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AUDITOR-GENERAL'S REPORT TO PARLIAMENT VOLUME THREE 2012 FOCUSING ON NSW STATE FINANCES

STATE'S ACCOUNTS QUALIFIED AGAIN

A report released to Parliament today by the NSW Auditor-General, Mr Peter Achterstraat, qualifies the State's consolidated financial statements again.

> "There has not been a single year in the past decade when the State has been given a clean audit opinion," said Mr Achterstraat.

The key issue over the past ten years has been whether the State has recognised all the land it controls. Whilst there has been progress in addressing this deficiency in the past 12 months, more work is required to completely resolve the issue.

Of concern, is a significant new limitation to the State's consolidated financial statements.

> "I could not get enough evidence to support the $18.6 billion value of schools and other education buildings. These values were last updated in 2007. Five years on, there is too much new information that calls into question the way these assets are valued," said Mr Achterstraat.
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> "The other problem I faced this year was the late decision to recognise the State's archives for almost a $1 billion. The size of the archives and the lack of systems to keep track of them meant I could not confirm the quantity or value of the assets," he added.

On a positive note, the State has addressed deficiencies raised in last year's report about the evidence to support its investment in Snowy Hydro Limited.

Key numbers

Key aggregates noted in my audit of the State's consolidated financial statements include:

	2012	2011
Total liabilities ($ billions)	158.6	129.8
Total borrowings ($ billions)	73.1	62.8
GST receipts ($ billions)	14.3	13.9
Redundancy payments ($ millions)	251	53
Number of major errors in financial statements submitted for audit	37	25
Budget Result ($ millions)	680	1,340
Net worth ($ billions)	145.5	165.9
Capital infrastructure investment ($ billions)	12.5	14.6
Stamp duty receipts ($ billions)	5.3	5.5
Standard & Poor's credit rating outlook	AAA (negative)	AAA (stable)

Further information

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