received	5 665.8	5 704.3	5 772.5
Taxation	1 682.8	1 771.8	1 609.0
Sales of goods and services	416.7	423.4	449.7
Fines and regulatory fees	126.3	138.6	128.6
Interest received	70.6	88.8	57.9
Dividend, tax and rate equivalents	314.7	409.2	311.6
Other receipts	446.7	685.9	723.6
	<b>8 723.7</b>	<b>9 222.1</b>	<b>9 052.9</b>
<b>Cash payments for operating activities</b>			
Employee entitlements	(3 689.0)	(3 977.8)	(3 572.8)
Superannuation	(712.1)	(751.7)	(681.3)
Supplies and consumables	(1 659.6)	(1 785.3)	(1 677.8)
Borrowing costs	(143.4)	(113.8)	(72.6)
Grants and subsidies paid	(1 991.7)	(2 124.6)	(2 005.6)
Other payments	(296.8)	(486.7)	(528.8)
	<b>(8 492.5)</b>	<b>(9 240.0)</b>	<b>(8 538.9)</b>
<b>Net cash flows from operating activities</b>	<b>231.1</b>	<b>(17.9)</b>	<b>514.0</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flows from non-financial assets</b>			
Purchases of non-financial assets	(1 219.3)	(811.4)	(846.5)
Sales of non-financial assets	35.0	34.9	32.6
	<b>(1 184.3)</b>	<b>(776.5)</b>	<b>(813.9)</b>
<b>Net cash flows from financial assets (policy purposes)</b>			
Equity injections	(256.7)	(162.6)	(230.5)
Net advances paid	(33.0)	18.2	(2.6)
Equity disposals	....	....	2.1
	<b>(289.7)</b>	<b>(144.4)</b>	<b>(231.0)</b>
<b>Net cash flows from financial assets (liquidity management purposes)</b>			
Net (purchase)/sale of investments	0.5	(2.6)	40.1
	<b>0.5</b>	<b>(2.6)</b>	<b>40.1</b>
<b>Net cash flows from investing activities</b>	<b>(1 473.5)</b>	<b>(923.6)</b>	<b>(1 004.8)</b>

Table 2.5: General Government Cash Flow Statement (continued)

	2023-24 Original Budget	2023-24 Preliminary Outcome	2022-23 Actual
	\$m	\$m	\$m
<b>Net cash flows from financing activities</b>			
Net borrowing	1 247.1	1 395.1	498.4
Other financing	....	0.5	(1.5)
	<b>1 247.1</b>	<b>1 395.6</b>	<b>496.9</b>
<b>Net increase/(decrease) in cash held</b>	<b>4.7</b>	<b>454.1</b>	<b>6.1</b>
<b>Cash at the beginning of the year</b>	<b>932.9</b>	<b>979.2</b>	<b>973.1</b>
<b>Cash at the end of the year</b>	<b>937.6</b>	<b>1 433.3</b>	<b>979.2</b>
<b>KEY FISCAL AGGREGATES</b>			
Net cash from operating activities	231.1	(17.9)	514.0
Plus Net cash flows from non-financial assets	(1 184.3)	(776.5)	(813.9)
<b>(Equals CASH SURPLUS/(DEFICIT))</b>	<b>(953.2)</b>	<b>(794.4)</b>	<b>(299.9)</b>





# 3. PUBLIC ACCOUNT

Tables 3.1 and 3.2 provide information on the total Receipts and Expenditure of the Public Account for 2023-24. Receipts are categorised based on the source and nature of each receipt. Expenditure is categorised by the relevant Authority for Expenditure from the Public Account as provided under the FMA.

Table 3.3 presents the summary of supplementary estimates of all expenditure from the Public Account that is authorised under sections 20, 21, 22 or 30 of the FMA, together with a summary of all determinations made under section 23(1) of the FMA. This Table reflects the requirements of section 24(1) of the FMA.

These tables reflect the gross cash receipts and expenditure from the Public Account. As such, they do not include the impact of the elimination of inter-entity transactions within the Public Account or whole-of-government investment and cash management activities within the Public Account. These transactions are fully reflected in the General Government Statements and the key financial measures, including the Net Operating Balance, Fiscal Balance and Net Debt. Consequently, the receipts and expenditures detailed in these tables will not reconcile directly with those presented in the General Government Sector Cash Flow Statement.

**Table 3.1: Public Account Receipts**

	<b>2023-24 Original Budget</b>	<b>2023-24 Preliminary Outcome</b>	<b>2022-23 Actual</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>General Receipts</b>			
Australian Government Sources	4 354.3	4 249.9	4 454.2
State Sources	2 244.6	2 449.8	2 294.6
	<b>6 598.9</b>	<b>6 699.8</b>	<b>6 748.8</b>
<b>Specific Purpose Accounts</b>	<b>3 383.7</b>	<b>3 506.5</b>	<b>3 525.9</b>
<b>Statutory Authorities</b>	<b>311.3</b>	<b>414.0</b>	<b>179.7</b>
<b>Total Receipts</b>	<b>10 293.9</b>	<b>10 620.3</b>	<b>10 454.4</b>

**Table 3.2: Public Account Expenditure**

	<b>2023-24 Original Budget</b>	<b>2023-24 Preliminary Outcome</b>	<b>2022-23 Actual</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Annual Appropriation</b>			
Operating Services Expenditure	6 669.2	6 625.6	6 238.2
Capital Services Expenditure	776.5	559.3	548.1
	<b>7 445.6</b>	<b>7 184.9</b>	<b>6 786.3</b>
<b>Reserved by Law</b>	<b>439.4</b>	<b>580.6</b>	<b>626.0</b>
<b>Specific Purpose Accounts</b>	<b>3 316.7</b>	<b>3 429.0</b>	<b>3 468.7</b>
<b>Statutory Authorities</b>	<b>329.9</b>	<b>363.6</b>	<b>164.2</b>
<b>Other Provisions</b>	<b>(2.2)</b>	<b>....</b>	<b>....</b>
<b>Total Expenditure</b>	<b>11 529.5</b>	<b>11 558.0</b>	<b>11 045.1</b>

**Table 3.3: Supplementary Estimates Statement Summary**

<b>Authority</b>	<b>2023-24</b>
	<b>\$'000</b>
<b>Section 20 - Transfers</b>	
Education, Children and Young People	
Minister for Children and Youth	(1 500)
Minister for Education	1 500
<b>Total</b>	....
Premier and Cabinet	
Minister for Aboriginal Affairs	658
Minister for Community Services	389
Minister for Disability Services	(1 773)
Premier	726
<b>Total</b>	....
State Growth	
Minister for Sport and Events	1 940
Minister for the Arts	250
Minister for Tourism and Hospitality	390
Minister for Trade and Major Investment	(2 580)
<b>Total</b>	....
<b>Transfers across agencies</b>	
Education, Children and Young People	12 575
Health	7 086
Justice	2 183
Police, Fire and Emergency Management	2 742
Premier and Cabinet	(24 511)
State Growth	(75)
<b>Total</b>	....
<b>Section 21 - Treasurer's Reserve</b>	
Brand Tasmania	253
Education, Children and Young People	48 021
Environment Protection Authority	541
Health	14 887
House of Assembly	213
Justice	45 130
Legislative Council	281
Legislature-General	152
Ministerial and Parliamentary Support	4 915
Natural Resources and Environment Tasmania	18 152
Office of the Governor	321
Police, Fire and Emergency Management	14 555
State Growth	12 644
Tourism Tasmania	843
<b>Total</b>	<b>160 908</b>

**Table 3.3: Supplementary Estimates Statement Summary (continued)**

<b>Authority</b>	<b>2023-24</b>
	<b>\$'000</b>
<b>Section 22 - Appropriated Australian Government Funding</b>	
Education, Children and Young People	32 249
Finance-General	119 400
Premier and Cabinet	812
<b>Total</b>	<b>152 461</b>
<b>Section 23(1) - Rollovers of unexpended Appropriation</b>	
Education, Children and Young People	(23 045)
Finance-General	(30 698)
Justice	(788)
Natural Resources and Environment Tasmania	(10 698)
Office of the Governor	(35)
Office of the Ombudsman	(260)
Police, Fire and Emergency Management	(21 374)
Premier and Cabinet	(9 001)
State Growth	(52 975)
Tasmanian Audit Office	(136)
Treasury and Finance	(2 050)
<b>Total</b>	<b>(151 060)</b>
<b>Net Change in Appropriation Authorised by the FMA</b>	<b>162 309</b>

