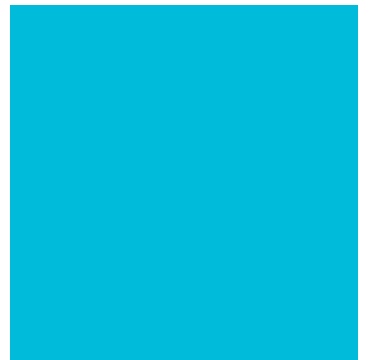
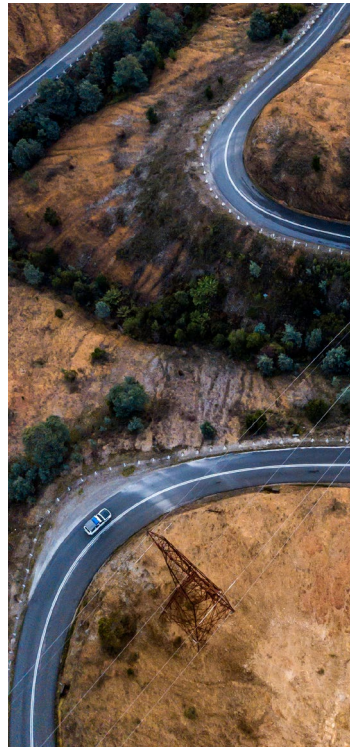
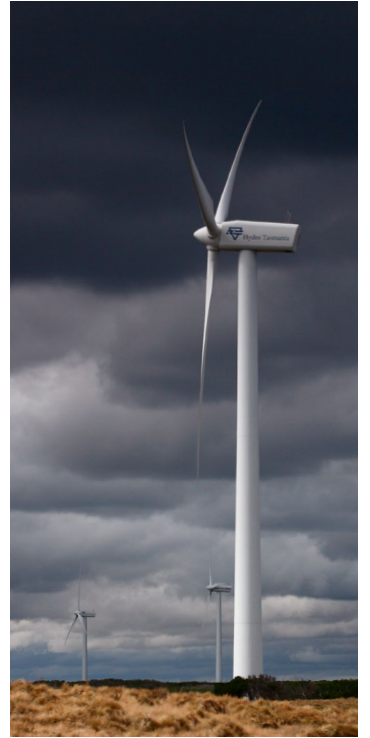


Annual Report 2019–20



Submission to Ministers

Peter Gutwein

Premier
Treasurer
Minister for Tourism

Jeremy Rockliff

Deputy Premier
Minister for Education and Training
Minister for Trade
Minister for Advanced Manufacturing
and Defence Industries

Michael Ferguson

Minister for Infrastructure and Transport
Minister for State Growth
Minister for Science and Technology

Elise Archer

Minister for the Arts

Guy Barnett

Minister for Energy
Minister for Resources

Sarah Courtney

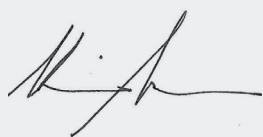
Minister for Small Business, Hospitality
and Events

Dear Ministers

In accordance with the requirements of Section 36 of the *State Service Act 2000* and Section 42 of the *Financial Management Act 2016*, I submit to you, for presentation to Parliament, this report on the affairs and activities of the Department of State Growth for the financial year ended 30 June 2020.

Separate reports will be presented to you by the Tasmania Development and Resources Board and the Board of Trustees of the Tasmanian Museum and Art Gallery in accordance with state legislation.

Yours sincerely



Kim Evans
Secretary
Department of State Growth
October 2020

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An electronic version of this report is available at www.stategrowth.tas.gov.au

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Message from the Secretary

I am pleased to present the Department of State Growth Annual Report for 2019-20.

We entered this financial year with a major work program in front of us, and an agenda focused on continuing to deliver the suite of services we provide to the community. While this agenda has remained front of mind, the arrival of the COVID-19 pandemic presented challenges for our organisation, people, clients, programs and services. It required changes to the way we operate, deliver services, and importantly broadened our immediate focus and efforts to the delivery of new services and programs.

Despite the challenges, we were well placed to respond.

The onset of COVID-19 saw the accelerated roll-out of our work program of actions to drive continuous business improvement. In particular, the priority roll-out of flexible work arrangements, systems and equipment meant we could continue to work as the COVID safe measures came into play, enabling us to support continuous service delivery.

As well as making changes to the way we work, we also needed to make sure our services were accessible and tailored to the pandemic and the State of Emergency. This saw the reallocation of staff to hotlines to answer questions and provide support, the emergence of new programs and services, and rolling-out a package of financial support for businesses through a range of grants and loans.

As well as providing these frontline services we have also been working with industry and our government colleagues to design support programs, establish forums and facilitate information sharing to help business continuity, harness emerging market opportunities and to support job outcomes.

Our tourism, hospitality, regional areas and small businesses have been some of the hardest hit as a result of the pandemic. This has been a large focus of our support efforts, both in providing advice and in implementing programs to help get through these challenging times. Our efforts are illustrated through the size and speed that we delivered the government's financial support. Pleasingly, we were able to deliver more than \$60 million in COVID-19 recovery and stimulus grants to Tasmanian small businesses, as well as more than \$35 million in business support loans.

An important part of our recovery from COVID-19, however, is also continuing to do what we do best. While we have worked hard to provide the necessary immediate and short term support, we have maintained focus on also progressing our work that will be critical to our economic recovery.

This includes pushing hard to deliver our significant capital roads program even faster. In addition to our comprehensive consultation, planning and design work, \$278 million was spent on our roads this year, including \$32 million on maintenance.

This year we also continued our efforts to be a leader in renewable energy development as we work towards the state's target of 200 per cent renewable energy by 2040, which will be facilitated by our work to progress Marinus Link and to be the Battery of the Nation.

Providing job pathways and supporting the supply of a skilled workforce remains key to our work, and in 2019-20 we invested \$110 million in training and workforce development, focussing on the industries that need it most.

Our investment in Tasmania's arts, events and creative sectors both pre and post the advent of COVID-19 topped \$27 million this year covering areas such as the classical and contemporary arts, music, performance, film and screen as well as both small and large events.

And so much more.

Given the challenging times particularly across the second half of 2019-20, I sincerely thank the staff of my department who have remained calm and resilient, adjusted their lives and work practices and diligently supported the Tasmanian community through the pandemic.

While the economic impacts of the pandemic will take some time to recover from, we continue to focus on assisting this recovery and supporting Tasmanian businesses, workers, families and communities.



Kim Evans

Secretary
Department of State Growth

COVID-19

COVID-19 has had a significant impact on how we work and what we deliver.

We have seen staff adapt to new working arrangements and use new technologies to work more effectively. Our staff have worked tirelessly together in many different circumstances to help fellow Tasmanians.

The delivery of our COVID-19 response would not have been possible without our existing emergency management systems and the flexible and adaptive COVID-19 emergency coordination processes we put in place.

We commenced a proactive response to the emerging pandemic in early February setting up a business continuity planning group to prepare should Tasmania be impacted.

Once the first Tasmanian cases were identified, and ahead of the State of Emergency being declared, we implemented a dedicated incident management team to coordinate our further planning, preparedness, response and recovery activities.

As part of our internal response we mobilised staff from across the organisation and equipped them to work remotely and connect digitally, and adopted rapid interoperability to allow the flow of expertise and resources to where they were most needed. We also provided staff to whole-of-government interoperability arrangements to support other agencies and established and staffed hotlines and other personnel-intensive functions.

In the early stages of the COVID-19 response we assisted the Department of Health plan, set up and operate testing sites in the north east, north west and south, with multiple mobile clinics also made available across the state. We also oversaw traffic management at the fixed sites and provided electronic message boards to display important public health messages in key locations.

As an immediate response we enhanced the safety of public transport travel by providing additional funding to bus operators for more cleaning, implementing a fare amnesty, and producing a social media awareness campaign on safe travel.

We supported the hire and drive sector by either cancelling or temporarily freezing vehicle registrations which was taken up for more than 5 000 vehicles, representing over 60 per cent of the entire Tasmanian hire and drive fleet. We also waived the annual administration fee payable by taxi operators and waived or froze the registration fees for more than 300 taxis.

To assist Tasmanian small transport operators we administered the Business Vehicle Registration Relief Package which has provided support to more than 500 businesses for approximately 3 500 vehicles.

For the Bass Strait Islands we have provided support to maintain freight and passenger services for essential supplies and, together with the Australian Government, have co-funded two additional freight flights per week between Hobart and Sydney to enable producers to connect with flights to international markets.

Through the COVID-19 Small Business Support grant programs more than \$60 million in assistance has been delivered with more than 18 200 grants provided to Tasmanian small businesses. More than \$35 million in business support loans were provided to more than 360 businesses supporting business continuity, viability and sustainability and more than 400 businesses accessed the Digital Ready for Business program.

An additional \$20 million in support for small business is expected to be announced in July 2020.

To help those who lost their job, had hours reduced or needed to retrain, an additional \$6.3 million was made available through the Rapid Response Skills Initiative with almost 400 applications for subsidised training assessed and approved by the end of the financial year.

A Skills Matching Service was also established to help match job ready workers with industries and businesses who needed staff which saw more than 200 displaced workers connected with local employers or assisted in applying for other advertised vacancies.

Also under the Rapid Response Skills Initiative the Train Now Fund was established to help employers up-skill their existing workforce. Due to demand the program closed on 16 June 2020 with all funding allocated.

We assisted Skilled Visa holders struggling with loss or reductions in work to maintain a connection with their employers with almost 340 applicants provided with up to \$2 000 each through the Temporary Visa Holder Skilled Employees Assistance Program.

To support our tourism and hospitality sectors and cultural and creative industries we administered new funding of \$1.5 million and new operational measures of more than \$2 million to specifically address the challenges facing our artists, screen practitioners and creative organisations. This funding assisting almost 170 Tasmanian artists and screen professionals, 150 Tasmanian musicians, artists and producers, and 30 film productions.

Looking to recovery, a new expedited procurement process for selected roads and bridges projects began in May 2020 with twelve projects worth more than \$40 million to be fast-tracked to provide increased certainty and employment in the local construction industry.

An extra \$40 million in funding for roads and bridges projects was announced in June 2020 as part of the COVID-19 Economic Support Package to help stimulate building activity for economic recovery.

With a COVID-19 Safety Plan, guidelines and a staff induction module now in place and with 70 per cent of staff able to work either from home or on a roster, we now have strong flexible working arrangements in place, greater interoperability capacity and a more agile workforce.

We are well placed to continue to contribute to the Tasmanian economic and social recovery in the wake of the pandemic.

Who we are

The Department of State Growth supports economic growth and facilitates the creation of jobs and opportunities for Tasmanians.

We are structured around five business areas reporting to the Secretary: Cultural and Tourism Development, Industry and Business Development, Transport Services, Energy, and Business Services. We collaborate across our own organisation and across government to create opportunities for all Tasmanians.

- » Cultural and Tourism Development – developing policy and programs to deliver economic and social outcomes through the cultural and creative sectors, encompassing Arts Tasmania, the Tasmanian Museum and Art Gallery, Screen Tasmania, Events Tasmania and the Tourism and Hospitality Supply-side Unit.
- » Industry and Business Development – driving the development of industry capability and regional development for growth, including small business support, workforce development, trade and resources.
- » Transport Services – enabling growth and services for the community that includes infrastructure delivery to support growth and an integrated customer service function for delivery and management of the all-important regulatory, road safety education and awareness services that underpin this.
- » Energy – collaborating with industry and communities to lead our renewable energy future to achieve job growth and increased economic activity for the benefit of all Tasmanians, underpinned by a strong regulatory framework that protects our state's energy security and support for consumers to minimise prices and better manage their energy usage.
- » Business Services – working with our partners to deliver quality financial, communication, human, information, asset management and portfolio services and leading the development of organisational culture and business improvement. Leading the development of innovative, outward and forward strategies to drive state growth.

The Department of State Growth also supports and works closely with Infrastructure Tasmania and the Office of the Coordinator-General. These key offices provide a coordinated approach to the planning and delivery of major economic infrastructure in Tasmania, and in attracting investment to the state, facilitating major projects and cutting red tape.

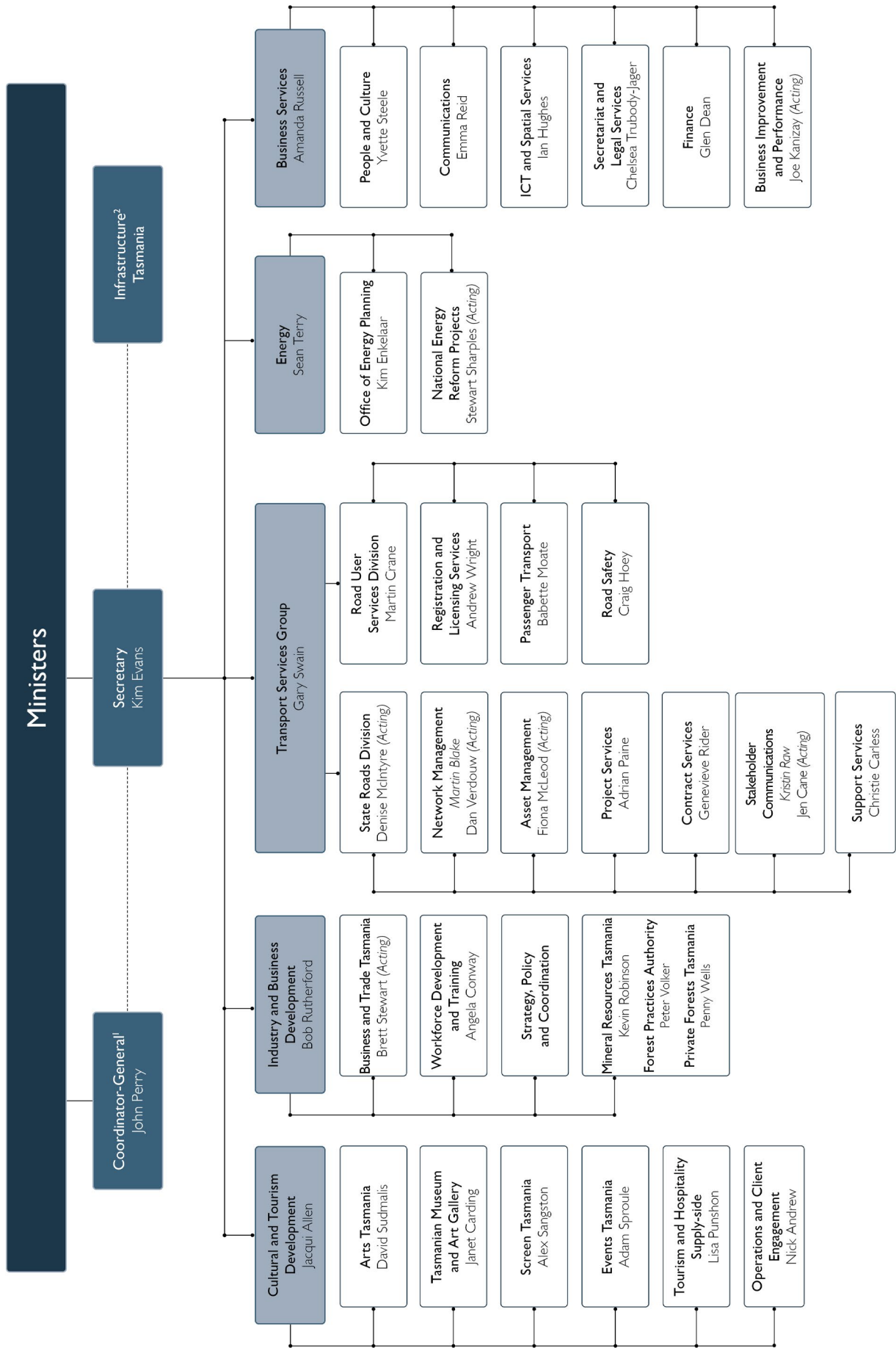
Our Corporate Plan

Endorsed on 1 July 2019, the Department of State Growth's Corporate Plan 2019-22 guides our work, acknowledges the diversity of our activities and provides us with common objectives that we all contribute to:

- » work with Tasmanian businesses and industry to support growth and job creation
- » grow and support Tasmania's visitor economy
- » contribute to Tasmania's brand as the best place in the country to live, work, invest and raise a family
- » strategically develop our infrastructure and transport systems to support industry and business growth, and our community
- » build organisational capacity by working collaboratively and developing our people, safety, systems and culture.

The Corporate Plan continues to reinforce our corporate values of having the courage to make a difference through teamwork, excellence, integrity and respect, and has an increased focus on our contribution to strategic development, supporting Tasmanian industry and business growth and the Tasmanian community.

Department of State Growth – Organisational Structure as at 30 June 2020



¹The Coordinator-General reports directly to the Minister for State Growth.
²Chief Executive of Infrastructure Tasmania also reports to the Treasurer.

People and Culture

This year, we focussed on continuing to build our organisational capacity by working collaboratively and developing our people aiming for a constructive culture where people feel valued and are motivated, engaged and committed to their work.

Our values and culture work over recent years provided a strong foundation for responding positively to the COVID-19 crisis. Across the organisation employees adapted and embraced the challenges of both shifting priorities and the way we work. This saw a move from a focus on facilitating in-person development opportunities such as face-to-face induction, workshops and familiarisation tours, to supporting people working in a remote and virtual environment.

While we have already been working to increase flexible and remote working options for staff we understand the importance of balancing this flexibility with the systems and support to not only continue to deliver the high quality outcomes we expect, but also to have the appropriate professional and personal supports in place.

COVID-19 has shown that we have a resilient and flexible team, and the pandemic has only hastened our roll-out of even more flexible and remote working options which have in turn strengthened our own capacity, preparedness and resilience.

Our approach to performance management through the Personal Performance and Learning Agreement process provides the basis for regular, constructive discussions between managers and staff about expectations, performance, behaviour, working arrangements and development opportunities. A new system to manage the process was implemented for 2019-20 and 81 per cent of employees have had an agreement in place across the year.

We place a high priority on the health, safety and wellbeing of our staff and recognise the importance of a physically and mentally healthy workplace.

In spring 2019, staff were able to participate in a variety of wellbeing seminars focussed on physical, mental, financial and social wellbeing, building on an individual's capacity to deal with change and stress, building resilience, improving sleep and mental health awareness.

Our annual flu vaccination program again proved popular with 492 staff receiving a vaccination. Employees were also provided the opportunity for a physical and mental health check and to discuss their superannuation needs with a consultant.

During 2019-20, we launched a new work health and safety education framework, refreshed our Alcohol and Drug Policy, provided due diligence training for all officers and continued our internal audit program. Work commenced on the refresh of the work health and safety risk register and an external audit. However, this was put on hold due to COVID-19 and will recommence in 2020-21.

With the emergence of COVID-19 we took a rapid and measured approach to support the health and wellbeing of our staff including implementing hygiene and physical distancing measures across our workplaces and facilitating working from home. Clear and regular communication was integral to addressing and alleviating people's questions and concerns during this time.

We undertook a range of risk assessments in consultation with staff to manage the risk of COVID-19. These risk assessments informed the development of the department's COVID-19 safety plan. To support implementation, a range of educational material was developed for our staff including a practical guide, fact sheets and an e-learning module.

In the last 12 months, while maintaining our zero tolerance position on violence, including family violence, we expanded our focus to setting the foundations for building and sustaining a diverse, equitable and inclusive workplace. A key focus was the facilitation of statewide 'make a difference chats' seeking feedback and suggestions to inform the development of our inaugural Diversity, Equity and Inclusion Strategy and accompanying Action Plan.

Across the last 12 months, we have made important in-roads in raising awareness of, and preventing, violence against women, supporting employees who were experiencing violence, we removed barriers to women's participation and advancement, removed employment barriers for disabled and Aboriginal people, made the workplace more inclusive for parents and older workers, and progressed towards becoming an accredited breastfeeding-friendly and a menopause-ready workplace.

State Growth continues to actively participate in broader diversity, equity and inclusion actions, including representation on the Tasmanian LGBTIQ+ Whole of Government Reference Group and Gender Reform Implementation Steering Committee.

As at 30 June 2020 we employed 890 people
(750 paid full-time equivalents).

As at 30 June	Employees	Paid FTE
2018	852	704
2019	893	744
2020	890	750

The increase in paid full-time equivalent is largely due to the number of staff employed to assist the COVID-19 response.

As at 30 June 2020, permanent employees represented 88 per cent of our workforce, with 9 per cent employed on fixed term contracts, with the remaining 3 per cent being Senior Executive Service and equivalent specialist employees. Thirty-one per cent of our employees work part-time.

Our gender profile remains consistent with previous years, with 54 per cent of workforce being female (484) and 46 per cent male (406). We have seen an increase in the number of females in Senior Executive and equivalent specialist roles from eight in 2018-19 to 12 at 30 June 2020.

Senior Executive and Equivalent Specialists by Gender
(Headcount)

Classification	Female	Male	Total
SES 1	6	8	14
SES 2	4	5	9
SES 3	2	3	5
SES 4	0	2	2

Industry and Business Development

Throughout 2019-20, we continued to provide services, support, funding and administration across the state, focussing on key sectors including small business, trade, advanced manufacturing, resources management, skilled and student migration and workforce development and training, as well as the provision of strategic policy and coordination functions across government.

This year, trade and investment missions to Europe, the United Kingdom and China, as well as several inbound delegations, resulted in a range of significant new contracts for Tasmanian businesses. We supported more than 40 local businesses in taking part in direct market activities such as domestic and international trade shows and events.

During the trade visit to Europe, a five-year memorandum of understanding on Antarctic gateway cooperation with the French Polar Institute was signed, which is estimated to generate \$9 million a year into the Tasmanian economy through increased interaction with the French Antarctic program.

A memorandum of understanding was also signed with the Australian Space Agency to support Tasmanian businesses and research institutions to participate in international space projects and missions acknowledging Tasmania's capabilities in space medicine, life sciences research and precision tracking of satellites and spacecraft.

This year, we continued to promote Tasmania's strengths in defence supply and advance manufacturing locally, nationally and internationally and assisted a number of Tasmanian companies successfully enter or grow their presence in national and international markets.

At the end of June, we released Tasmania's first Defence Directory highlighting our world-leading maritime and heavy manufacturing sectors. Across the year we worked with the advanced manufacturing sector to secure new national and international contracts that will boost employment, workforce development and product and service diversification.

This year, Migration Tasmania nominated 2 914 prospective skilled migrants, and a further 25 business migrants with proposed investments totalling \$44 million and generating at least 178 new direct jobs, while Study Tasmania worked with government partners and international education providers to promote the state's global education sector which at its peak saw more than 13 300 international students enrolled to study in Tasmania.

Mineral Resources Tasmania continues to oversee minerals and petroleum resources, provides information for sustainable land-use planning and environmental management, and produces and promotes up-to-date geoscientific data with 520 active mining leases, 123 exploration licences and 18 retention licences in place or under application at the end of the financial year.

Initiatives and services designed to de-risk mineral exploration investment continued to focus on 1:25 000 scale geological mapping and supporting studies, and in June 2020, we released the Good Practice Guide for Management of Acid and Metalliferous Drainage.

During 2019-20, two rounds of the Exploration Drilling Grant Initiative were released to encourage greenfields exploration and help in locating the next generation of mines with 20 projects worth almost \$3 million approved for a total of nearly \$1 million in funding.

In 2019-20, we delivered a range of forestry projects including the Rainforest Silviculture Guidelines, a report on the 40-year Sumac rainforest harvest and regeneration trial, and we finalised research trials into an integrated log merchandiser at Southwood and the recovery of forest residues.

In collaboration with Trade Tasmania and the Tasmanian Timber Promotions Board we also hosted the inaugural Visiting Architects Program to promote the sustainable management of our forests and locally-crafted high end products.

In 2019-20, Skills Tasmania invested more than \$110 million in training and workforce development activities, with TasTAFE receiving approximately 80 per cent of training funds and the remainder allocated to other providers through a range of competitive programs including the Apprentice and Trainee Fund, Skills Fund and Adult Learning Fund.

This year, a large share of our investment supported training in priority sectors such as aged care and disability services, building and construction, manufacturing and agriculture and as at 31 December 2019, there were more than 8 600 Tasmanian government-supported apprentices and trainees in-training.

This year also saw the roll-out of the new \$16 million Energising Tasmania Training Fund commence to support fee-free training and workforce planning and development in the rapidly growing renewable energy sector.

Throughout the year, we provided support or oversight to a number of major policy and infrastructure projects and planning reform processes including the Hobart City Deal, the national freight transport reform process, the development of the National Freight and Supply Chain Strategy and national heavy vehicle road reforms. We also provided advice on transport infrastructure and regulation including maritime, rail and passenger transport as well rail access policies.

We continued to lead the Tasmanian liaison with the Australian Government and the Clarence, Glenorchy, Hobart and Kingborough councils with the Hobart City Deal Implementation Plan finalised in October 2019 and the *Greater Hobart Act 2019* passed in December.

With post-COVID-19 economic recovery now becoming the focus across the state as we move into 2020-21, we remain confident in our ability and capacity to help deliver the key short, medium and long term industry and sector support and growth initiatives that will help boost our economy.

Cultural and Tourism Development

Tasmania is a growing state with a story to tell – growing in size, diversity, industry, innovation, attraction and creativity. The tourism, hospitality and cultural and creative industries are the inter-connecting thread that is a key driver in our economy, attracting people to our state, enriching our lifestyle and creating employment in Tasmania.

This financial year, we continued to support these industries by developing industry-specific strategies, programs, policy, and delivering investment.

The tourism and cultural sectors have been amongst the hardest hit, with almost all tourism and cultural and creative organisations and businesses having had to go into some form of hibernation or full shutdown during the pandemic.

This has been especially true for the events sector, which has been greatly affected by border restrictions and physical distancing requirements.

The division has assisted industry by developing stimulus funding initiatives and providing advice to operators on the evolving requirements of the COVID-19 response. This has included the Events Hotline and support for the development of Industry COVID-19 Safe Workplace Plans.

In 2019-20, Events Tasmania invested \$13 million in 66 events occurring in the financial year, which were expected to generate \$87 million in direct economic return. However, the cancellation or postponement of 20 events between March and June 2020 has seen the estimated economic return to the state fall to around \$40 million for the year.

Among the events to proceed in full capacity before the pandemic was the 2020 contemporary music and arts festival, *Mona Foma*, which receives \$1.75 million a year through Events Tasmania. Held in January, the 2020 event attracted around 22 000 attendees to Launceston, lighting up the city with events, performances and installations, and providing a significant economic boost to Northern Tasmania's economy.

In response to the current and future challenges the tourism and hospitality sectors are facing as part of the state's wider visitor economy, this year we have also been working with Tourism Tasmania and industry to develop the T21 Visitor Economy Action Plan 2020-2022.

The plan will focus on rebuilding visitation, re-establishing air and sea access and supporting tourism business owners and their workforces to support demand generation and visitor experience by focussing on home-grown festivals and events.

We have strong plans to continue to support events and other tourism and hospitality operators to get back on their feet by continuing to provide advice, funding and industry development programs, while also developing key partnerships that support the opportunities and face the challenges being experienced across the sector.

This year we also made significant progress on the Tasmanian Journeys Project which will deliver a suite of five self-drive journeys or touring holidays to encourage visitors to explore regional Tasmania. From August to November 2019, together with Tourism Tasmania and supported by the state's regional tourism organisations, we undertook a consultation process which included a series of meetings, 14 community forums and an online survey.

It is projected that the full suite of Tasmanian Journeys will be ready to launch by September 2020, which is significantly sooner than planned. This earlier timeframe means these Tasmanian Journeys will be ready to showcase the depth, breadth and diversity of visitor experiences in regional Tasmania at a time when the local businesses need support.

Tasmania's arts and cultural offerings are key components of why locals and visitors want to explore our state. As Brand Tasmania puts it, our culture is an expression of who we are, what it feels like to be Tasmanian.

As part of the Tasmanian Government's investment in the sector, this year Arts Tasmania provided more than \$12 million in support to the sector including support for everything from musicians to jewellers, and from Tasmanian Aboriginal performers to artists working in the community. More than 1 300 Tasmanian artists and arts workers have been employed or had work purchased through Arts Tasmania programs.

This year, Arts Tasmania again managed the Premier's Literary Prizes which celebrate the richness of the Tasmanian literary sector and acknowledge the particular influence that Tasmania has on written work, with winners announced on 5 December 2019. Winners this year included Robbie Arnott whose novel *Flames* was awarded the Margaret Scott Prize for the best book by a Tasmanian writer. *Flames* is a unique tale of love, grief and family, tracing a journey across Tasmania.

Flames has also been supported by Screen Tasmania, with a high calibre creative team including Mr Arnott receiving funding to develop the novel into a six-part television series.

This support was made available through Screen Tasmania's Additional Screen Development Round, which provided an economic injection into the industry that has been heavily impacted by a global shutdown of screen productions.

The Cultural and Tourism Development Division will continue to support the cultural and creative industries holistically through a number of our divisional projects, including the development of the new creative industries and performing arts precinct, The Hedberg.

The Division also continues to provide assistance and support to the Tasmanian Museum and Art Gallery.

These projects will continue to be guided by the Cultural and Creative Industries Strategy, with the next iteration expected to launch later this year.



Transport Services

This year was one of significant milestones across transport and transport infrastructure in Tasmania, improving safety on our roads, making our transport system more efficient, improving the network and facilitating important economy-boosting initiatives.

During the year, we provided planning, oversight and on-ground support to the state's newest major wind farm projects at Cattle Hill and Granville Harbour. This included the coordination and delivery of heavy vehicle escort services and ensuring the safe and efficient movement of more than 950 over-size and over-mass loads to the construction sites with minimal disruptions to communities along the routes.

In providing these services our officers spent more than 11 200 hours on the road and travelled almost 500 000 kilometres. The safe delivery of these components saw the successful completion of two of the largest transport programs ever undertaken in Tasmania.

In late 2019, we launched the Towards Zero Action Plan 2020-2024, the second under the Towards Zero Road Safety Strategy 2017-2026. The action plan is supported by funding of \$75 million to improve safety for all road users with a priority focus on younger drivers, making our roads safer in towns and cities, and in rural areas, making visitors safer, encouraging safer road use, and improving safety through vehicles and technology.

Throughout 2019-20, we worked to deliver a fully connected transport system through the Bus Services Review project. It involved extensive consultation with local communities, stakeholders and bus operators to develop a contemporary school bus and general networks and timetables. As a result Tasmanians now have a simpler, faster and more frequent bus service.

Having rolled out the southern Tasmania network in January 2019, we delivered the new northern Tasmania network in January 2020, with the rollout of the north west network expected in January 2021.

This year, we continued to deliver a state road network that is safer and more reliable, embraces innovation, and provides value for money. Across 2019-20, \$278 million was spent on road construction and upgrades, including \$32 million on maintaining our network of 3 700 kilometres of roads and 1 287 bridges and other major structures.

With a longer term view, identifying the needs of our major population centres and transport corridors has taken a generational approach towards developing integrated programs that can deliver long term solutions.

We are progressing transport-related initiatives under both the Launceston and Hobart city deals and are consulting on Hobart City Deal Southern Access projects between Kingston and Hobart, including improving public and active transport facilities.

Through the Hobart City Deal, planning and environmental investigations commenced on the new Bridgewater Bridge, the largest investment in a single transport infrastructure project in Tasmanian's history. Due to start construction in 2022, the project is backed by a \$576 million commitment from the Australian and Tasmanian Governments.

This financial year, we also consulted on corridor studies for the Channel Highway between Kingston and Margate, West Tamar Highway between Launceston and Legana, Tasman Highway between Sorell and Hobart, and the South Arm Highway at Rokeby. The Bass Highway Wynyard to Marrawah Corridor Strategy was also released in this year with the first project, shoulder widening at Brittons Swamp and Togari, completed in April.

In March, we released final designs for key South East Traffic Solution projects to improve traffic flow on the Tasman Highway between Hobart airport and Sorell and the southern beaches. Work on the first project, the Arthur Highway overtaking lane, was completed in February and early preparation work on the Hobart Airport Interchange started in June.

Construction also started on six bridge strengthening projects on Huon Highway, Bass Highway, Bridport Road and Brooker Highway in early 2020 under the Freight Access Bridge Upgrades Program to allow for high-productivity freight vehicles.

This year, the \$92.3 million Perth Link Roads was completed 10 months ahead of schedule. This project is the largest component of the \$500 million Midland Highway 10-Year Action Plan and we have continued to progress road widening and strengthening on Murchison Highway to improve safety and better cater for heavy vehicle access along this key freight and passenger route. Work also began on stage three of the Richmond Road Masterplan in November 2019 which included the new Cambridge Link Road and safety upgrades on Richmond Road.

In 2019-20, the Roads Package to Support Tasmania's Visitor Economy saw the first two packages of upgrades to the Great Eastern Drive between Orford and St Helens completed, and the Bruny Island Main Road sealing between Alonnah and Lunawanna and the sealing of Hastings Cave Road were completed in January. In February, we consulted with the community on road widening of the Arthur Highway at Eaglehawk Neck with plans for this project well underway.

Our forward work plan will be directed in the short to medium term by the Tasmanian Government's \$40 million COVID-19 recovery infrastructure investment package and the \$46 million joint Australian-Tasmanian Government accelerated infrastructure package.

Energy

This financial year saw the creation of the Energy Division, bringing together all energy-related functions into two business areas, the Office of Energy Planning and National Energy Reform Projects.

During 2019-20, we have been leading the coordinated strategic expansion of this sector to grow our economy, attract investment and create jobs as the National Electricity Market rapidly transitions to greater grid-scale renewable energy, new interconnection, and future energy storage solutions to replace coal-fired generation.

In March 2020, we released the draft Tasmanian Renewable Energy Action Plan which was developed through extensive industry consultation. A key initiative under the Action Plan is establishing a Tasmanian Renewable Energy Target (TRET) to double renewable energy output by 2040. Legislation to introduce the target is planned for tabling in Parliament in the second half of 2020.

Also in March, the Tasmanian Renewable Hydrogen Action Plan was released including a \$50 million industry support package. It will support market development and potential projects, as well as feasibility and research studies to inform and activate renewable hydrogen industry development in Tasmania.

Through the year we worked closely with our federal and interstate counterparts in developing the National Hydrogen Strategy which was endorsed by the COAG Energy Council in November 2019, and we continue to play a leading role in implementing the strategy, particularly in relation to Guarantee of Origin, regulatory reform and community engagement.

Since December, extensive industry and stakeholder consultation has informed development of the state's Renewable Energy Coordination Framework. This framework will map out what is required to coordinate the orderly sequencing of new generation and transmission systems to transition us towards our 2040 energy target.

This year, we have continued to work closely with TasNetworks and Hydro Tasmania to progress Project Marinus and Battery of the Nation with a particular focus on discussions with the Australian Government to financially support the next phase of Project Marinus and advancing the case for addressing how inter-regional transmission costs are allocated across jurisdictions.

Project Marinus achieved a significant milestone in December 2019 with the publication of TasNetworks' Project Draft Assessment Report and the Business Case Assessment for Project Marinus. Together they demonstrate a positive impact on prices for customers in the National Electricity Market and a commercial return for a proponent. For Battery of the Nation we have continued to progress discussions with the Australian Government as part of the Underwriting New Generation Investments process.

Through 2019-20, we continued to monitor electricity, gas and liquid fuel supply chains for potential supply risks and emerging issues, including during the COVID-19 pandemic.

The Energy Division leads planning under the Tasmanian Emergency Management Arrangements for energy supply disruptions as part of the State Special Emergency Management Plan. This plan was revised in 2019, and the Electricity, Gas and Liquid Fuel Supply Disruption Arrangements (Issue 3) was endorsed by the State Emergency Management Committee in March 2020.

At a national level, we continue to be involved in energy security policy, planning and response.

In 2019-20, we participated in three major national exercises and one state-based exercise to test the effectiveness of emergency arrangements for the electricity, gas and liquid fuel sectors and assisted national exercise planning and evaluation teams for all of these exercises.

Of particular note was our participation in a national cybersecurity exercise for the electricity industry. The operational and strategic discussion exercise was designed to further strengthen the coordinated response to a significant cyber incident affecting Australia's electricity sector.

In August 2020, public consultation for the review of the *Electricity Supply Industry Act 1995* (ESI Act) closed with submissions now feeding into updating the legislative framework. Proposed changes to the ESI Act will involve further stakeholder consultation with a draft Bill expected to be released in 2020-2021.

At a national level, emergency arrangements for liquid fuels are under review and the Energy Division will be conducting a parallel review of the *Petroleum Products Emergency Act 1994*.

The Energy Division also participated in progressing national gas market reforms to increase the transparency of gas transportation costs and encourage downward pressure on commodity prices to ensure better outcomes for Tasmanian customers.

Across the year, together with TasNetworks, we continued to monitor the development of national market reforms and actively engaged with the Australian Energy Market Operator on the development of the Integrated System Plan (ISP). The ISP provides a 20-year roadmap for the National Electricity Market, setting out the optimal development path needed for Australians to enjoy an affordable, secure and reliable energy future.

As at the end of 2019-20, the energy sector in Tasmania continues to present significant economic opportunities, and these opportunities continue to expand as work progresses. We are confident with the plans in place, and those still under development, that this sector will play an important role in our medium term COVID-19 recovery and position our state for a strong and secure energy future.

Business Services

This year, our focus on business and client needs provided the basis for supporting the agency in delivering essential services as well as ensuring that the department was a great place to work.

Across 2019-20, we invested a significant amount of effort in supporting the department in response to emergencies including the bushfires and COVID-19.

A key focus has been to continue to support and develop the capability of our people. This includes a range of facilitated on-line workshops on resilience, adaptive leadership and managing remote teams for managers, together with a range of wellbeing programs for staff.

Across 2019-20, we enhanced our departmental online training system, myGrowth, with more than 70 training sessions, educational videos, induction and refresher modules, professional development and advancement courses offered across the year. All up, more than 140 individual sessions were taken up by staff this year.

Our Corporate Plan 2019-22 was endorsed by the executive on 1 July 2019, setting a new focus for the department as an organisation and providing a renewed emphasis on client service both internally across the department and government, and externally for the Tasmanian community.

The onset of COVID-19 did alter our focus in the immediate term but the work we had done, or put in train prior, continued to drive strong results.

The first two-thirds of the year had a strong focus on mobility and interoperability of staff and functions across the organisation. This was both accelerated and put to the test with the outbreak of COVID-19. Prior to the pandemic some 158 more mobile devices were deployed across the department this year as part of our ongoing transition from desk-based to mobile working, and our overall planned IT desktop hardware refresh and upgrade program had reached around 77 per cent of staff.

We also saw an increase in work-from-home or other flexible working arrangements, with these options regularly being accessed by more than 73 per cent of staff. This, of course, grew rapidly once minimising COVID-19 transmission required greater physical distancing and limitations on staff gathering in shared spaces.

During this year, we accelerated the migration from a mixed desktop computer fleet to a predominantly mobile fleet. The introduction of a virtual personal network to all staff as well as the installation of Microsoft Teams across all devices support the need for greater access to flexible working arrangements.

Our greater focus on cybersecurity and compatibility requirements continued. The migration to Windows 10 was completed this year and an increased monitoring capability was also introduced. Cybersecurity continues to be approached from a risk-based perspective, focussing on developing our cyber-resilience balanced between protection, detection, response and recovery.

Across the year we made significant progress on our accommodation consolidation project with refurbishment of offices at Federal Street in Hobart and relocation of staff and operations from Marine Terrace to Mount Street and Cattley Street in Burnie. This has taken the project to around 90 per cent completion, with the remaining elements of the project, Federal Street and Mornington, expected to be completed in the next financial year.

To enhance staff engagement, efficiency and interoperability across each of our offices and facilities, eight of our nine locations are now included in full on our 'State Growth Locator' personnel and facilities system. The final office location will be added in the coming financial year.

This year, we stepped up our engagement with staff through the increased use of digital, video and animated messaging which is easily rolled out, accessible and designed to be quick and easy to understand. This is backed up by more significant communications activities, online information and seminars, briefings and training when more complex or detailed information sharing or learning is required.

To comply with changes to the *Financial Management Act 2016* and as part of our ongoing finance business improvement program, this year we updated our financial management policies and guidelines and transitioned the department to a paperless accounts payable process enabling faster turnaround of payments, improved efficiency and enhanced accountability.

Since November 2019, we have been implementing a new centralised and standardised grants management system. So far we have completed a review of existing processes and practices across the department, and following a significant evaluation process we have selected the SmartyGrants electronic grants management system to be used department-wide.

We have now also established a new centralised Grant Services team to provide a one-stop-shop for department-wide grants advice and support. This team will work side by side with our new Loan Services team who will provide similar centralised services and advice across the department.

We expect the new and improved end-to-end grants management framework to be fully in place by the end of November 2020.

Having had an extremely busy and challenging year, especially since the advent of COVID-19, we believe it has made us more resilient, flexible and responsive to client needs and positions us well moving into the new financial year.



Report from the Office of the Coordinator-General

In 2019-20, the Office of the Coordinator-General continued to promote Tasmania's strengths to investors, directly facilitating more than \$673 million worth of projects, bringing total investment facilitated since 2015-16 to nearly \$2.2 billion.

We continue to work hard to adapt to changing market conditions and secure as much investment as possible, especially responding to the changes to economic circumstances experienced from March 2020.

This year has seen substantial progress on the \$60+ million Cradle Mountain Master Plan transport solution including detailed assessment of transport options, preliminary design, visualisations and potential routes and costings. Despite COVID-19 impacts, negotiations are progressing with shortlisted bidders for the Gateway Village precinct and staff accommodation project.

We continued to support the revitalisation of our northern cities through key investments such the UTAS campus relocations in Launceston and Burnie, the Devonport Living Cities project and the Launceston City Deal (LCD). LCD project commitments have now reached \$509 million and these have helped leverage other exciting opportunities.

In 2019-20, we stepped-up our work in attracting investment including across the north west and Cradle Coast regions and towards a renewable hydrogen sector in Tasmania. We also developed investor-supportive policies and materials for a renewable hydrogen industry and have been advising on the Tasmanian Renewable Hydrogen Industry Development Fund.

The red tape burden on small business continues to be a focus and we have addressed 80 per cent of all identified red tape issues. We continue to lead major regulatory reforms to streamline the permit and approval process for the building and construction sector that will be introduced into Parliament in the coming months.

We have worked closely with proponents to present opportunities to the Tasmanian Development Board for its consideration and potential support. The largest loan we have put forward this year was \$10 million to assist Tasmanian Alkaloids accelerate its medicinal cannabis project with a new processing facility at Westbury.

This year saw the number of applications made to the EOI process for tourism opportunities in national parks, reserves and Crown land reach 64, with three new projects submitted this year. If fully realised, these projects will see almost \$100 million in new investment and create some 270 new jobs.

While COVID-19 has impacted our investment pipeline, we continue our important work progressing a number of significant opportunities. Our focus remains on identifying and attracting new potential projects to help drive our economic recovery.

John Perry
Coordinator-General

Report from the Director of Energy Planning

In 2019-20, we undertook the important consolidation of our major energy functions into a new Energy Division in State Growth, bringing together the role of the Office of Energy Planning and the National Energy Reform Projects team to provide a connected and streamlined approach to energy planning and policy.

In the second half of 2019, the Director of Energy Planning convened two meetings of the Energy Policy and Coordination Committee which considered significant strategic energy initiatives such as Project Marinus and Battery of the Nation. The committee provided advice and support to the Minister for Energy on the changing and expanding market as well as generation, wholesale and retail matters and, as Director of Energy Planning, I provide regular advice and updates to the Minister on major project developments.

Across the year, I continued to undertake the Energy Security Coordinator functions including oversight of the Energy Security Risk Response Framework, the energy security risk reporting regime and mitigation and management of potential future energy security risks. Under the framework, hydro generation storage levels remained well above the Prudent Storage Level throughout 2019-20 and no risks to electricity supply were identified.

I was consulted in the development of both the Prudent Storage Levels (PSL) and High Reliability Levels (HRL) requirements which were Gazetted and established under the Act in January 2020.

From March 2020, I oversaw work by the Office of Energy Planning during the response to the COVID-19 pandemic to ensure that appropriate business continuity and emergency management arrangements had been implemented by electricity, gas and liquid fuel suppliers, and provided advice to the Minister for Energy on the impacts of the pandemic on the energy sector.

It is important to note that the energy sector remained highly resilient during the State of Emergency declared in Tasmania and there were no energy supply disruptions due to the pandemic.

I and energy security staff in the Office of Energy Planning kept in touch with key supply chain contacts throughout the remainder of 2019-20 to verify the energy sector continued to be in a position to ensure energy supply in a post COVID-19 environment.

Given the energy security, management and risk mitigation arrangements we have in place, I am confident that the state's energy supply is currently sufficiently robust to maintain supply to both residential and commercial consumers and is well placed to support the state's post-COVID-19 economic recovery efforts.

Sean Terry
Director of Energy Planning

Report from Infrastructure Tasmania

This year, we continued to provide a coordinated, statewide approach to the planning and delivery of infrastructure in Tasmania.

We provided independent and objective advice to government on infrastructure funding proposals and coordinated major infrastructure funding submissions to the Tasmanian and Australian Governments.

We continued to work closely with Infrastructure Australia and the 'i-bodies network' which has representation from every jurisdiction across Australia and New Zealand.

In August 2019, we released the second annual Tasmanian Infrastructure Project Pipeline which identifies strategic infrastructure investments planned in the state over the next 10 years.

The 2019 pipeline demonstrates continued strong levels of investment prior to COVID-19, with a spend of almost \$1.6 billion expected in 2019-20, around \$9.3 billion in individual infrastructure projects put forward for the 10 years covered by the pipeline, and a total of 265 infrastructure projects, with 38 projects valued over \$50 million each.

The draft 30-year Infrastructure Strategy was also developed to assist with long term planning for the state's infrastructure having regard to emerging trends, challenges and opportunities that may arise.

The draft was released in late 2019 for public consultation with responses being carefully considered in the development of the final strategy which will be progressed over the coming months in the economic recovery context.

We continued to chair the Tamar Estuary Management Taskforce, overseeing implementation of the River Health Action Plan and funding between the Tasmanian and Australian Governments for catchment management activities and to progress infrastructure upgrades associated with the combined sewerage and stormwater system.

This year we led a cross-agency project team to support the establishment of a Tasmanian NBL team and the purchase, upgrade and operation of the Derwent Entertainment Centre.

Within the Hobart City Deal we continue to work closely with the Department of State Growth to progress planning for a Hobart Transit Centre and activation of the Northern Suburbs Transit Corridor.

In early 2020, the inaugural CEO of Infrastructure Tasmania, Allan Garcia, retired from a distinguished public sector career. During his tenure Infrastructure Tasmania was established as an important component of the government's approach to strategic infrastructure management.

With the significant number of infrastructure projects progressing well even in light of the economic downturn and COVID-19 restrictions, we believe this investment in building and construction will play a significant role in the state's economic recovery.

Gary Swain
A/Chief Executive

Report from the Abt Railway Ministerial Corporation

The first three quarters of 2019-20 saw the West Coast Wilderness Railway going from strength to strength, with record passenger numbers, revenue, and strong performance from both the Queenstown and Strahan cafés.

Despite the great results, 2019-20 was not without its share of challenges, from mechanical issues with rolling stock to the impacts of aging infrastructure and the need for capital investment.

Work commenced on the restoration project for the last original Abt locomotive, Abt #2, and the track replacement project, replacing 10 kilometres of condemned track between Dubbil Barril and Lowana. Both will help alleviate the challenges caused by operating two steam locomotives seven days a week on track that is almost as old as the trains themselves.

The need for power at the remote stations drove the investigation and subsequent installation of off-grid power using a combination of solar and hydro power to minimise our impact on the environment, and we built new staff accommodation in both Queenstown and Strahan to help attract and retain staff.

March went from record passenger numbers and revenues to suspending operations with an uncertain future due to the COVID-19 pandemic. Tracks Café continued to operate, albeit under different circumstances, and other staff were redeployed to maintenance and upgrade projects where possible.

COVID-19 brought with it challenges that have changed the way the railway operates including heightened sanitisation across the entire business, physical distancing policies, touchless hand sanitisers and automation of entries, as well as new COVID-19 signage and new policies and procedures recognising the health of employees and customers is paramount.

While in the past we could look at previous years and previous experience to plan for the future, COVID-19 has created a whole new ball game. The challenge now is to not only forecast passenger numbers and revenue, but also new operational and capital expenditure.

Acknowledging it is unlikely that revenue will be at the level it was pre-COVID-19 for quite some time, this will need to be balanced with strategic capital and operational expenditure to allow the railway to prepare for the future, which is essential for regional tourism and the West Coast's economic stability.

While the future is challenging, I believe the opportunities still remain for the West Coast Wilderness Railway to continue to develop into one of Australia's great tourist experiences.

Anthony Brown
General Manager

Supporting information Department of State Growth

Right to Information

The department has a legal duty to respond to requests for information in accordance with the *Right to Information Act 2009* (the RTI Act), which commenced on 1 July 2010.

The RTI Act:

- » authorises and encourages disclosure of information without the need for formal requests or applications
- » gives members of the public an enforceable right to information
- » provides that access to information is restricted only in the limited circumstances defined in the RTI Act.

During 2019-20, the department dealt with 52 applications for assessed disclosure for information under the RTI Act.

A full statistical return is provided to the Department of Justice, which publishes a comprehensive annual report on the operation of the RTI Act. This report is available from the Department of Justice website.

The department has a policy to publish on its website information released in respect of applications for assessed disclosure, where it is determined that the released information may be of broader public interest.

The department is also committed to routinely publishing information covering a broad range of categories. In accordance with the Premier's direction, information deemed of interest to the public will be routinely published.

For further information on how the department fulfils its obligations under the RTI Act, visit the department's website.

Public Interest Disclosures Act

The purpose of the *Public Interest Disclosures Act 2002* (the Act) is to encourage and facilitate the making of disclosures about the improper conduct of public officers or public bodies.

The Act provides protection to persons who make disclosures in accordance with the Act, and establishes a system by which the matters disclosed can be investigated and action to rectify any deficiencies can be taken.

The department is committed to the aims and objectives of the Act. It does not tolerate improper conduct or detrimental action by the department or its officers or employees.

The procedures for reporting disclosures are available on the department's website.

The department did not receive any disclosures, either directly or indirectly referred via the Ombudsman, in the year to 30 June 2020.

Integrity Commission

The Integrity Commission is an independent body established on 1 October 2010 by the *Integrity Commission Act 2009* (the Act).

The three primary objectives of the Integrity Commission are to:

- » improve the standard of conduct, propriety and ethics in public authorities in Tasmania
- » enhance public confidence that misconduct by public officers will be appropriately investigated and dealt with
- » enhance the quality of, and commitment to, ethical conduct by adopting a strong, educative, preventative and advisory role.

The department is committed to upholding the aims and objectives of the Act. It strives to ensure that staff meet high standards of conduct and receive ongoing training in relation to ethical conduct in accordance with section 32 of the Act.



Legislation administered by the Department of State Growth 2019–20

Minister for State Growth

Cable Car (kunanyi/Mount Wellington) Facilitation Act 2017

Closer Settlement Act 1957

Copper Mines of Tasmania Pty. Ltd. (Agreement) Act 1999

Employment Incentive Assistance Act 1984

Farm Water Development Act 1985

Fire Damage Relief Act 1967

except in so far as it relates to the erection of dwellings for renting to eligible persons under the *Homes Act 1935* (see *Department of Communities Tasmania under the Minister for Housing*)

Goldamere Pty Ltd (Agreement) Act 1996

Greater Hobart Act 2019

Iron Ore (Savage River) Arrangements Act 1996

Macquarie Point Development Corporation Act 2012

Pulp Mill Assessment Act 2007

Rural Adjustment Act 1995

Tasmanian Development Act 1983

Theatre Royal Precinct Redevelopment Act 2016

War Service Land Settlement Act 1950

Minister for Infrastructure and Transport

Abt Railway Development Act 1999

Aerodrome Fees Act 2002

Air Navigation Act 1937

Civil Aviation (Carriers' Liability) Act 1963

Common Carriers Act 1874

Commonwealth Powers (Air Transport) Act 1952

Damage by Aircraft Act 1963

Emu Bay Railway (Operation and Acquisition) Act 2009

Heavy Vehicle Accreditation Scheme Validation Act 2013

Heavy Vehicle National Law (Tasmania) Act 2013

Highways Act 1951

Marine and Safety Authority Act 1997

Marine Safety (Domestic Commercial Vessel National Law Application) Act 2013

Metro Tasmania Act 1997

Metro Tasmania (Transitional and Consequential Provisions) Act 1997

Motor Accidents (Liabilities and Compensation) Act 1973

except in so far as it relates to the appointment, functions, powers and operation of the Motor Accidents Compensation Tribunal (see *Department of Justice under the Attorney-General/Minister for Justice*)

Passenger Transport Services Act 2011

Port Companies Act 1997

Rail Company Act 2009

Rail Infrastructure Act 2007

Rail Safety National Law (Tasmania) Act 2012

Roads and Jetties Act 1935

Strategic Infrastructure Corridors (Strategic and Recreational Use) Act 2016

Tasmanian Ports Corporation Act 2005

Taxi and Hire Vehicle Industries Act 2008

Traffic Act 1925

Transport Act 1981

TT-Line Arrangements Act 1993

Vehicle and Traffic Act 1999

Vehicle and Traffic (Transitional and Consequential) Act 1999

Minister for Energy

Electricity – National Scheme (Tasmania) Act 1999

Electricity Supply Industry Act 1995
except Part 2 and Divisions 3, 4, 4A, 5, 5A, 6 and 10 of Part 3, and in so far as it relates to contestable customers, price regulation and contracts and the making of regulations under section 122, in so far as those regulations relate to that Part, those Divisions and those matters (see *Department of Treasury and Finance under the Treasurer*); and except Part 8 and regulations that relate to Part 8 (see *Department of Justice under the Minister for Building and Construction*)

Electricity Supply Industry Restructuring (Savings and Transitional Provisions) Act 1995

Electricity Wayleaves and Easements Act 2000

Energy Co-ordination and Planning Act 1995

Gas Act 2000

except in so far as it relates to provisions relating to the appointment, functions, powers and duties of the Director of Gas Safety (see *Department of Justice under the Minister for Building and Construction*)

Gas Industry Act 2019

Gas Pipelines Act 2000

except in so far as it relates to provisions relating to the functions, powers and duties of the Director of Gas Safety (see *Department of Justice under the Minister for Building and Construction*)

Hydro-Electric Corporation Act 1995

National Energy Retail Law (Tasmania) Act 2012

National Gas (Tasmania) Act 2008

Petroleum Products Emergency Act 1994

Minister for Resources

Beauty Point Landslip Act 1970

Forest Management Act 2013

Forestry (Fair Contract Codes) Act 2001

Forestry (Rebuilding the Forest Industry) Act 2014

Lawrence Vale Landslip Act 1961

Mineral Resources Development Act 1995

Mining (Strategic Prospectivity Zones) Act 1993

Petroleum (Submerged Lands) Act 1982

Private Forests Act 1994

Rosetta Landslip Act 1992

Minister for the Arts

Cultural and Creative Industries Act 2017

Meteorites Act 1973

Museums (Aboriginal Remains) Act 1984

Plomley Trusts Act 1984

Tasmanian Museum and Art Gallery Act 2017

Theatre Royal Management Act 1986

Minister for Education and Training

Building and Construction Industry Training Fund Act 1990

Training and Workforce Development Act 2013
except Part 5, and except in so far as it relates to TasTAFE (see *TasTAFE under the Minister for Education and Training*)

Training and Workforce Development (Transitional Provisions) Act 2013

except Part 2, and except in so far as it relates to TasTAFE (see *TasTAFE under the Minister for Education and Training*)

Vocational Education and Training (Commonwealth Powers) Act 2011

Minister for Local Government

Local Government (Highways) Act 1982

Legislation enacted 2019–20

Greater Hobart Act 2019

Local Government (Highways) Amendment Act 2019

Vehicle and Traffic Amendment Act 2019

Roads and Jetties Amendment (Works in Highways) Act 2019

Roads and Jetties Amendment (Validation) Act 2019



Policies to help manage our business

Asset management

The Department of State Growth's asset management ranges from land and buildings to collections and equipment.

The property portfolio of assets includes:

- » Abt Railway land, buildings and infrastructure
- » bridges
- » Core Store assets of Mineral Resources Tasmania
- » Princes Wharf I
- » rail corridor land
- » road infrastructure, including land under roads
- » Tasmania Development and Resources properties including Tasmanian Technopark
- » Tasmanian Museum and Art Gallery
- » various other land and buildings predominantly held for future roadworks.

The department manages land and buildings in accordance with its internal framework guidelines. This framework guides the sound and strategic acquisition, use and disposal of assets, the related risks and costs over their useful life, and alignment of assets with service demand, to achieve the best possible match of assets with service delivery strategies.

The department maintains asset registers in accordance with the Treasurer's Instructions. Details of acquisitions, disposals and write-offs were recorded in the respective registers.

The Financial Statements for 2019-20 are reported on an accrual basis and contain details of policies in relation to recognition, valuation and depreciation of assets in notes of the statements.

Assets have been valued in accordance with the department's accounting policies and procedures. These values are disclosed in the statements together with appropriate notes on valuation methods.

Risk management

Risk management is integral to the management of the department and the delivery of the wide range of services and outputs provided by the department.

The department has implemented a number of mechanisms for the management of risks associated with its activities.

The department has established risk management policies and associated mitigation strategies that address high risk areas.

The Risk and Audit Committee undertakes a review of the department's strategic risks and ensures that internal audit program supports the mitigation of the strategic risks.

Internal audit reviews enable the department to test and refine the adequacy of its controls to manage these risks and its response when risk incidents occur.

The department maintains a quality system for the development and maintenance of roads and bridges. This system comprises a significant proportion of the department's operations.

The system is designed to manage the risks associated with development and maintenance of roads.

It is also subject to external surveillance and incorporates:

- » clear definition of accountabilities
- » executive review of system effectiveness
- » management of risk within processes
- » feedback systems for improvement
- » audits of these activities
- » audits of the work of contractors to the department.

The department is a member of the Tasmanian Risk Management Fund (TRMF). The TRMF is a significant mitigation measure to ensure that there is adequate financial provision to insure the risks of the department.

Gifts, benefits and hospitality

The Department of State Growth adheres to the Gifts, Benefits and Hospitality Policy that requires all officers and employees to decline offered gifts, benefits and hospitality in certain circumstances, and declare the acceptance and giving of gifts, benefits and hospitality in others.

In accordance with the policy, all declarations of gifts, benefits or hospitality to the value of \$100 or greater, or a declaration of token mementos and modest refreshments (reaching the annual threshold of \$100 from a single supplier that have been recorded in the agency's Gift and Hospitality Register in a financial year) must be published.

The Gifts, Benefits and Hospitality Policy and the Gifts and Hospitality Register are available on the department's website.

The register includes reporting from the Office of the Coordinator-General and Infrastructure Tasmania.

Major contracts and consultancies

The Department of State Growth ensures procurement is undertaken in accordance with the mandatory requirements of the Treasurer's Instructions relating to procurement, including that Tasmanian businesses are given every opportunity to compete for agency business.

It is the department's policy to support Tasmanian businesses whenever they offer best value for money for the government.

The department has conducted 455 procurement processes resulting in the award of 468 significant contracts and consultancies over the value of \$50 000 for the period of 1 July 2019 to 30 June 2020.

Of these 455 procurement processes, 377 contracts were approved for direct sourcing as part of the Bus Service Review Project. All 377 Bus Service Review Project contracts were awarded to Tasmanian businesses with a total value of \$498.7 million.

The remaining 79 procurement processes (as outlined in the tables below) resulted in 95 significant contracts and consultancies being awarded during the period 1 July 2019 to 30 June 2020.

Table A provides a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50 000 or more (excluding GST).

Table B provides a summary of contracts with a value of \$50 000 or more (ex. GST) and excluding consultancy contracts.

Table C provides a summary of consultancy contracts with a value of \$50 000 or more (ex. GST).

Table D provides a summary of contracts awarded as a result of a direct/limited submission sourcing process approved in accordance with Treasurer's Instructions PP-2.

Table A

Summary of procurement including participation by local business for procurement processes of \$50 000 or more (ex. GST)	
Total number of contracts awarded	66
Total number of contracts awarded to Tasmanian businesses	57
Total value of contracts awarded to Tasmanian businesses	\$163,437,120.26
Total number of tenders called and/or quotation processes run	58
Total number of bids and/or written quotations received	146
Total number of bids and/or written quotations received from Tasmanian businesses	115
Consultancies	
Total number of new consultancies awarded	29
Total number of new consultancies awarded to Tasmanian businesses	22
Total value of new consultancies awarded to Tasmanian businesses	\$8,733,738.00
Total number of tenders called and/or quotation processes run	24
Total number of bids and/or written quotations received	93
Total number of bids and/or written quotations received from Tasmanian businesses	51
Summary of all procurement processes	
Total number of contracts and consultancies awarded	95
Total number of contracts and consultancies awarded to Tasmanian businesses	79
Total value of contracts and consultancies awarded	\$184,127,120.52
Total value of contracts and consultancies awarded to Tasmanian businesses	\$172,170,858.26
Total number of tenders called and/or quotation processes run	82
Total number of bids and/or written quotations received	239
Total number of bids and/or written quotations received from Tasmanian businesses	166

Supporting information Department of State Growth continued

Table B

Contracts with a value of \$50 000 or more (ex. GST) and excluding consultancy contracts					
Contract ID	Title	Supplier name	State	Period of contract	Value (\$)
Contract No. 2963	East Tamar Highway Mowbray Connector Roundabout	Shaw Contracting (Aust) Pty Ltd	Tasmania	01/09/2019 - 30/04/2020	\$3,759,801.80
Contract No. 3005	Great Eastern Drive - Roadworks Safety Improvements Stage 2	DCS Civil Tas Pty Ltd	Tasmania	23/09/2019 - 28/02/2020	\$1,378,733.52
Contract No. 3063	Tasman Bridge Distribution Board Relocation	Industrial Fire & Electrical Pty Ltd	Tasmania	04/11/2019 - 31/05/2021	\$929,978.00
Contract No. 3065	Contract Management System Upgrade and Passenger Transport Branch customisations	Open Windows Software Pty Ltd	Victoria	05/07/2019 - 04/07/2024	\$521,030.00
Contract No. 3066	Richmond Road, Cambridge Link Road - Sections 3 to 5 Shoulder Sealing	Hazell Bros Group Pty Ltd	Tasmania	08/11/2019 - 28/05/2021	\$9,652,673.00
Contract No. 3068	Internal refurbishment to IIA and IIB Goodman Court, Invermay	R & S Rosier Constructions Pty Ltd	Tasmania	01/03/2019 - 23/07/2019	\$155,596.00
Contract No. 3074	Arthur Highway (A0142) East of Iron Creek - Eastbound Passing Lane	DCS Civil Tas Pty Ltd	Tasmania	11/09/2019 - 25/02/2020	\$2,512,316.00
Contract No. 3075	Pavement Resurfacing 2019-2020 South	Roadways Pty Ltd	Tasmania	02/08/2019 - 29/05/2020	\$8,334,584.79
Contract No. 3076	Pavement Resurfacing 2019-2020 North	Fulton Hogan Industries Pty Ltd	Tasmania	05/08/2019 - 29/05/2020	\$7,442,020.01
Contract No. 3092	Midland Highway 10 Year Action Plan - Melton Mowbray to Lovely Banks Road - Safety Upgrade	Hazell Bros Group Pty Ltd	Tasmania	06/01/2020 - 30/06/2021	\$11,885,583.00
Contract No. 3093	Fabrication and Installation of an Exhibition Stand at the Pacific International Maritime Exposition 2019	Expo Centric Pty Ltd	New South Wales	22/07/2019 - 11/10/2019	\$67,051.16
Contract No. 3097	DDA Compliant Bus Stop installations in Dorest Municipality locations of Bridport, Branxholm and Ringarooma	Stornoway Maintenance Pty Ltd	Tasmania	20/10/2019 - 29/11/2019	\$123,954.22
Contract No. 3098	North West Agricultural Workforce Plan	RM Consulting Group Pty Ltd	Tasmania	16/09/2019 - 15/05/2020	\$135,618.00
Contract No. 3103	Your Speed is Our Safety - Phase 2	The20 Pty Ltd	Tasmania	17/07/2019 - 28/02/2020	\$115,616.50
Contract No. 3104	West Coast Bus Service	Community Transport Services Tasmania Inc	Tasmania	16/07/2019 - 15/07/2020	\$133,000.00
Contract No. 3105	Traffic Origin Destination Survey Southern Outlet - Hobart	Austraffic (Vic) Pty Ltd	Victoria	07/10/2019 - 30/12/2019	\$59,160.00
Contract No. 3106	Laurel Development and Support Agreement	3 Tier Technology Pty Ltd	Tasmania	01/07/2019 - 30/06/2021	\$200,000.00
Contract No. 3110	Lyell Highway Hamilton to Ouse - Shoulder Sealing	DCS Civil Tas Pty Ltd	Tasmania	18/10/2019 - 05/03/2020	\$2,736,546.00
Contract No. 3118	Esk Main Road - Shoulder Widening - Fingal to Killymoon Bridge and Cornwall Road to St Mary's	Gradco Pty Ltd	Tasmania	30/09/2019 - 19/01/2020	\$6,324,006.44
Contract No. 3123	Traffic Signal Controller Supply	Aldridge Traffic Controllers Pty Ltd	New South Wales	15/11/2019 - 15/11/2023	\$1,920,000.00

Contract ID	Title	Supplier name	State	Period of contract	Value (\$)
Contract No. 3125	Macquarie Street Tow-Away Awareness Campaign	The20 Pty Ltd	Tasmania	16/08/2019 - 31/10/2019	\$55,620.00
Contract No. 3145	Area Connect Maydena and Kempton Bus Services	Community Transport Services Tasmania Inc	Tasmania	01/10/2019 - 19/04/2019	\$58,831.00
Contract No. 3178	Traineeship and Apprenticeship Information System (TAPIS) GITC Software Support Agreement	DXC Eclipse Pty Limited	Tasmania	13/12/2019 - 13/12/2020	\$109,395.00
Contract No. 3069	Bass Highway Inglis River Bridge Strengthening	Fulton Hogan Construction Pty Ltd	Tasmania	07/01/2020 - 09/06/2020	\$1,194,000.00
Contract No. 3124	Launceston Standalone Bluetooth Travel Time Receiver Units	Sage Automation Pty Ltd	Tasmania	06/01/2020 - 30/05/2020	\$357,928.00
Contract No. 3176	Support Services for the Motor Registry System Software	DXC Eclipse Pty Limited	Tasmania	01/01/2020 - 01/10/2020	\$421,789.00
Contract No. 3082	Midland Highway 10 Year Action Plan - Spring Hill - Safety Upgrade	Andrew Walter Constructions Pty Ltd	Tasmania	13/01/2020 - 31/03/2021	\$8,161,668.60
Contract No. 3113	Halfway Creek Bridge Replacement and Esk Main Road Rail Underpass Strengthening	VEC Civil Engineering Pty Ltd	Tasmania	14/01/2020 - 30/04/2021	\$754,014.00
Contract No. 3133	Hobart Eastern Shore ITS - Base station	Jettech Networks Pty Ltd	Tasmania	16/01/2020 - 30/04/2020	\$152,171.14
Contract No. 3141	Hobart Eastern Shore ITS - Communications, CCTV and Bluetooth Travel Time Detectors	Sage Automation Pty Ltd	Tasmania	15/01/2020 - 31/05/2020	\$467,891.00
Contract No. 3084	Freight Access Bridge Access Upgrade Program 2019-20 - Design and Construct	VEC Civil Engineering Pty Ltd	Tasmania	24/01/2020 - 30/06/2020	\$4,334,498.00
Contract No. 2960	Tasman Highway - Hobart Airport Interchange	Hazell Bros Group Pty Ltd	Tasmania	21/01/2020 - 24/07/2022	\$34,149,344.00
Contract No. 3142	North West Region Bus Network Infrastructure	Hardings Hotmix Pty Ltd	Tasmania	23/01/2020 - 03/04/2020	\$184,124.05
Contract No. 3128	East Derwent Highway and Jetty Road - Left Hand Turn Lane	DCS Civil Tas Pty Ltd	Tasmania	07/02/2020 - 30/04/2020	\$314,292.00
Contract No. 3151	Greater Hobart Urban Travel Demand Model Update	WSP Australia Pty Limited	Tasmania	10/02/2020 - 15/06/2020	\$363,000.00
Contract No. 3146	Great Eastern Drive - Widening and Safety Treatments	DCS Civil Tas Pty Ltd	Tasmania	17/02/2020 - 02/09/2020	\$701,891.73
Contract No. 3165	Review of Cost Estimation Guidelines	Turner and Townsend Pty Ltd	Victoria	25/02/2020 - 30/06/2020	\$97,870.00
Contract No. 3131	Traffic Data Collection 2020-2022	Pentagon Systems (Qld) Pty Ltd	Queensland	01/01/2020 - 05/01/2023	\$477,000.00
Contract No. 3126	West Tamar Traffic Solution	Hazell Bros Group Pty Ltd	Tasmania	03/03/2020 - 30/06/2021	\$6,596,663.00
Contract No. 3122	Standing Offer for the Provision of Electrical and Data Communications Services				Total Value of Panel Contract \$2,750,000.00

Supporting information Department of State Growth continued

Contract ID	Title	Supplier name	State	Period of contract	Value (\$)
Contract No. 3122	Standing Offer for the Provision of Electrical and Data Communications Services	W.A Cromarty & Co Pty Ltd	Tasmania	04/03/2020 - 31/01/2025	Panel Member
Contract No. 3122	Standing Offer for the Provision of Electrical and Data Communications Services	Jeanneret Electrical Technologies Pty Ltd	Tasmania	04/03/2020 - 31/01/2025	Panel Member
Contract No. 3122	Standing Offer for the Provision of Electrical and Data Communications Services	Frontline Electrical Pty Ltd	Tasmania	21/02/2020 - 31/01/2025	Panel Member
Contract No. 3122	Standing Offer for the Provision of Electrical and Data Communications Services	Industrial Fire & Electrical Pty Ltd	Tasmania	03/02/2020 - 31/01/2025	Panel Member
Contract No. 3122	Standing Offer for the Provision of Electrical and Data Communications Services	Contact Electrical Pty Ltd	Tasmania	05/02/2020 - 31/01/2025	Panel Member
Contract No. 3122	Standing Offer for the Provision of Electrical and Data Communications Services	Temtrol Technologies Pty Ltd	Tasmania	03/02/2020 - 31/01/2025	Panel Member
Contract No. 3197	Area Connect Bus Services 2020-2021	Community Transport Services Tasmania Inc	Tasmania	06/02/2020-5/02/2021	\$159,563.00
Contract No. 3164	East Tamar Highway - Goderich Street Intersection Upgrades Gleadow Street and Forster Street	Hazell Bros Group Pty Ltd	Tasmania	17/3/2020 - 1/9/2020	\$2,293,858.00
Contract No. 3095	Operations Management and Control System - Software Application to Control and Monitor Intelligent Transport System Devices	Transmax Pty Ltd	Queensland	16/03/2020-16/03/2025	\$5,562,590.00
Contract No. 3182	Tasmanian Museum and Art Gallery Rosny Archives Photo Store Air Conditioning System Replacement	T.C.M. Proprietary Limited	Tasmania	26/3/2020 - 30/04/2020	\$103,980.00
Contract No. 3147	Standing Offer for the Provision of Asbestos Removal				Total Value of Panel Contract \$568,000.00
Contract No. 3147	Standing Offer for the Provision of Asbestos Removal	Mendelssohn Construction Pty Ltd	Tasmania	03/04/2020 - 31/01/2024	Panel Member
Contract No. 3147	Standing Offer for the Provision of Asbestos Removal	TasCabling Pty Ltd	Tasmania	03/04/2020 - 31/01/2024	Panel Member
Contract No. 3147	Standing Offer for the Provision of Asbestos Removal	Spectran Contracting Pty Ltd	Tasmania	03/04/2020 - 31/01/2024	Panel Member
Contract No. 3199	Provision of State Roads - Land Asset Support	Jacobs Group (Australia) Pty Limited	Tasmania	02/04/2020 - 30/09/2020	\$99,000.00
Contract No. 3101	Standing Offer for the Provision of Pavement Marking Services				Total Value of Panel Contract \$12,500,000.00
Contract No. 3101	Standing Offer for the Provision of Pavement Marking Services	Statewide Linemarking (Tas) Pty Ltd	Tasmania	8/4/2020 - 30/6/2024	Panel Member
Contract No. 3101	Standing Offer for the Provision of Pavement Marking Services	Supalux Linemarking Pty Ltd	Tasmania	8/4/2020 - 30/6/2024	Panel Member

Contract ID	Title	Supplier name	State	Period of contract	Value (\$)
Contract No. 3071	Bass Highway – Wharf Access Road Underpass and Oakleigh Rail Underpasses - Deck and Safety Barrier Replacement	VEC Civil Engineering Pty Ltd	Tasmania	20/04/2020 - 28/09/2020	\$1,271,007.00
Contract No. 3134	Stormwater Upgrade at Narryna, 103 Hampden Road, Battery Point	Water Industry Solutions Pty Ltd	Tasmania	12/5/2020 - 23/6/2020	\$99,975.55
Contract No. 2978	Document Storage Services	ZircoData Pty Ltd	Victoria	1/05/2020 - 1/05/2026	\$640,436.10
Contract No. 3132	T20 World Cup 2020 Marketing Campaign	Custard Pty Ltd	Tasmania	3/6/2020 - 30/11/2020	\$315,000.00
Contract No. 3143	TMAG - Children's Exhibition – Exhibition Design Services	Thylacine Design and Project Management Pty Ltd	New South Wales	18/06/2020-31/07/2021	\$201,000.00
Contract No. 2918	General Access Service: Smithton to Burnie	Tasmanian Redline Coaches Pty Ltd	Tasmania	01/06/2020 - 18/01/2030	\$2,281,249.86
Contract No. 2919	General Access Service: Burnie to Launceston and Launceston to Hobart	Tasmanian Redline Coaches Pty Ltd	Tasmania	01/06/2020 - 18/01/2030	\$22,283,057.36
Contract No. 2659	School Bus Service: Deloraine to Newstead College	Tasmanian Redline Coaches Pty Ltd	Tasmania	01/07/2020 - 31/12/2029	\$1,524,160.53
Contract No. 2921	General Access Service: Mole Creek to Launceston	Tasmanian Redline Coaches Pty Ltd	Tasmania	01/07/2020 - 18/01/2030	\$1,766,271.16
Contract No. 3169	Midland Highway 10 Year Upgrade South Section Project - Early Contractor Involvement (ECI)	Shaw Contracting (Aust) Pty Ltd	Tasmania	9/6/2020 - 1/10/2021	\$293,400.00
Contract No. 3170	Midland Highway 10 Year Upgrade North Section Project - Early Contractor Involvement (ECI)	Fulton Hogan Construction Pty Ltd	Tasmania	30/6/2020 - 1/10/2021	\$931,450.00

Supporting information Department of State Growth continued

Table C (I)

Consultancy contracts with a value of \$50 000 or more (ex. GST)					
Contract ID	Title	Supplier name	State for Reporting	Period of contract	Value (\$)
Contract No. 3067	State Roads Project Management Services				Total Value of Panel Contract \$3,000,000.00
Contract No. 3067	State Roads Project Management Services	GHD Pty Ltd	Tasmania	07/10/2019 - 06/10/2021	Panel Member
Contract No. 3067	State Roads Project Management Services	JMG Pty Ltd	Tasmania	07/10/2019 - 06/10/2021	Panel Member
Contract No. 3067	State Roads Project Management Services	NGB Civil Consulting Pty Ltd	Tasmania	07/10/2019 - 06/10/2021	Panel Member
Contract No. 3067	State Roads Project Management Services	Pitt & Sherry (Operations) Pty Ltd	Tasmania	07/10/2019 - 06/10/2021	Panel Member
Contract No. 3067	State Roads Project Management Services	QC3 Consulting Pty Ltd	Tasmania	07/10/2019 - 06/10/2021	Panel Member
Contract No. 3067	State Roads Project Management Services	Sugden & Gee Pty Ltd	Tasmania	07/10/2019 - 06/10/2021	Panel Member
Contract No. 3085	Superintendent Services in relation to Tasman Highway - Hobart Airport Interchange	Burbury Consulting Pty Ltd	Tasmania	30/09/2019 - 31/03/2022	\$384,490.00
Contract No. 3086	Superintendent services in relation to road construction contracts for Midland Highway Spring Hill upgrade and Melton Mowbray to Lovely Banks upgrade	GHD Pty Ltd	Tasmania	19/08/2019 - 31/03/2024	\$161,000.00
Contract No. 3087	Superintendent Services - Road Construction and Bridge Rehabilitation (South)	GHD Pty Ltd	Tasmania	01/08/2019 - 31/03/2023	\$247,453.00
Contract No. 3088	Superintendent Services - Road Construction and Bridge Rehabilitation (North)	Pitt & Sherry (Operations) Pty Ltd	Tasmania	07/08/2019 - 30/10/2023	\$484,410.00
Contract No. 3091	Provision of effective and efficient Internal Audit Services to the Department of State Growth	WLF Accounting & Advisory	Tasmania	01/07/2019 - 30/06/2025	\$350,000.00
Contract No. 3108	Supply of Consultant Services for the Hobart Western Bypass Feasibility Study	GHD Pty Ltd	Tasmania	22/09/2019 - 29/05/2020	\$762,000.00
Contract No. 3111	Bus Review Project Consultancy	Phillip Boyle & Associates Pty Ltd	Victoria	30/07/2019 - 31/12/2019	\$200,000.00
Contract No. 3127	Tasmanian AFL Club- Updated Business Case	Gemba Group Pty Ltd	Victoria	07/08/2019 - 02/10/2019	\$68,100.00
Contract No. 3096	Valuation of the Heritage Collection of the Tasmanian Museum and Art Gallery	AON Risk Services Australia Limited	Tasmania	14/10/2019 - 13/12/2019	\$110,000.00
Contract No. 3112	Supply of Consultant Service for Hobart Transport Vision Southern Projects	WSP Australia Pty Ltd	New South Wales	08/11/2019 - 11/05/2020	\$1,099,750.00
Contract No. 3129	Rokeyby Stage 3 Corridor Planning Study	Pitt & Sherry (Operations) Pty Ltd	Tasmania	04/11/2019 - 20/12/2020	\$246,834.00

Contract ID	Title	Supplier name	State for Reporting	Period of contract	Value (\$)
Contract No. 3160	Transaction Management and Commercial Advice Services - Calvary Unsolicited Proposal	Paxon Consulting Group as Trustee of the Stamfords Corporate and Consulting Trust	New South Wales	21/11/2019 - 30/09/2020	\$250,000.00
Contract No. 3152	Bridgewater Bridge Geotechnical Investigations	Pitt & Sherry (Operations) Pty Ltd	Tasmania	20/12/2019 - 20/04/2020	\$856,647.00
Contract No. 3181	Technopark Master Plan	Johnstone Mcgee & Gandy Pty Ltd	Tasmania	10/02/2020 - 31/08/2020	\$61,680.00
Contract No. 3153	Bridgewater Bridge Scoping and Investigations	Burbury Consulting Pty Ltd	Tasmania	17/02/2020 - 31/08/2020	\$590,350.00
Contract No. 3168	Hobart Network Operations Planning (NOP)	Jacobs Group (Australia) Pty Limited	Tasmania	12/03/2020 - 31/12/2020	\$218,108.00
Contract No. 3192	Bridgewater Bridge Steering Committee Content Expert	Ken Kanofski Advisory Services Pty Ltd	Tasmania	21/02/2020 - 28/02/2022	\$100,000.00
Contract No.3174	Extended Reality Product for the Digital Cultural Experience Project	Ingnition Immersive Pty Ltd	Victoria	29/05/2020- 29/05/2021	\$79,980.00
Contract No. 3227	Illawarra Road and Zeehan Highway Engineering Survey Works	Jacobs Group (Australia) Pty Limited	Tasmania	25/06/2020 - 31/01/2021	\$199,760.00
Contract No.3213	Supply of Consultancy Services for design development for the Hobart Bus Transit Centre	WSP Australia Pty Ltd	Victoria	18/05/2020- 31/12/2020	\$412,470.00
Contract No. 3154	Consultancy Services – On-road Traveller System (OTIS) and Tasman Bridge Lane Use Management System (LUMS)	GHD Pty Ltd	Tasmania	8/5/2020- 8/5/2022	\$576,006.00
Contract No. 3156	Northern Suburbs Corridor – Preferred Transport Mode Study	PricewaterhouseCoopers Consulting (Australia) Pty Ltd	New South Wales	12/3/2020 - 31/7/2020	\$299,825.00
Contract No. 3224	Internet of Things Education Kits for Northern Tasmanian Schools	BITLINK PTY LTD	Tasmania	14/10/2019 - 31/12/2020	\$385,000.00

Supporting information Department of State Growth continued

Table D

Consultancies or Contracts awarded under an approved limited or direct sourcing process					
Contract ID	Title	Supplier name	State for Reporting	Reason for the procurement methodology	Value (\$)
Contract No. 3065	Contract Management System Upgrade and Passenger Transport Branch customisations	Open Windows Software Pty Ltd	Victoria	Additional goods from original supplier	\$521,030.00
Contract No. 3104	West Coast Bus Service	Community Transport Services Tasmania Inc	Tasmania	Trial	\$133,000.00
Contract No. 3106	Laurel Development and Support Agreement	3 Tier Technology Pty Ltd	Tasmania	Procured through the ICT Panel	\$200,000.00
Contract No. 3125	Macquarie Street Tow-Away Awareness Campaign	The20 Pty Ltd	Tasmania	Urgent requirements	\$55,620.00
Contract No. 3145	Area Connect Maydena and Kempton Bus Services	Community Transport Services Tasmania Inc	Tasmania	Urgent requirements	\$58,831.00
Contract No. 3178	Traineeship and Apprenticeship Information System (TAPIS) GITC Software Support Agreement	DXC Eclipse Pty Limited	Tasmania	Additional goods from original supplier	\$109,395.00
Contract No. 3069	Bass Highway Inglis River Bridge Strengthening	Fulton Hogan Construction Pty Ltd	Tasmania	Urgent requirements	\$1,194,000.00
Contract No. 3176	Support Services for the Motor Registry System Software	DXC Eclipse Pty Limited	Tasmania	Additional goods from original supplier	\$421,789.00
Contract No. 3197	Area Connect Bus Services 2020-2021	Community Transport Services Tasmania Inc	Tasmania	Additional goods from original supplier	\$159,563.00
Contract No. 3182	Tasmanian Museum and Art Gallery Rosny Archives Photo Store Air Conditioning System Replacement	T.C.M. Proprietary Limited	Tasmania	Extreme urgency	\$103,980.00
Contract No. 3071	Bass Highway – Wharf Access Road Underpass and Oakleigh Rail Underpasses - Deck and Safety Barrier Replacement	VEC Civil Engineering Pty Ltd	Tasmania	Extreme urgency	\$1,271,007.00
Contract No. 2918	General Access Service: Smithton to Burnie	Tasmanian Redline Coaches Pty Ltd	Tasmania	Approved alternate procurement process under TI FC-I	\$2,281,249.86
Contract No. 2919	General Access Service: Burnie to Launceston and Launceston to Hobart	Tasmanian Redline Coaches Pty Ltd	Tasmania	Approved alternate procurement process under TI FC-I	\$22,283,057.36
Contract No. 2659	School Bus Service: Deloraine to Newstead College	Tasmanian Redline Coaches Pty Ltd	Tasmania	Approved alternate procurement process under TI FC-I	\$1,524,160.53
Contract No. 2921	General Access Service: Mole Creek to Launceston	Tasmanian Redline Coaches Pty Ltd	Tasmania	Approved alternate procurement process under TI FC-I	\$1,766,271.16

Publications

Accelerating Trade Grant Program
Advanced Manufacturing Innovation and Growth Voucher System Guidelines
Agri-tourism strategy 2019-2023
Defence Tasmania Industry Directory
Department of State Growth Annual Report 2018–19
Interim Trade Action Plan (June-December 2020)
North West bus services review – Public consultation report
Tasmania Delivers brochure series
Tasmania - The Perfect Location for the Renewable Hydrogen Revolution (Prospectus)
Tasmanian ICT Workforce Action Plan 2020-23
Tasmanian Red Tape Audit Report 2019–20
Tasmanian Renewable Hydrogen Action Plan
Tasmanian Renewable Hydrogen Industry Development Funding Program
Tasmanian Trade Strategy Annual Action Plan
TDR Board Annual Report 2018–19
The Draft Tasmanian Renewable Energy Action Plan 2020

Also a wide range of material including:

A large suite of internal and external COVID-19 information
Antarctic Tasmania public symposium collateral
Bruny Island ferry notice boards
Business Tasmania collateral, workshop fliers and videos
COLLECT-art purchase scheme fliers
Defence industries collateral
Defence Tasmania Expo 2019 stand build design
Employer of Choice certificates
Enterprise Centres Tasmania postcards
FOODEX 2020 International Food and Beverage Exhibition collateral
Forestry fact sheets
Hobart City Deal fact sheets
Kingborough Council road signs
Screen Tasmania dramatic flare workshop publicity material
See Tasmania Safely posters
Study Tasmanian brochures (Spanish version)
Tasmanian Export Awards 2019 brochure
Tasmanian STEM awards banners and supporting collateral
Tasmanian Training Awards 2019 souvenir booklet
Various Project 2018 bus services information and posters

Superannuation certificate

I, Kim Evans, Secretary of the Department of State Growth, hereby certify that the department met its obligations under the Commonwealth's *Superannuation Guarantee (Administration) Act 1992* in respect of those employees of the department who were members of complying superannuation schemes to which the department contributed.



Kim Evans

Secretary
Department of State Growth

Compliance index

The compliance index has been compiled in response to the Auditor-General's Special Report No. 4 of May 1993, *Standard of Annual Reporting by Government Departments*.

This index complies with the statutory disclosure requirements for annual reporting of the:

- » *Financial Management Act 2016*
- » *State Service Act 2000*
- » *Right to Information Act 2009*
- » *Public Interest Disclosures Act 2002*
- » *State Service Regulations 2001*
- » various Treasurer's Instructions.

The four columns in the index have the following meanings.

- 1 and 2. Section and compliance – these columns refer to the Section and compliance – these columns refer to the statutory disclosure requirements in Tasmanian public sector legislation.
3. t the requirement is satisfied. In some instances, the requirement is complied with by the report in its entirety.
4. Details – this is a brief statement of the instruction, clause, section or subsection of the corresponding statutory disclosure requirement.

Key

ED	<i>Employment Directions</i>
FMA	<i>Financial Management Act 2016</i>
PSSRA	<i>Public Sector Superannuation Reform Act 2016</i>
RTI	<i>Right to Information Act 2009</i>
SS	<i>State Service Act 2000</i>
SSR	<i>State Service Regulations 2011</i>
TI	<i>Treasurer's Instructions</i>

Section	Compliance	Page	Details
General			
		2	Table of contents
		32	List of acronyms
Overview			
Strategic plan	SSR s9(a)(i)	N/A	An overview of the department's strategic plan, including its aims, functions and related program
Performance	SS s36(1)(a)	Annual Report	Each Head of Agency, in each year, is to submit a report on the performance of the functions and the exercise of the powers of the Head of Agency
	FMA s42(4)	Annual Report	The financial statements and the Auditor-General's report on those statements prepared in accordance with section 19 of the Audit Act 2008 are to be combined so as to form part of the annual report
Major initiatives	SSR s9(a)(v)	Annual Report	Details of major initiatives taken by the department to develop and give effect to government policy
Major changes during the year	SSR s9(a)(iv)	Annual Report	Details of, and reasons for, any major changes which have taken place in relation to the programs, aims, functions or organisational structure of the agency
Operational structure			
Department organisational chart	SSR s9(a)(ii)	6	An organisational chart illustrating the department's administrative structure, including regional offices, showing officers of the agency
Why we are structured in this way	SSR s9(a)(iii)	Annual Report	A description of the relationship between the organisational structure and the program management structure of the agency

Section	Compliance	Page	Details
Performance measurement			
Performance summary	TI FR-4.1.1	Annual Report	A summary of significant financial outcomes for Agency programs or activities, and any Ministerial directives in relation to financing or investment activities
	TI FR-4.1.4	Annual Report	Information on the performance of the Agency in its achievement of Agency objectives and meeting of Agency responsibilities
Legislation administered and major documents published			
Legislation administered	SSR s9(d)	16-18	A list of legislation administered by the department
Legislation enacted	SSR s9(d)	18	A list of legislation enacted during the year for which the department is responsible, including details of significant changes to legislation previously administered by the department
Appeals process	SSR s9(c)(iii)		An outline of the processes available for appeals against decisions made by the department
Public access and awareness of services provided			
Key contact	SSR s9(c)(ii)	1	List of contact officers and points of public access in relation to services provided by the department
Community awareness report	SSR s9(c)(i)	8-12	Details of activities undertaken to develop community awareness of the department and the services it provides
Agency publications	SSR s9(c)(i)	28	List of major documents published by any internal or external body of the department during the year
Right to information	RTI s23	15	Right to Information details for 2019-20
Human resources management			
Workplace Diversity	TSS Diversity and Inclusion Policy and Framework	7	A description of the department's workplace diversity program
Performance management	ED.26	7	Effectiveness of the development and implementation of performance management within the Agency
Work health safety and wellbeing	SSR s9(b)(vi) ED. 27 s.5(2) ED. 23	7	Employment policies and practices of the Agency in relation to work health safety and wellbeing.
Superannuation contribution	PSSRA s55	28	Certification by the relevant agency manager has met its obligations under the <i>Superannuation Guarantee (Administration) Act 1992</i>
Asset management and risk management policies			
Infrastructure projects	TI FR-4.1.3	Annual Report	Information on infrastructure projects undertaken or being undertaken by the Agency
Asset management	TI FR-4.1.6	Annual Report	A summary of the Agency's asset management policies, strategies and initiatives
Other assets	TI FR-4.1.7	Annual Report	Details of public property, revenue and debts due to the State
Risk management	TI FR-4.1.5	Annual Report	A statement of risk management policies, and an outline of significant risk management activities and initiatives
Pricing policies	TI FR-4.1.2	Annual Report	Pricing policies for goods or services provided by the Agency, including reference to any applicable Gazette or other public document which contains pricing or rating information and details of cost recovery policies and their application as appropriate

Supporting information Department of State Growth continued

Section	Compliance	Page	Details
Government procurement			
Contracts awarded during the year	TI FR-4.1.8	20-27	<p>Information on procurement activities undertaken or being undertaken by the Agency including:</p> <ul style="list-style-type: none"> » details of any contracts entered into by the Agency which contain confidentiality provisions; » statement regarding the Agency's support for Tasmanian businesses; » details of participation by Tasmanian businesses in procurement processes with a value of \$50 000 or more, together with information on their level of success in relation to procurement contracts with a value of \$50 000 or more; » procurement contracts awarded with a value of \$50 000 or more, with consultancies separately listed; » details of procurement contracts where a disaggregation exemption was applied, and procurement contracts awarded as a result of limited tendering (excluding direct sourcing from other agencies); » details of contracts awarded as a result of a contract extension approved pursuant to the Treasurer's Instructions under the following circumstances: <ul style="list-style-type: none"> » due to exceptional circumstances where the extension » was required to enable a full procurement process to » be properly undertaken; or » where other exceptional circumstances justified an extension
Other matters	TI FR-4.1.9	Annual Report	Any other matters deemed relevant by the Accountable Authority
Financial Statements			
Financial Statements	FMA s42	34-135	An accountable authority of an Agency, in respect of each financial year, is to prepare financial statements of the Agency in respect of that financial year.
Audit opinion	FMA s42(4)	137-140	The Auditor-General's report on the Agency's financial statements prepared in accordance with section 19 of the <i>Audit Act 2008</i> are to be combined so as to form part of the annual report

List of acronyms

AASB	Australian Accounting Standards Board	MAIB	Motor Accidents Insurance Board
ARMC	Abt Railway Ministerial Corporation	MRT	Mineral Resources Tasmania
CCTV	Closed-circuit Television	NCVER	National Centre for Vocational Education Research
CEO	Chief Executive Officer	NOP	Networks Operations Planning
COAG	Council of Australian Governments	OTIS	On-road Traveller System
ECI	Early Contractor Involvement	PSL	Prudent Storage Levels
EOI	Expression of Interest	QVMAG	Queen Victoria Museum and Art Gallery
FTE	Full-time equivalent	RTI	Right to Information
GITC	Government Information Technology Conditions	SES	Senior Executive Service
GST	Goods and Services Tax	TDR	Tasmania Development and Resources
HVAMS	<i>Heavy Vehicle Access Management System</i>	TMAG	Tasmanian Museum and Art Gallery
HRL	High Reliability Levels	TRET	Tasmanian Renewable Energy Target
ICT	Information and Communication Technology	TRMF	Tasmanian Risk Management Fund
ISP	Integrated System Plan	TWPP	Training and Work Pathways Program
ITS	Intelligent Transport System	UTAS	University of Tasmania
KPI	Key Performance Indicator	VET	Vocational Education and Training
LGBTIQ+	Lesbian, Gay, Bisexual, Transgender/ Gender Diverse, Intersex and Queer	WCWR	West Coast Wilderness Railway
LUMS	Lane Use Management System		

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Financial Statements

for the year ended 30 June 2020

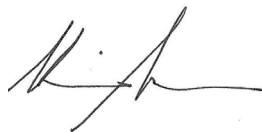
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Certification of Financial Statements

The accompanying Financial Statements of the Department of State Growth are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2020 and the financial position as at end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the Financial Statements misleading or inaccurate.



Kim Evans

Secretary

7 October 2020

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue - operating	6.1	373,205	415,093	299,918
Appropriation revenue - capital	6.1	197,238	191,832	137,643
Other revenue from Government	6.1	52	9,316	12,042
Grants	6.2	137,556	85,710	157,266
Sales of goods and services	6.3	4,255	8,091	9,761
Fees and fines	6.4	14,476	16,418	15,119
Interest	6.5	2,380	950	1,254
Contributions received	6.6	...	26,807	48,723
Other revenue	6.7	2,172	7,322	2,847
Total revenue from continuing operations		731,334	761,539	684,573
Net gain/(loss) on non-financial assets	7.1	4	(37,038)	5,603
Net gain/(loss) on financial instruments and statutory receivables/ payables	7.2	...	(812)	(1,774)
Total income from continuing operations		731,338	723,689	688,402
Expenses from continuing operations				
Employee benefits	8.1	69,479	80,193	67,066
Depreciation and amortisation	8.2	92,226	108,016	107,775
Supplies and consumables	8.3	103,649	80,667	118,157
Grants and subsidies	8.4	307,067	362,869	255,961
Finance costs	8.5	2,902	305	828
Other expenses	8.6	2,578	2,580	2,596
Total expenses from continuing operations		577,901	634,630	552,383
Net result from continuing operations		153,437	89,059	136,019
Net result		153,437	89,059	136,019
Other comprehensive income				
Items that will not be reclassified to net result in subsequent periods				
Changes in physical asset revaluation reserve	12.1	149,947	(280,142)	339,559
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	19.5	...	(9)	(11)
Total other comprehensive income		149,947	(280,151)	339,548
Comprehensive result		303,384	(191,092)	475,567

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.



Statement of Financial Position as at 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and cash equivalents	13.1	63,356	75,165	68,594
Receivables	9.1	6,380	9,575	7,194
Loan advances	9.2	54,412	126,218	71,836
Equity investments	9.3	50	...	...
Other financial assets	9.4	146	482	462
<i>Non-financial assets</i>				
Inventories	9.5	352	386	345
Property, plant and equipment and artwork	9.6	181,747	170,673	165,800
Heritage and cultural assets	9.6	428,986	380,941	408,870
Right-of-use assets	9.7	29,132	1,062	...
Infrastructure	9.8	5,670,791	5,450,023	5,598,086
Intangible assets	9.9	...	...	...
Other assets	9.10	12,905	1,909	12,273
Total assets		6,448,257	6,216,434	6,333,460
Liabilities				
Payables	10.1	10,630	13,676	14,712
Lease liabilities	10.2	29,504	1,052	...
Borrowings	10.3	49,972	127,223	55,832
Employee benefits	10.4	20,935	21,546	19,943
Provisions	10.5	4,461	5,601	5,301
Other liabilities	10.6	898	19,888	19,132
Total liabilities		116,400	188,986	114,920
Net assets		6,331,857	6,027,448	6,218,540
Equity				
Contributed capital		417,334	417,334	417,334
Reserves	12.1	2,927,040	2,686,563	2,966,705
Accumulated funds		2,987,483	2,923,551	2,834,501
Total equity		6,331,857	6,027,448	6,218,540

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

Statement of Cash Flows for the year ended 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts - operating		372,066	413,620	302,820
Appropriation receipts - capital		64,796	41,813	87,115
Other revenue from Government		...	25	(1,714)
Grants		35,564	26,265	43,086
Sales of goods and services		4,260	8,835	10,698
Fees and fines		14,476	16,548	14,999
GST receipts		16,898	41,747	41,506
Interest received		2,380	1,134	1,183
Other cash receipts		2,172	4,807	2,207
Total cash inflows		512,612	554,794	501,900
Cash outflows				
Employee benefits		(69,099)	(86,259)	(68,470)
Grants and subsidies		(306,992)	(351,883)	(255,799)
Supplies and consumables		(108,115)	(76,565)	(114,102)
Interest payments		(1,760)	(122)	(1,162)
GST payments		(16,899)	(42,824)	(41,998)
Other cash payments		(2,578)	(1,462)	(1,171)
Total cash outflows		(505,443)	(559,115)	(482,702)
Net cash from (used by) operating activities	13.2	7,169	(4,321)	19,198
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		4	...	1
Receipts from non-operational capital funding - operating		1,191	1,473	1,247
Receipts from non-operational capital funding - capital		132,442	150,019	55,670
Receipts from Australian Government funding		101,992	60,579	114,627
Repayment of loans by other entities		7,300	9,679	10,962
Total cash inflows		242,929	221,750	182,507
Cash outflows				
Payments for acquisition of non-financial assets		(244,975)	(221,892)	(187,183)
Loans made to other entities		(3,500)	(63,768)	(28,610)
Payments for investments		...	(1,315)	(1,627)
Total cash outflows		(248,475)	(286,975)	(217,420)
Net cash from (used by) investing activities		(5,546)	(65,225)	(34,913)
Cash flows from financing activities				
Cash inflows				
Proceeds from borrowings		...	77,700	9,300
Trust receipts		...	8,852	949
Total cash inflows		...	86,552	10,249

Statement of Cash Flows for the year ended 30 June 2020 (continued)

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Cash outflows				
Repayment of borrowings		(7,630)	(6,309)	(20,540)
Trust payments		...	(4,126)	(619)
Total cash outflows		(7,630)	(10,435)	(21,159)
Net cash from (used by) financing activities	13.3	(7,630)	76,117	(10,910)
Net increase (decrease) in cash and cash equivalents held		(6,007)	6,571	(26,625)
Cash and deposits at the beginning of the reporting period		69,363	68,594	95,219
Cash and deposits at the end of the reporting period	13.1	63,356	75,165	68,594

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 4 of the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2020

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total Equity \$'000
Balance as at 1 July 2019		417,334	2,966,705	2,834,501	6,218,540
Net result		...	...	89,059	89,059
Other comprehensive income – revaluation reserve	12.1	...	(280,142)	...	(280,142)
Other comprehensive income – changes to accounting policy	19.5	...	...	(9)	(9)
Total		...	(280,142)	89,050	(191,092)
Balance as at 30 June 2020		417,334	2,686,563	2,923,551	6,027,448

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total Equity \$'000
Balance as at 1 July 2018		417,334	2,627,146	2,698,493	5,742,973
Net result		...	...	136,019	136,019
Other comprehensive income – revaluation reserve	12.1	...	339,559	...	339,559
Other comprehensive income – changes to accounting policy	19.5	...	...	(11)	(11)
Total		...	339,559	136,008	475,567
Balance as at 30 June 2019		417,334	2,966,705	2,834,501	6,218,540

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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Note I: Administered Financial Statements

The Department of State Growth (the Department) administers, but does not control, certain resources on behalf of the Government as a whole. It is accountable for the transactions involving such administered resources, but does not have the discretion to deploy resources for the achievement of the Department's objectives.

I.1 Schedule of Administered Income and Expenses

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Administered revenue				
Revenue from Government				
Appropriation revenue – operating	16.2	40,994	40,448	53,166
Grants	16.3	80	524	574
State taxation	16.4	45,536	47,468	44,874
Sales of goods and services	16.5	5,412	6,137	6,064
Fees and fines	16.6	10,134	10,315	10,453
Other revenue	16.7	33,008	31,773	34,395
Total administered revenue		135,164	136,665	149,526
Administered expenses				
Employee benefits	16.8	...	2,132	2,219
Depreciation and amortisation		...	3	3
Supplies and consumables	16.9	136	2,149	2,426
Grants and subsidies	16.1	40,858	39,847	53,199
Transfers to the Public Account		94,170	92,942	93,830
Other expenses	16.11	...	2	6
Total administered expenses		135,164	137,075	151,683
Administered net result		...	(410)	(2,157)
Administered comprehensive result		...	(410)	(2,157)

This Schedule of Administered Income and Expenses should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 16.1 of the accompanying notes.

1.2 Schedule of Administered Assets and Liabilities

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Administered assets				
<i>Administered financial assets</i>				
Cash and deposits	16.21	11,069	3,838	7,792
Financial Investments	16.12	...	1,000	1,750
Receivables	16.13	137	845	154
Other financial assets	16.14	83	242	96
<i>Administered non-financial assets</i>				
Plant and equipment	16.15	14	8	11
Other assets	16.16	8	31	16
Total administered assets		11,311	5,964	9,819
Administered liabilities				
Payables	16.17	1,134	522	35
Employee benefits	16.18	339	422	407
Other liabilities	16.19	17	(474)	3,473
Total administered liabilities		1,490	470	3,915
Administered net assets		9,821	5,494	5,904
Administered equity				
Accumulated funds		9,821	5,494	5,904
Total administered equity		9,821	5,494	5,904

This Schedule of Administered Assets and Liabilities should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 16.1 of the accompanying notes.

1.3 Schedule of Administered Cash Flows

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Administered cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Administered cash inflows				
Appropriation receipts – operating		40,994	40,448	53,166
Taxation		45,536	47,184	45,158
Grants		80	530	544
Sales of goods and services		5,412	6,035	6,097
Fees and fines		10,134	10,252	10,436
Other cash receipts		33,008	31,633	34,483
Total administered cash inflows		135,164	136,082	149,884
Administered cash outflows				
Employee benefits		...	(2,117)	(2,191)
Grants and subsidies		(40,858)	(39,846)	(53,342)
Transfers to the Public Account		(94,170)	(92,942)	(93,830)
Other cash payments		(136)	(2,257)	(2,997)
Total administered cash outflows		(135,164)	(137,162)	(152,360)
Administered net cash from (used by) operating activities	16.22	...	(1,080)	(2,476)
Administered cash flows from investing activities				
Administered cash inflows				
Proceeds from maturing Term Deposits		...	1,750	1,560
Total administered cash inflows		...	1,750	1,560
Administered cash outflows				
Investment in long term deposits		...	(1,000)	(1,750)
Payments for acquisition of non-financial assets		...	...	...
Total administered cash outflows		...	(1,000)	(1,750)
Administered net cash from (used by) investing activities		...	750	(190)
Administered cash flows from financing activities				
Administered cash inflows				
Trust receipts		...	(3,624)	2,428
Total administered cash inflows		...	(3,624)	2,428
Administered cash outflows				
Trust payments		...	...	(1,479)
Total administered cash outflows		...	...	(1,479)
Administered net cash from (used by) financing activities		...	(3,624)	949
Net increase (decrease) in administered cash held		...	(3,954)	(1,717)
Administered cash and deposits at the beginning of the reporting period		...	7,792	9,509
Administered cash and deposits at the end of the reporting period	16.21	...	3,838	7,792

This Schedule of Administered Cash Flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 16.1 of the accompanying notes.

I.4 Schedule of Administered Changes in Equity

	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2019	5,904	5,904
Total comprehensive result	(410)	(410)
Balance as at 30 June 2020	5,494	5,494

	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2018	8,061	8,061
Total comprehensive result	(2,157)	(2,157)
Balance as at 30 June 2019	5,904	5,904

This Schedule of Administered Changes in Equity should be read in conjunction with the accompanying notes.



Note 2: Departmental Output Schedules

2.1 Output Group Information

Comparative information has not been restated for external administrative restructures.

Budget information refers to original estimates and has not been subject to audit.

Output Group I – Industry, Skills Development and Business Growth

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	178,528	161,577	145,500
Other revenue from government	...	3,293	...
Grants	16,492	8,895	15,326
Sales of goods and services	610	1,767	1,884
Interest	2,380	665	790
Other revenue	1,120	1,844	571
Total revenue from continuing operation	199,130	178,041	164,071
Net gain/(loss) on disposal of non-financial assets	...	(59)	(53)
Net gain/(loss) on financial assets	...	...	(203)
Total income from continuing operations	199,130	177,982	163,815
Expenses from continuing operations			
Employee Entitlements	18,337	21,930	20,365
Depreciation and Amortisation	4,676	562	557
Grants and subsidies	160,787	147,304	131,243
Supplies and Consumables:			
Consultants	1,792	1,246	2,388
Property Services	679	604	672
Maintenance	335	432	400
Communications	387	310	259
Information Technology	834	1,525	1,269
Travel and Transport	689	1,214	1,151
Operating Lease costs	...	1,393	1,268
Advertising and Promotion	761	956	1,197
Other Supplies and Consumables	8,424	(139)	(65)
Borrowing costs	2,369	273	811
Other expenses	133	240	257
Total expenses from continuing operations	200,203	177,850	161,772
Net result from continuing operations	(1,073)	132	2,043
Net result	(1,073)	132	2,043
Other comprehensive income			
Changes in physical asset revaluation reserve	3,604	...	...
Other movements taken directly to equity	1,925	...	...
Total other comprehensive income	5,529	...	...
Comprehensive result	4,456	132	2,043

Output Group I – Industry, Skills Development and Business Growth (continued)

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Expense by output			
I.1 Coordinator-General	21,166	18,369	10,405
I.2 Industry and Business Development	44,535	33,150	31,754
I.3 Skills Development	134,502	126,331	119,613
Total	200,203	177,850	161,772
Net Assets			
Total assets deployed for Output Group I		12,955	90,504
Total liabilities incurred for Output Group I		134,442	63,535
Net assets deployed for Output Group I		(121,487)	26,969

Output Group 2 – Infrastructure

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	24,745	44,009	25,522
Other revenue from government	...	363	...
Grants	1,069	6,326	1,907
Sales of goods and services	2,845	5,628	6,531
Fees and fines	7,001	16,604	15,300
Other revenue	75	832	460
Total revenue from continuing operation	35,735	73,762	49,720
Net gain/(loss) on non-financial assets	(4)	(578)	(18,538)
Total income from continuing operations	35,731	73,184	31,182
Expenses from continuing operations			
Employee Entitlements	22,704	25,208	24,888
Depreciation and Amortisation	2,320	2,564	2,353
Grants and subsidies	170	4,775	4,114
Supplies and Consumables:			
Consultants	1,470	715	525
Property Services	438	414	334
Maintenance	7,140	(1,627)	234
Communications	769	1,678	1,425
Information Technology	1,601	3,104	2,717
Travel and Transport	286	1,238	1,146
Operating Lease costs	...	2,107	1,910
Advertising and Promotion	650	1,963	2,436
Other Supplies and Consumables	(649)	3,574	2,240
Borrowing costs	364	8	...
Other expenses	323	995	1,055
Total expenses from continuing operations	37,586	46,716	45,377
Net result from continuing operations	1,855	26,468	(14,195)
Net result	1,855	26,468	(14,195)
Other comprehensive income			
Changes in physical asset revaluation reserve	138,787	1,502	5,628
Other movements taken directly to equity	4,431	...	...
Total other comprehensive income	140,642	1,502	5,628
Comprehensive result	138,795	27,970	(8,567)
Expense by output			
2.1 Infrastructure Tasmania	800	1,820	1,524
2.2 Infrastructure Strategy	842	9,692	9,700
2.3 Land Transport Safety	26,301	25,181	23,980
2.4 Passenger Transport	6,015	4,944	4,606
2.5 Traffic Management and Engineering Services	3,628	5,079	5,567

Output Group 2 – Infrastructure (continued)

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Total	37,586	46,716	45,377
Net Assets			
Total assets deployed for Output Group 2		(63,018)	166,921
Total liabilities incurred for Output Group 2		11,566	6,198
Net assets deployed for Output Group 2		(74,584)	160,723

Output Group 3 – Energy Policy and Advice

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	2,796	7,499	5,609
Other revenue from government	...	29	...
Grants	3,000	731	30
Sales of goods and services	...	20	24
Fees and fines	475	...	...
Other revenue	1	744	...
Total revenue from continuing operation	6,272	9,023	5,663
Net gain/(loss) on non-financial assets	...	(3)	(4)
Total income from continuing operations	6,272	9,020	5,659
Expenses from continuing operations			
Employee Entitlements	2,587	2,345	1,697
Depreciation and Amortisation	...	36	33
Grants and subsidies	725	1,025	112
Supplies and Consumables:			
Consultants	2,898	41	424
Property Services	29	14	11
Maintenance	...	9	8
Communications	14	21	16
Information Technology	...	106	87
Travel and Transport	20	62	80
Advertising and Promotion	(1)	2	...
Operating Lease costs	...	95	86
Other Supplies and Consumables	1	5,025	4,029
Other expenses	1	12	19
Total expenses from continuing operations	6,274	8,793	6,602
Net result from continuing operations	(2)	(227)	(943)
Net result	(2)	(227)	(943)
Other comprehensive income			
Other movements taken directly to equity	(4)	...	...
Total other comprehensive income	(4)	...	...
Comprehensive result	(6)	(227)	(943)
Expense by output			
3.1 Energy Policy and Advice	(6)	8,793	6,602
Total	(6)	8,793	6,602
Net Assets			
Total assets deployed for Output Group 3		(11,125)	161
Total liabilities incurred for Output Group 3		1,102	1,134
Net assets deployed for Output Group 3		(12,227)	(973)

Output Group 4 – Resources Policy and Regulatory Services

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	12,502	10,425	9,131
Other revenue from government	...	150	...
Grants	...	307	...
Sales of goods and services	...	121	...
Other revenue	776	137	223
Total revenue from continuing operation	13,278	11,140	9,354
Net gain/(loss) on non-financial assets	...	(15)	(22)
Total income from continuing operations	13,278	11,125	9,332
Expenses from continuing operations			
Employee Entitlements	6,005	7,297	6,894
Depreciation and Amortisation	698	240	230
Grants and subsidies	1,775	907	298
Supplies and Consumables:			
Consultants	492	71	31
Property Services	167	135	67
Maintenance	(13)	80	68
Communications	576	100	83
Information Technology	273	812	649
Travel and Transport	85	384	393
Operating Lease costs	...	521	471
Advertising and Promotion	...	92	64
Other Supplies and Consumables	3,722	(60)	121
Borrowing costs	169	...	...
Other expenses	12	160	105
Total expenses from continuing operations	13,961	10,739	9,474
Net result from transactions (net operating balance)	(683)	386	(142)
Net result	(683)	386	(142)
Other comprehensive income			
Changes in physical asset revaluation reserve	...	...	...
Other movements taken directly to equity	155	...	...
Total other comprehensive income	155	...	...
Comprehensive result	(528)	386	(142)
Expense by output			
4.1 Forestry Policy and Reform	2,459	1,918	3,253
4.2 Mineral Resources	11,502	8,821	6,221
Total	13,961	10,739	9,474
Net Assets			
Total assets deployed for Output Group 4		(49,285)	12,534
Total liabilities incurred for Output Group 4		10,220	8,840
Net assets deployed for Output Group 4		59,505	3,694

Output Group 5 – Cultural and Creative Industries

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	51,845	43,954	42,314
Other revenue from government	...	339	...
Grants	...	4,121	3,273
Sales of goods and services	700	1,088	1,620
Other revenue	...	2,221	1,677
Total revenue from continuing operation	52,545	51,723	48,884
Net gain/(loss) on non-financial assets	...	(62)	(35)
Net gain/(loss) on financial assets	...	(1,295)	(1,570)
Total income from continuing operations	52,545	50,366	47,279
Expenses from continuing operations			
Employee Entitlements	11,929	13,261	12,503
Depreciation and Amortisation	496	718	698
Grants and subsidies	33,023	27,397	29,675
Supplies and Consumables:			
Consultants	1,047	544	485
Property Services	620	1,561	1,357
Maintenance	620	824	788
Communications	215	273	356
Information Technology	160	918	1,027
Travel and Transport	297	401	484
Operating Lease costs	...	812	737
Advertising and Promotion	491	1,605	588
Lease costs not subject to AASB 16	10	...	...
Other Supplies and Consumables	4,080	1,628	820
Other expenses	43	190	199
Total expenses from continuing operations	53,031	50,132	49,717
Net result from continuing operations	(486)	234	(2,438)
Net result	(486)	234	(2,438)
Other comprehensive income			
Changes in physical asset revaluation reserve	10,140	(28,268)	...
Other movements taken directly to equity	436	...	...
Total other comprehensive income	10,576	(28,268)	...
Comprehensive result	10,090	(28,034)	(2,438)
Expense by output			
5.1 Tasmanian Museum and Art Gallery	10,226	11,482	12,659
5.2 Arts Industry Development	16,505	12,120	12,242
5.3 Screen Industry Development	2,148	1,454	2,908
5.4 Events and Hospitality	24,152	23,606	21,908
5.5 Visitor Economy Support	...	1,471	...
Total	53,031	50,132	49,717
Net Assets			
Total assets deployed for Output Group 5		330,038	453,098
Total liabilities incurred for Output Group 5		4,025	3,033
Net assets deployed for Output Group 5		326,013	450,065

Output Group 6 – Transport Subsidies and Concessions

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	102,789	83,176	75,359
Reserved by Law	52	...	...
Other revenue	...	390	273
Total revenue from continuing operation	102,841	83,566	75,632
Total income from continuing operations		83,566	75,632
Expenses from continuing operations			
Grants and subsidies	102,427	95,002	74,345
Supplies and Consumables:			
Consultants	...	19	...
Property Services	...	...	...
Maintenance	...	348	103
Advertising and promotion	...	58	5
Other Supplies and Consumables	414	701	633
Other expenses	...	693	680
Total expenses from continuing operations	102,841	96,821	75,766
Net result from continuing operations	0	(13,255)	(134)
Comprehensive result	0	(13,255)	(134)
Expense by output			
6.1 Shipping and Ferry Subsidies	1,167	638	1,602
6.2 Metropolitan General Access Services	63,202	62,789	40,390
6.3 Rural and Special Needs School Bus Services	38,420	33,394	18,854
6.4 Non-Metropolitan General Access Services	...	...	14,920
6.5 Construction of Streets in Towns	52	...	...
Total	102,841	96,821	75,766
Net Assets			
Total assets deployed for Output Group 6		208	33
Total liabilities incurred for Output Group 6		420	371
Net assets deployed for Output Group 6		(212)	(338)

Output Group 89 – Public Building Maintenance Fund

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation
Other revenue	...	272	...
Total revenue from continuing operation	...	272	...
Total income from continuing operations	...	272	...
Expenses from continuing operations			
Supplies and Consumables:			
Consultants	...	18	...
Property Services
Maintenance	...	188	...
Other Supplies and Consumables	...	46	...
Other expenses
Total expenses from continuing operations	...	252	...
Net result from continuing operations	...	20	...
Comprehensive result	...	20	...
Expense by output			
89.001 Public Building Maintenance Fund	...	252	...
Total	...	252	...
Net Assets			
Total assets deployed for Output Group 89		216	...
Total liabilities incurred for Output Group 89	
Net assets deployed for Output Group 89		216	...

Output Group 90 – COVID-19 Response

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation	...	64,452	...
Reserved by Law
Other revenue
Total revenue from continuing operation	...	64,452	...
Total income from continuing operations	...	64,452	...
Expenses from continuing operations			
Grants and subsidies	...	64,413	...
Supplies and Consumables:			
Consultants	...	95	...
Information Technology
Travel and Transport	...	1	...
Advertising and promotion	...	5	...
Other Supplies and Consumables	...	(62)	...
Other expenses
Total expenses from continuing operations	...	64,452	...
Net result from continuing operations
Comprehensive result
Expense by output			
90.001 Creative and Cultural Industries Support	...	845	...
90.002 Rapid Response Skills Initiative	...	183	...
90.003 Small Business \$50 million Interest Free Loans
90.004 Small Business Grants Program for Apprentices and Traineeships	...	800	...
90.005 TCCI and THA Training Fund
90.006 Tourism and Hospitality financial counselling	...	150	...
90.007 TCCI Human Resource and Industrial Relations Assistance	...	78	...
90.008 Small Business Grants Program	...	59,467	...
90.009 Digital Ready for Business program	...	100	...
90.010 Small Business Continuity Advice	...	1,414	...
90.011 Rural Financial Counselling Service	...	100	...
90.012 Supporting our local Chamber of Commerce	...	67	...
90.013 Critical Airfreight Support - Bass Strait Islands	...	1,221	...
90.014 Critical Airfreight Support - Time sensitive air freight including seafood	...	27	...
Total	...	64,452	...
Net Assets			
Total assets deployed for Output Group 89	
Total liabilities incurred for Output Group 89	
Net assets deployed for Output Group 89	

Output Group – Capital Investment Program

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations			
Revenue from appropriation – capital	197,238	191,832	146,166
Other revenue from government	...	5,142	...
Grants	116,995	66,451	136,682
Sales of goods and services	100	285	301
Fees and fines	7,000	...	...
Other revenue	200	11,952	48,098
Total revenue from continuing operation	321,533	275,662	331,247
Net gain/(loss) on non-financial assets	...	(43,751)	24,256
Net gain/(loss) on financial assets	...	...	(1)
Total income from continuing operations	321,533	231,911	355,502
Expenses from continuing operations			
Employee Entitlements	7,917	17,783	1,997
Depreciation and Amortisation	84,036	103,895	103,903
Grants and subsidies	8,160	21,338	15,936
Supplies and Consumables:			
Consultants	...	3,792	1,025
Maintenance	61,794	24,601	70,741
Property Services	...	4,165	134
Communications	...	211	324
Information Technology	...	854	543
Travel and Transport	...	174	172
Operating Lease costs	...	13	11
Advertising and Promotion	...	213	64
Other Supplies and Consumables	32	1,791	8,766
Other expenses	2,066	19	69
Total expenses from continuing operations	164,005	178,849	203,685
Net result from continuing operations	157,528	53,062	151,817
Net result	157,528	53,062	151,817
Other comprehensive income			
Changes in physical asset revaluation reserve	(2,357)	(222,601)	333,930
Total other comprehensive income	...	(222,601)	333,930
Comprehensive result	155,171	(169,539)	485,747
Net Assets			
Total assets deployed for Output – Capital Investment Program		6,000,447	5,603,445
Total liabilities incurred for Output – Capital Investment Program		22,223	25,936
Net assets deployed for Output – Capital Investment Program		5,978,224	5,577,509

Output Group – Capital Investment Program (continued)

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Expense by output			
A Workforce for Now and the Future	50	...	(63)
Asset Management	5,782	5,404	5,736
Bass Highway – Birrallee to Exton	...	2	303
Bass Highway – Wynyard	...	...	419
Bridge Renewal Program	4,224	4,680	7,404
Bridge Strengthening on Esk and Tasman Highways	5,100	...	160
Bridport Western Access Road	...	785	...
Brooker Hwy – Elwick, Goodwood, Howards Road	...	828	31
Bruny Island Main Road	...	...	456
Colebrook Main Road	...	...	3,445
Community Roads 2 Planning	...	...	8
Domain Highway Planning	1,701	...	810
Environmental Management	599	600	585
Esk Main Road	...	16	3,918
Extending the Great Eastern Drive – Binalong Bay Road	200	5	...
Freight Access Bridge Upgrades	4,400	4,907	5,867
Great Eastern Drive	3,000	3,643	3,499
Greater Hobart Traffic Solution	8,750	4,991	511
Heavy Vehicle Safety and Productivity	4,700	6,494	...
Highland Lakes Road	100	451	5,926
Hobart Airport Interchange	9,500	265	2,489
Huon Highway / Summerleas Rd	...	46	2,064
Huon Highway Upgrade – Glendevie	...	916	443
Infrastructure Development	1,125	1,164	...
Infrastructure Maintenance	72,293	2,458	4,851
Launceston and Tamar Valley Traffic Vision	4,790	2,238	139
Launceston Northbank	...	...	675
Midland Highway	52,716	42,872	108,467
Mowbray Connector	6,000	3,632	401
Murchison Highway	...	...	695
New Bridgewater Bridge	8,000	1,916	411
Program Management	1,248	1,248	1,162
Real-Time Traffic Congestion Management in Hobart	...	185	1,095
Road Safety and Traffic Management	17,291	10,646	8,069
Roads of Strategic Importance	15,200	7,116	1,857
Roads Package to Support Tasmania's Visitor Economy	20,740	18,599	7,312
South East Traffic Solution	4,900	11,034	813
State Road Upgrades – Northern Region	7,230	13,926	9,113
State Road Upgrades – Southern Region	25,150	16,265	10,978
State Roads Upgrades – North West and West Coast Region	3,600	8,077	771

Output Group – Capital Investment Program (continued)

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Strategic Planning and Policy	2,844	2,564	2,495
Tasman Ramps	...	103	108
Tasmanian Journeys	300	31	...
Urban Congestion Fund	24,200	49	...
West Tamar Traffic Solution	5,800	693	262
Total	321,533	178,849	203,685

2.2 Reconciliation of Total Output Groups Comprehensive Result to Statement of Comprehensive Income

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Total comprehensive result of Output Groups	321,533	(182,092)	475,567
Reconciliation to comprehensive result			
Expenses unallocated to Output Groups (accruals)	...	(10)	...
Comprehensive result	321,533	(182,102)	475,567

2.3 Reconciliation of Total Output Groups Net Assets to Statement of Financial Position

	2020 Actual \$'000	2019 Actual \$'000
Total net assets deployed for Output Groups	6,036,438	6,217,648
Reconciliation to net assets		
Assets unallocated to Output Groups (overheads)	...	6,764
Liabilities unallocated to Output Groups (overheads)	...	(5,872)
Net assets	6,036,438	6,218,540

2.4 Administered Output Schedule

Comparative information has not been restated for external administrative restructures. Budget information refers to original estimates and has not been subject to audit.

Output Group – Grants and Subsidies

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Administered revenue and other income from transactions			
Revenue from appropriation	40,994	40,448	53,166
Grants	...	2,057	574
Sales of goods and services	...	957	926
Fees and fines	...	60	99
Other revenue	...	72	75
Total administered revenue and other income from transactions	40,994	43,594	54,840
Administered expenses from transactions			
Employee Entitlements	...	2,145	2,232
Depreciation and Amortisation	...	3	3
Grants and subsidies	40,858	40,365	53,028
Supplies and Consumables:			
Consultants	...	498	459
Property Services	...	40	24
Maintenance	...	1	1
Communications	...	17	22
Information Technology	...	107	66
Travel and Transport	...	110	159
Operating Lease costs	...	80	84
Advertising and Promotion	...	3	...
Other Supplies and Consumables	136	289	598
Other expenses	...	(22)	316
Total administered expenses from transactions	40,994	43,636	56,992
Administered net result from transactions (net operating balance)	...	(42)	(2,152)
Total administered comprehensive result	...	(42)	(2,152)
Administered expense by output			
91.580 Government contribution to Tasmanian Symphony Orchestra	1,519	1,519	1,519
91.595 Student-Only Passenger Services	...	...	15,003
91.598 National Road Transport Commission: Local Government Contribution	1,500	1,500	1,500
91.621 Payments on behalf of Forest Practices Authority	1,533	4,712	4,862
91.624 Conveyance Allowance	1,630	703	967
91.625 Pensioner Air Travel Subsidy	10	7	10
91.626 Transport Access Scheme	4,518	4,939	5,426
91.643 Contribution to Marine & Safety Authority	1,793	2,142	2,613
91.660 Monies on behalf of External Bodies	...	...	452
91.739 Private Forests Tasmania	1,615	1,615	1,583
91.750 Tasmanian Icon Program – Tasmanian Symphony Orchestra	500	500	500
91.751 Ten Days on the Island	1,326	1,027	1,601
91.878 Theatre Royal	870	870	856

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
91.882 Tasmanian Railway Pty Ltd	10,100	10,100	8,100
91.883 West Coast Wilderness Railway	4,080	4,000	...
91.884 Sustainable Timber Tasmania	10,000	10,000	12,000
Total	40,994	43,634	56,992

Net Assets

Total assets deployed for Output – Grants and Subsidies	(939)	701
Total liabilities incurred for Output – Grants and Subsidies	461	445
Net assets deployed for Output – Grants and Subsidies	(1,400)	256

2.5 Reconciliation of Total Administered Output Groups Comprehensive Result to Schedule of Administered Income and Expenses

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Total administered comprehensive result of Output Groups	...	(42)	(2,152)

Reconciliation to administered net surplus (deficit)

Administered revenue collections	94,170	91,968	93,550
Transfers to the Public Account	(94,170)	(92,942)	(93,830)
Other administered transactions (i.e. unallocated to Output Groups)	...	606	275
Administered comprehensive result	...	(410)	(2,157)

2.6 Reconciliation of Total Administered Output Groups Net Assets to Schedule of Administered Assets and Liabilities

	2020 Actual \$'000	2019 Actual \$'000
Total administered net assets deployed for Output Groups	(1,400)	256

Reconciliation to administered net assets

Assets unallocated to Output Groups	6,902	9,118
Liabilities unallocated to Output Groups	(10)	(3,470)
Administered net assets	5,492	5,904

Note 3: Expenditure under Australian Government Funding Arrangements

	State Funds	Australian Government Funds	State Funds	Australian Government Funds
	2020	2020	2019	2019
	Actual	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000
National Partnership Payments				
<i>Infrastructure</i>				
Black Spot Projects	257	1,464	653	1,179
Nation Building program – Road	66,781	58,523	57,502	124,980
Interstate Road Transport	...	...	...	643
Asset Recycling Fund – New Investments	...	...	277	27
Roads of Strategic Importance	1,428	4,671	...	340
Bridges Renewal Programme	4,365	3,902	3,746	3,664
Murchison Highway	...	...	...	2,261
New Bridgewater Bridge	1,764	20	623	68
Heavy Vehicle Safety and Productivity	4,906	1,594	...	...
Urban Congestion Fund	99	34	...	...
Suicide Prevention	557	340	...	...
<i>Education</i>				
Building Australia's Workforce Training for Single and Teen Parents	...	...	...	698
<i>Environment</i>				
Marinus Link	...	681	...	...
<i>Skills and Workforce</i>				
Skilling Australians Fund	...	792	...	24
Building Australia's Future Workforce – Vocational Education	...	3,940	...	5,476
Energising Tasmania	...	1	...	...
Industry and Indigenous skills centre	...	...	...	5
TAFE Fee Waivers for Childcare Qualifications	...	...	...	422
North-West Tasmania Job Ready Generation	...	654	...	...
<i>Other</i>				
Developing Demand Driver Infrastructure for the Tourism Industry	...	26	...	85
Regional Tourism Infrastructure and Innovation Fund	...	...	...	30
Tourism Growth Package	145	314	...	540
Western Tasmania Export Corridor Plan	...	...	...	59
Total	80,302	76,956	62,801	140,501

Additional details of capital expenditures included in the above note are included within Note 13.4.

Note 4: Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$500,000.

4.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – operating	(a)	373,205	415,093	41,888	11%
Other revenue from Government	(b)	52	9,316	9,264	17,815%
Grants	(c)	137,556	85,710	(51,846)	(38%)
Sale of goods and services	(d)	4,255	8,091	3,836	90%
Fees and fines	(e)	14,476	16,418	1,942	13%
Interest	(f)	2,380	950	(1,430)	(60%)
Contributions received	(g)	...	26,807	26,807	100%
Other revenue	(h)	2,172	7,322	5,150	237%
Net gain/(loss) on non-financial assets	(i)	4	(37,038)	(37,042)	100%
Net gain/(loss) on financial instruments and statutory receivables/payables	(j)	...	(812)	(812)	(100%)
Employee benefits	(k)	69,479	80,193	10,714	15%
Depreciation and amortisation	(l)	92,226	108,016	15,790	17%
Supplies and consumables	(m)	103,649	80,607	(22,982)	(22%)
Grants and subsidies	(n)	307,067	362,869	55,802	18%
Finance costs	(o)	2,902	305	(2,597)	(89%)

Notes to Statement of Comprehensive Income variances

- (a) The major variance between budget and actual relates to the Government's Economic Stimulus Package funding released in March 2020.
- (b) Unanticipated (in original budget) appropriation carried forward from 2018-19 under section 8A of the *Public Account Act 1986*.
- (c) Variance reflects Australian Government revenue for the Capital Investment Program cash flowed into future years.
- (d) Variance reflects unanticipated (in original budget) rental revenue from Technopark and other properties (\$1.2 million) and Abt Railway ticketing and sales revenues (\$2.6 million).
- (e) Variance reflects change in anticipated revenue collections for vehicles as it relates to the Road Safety Levy.
- (f) Variance reflects diminishing interest earning loan balances. A significant proportion of lending relates to Commonwealth funded rural loan schemes administered by the Department, where interest is paid directly to the Commonwealth.
- (g) Variance represents acquisition of Infrastructure assets (Roads and Land under Roads).
- (h) Variance reflects unanticipated (in original budget) revenue receipts relating to emergency and flood repairs in the Capital Investment Program along with reimbursement of additional expenditure linked to COVID-19.
- (i) Variation to original budget includes the transfer of road and bridge assets to the City of Launceston (\$10.8 million) the write off of replaced road and bridge assets (\$33 million) and increase in land under roads (\$7.4 million).
- (j) Variance to original budget reflects the impairment of Screen Tasmania investments in various film productions (\$1.3 million) and the reversal on impairment of \$0.5 million on loan assets.
- (k) Employee benefits primarily relates to Capital Investment Program salary and wages not capitalised.
- (l) Original budget did not include an adjustment for the change in road infrastructure valuation and depreciation methodology as adopted in 2018-19.
- (m) Variance relates to the capitalisation of maintenance costs which is included as an expense in the Original Budget.
- (n) Variance reflects unanticipated (in original budget) funding associated with the Government's Economic Stimulus Package funding released in March 2020.
- (o) Original Budget includes the impact of AASBI6 Leases; however, due to a change in the Treasurer's Instructions application of AASBI6 was lower than originally anticipated.

4.2 Statement of Financial Position

Budget estimates for the 2019-20 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2018-19. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2018-19. The following variance analysis therefore includes major movements between the 30 June 2018 and 30 June 2020 actual balances.

	Note	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	63,356	75,165	68,594	11,809	6,571
Receivables	(b)	6,380	9,575	7,194	3,195	2,381
Loan advances	(c)	54,412	126,218	71,836	71,806	54,382
Heritage and cultural assets	(d)	428,986	380,941	408,870	(48,045)	(27,929)
Right of use assets	(e)	29,132	1,062	...	(28,070)	1,062
Other assets	(f)	12,905	1,909	12,273	(10,996)	(10,364)
Payables	(g)	10,630	13,676	14,712	3,046	(1,036)
Lease liabilities	(h)	29,504	1,052	...	(28,452)	1,052
Borrowings	(i)	49,972	127,223	55,832	77,251	71,391
Provisions	(j)	4,461	5,601	5,301	1,140	300
Other liabilities	(k)	898	19,888	19,132	18,990	(3,756)

Notes to Statement of Financial Position variances

- (a) Variance reflects an increase in borrowings from Tascorp in order to fund the activities of the TDR Board including the COVID-19 Interest Free Business Support Loan Scheme.
- (b) Variance reflects higher than anticipated (Original Budget) tax asset receivables.
- (c) Variance primarily reflects (in original budget) the additional loans provided as part of the Government's Economic Stimulus Package funding released in March 2020, which included the COVID-19 Interest Free Business Support Loan Scheme.
- (d) Reflects the revaluation of the TMAG's Heritage and Cultural collection assets in line with both TMAG and the Department's revaluation policies.
- (e) Original Budget includes the impact of AASBI6 Leases; however, due to a change in the Treasurer's Instructions application of AASBI6 was lower than originally anticipated.
- (f) Original budget includes a deposit on a building of \$11 million which was reclassified as an expense during 2019-20.
- (g) Variance reflects higher than expected accrual of supplier payments after the end of the financial year that were for services supplied during 2019-20.
- (h) Original Budget includes the impact of AASBI6 Leases; however, due to a change in the Treasurer's Instructions application of AASBI6 was lower than originally anticipated.
- (i) Variance reflects higher than anticipated TDR borrowing activity with Tascorp to fund the COVID-19 Interest Free Business Support Loan Scheme provided as part of the Government's Economic Stimulus Package funding released in March 2020.
- (j) Variance reflects higher than anticipated (original Budget) provision for land acquisitions.
- (k) Variance reflects unanticipated (in Original Budget) level of Monies held in trust.

4.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts – operating	(a)	372,066	413,620	41,554	11%
Appropriation receipts – capital	(b)	64,796	41,813	(22,983)	(35%)
Grants	(c)	35,564	26,265	(9,299)	(26%)
Sales of goods and services	(d)	4,260	8,835	4,575	107%
Fees and fines	(e)	14,476	16,548	2,072	14%
GST receipts/payments (net)	(f)	(1)	(1,077)	(1,076)	1,076%
Interest receipts	(g)	2,380	1,134	(1,246)	(52%)
Other cash receipts	(h)	2,172	4,807	2,635	121%
Employee benefits	(i)	(69,099)	(86,259)	(17,160)	25%
Grants and subsidies	(j)	(306,992)	(351,883)	(44,891)	15%
Supplies and consumables	(k)	(108,115)	(75,565)	32,550	(30%)
Interest payments	(l)	(1,760)	(122)	1,638	(93%)
Other cash payments	(m)	(2,578)	(1,462)	1,116	(43%)
Receipts from non-operational capital funding – capital	(n)	132,442	150,019	17,577	13%
Receipts from Australian Government funding	(o)	101,992	60,579	(41,413)	(41%)
Repayment of loans by other entities	(p)	7,300	9,679	2,379	33%
Loans made to other entities	(q)	(3,500)	(63,768)	(60,268)	1,722%
Payments for investments	(r)	...	(1,315)	(1,315)	(100%)
Borrowings proceeds/repayments (net)	(s)	(7,630)	71,391	79,021	(1,036%)
Trust receipts/payments (net)	(t)	...	4,726	4,726	100%

Notes to Statement of Cash Flows variances

- (a) The major variance between budget and actual relates to the Government's Economic Stimulus Package funding released in March 2020.
- (b) Variance reflects Original Budget classification of appropriation split between Appropriation receipts capital and Receipts from non-operational capital funding – capital – overall, no net variance exists (refer note n).
- (c) Variance reflects Australian Government revenue for the Capital Investment Program cash flowed into future years.
- (d) Variance reflects unanticipated (in original budget) rental revenue from Technopark and other properties (\$1.2 million) and Abt Railway ticketing and sales revenues (\$2.6 million).
- (e) Variance reflects change in anticipated revenue collections for vehicles as it relates to the Road Safety Levy.
- (f) Variance reflects timing differences of the receipt of GST refunds over the end of financial years.
- (g) Variance reflects diminishing interest earning loan balances. A significant proportion of lending relates to Commonwealth funded rural loan schemes administered by the Department, where interest is paid directly to the Commonwealth.
- (h) Variance reflects unanticipated (in original budget) revenue receipts relating to emergency and flood repairs in the Capital Investment Program along with reimbursement of additional expenditure linked to COVID-19.
- (i) Variance to Original Budget for Employee benefits primarily relates to Capital Investment Program salary and wages classified as capital expenditure.
- (j) Variance reflects unanticipated (in original budget) funding associated with the Government's Economic Stimulus Package funding released in March 2020.
- (k) Variance relates to the capitalisation of maintenance (payments for acquisition of non-financial assets) which is included as an expense in the Original Budget.
- (l) Borrowing costs were below budget due to TDR refinancing loans with Tascorp at a lower cost of funds and the subsequent timing of interest payments due on those loans.
- (m) Variance reflects the Original Budget classification for the Domain Highway planning.
- (n) Variance reflects Original Budget classification of appropriation split between Appropriation receipts capital and Receipts from non-operational capital funding – capital – overall, no net variance exists (refer note b).
- (o) Variance reflects Australian Government revenue for the Capital Investment Program cash flowed into future years.
- (p) Variance reflects higher than anticipated (in Original Budget) repayment of TDR loan advances.

- (q) Variance reflects higher than anticipated (in Original Budget) disbursement of new TDR loan advances including the additional COVID-19 Interest Free Business Support Loan Scheme loans provided through the Government's Economic Stimulus Package funding released in March 2020.
- (r) Variance reflects Screen Tasmania investments in various film productions.
- (s) Variance reflects an unbudgeted net increase in borrowing from Tascorp in order to fund the activities of the TDR Board including the COVID-19 Interest Free Business Support Loan Scheme.
- (t) Variance reflects unbudgeted movements in monies held in trust.

Note 5: Underlying net operating balance

Non-operational capital funding is the income from transactions relating to funding for capital projects. This funding is classified as income from transactions and included in the net operating balance. However, the corresponding capital expenditure is not included in the calculation of the net operating balance. Accordingly, the net operating balance will portray a position that is better than the true underlying financial result.

For this reason, the net operating result is adjusted to remove the effects of funding for capital projects.

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Net result from transactions (net operating balance)		153,437	89,059	136,019
<i>Less impact of Non-operational capital funding:</i>				
Revenue from Government – recurrent	6.1	1,191	2,452	1,157
Revenue from Government – works and services	6.1	132,442	141,697	55,664
Revenue from Australian Government		...	48,009	114,627
Contributions received		...	26,807	48,009
Total		235,625	230,019	219,457
Underlying Net operating balance		(82,188)	(140,960)	(83,438)

Note 6: Income from transactions

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

6.1 Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Department gains control of the appropriated funds. Except for any amounts identified as carried forward, control arises in the period of appropriation.

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

Section 8A(2) of the *Public Account Act 1986* allows for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward is recognised as a liability, Revenue Received in Advance (refer note 10.5). The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met and the funds are expended.

The Budget information is based on original estimates and has not been subject to audit.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Appropriation revenue – recurrent			
Continuing operations	372,066	412,641	302,910
Non-operational capital funding	1,191	2,452	1,157
Less: Revenue received in advance	...	...	(4,149)
Appropriation revenue – recurrent	373,257	415,093	299,918
Appropriation revenue – works and services			
Continuing operations	64,796	50,135	87,121
Non-operational capital funding	132,442	141,697	55,664
Less: Revenue received in advance	...	...	(5,142)
Appropriation revenue – works and services	197,238	191,832	137,643
Other revenue from Government			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year:			
Operating	...	4,149	4,340
Capital	...	5,142	9,416
Unexpended from prior year - returned	...	25	(1,714)
Other revenue from Government	...	9,316	12,042
Total revenue from Government	570,495	616,241	449,603

6.2 Grants

In 2018-19, Grants payable by the Australian Government were recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue was recognised as performance occurred under the grant. Non-reciprocal grants were recognised as revenue when the grant is received or receivable. Conditional grants were reciprocal or non-reciprocal depending on the terms of the grant.

From 2019-20, Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when the Department satisfies the performance obligation and transfers the promised goods or services. The Department typically satisfies its performance obligations when the corresponding expenditure is incurred, more bespoke grants will detail how the performance obligations are to be satisfied within the grant documentation. The Department recognises revenue associated with performance obligations as performance obligations are deemed to be met, typically revenue is received as a reimbursement and can be recognised on receipt.

Note 10.6 outlines the transaction price that is allocated to the performance obligations that have not yet been satisfied at the end of the year, within revenue received in advance.

Grants revenue without a sufficiently specific performance obligation are recognised when the Department gains control of the asset (typically Cash).

Grants to acquire/construct a recognisable non-financial asset to be controlled by the Department are recognised when the Department satisfies its obligations under the transfer. The Department satisfies its performance obligations over time as the non-financial assets are being constructed using the expenses incurred for the asset as the trigger for recognition of the grant.

	2020	2019
	\$'000	\$'000
Grants with sufficiently specific performance obligations		
Grants from the Australian Government	6,909	...
Grants from the Tasmanian Government	6,999	...
Industry contributions	1,442	...
Total	15,350	...
Grants to acquire/construct a recognisable non-financial asset		
Grants from the Australian Government	64,440	...
Grants from the Tasmanian Government	5,920	...
Total	70,360	...
Continuing operations		
Grants from the Australian Government	...	9,105
Grants from the Tasmanian Government	...	3,296
Industry contributions	...	1,881
Total	...	14,282
Non-operational capital funding		
Grants from the Australian Government	...	135,694
Grants from the Tasmanian Government	...	7,290
Total	...	142,984
Total revenue from Grants	85,710	157,266

6.3 Sales of goods and services

In 2018-19, amounts earned in exchange for the provision of goods were recognised when the significant risks and rewards of ownership had been transferred to the buyer. Revenue from the provision of services was recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion was assessed by reference to surveys of work performed.

From 2019-20, revenue from Sales of goods are recognised when the Department satisfies a performance obligation by transferring the goods to the customer. The Department typically satisfies its performance obligations at the time of the transaction. The Department recognises revenue associated with performance obligations at the time of transaction or in line with relevant contractual arrangements.

Revenue from the provision of services is recognised when the Department satisfies its performance obligation by transferring the promised services. The Department typically satisfies its performance obligations at the time of the transaction or in line with contractual arrangements. The Department recognises revenue associated with performance obligations as they occur or in line with the relevant contractual arrangements.

	2020	2019
	\$'000	\$'000
Goods	1,239	1,465
Services	1,163	1,087
Abt Railway ticketing sales and retail revenue	4,145	4,786
Rental revenue	1,544	2,423
Total	8,091	9,761

6.4 Fees and fines

Revenue from fees and fines is recognised when obligation to pay arises, pursuant to the issue of an assessment.

	2020	2019
	\$'000	\$'000
Road Safety Levy	15,496	14,573
Other	922	546
Total	16,418	15,119

6.5 Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method. Interest revenue includes interest received by the Department on loan advances.

	2020	2019
	\$'000	\$'000
Interest – loan advances	950	1,254
Total	950	1,254

6.6 Contributions received

Services received free of charge by the Department, are recognised as income when a fair value can be reliably determined and at the time the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the Department obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to the Department and the amount can be measured reliably. However, where the contribution received is from another government agency as a consequence of restructuring of administrative arrangements, they are recognised as contributions by owners directly within equity and in these circumstances, book values from the transferor agency have been used.

	2020	2019
	\$'000	\$'000
Fair value of additions to TMAG Collections at no cost	201	55
Land under Roads transferred from Launceston City Council	3,392	...
Roads transferred from Launceston City Council	22,929	...
Roads transferred from Hobart City Council	...	7,417
Land under Roads transferred from Hobart City Council	...	40,537
Other contributions and sponsorship received	285	714
Total	26,807	48,723

6.7 Other revenue

Revenue from sources other than those identified above are recognised in the Income Statement when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably. Other revenue includes sundry fee revenues and other income received relating to *War Service Land Settlement Act 1950* rural properties.

	2020	2019
	\$'000	\$'000
Administrative support charge – Tourism Tasmania	903	932
Administrative support charge – Macquarie Point Development Corporation	102	131
Recoveries and contributions received	1,344	1,320
Miscellaneous revenue	4,973	464
Total	7,322	2,847

Note 7: Net Gain/(Losses)

7.1 Net gain/(loss) on non-financial assets

Gains or losses from the sale of Non-financial assets are recognised when control of the assets has passed to the buyer.

Key Judgement

Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

Specialised non-financial assets are not used for the purpose of generating cash flows; therefore their recoverable amount is expected to be materially the same as fair value, as determined under AASB 13 Fair Value Measurement.

All other non-financial assets are assessed to determine whether any impairment exists, with impairment losses recognised in Statement of Comprehensive Income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the Estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

	2020	2019
	\$'000	\$'000
Revaluation increment Land under Roads applied to statement of comprehensive income	7,429	35,864
Write off of replaced road assets	(32,430)	(8,085)
Write off of replaced bridge assets	(529)	(226)
Bridges transferred to Launceston City Council	(1,428)	...
Roads transferred to Launceston City Council	(9,365)	(2,933)
Roads transferred to Sustainable Timber Tasmania	...	(364)
Land transferred to Macquarie Point Development Corporation	...	(18,350)
Net gain/(loss) on disposal of assets sold	...	(107)
Write off of traffic signals replaced/upgraded	(277)	(196)
Net loss on disposal of plant and equipment	(35)	...
Net loss on disposal of land - Midland Hwy Mangalore	(105)	...
Net loss on disposal of buildings - Midland Hwy Mangalore	(135)	...
Net loss on disposal of Leasehold Improvements on Cornwall Square premises	(163)	...
	(37,038)	5,603

7.2 Net gain/(loss) on financial instruments and statutory receivables/payables

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that there are any financial assets that are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Key Judgement

An impairment loss using the expected credit loss method for all trade debtors uses a lifetime expected loss allowance. The expected loss rates are based upon historical observed loss rates that are adjusted to reflect forward looking macroeconomic factors.

For other financial instruments that are not trade receivables, contract assets or lease receivables, the Department has measured the expected credit loss using a probability-weighted amount that takes into account the time value of money and forward looking macroeconomic factors

	2020	2019
	\$'000	\$'000
Impairment reversals/(losses) of:		
Loans advances	483	(183)
Equity investments	(1,295)	(1,570)
Receivables written off during the year	...	(21)
Total net gain/(loss) on financial instruments	(812)	(1,774)

Note 8: Expenses from transactions

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

8.1 Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee expenses

	2020 \$'000	2019 \$'000
Wages and salaries	60,249	47,934
Annual leave	5,080	4,727
Long service leave	1,159	1,095
Superannuation	9,650	8,238
Other post-employment benefits	1,187	2,033
Other employee expenses	2,451	2,641
Other employee benefits – Fringe Benefits Tax	417	398
Total	80,193	67,066

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2019: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2019: 9.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a “gap” payment equivalent to 3.45 per cent (2019: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key management personnel

	Short-term benefits		Long-term benefits			Total \$'000
	Salary \$'000	Other Benefits \$'000	Super-annuation \$'000	Other Benefits & Long-Service Leave \$'000	Termination Benefits \$'000	
2020						
<i>Key management personnel</i>						
Office of the Coordinator-General:						
John Perry, Coordinator-General	417	19	41	18	...	495
Department of State Growth:						
Kim Evans, Secretary	370	22	56	22	...	470
Bob Rutherford, Deputy Secretary Industry and Business Growth	258	22	39	(8)	...	311
Gary Swain, Deputy Secretary Transport Services	224	22	21	11	...	278
Amanda Russell, Deputy Secretary Business Services	201	25	26	12	...	264
Jacqui Allen, Deputy Secretary Cultural & Tourism Industry Development	205	21	21	(2)	...	245
Allan Garcia, Chief Executive Officer Infrastructure Tasmania	168	20	18	(32)	21	195
Total	1,843	151	222	21	21	2,258

2019	Short-term benefits		Long-term benefits		Termination Benefits	Total
	Salary	Other Benefits	Super-annuation	Other Benefits & Long-Service Leave		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Key management personnel</i>						
Office of the Coordinator-General:						
John Perry, Coordinator-General	411	11	40	22	...	484
Department of State Growth:						
Kim Evans, Secretary	356	24	53	20	...	453
Bob Rutherford, Deputy Secretary Industry and Business Growth	256	22	38	(19)	...	297
Gary Swain, Deputy Secretary Transport Services	201	22	19	(11)	...	231
Amanda Russell, Deputy Secretary Business Services	194	23	25	(12)	...	230
Jacqui Allen, Deputy Secretary Cultural & Tourism Industry Development	201	27	20	8	...	256
Allan Garcia, Chief Executive Officer Infrastructure Tasmania	275	24	26	(1)	...	324
Total	1,894	153	221	7	...	2,275

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the agency, directly or indirectly.

Remuneration during 2019-20 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long term employee expenses include long service leave, superannuation obligations and termination payments. Fringe benefits have been reported at the grossed up reportable fringe benefits amount. The Fringe Benefits Tax (FBT) year runs from 1 April to 31 March each year, any FBT attributable to key management personnel is reported on that basis.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

(c) Related party transactions

AASB 124 *Related Party Disclosures* requires related party disclosures to ensure that the financial statements contain disclosures necessary to draw attention to the possibility that the Department's financial results may have been affected by the existence of related parties and by transactions with such parties.

There are no material related party transactions requiring disclosure.

8.2 Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and the earthworks component of major roadworks, being assets with an unlimited useful life, are not depreciated.

The following table details the asset lives, and depreciation rates and the methods for the various classes of assets employed in the current and previous reporting periods. Asset useful lives depreciation methods are reviewed annually and adjusted according to the expected rate and/or pattern of consumption, asset condition, and industry best practice.

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Road Infrastructure:			
Earthworks	Unlimited	Nil	NA
Pavement base – category 1	40	2.50%	Straight Line
category 2	45	2.22%	Straight Line
category 3	60	1.67%	Straight Line
category 4	65	1.54%	Straight Line
category 5	70	1.43%	Straight Line
(Note: road categories are determined by freight carrying task, ie category 1 the highest freight task, category 5, the lowest)			
Pavement sub-base – categories 1 to 3	70	1.43%	Straight Line
categories 4 and 5	80	1.25%	Straight Line
Surface, seal – category 1	12	8.33%	Straight Line
category 2	15	6.67%	Straight Line
category 3	15	6.67%	Straight Line
category 4	18	5.56%	Straight Line
category 5	20	5.00%	Straight Line
category 5 unsealed	15	6.67%	Straight Line
Bridge Infrastructure:			
Bridges over water	25 - 100	1.00% - 4.00%	Parabolic
Bridges over roads, pedestrian bridges, culverts	70 - 100	1.00% - 1.43%	Parabolic
Truss bridges	83 - 250	1.20% - 0.40%	Parabolic
Masonry Arch structures	250	0.40%	Parabolic
Major structures	70 - 100	1.00% - 1.43%	Parabolic
Retaining walls and gantries	50 - 70	1.43% - 2.00%	Parabolic
Traffic Signal Installations: (Residual value 10% applies to all traffic signals assets)			
Cable	50	2.00%	Straight Line
Above and below ground	30	3.33%	Straight Line
Electronics	25	4.00%	Straight Line
Site Hardware	10	10.00%	Straight Line
Buildings	20 - 80	1.25% - 5.00%	Straight Line
Leasehold improvements	5 - 12	8.33% - 20.00%	Straight Line
Electrical, technical and office equipment	5	20.00%	Straight Line
Plant	5 - 25	4.00% - 10.00%	Straight Line
Computer Hardware	3	33.33%	Straight Line
Marine Vessels and Equipment (Residual value 10%)	4	25.0%	Straight Line
Abt Railway Infrastructure:			
Tracks, bridges, structures, culverts and station buildings	20 - 100	1.00% - 5.00%	Straight Line
Railway carriages	30 - 75	1.33% - 3.33%	Straight Line

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Locomotives	25	4.00%	Straight Line
Buildings	20 - 30	3.33% - 5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line

Road Infrastructure

The identifiable components of the road infrastructure have been grouped into three major components for the purpose of assessing and of assigning an estimated useful life. Useful lives are based on analysis of historical data, road condition surveys, and best practice employed by other State Road Authorities.

The components that have a limited useful life (ie pavement, surfacing) are systematically depreciated over their useful lives in a manner that reflects the consumption of service potential embodied in those components. Earthworks, representing the cut and fill activity associated with major roadworks, is similar to land in that its useful life is unlimited, therefore is not depreciated.

Bridge Infrastructure

Bridges are depreciated systematically over their useful life having regard to their unique rate of deterioration. Bridge values are depreciated parabolically to reflect the greater depreciation towards the end of a bridge's life, i.e.:

$$\text{Present Value} = \text{Replacement Cost} \times (1 - (\text{age}/\text{life})^2)$$

Intangible Assets

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Department.

Major amortisation rates applicable to intangible assets appear in the table below:

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Motor Registry System	10	10.00%	Straight Line
Other computer software	3	33.33%	Straight Line

The Motor Registry System is computer software developed internally over a four-year period and is essential for the collection of motor registry and driver licensing revenues and data maintenance. The system was implemented on 25 August 2008 and its useful life was estimated at 10 years.

(a) Depreciation

	2020	2019
	\$'000	\$'000
Plant and equipment	700	519
Abt Railway Rolling Stock	176	203
Marine vessels and equipment	414	407
Traffic signal installations	781	704
Buildings	726	719
Aerodromes	1	...
Road infrastructure	69,639	70,553
Bridges	34,257	33,350
Other infrastructure	911	893
Right-of-use assets	301	...
Total	107,906	107,348

(b) Amortisation

	2020	2019
	\$'000	\$'000
Intangibles	...	293
Leasehold improvements	110	134
Total	110	427
Total depreciation and amortisation	108,016	107,775

8.3 Supplies and consumables

Supplies and consumables, including audit fees, advertising and promotion, communications, consultants and contracted services, information technology, operating lease costs, property expenses, purchase of goods and services, travel and transport, and legal expenses, are recognised when it is probable that the consumption or loss of future economic benefits resulting in a reduction in assets and/or an increase in liabilities has occurred and the consumption or loss of future economic benefits can be measured reliably.

	2020	2019
	\$'000	\$'000
Audit fees – financial audit	133	269
Audit fees – internal audit	87	76
Operating lease costs	4,941	4,483
Consultants	6,495	4,512
Property services	6,894	2,575
Maintenance	31,558	72,342
Communications	2,594	2,463
Information technology	7,320	6,293
Travel and transport	3,473	3,426
Advertising and promotion	4,893	4,356
Legal expenses	5,344	4,693
Contractor payments (non-roadworks)	4,924	5,166
Other supplies and consumables	2,012	7,503
Total	80,667	118,157

Audit fees paid or payable to the Tasmanian Audit Office for the audit of the Department's financial statements were \$202,030 (2018-19 \$202,030)

8.4 Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

- » the services required to be performed by the grantee have been performed; or
- » the grant eligibility criteria have been satisfied.

A liability is recorded when the Department has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

Program / project commitments discloses amounts approved to clients payable over a period of one year or greater, where the actual amount payable is dependent upon expenditure being incurred and certain conditions being met by these clients and a claim submitted and approved for payment. The estimated commitment as at 30 June has been included in these cases in Note 11.1.

	2020 \$'000	2019 \$'000
Grants		
Academy of Creative Industries and Performing Arts	3,000	4,000
Advanced Manufacturing Action Plan	182	275
AFL Agreement - Hawthorn Football Club	1,023	4,966
Arts Grants	4,506	3,759
Bus Stops infrastructure	1,817	...
Bushfire disruption to Business Grants	62	2,309
Business & Jobs Attraction and Population Growth Initiative - other	135	616
Business and Industry Assistance	5,826	2,799
Business Enterprise Centres	971	829
Business Events Attraction Fund	148	...
Carlton And United Breweries	...	1,000
CCAMLR	178	188
City Deal Devonport	11,000	...
City Deal Launceston	1,801	4,705
Coastal Pathway Project	480	...
Comms upgrade Flinders And Cape Barron Island	...	350
Community Infrastructure Fund	550	1,152
Copper Mines of Tasmania	1,627	...
Cycle Tourism Fund	2,152	2,178
Destination Action Plan	140	...
Economic Stimulus Package	65,213	...
Energy Policy and contributions	783	102
Enterprise development	245	321
Enterprize Hubs	250	250
Forest Practices Authority	150	...
Global Education Strategy	211	130
Grants to Councils - road works	9,471	14,438
Great Customer Experience	700	700
Greater Circular Head Enterprise Growth Program	...	15
Growing the Visitor Economy	...	321
Hobart City Deal	125	...
Hobart to Strahan Air Service	128	73
Improving Mobile coverage for the Great Eastern Drive	340	...
Latrobe Flood Mitigation	...	1,000
Launceston Northbank	...	675
Learner Driver Mentoring program	1,139	1,045
Major events	12,608	10,800
Menzies ICON	500	500
Mining Exploration Grants Program	301	65
Museums and Art Galleries	1,594	2,143
Non Interest Loan scheme for Energy Efficient Products	250	...
Northern Cities Major Development	12,500	...
Other contributions	731	483
Other grants	722	305
Regional Events Startup Program	3	40
Regional Tourism Infrastructure & Innovation Fund	...	30

	2020 \$'000	2019 \$'000
Regional Tourism Organisations	230	230
Road Safety Grants	1,660	1,148
Screen Grants	534	392
Start-up Accelerator	190	...
State Growth Plan - Forest Industries	500	...
Supporting EV Charging Partnerships	...	250
Tamar Estuary	1,238	...
Tamar River Dredging	338	330
Tasmanian Demand Driver Infrastructure Program	26	85
Tasmanian Hospitality Association	750	575
Tasmanian Innovation, ICT & Science Agenda	110	55
Tasmanian Polar Network	25	25
Tourism and Hospitality grants	235	...
UXC Support	278	264
Vodafone	...	(200)
Total grants	149,676	65,716
Subsidies		
Apprentice and trainee subsidies	3,980	2,869
Metropolitan and general access regular passenger transport services	58,774	40,169
Non-Metropolitan and general access regular passenger transport services	1,096	14,605
Rural and special needs school bus services	10,208	18,861
Shipping and ferry subsidies	556	1,639
Student only passenger services	23,125	...
Vocational Education Training (VET) delivery	115,454	112,102
Total subsidies	213,193	190,245
Total grants and subsidies	362,869	255,961

8.5 Finance costs

All finance costs are expensed as incurred using the effective interest method.

Finance costs include:

- » interest on bank overdrafts and short term and long term borrowings
- » amortisation of discounts or premiums related to borrowings
- » finance lease charges.

	2020 \$'000	2019 \$'000
Interest expense		
Interest on loans	274	811
Interest on leases	18	...
Total	292	811
Other finance costs		
Penalty interest on late payments to creditors	13	17
Total	13	17
Total finance costs	305	828

8.6 Other expenses

Expenses from activities other than those identified above are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

	2020	2019
	\$'000	\$'000
Workers compensation	556	513
Other employee expenses (including training/development, OH&S, recruitment)	1,002	1,277
Miscellaneous expenses	1,022	806
Total	2,580	2,596

Note 9: Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Department and the asset has a cost or value that can be measured reliably.

9.1 Receivables

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. An allowance for expected credit losses is recognised for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, a simplified approach in calculating expected credit losses is applied, with a loss allowance based on lifetime expected credit losses recognised at each reporting date. The Department has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

	2020	2019
	\$'000	\$'000
Receivables	9,650	7,230
Less: Expected credit loss	(75)	(36)
Total	9,575	7,194

Sales of goods and services (inclusive of GST)	228	159
Fees and fines (inclusive of GST)	93	100
Tax assets	6,343	5,589
Other receivables (inclusive of GST)	2,911	1,346
Total	9,575	7,194

Settled within 12 months	9,477	7,096
Settled in more than 12 months	98	98
Total	9,575	7,194

	2020	2019
	\$'000	\$'000
Reconciliation of movement in expected credit loss for receivables		
Carrying amount at 1 July	(36)	(25)
Amounts restated through Accumulated Funds	...	(11)
Increase/(decrease) in provision recognised in profit or loss	(39)	...
Carrying amount at 30 June	(75)	(36)

For ageing analysis of the financial assets, refer to note 14.1.

9.2 Loan advances

Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition. Impairment of loan advances are reviewed on an ongoing basis. Impairment losses are recognised when there is an indication that there is a measurable decrease in the collectability of loan advances.

	2020 \$'000	2019 \$'000
Renewable Energy Loan Scheme	...	26
Section 35 Loans Administered by TDR	6,253	...
<i>Tasmanian Development Act 1983</i>	5,188	2,526
<i>Fire Damage Relief Act 1967</i>	18	18
Farm Finance Loan Scheme	3,659	8,541
Agrigrowth Loan Program	16,255	13,231
Drought Relief Loans	303	304
Pacific Oyster Mortality Syndrome	692	726
Drought Dairy Recovery Concessional Program & Drought Recovery	3,106	3,110
Flood Recovery Rural	1,129	1,351
Flood Recovery Small Business	...	160
Farm Business Concessional Loan Scheme - Dairy Recovery & Drought Assistance	21,059	21,637
Tourism Accommodation Refurbishment Loan Scheme	4,651	2,179
Farm Business Concessional Loan Scheme - Dairy Recovery – (Jul 2017) & Drought Assistance – (Jul 2017)	13,724	10,778
Heritage Renewal Loan Scheme	660	605
Agrigrowth Loan Scheme - Young Farmers	18,369	4,983
Federal Refinance Loans	764	...
COVID-19 Interest Free Business Support Loan Scheme	28,860	...
Screen Tasmania Loans	230	230
Arts Loans	898	1,099
No Interest Loan Scheme	400	815
Less: Provision for impairment	...	(483)
Total	126,218	71,836
Settled within 12 months	9,037	9,010
Settled in more than 12 months	117,181	62,826
Total	126,218	71,836

Loan advances include financial assistance provided by the government to the private sector in the form of loans.

Under the provisions of the *Tasmanian Development Act 1983*, the Department, through Tasmania Development and Resources (TDR), has the power to provide loans to clients that assist in the development and expansion of the Tasmanian economy.

	2020 \$'000	2019 \$'000
Reconciliation of movement in provision for impairment of other financial assets		
Carrying amount at 1 July	483	300
Increase/(decrease) in provision recognised in net result	(483)	183
Carrying amount at 30 June	...	483

Tasmanian Development Act 1983 loan advance impaired in previous years relate to J & A Gretschnann. This loan was repaid in full during the year resulting in the full reversal of previous impairment.

9.3 Equity investments

Equity investments are initially recorded at cost and at net recoverable value subsequent to initial recognition determined as follows:

- » Listed companies - the share's current market value for listed public companies; and
- » Unlisted companies – based on estimated recoverable amount.

Changes in the value of equity investments are accounted for as net increases or reversals of impairment losses.

The Department's investment in equity investments was made for the purpose of achieving industry development outcomes consistent with the goals and objectives of the Department, not for the purpose of achieving a commercial investment return or other standard commercial objectives.

As such, the Department considers that it would be inappropriate to apply the equity method of accounting. The incorporation into the Department's Financial Statements of financial information relating to these equity investments could provide users of the Department's Financial Statements with a misleading indication of its financial performance.

	2020	2019
	\$'000	\$'000
Unlisted equity instruments	15,314	14,019
Less: Provision for impairment	(15,314)	(14,019)
Total	...	...
Settled within 12 months	...	...
Settled in more than 12 months	...	...
Total	...	...
	2020	2019
	\$'000	\$'000
Reconciliation of movement in provision for impairment of equity investments		
Carrying amount at 1 July	14,019	12,450
Increase(decrease) in provision recognised in net result	1,295	1,569
Carrying amount at 30 June	15,314	14,019

The Provision for Impairment movement is the result of the revaluation of Screen Tasmania's equity portfolio



9.4 Other financial assets

Other financial assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Department and the asset has a cost or value that can be measured reliably.

Other financial assets consist mainly of accrued revenue such as Commonwealth funding expended not claimed from Treasury at year end to be redeemed in the next twelve months.

	2020 \$'000	2019 \$'000
Accrued interest	22	22
Accrued revenue	460	440
Total	482	462
Settled within 12 months	482	462
Total	482	462

9.5 Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential. Inventories acquired for no cost or nominal considerations are valued at current replacement cost.

	2020 \$'000	2019 \$'000
Inventory held for sale – Tasmanian Museum and Art Gallery (TMAG)	168	164
Inventory held for sale – Abt Railway	218	181
Total	386	345
Consumed within 12 months	386	345
Total	386	345

9.6 Property, plant and equipment, artwork, heritage and cultural assets

Property, plant and equipment and artwork

(i) Valuation basis

Land, artwork, heritage and cultural assets are recorded at fair value. Infrastructure, buildings and other long lived assets are recorded at fair value less accumulated depreciation. All other Non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment such as exhibitions.

The value of exhibitions is included in plant and equipment and represents capitalisation of the development and establishment costs of exhibitions that will continue to generate revenue or provide a community service beyond the financial year or years in which these costs were incurred.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or build occupied.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Department and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Department is \$10,000. Assets valued at less than \$10,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

Assets are revalued at least once in every five years with the following exceptions:

- » plant and equipment having a cost or revaluation less than the threshold of \$50,000;
- » land and buildings that are to be utilised for future roadworks (as required), and;
- » land remaining after the completion of the relevant roadworks project which is regarded as non-saleable due to, for example, limited or no access (as required).

Assets are grouped on the basis of having a similar nature or function in the operations of the Department.

Those assets that are restricted by government directives or legislation are disclosed in the Statement of Financial Position as administered assets. The restriction on these assets includes the inability of the Department to benefit from the asset in the pursuit of its objectives and to deny access of others to that benefit.

Heritage and cultural assets

(i) Valuation basis

Heritage and cultural assets are recorded at fair value. Acquired items exceeding the recognition threshold are added to the collections initially at cost. Where an item is acquired at no cost, or for nominal cost, the cost is its estimated fair value at acquisition. The value is recognised as a contribution (income) in the Statement of Comprehensive Income in the year of acquisition.

(ii) Asset recognition threshold

The asset capitalisation threshold adopted by TMAG is \$10,000 for all assets. Assets valued at less than \$10,000 are charged to the Statement of Comprehensive Income in the year of purchase.

(iii) Revaluations

Heritage and cultural assets are revalued every five years unless management or the Board consider the carrying amount of an asset or collections materially differ from attributed fair value, then it shall be revalued regardless of when the last valuation occurred. Only items registered in the collections are recognised for valuation purposes. Collections are valued on the following basis:

- » Icons – valued by an appropriately qualified independent valuer, based on market values of similar items;
- » Cultural heritage collections – valued under a statistical valuation model by an appropriately qualified independent valuer, dependent upon the stratification of the collection;
- » Natural history collections - estimated recollection cost, ie the cost of mounting an expedition to collect similar specimens, together with the costs associated with their documentation and preparation;
- » Numismatics collections – valued at either fair value or market rate for weight of precious metals.

(iv) Highest and best use

A characteristic of many heritage and cultural assets is that they have few or no alternative uses because there are natural, legal and financial restrictions on their use and disposal. Therefore the highest and best use is the current existing use, in combination with other related heritage assets or on a stand-alone basis. Where an alternative use is feasible within the existing socio-political environment, then the asset may be valued at a higher alternative use.

(a) Carrying amount

	2020	2019
	\$'000	\$'000
Land holdings		
Land (including land under buildings) Level 2 - at fair value (30 June 2016)	42,530	42,336
Land (including land under buildings) Level 3 - at fair value (30 June 2017)	1,011	1,011
Rural properties - at option value	1,024	1,219
Rail Corridor land - at fair value (30 June 2019)	55,349	53,847
Total	99,914	98,413
Buildings		
Level 2 - at fair value (30 June 2019)	37,227	37,367
Level 3 - at fair value (30 June 2016)	6,243	5,662
Less: Accumulated depreciation	(3,782)	(3,059)
Total	39,688	39,970
Aerodromes		
At fair value (30 June 2015)	150	150
Less: Accumulated depreciation	(11)	(10)
Total	139	140
Plant and equipment (including computer equipment)		
At cost	9,287	8,373
Less: Accumulated depreciation	(6,134)	(6,060)
	3,153	2,313
Work in progress (at cost)	614	335
Total	3,767	2,648
Marine vessels and equipment		
At fair value (30 June 2017)	3,938	3,062
Less: Accumulated depreciation	(1,275)	(862)
Total	2,663	2,200
Abt Railway rolling stock		
At fair value (30 June 2017)	5,223	4,871
Less: Accumulated depreciation	(516)	(369)
Total	4,707	4,502
Traffic Signal installations		
At fair value (30 June 2017)	20,350	18,106
Less: Accumulated depreciation	(2,124)	(1,366)
Total	18,226	16,740
Leasehold improvements		
At cost	1,107	1,456
Less: Accumulated depreciation	(310)	(557)
	797	899
Work in progress (at cost)	484	...
Total	1,281	899
Artwork		
At fair value (30 June 2014)	288	288
Total	288	288
Heritage and cultural assets		
At fair value (30 June 2019)	380,941	408,870
Total	380,941	408,870
Total property, plant and equipment, artwork, heritage and cultural assets	551,614	574,670

Rural properties

Rural properties are valued as at 30 June 2020 to fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

Rail Corridor land

Rail Corridor Land (ie the land beneath the State's rail lines) was transferred to the control of the Department by the Crown Lands (Railway Land) Order 2006 on 1 December 2009, as part of the purchase of the Tasmanian Rail operation and the Melba Line by Tasmanian Railway Pty Ltd, the associated corridor land was also transferred to the control of the Department.

The land is valued at either current Valuer-General valuation where one exists, or at the average rate per land area in each Municipality according to adjacent land zoning. Every five years the Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, from the most recent valuations of land titles adjoining and within a 200-metre corridor of the rail lines. The most recent update of average values was provided by the Valuer-General as at 30 June 2019.

Marine vessels and Traffic Signals installations

Marine vessel and Traffic Signals assets last valued in 2017 by Australian Valuation Solutions on a current replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

Abt Railway rolling stock

The latest revaluation of ABT Railway rolling stock as at 30 June 2017 was completed by Australian Valuation Solutions on a current replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

Heritage and cultural assets - Tasmanian Museum and Art Gallery (TMAG) Collections

An independent valuation of heritage and cultural assets was last undertaken by independent specialist valuer Aon Valuation Services with the assets valued as at 30 June 2019. The valuation report was issued 7 February 2020. The valuation was undertaken in accordance with accounting standards for fair value applicable to cultural and heritage collections AASB 13 Fair Value Measurement. The definition of fair value is defined in AASB 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price, and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Artwork

Artwork assets were independently valued with an effective date of 30 June 2014 by Bett Gallery Valuers. The valuation of these assets was on a fair value basis in accordance with relevant accounting standards.

The valuation was undertaken by a specialist valuer who has expertise with the objects in question. For the majority of these assets the valuers use the market value basis, however for a small number of items with no current commercial activity, the valuers used the cost of these items at the time of commissioning with consideration for damage, wear and tear.

(b) Reconciliation of movements (including fair value levels)

Reconciliations of the carrying amounts of each class of Property, plant and equipment, artwork, heritage and cultural assets at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses:

	Land Level 2 (land in active markets) \$'000	Land Level 3 (specific purpose/use land) \$'000	Buildings Level 2 (general office buildings) \$'000	Buildings Level 3 (specific purpose/use buildings) \$'000	Aerodromes Level 3 (specific purpose/use) \$'000	Plant and equipment (including computer equipment) \$'000	Marine Vessels Level 3 (specific purpose/use) \$'000	Abt Railway Rolling Stock Level 3 (specific purpose/use) \$'000	Traffic Signal installations Level 3 (specific purpose/use) \$'000	Lease-hold improvements Level 2 \$'000	Heritage and cultural assets and artwork Level 3 \$'000	Total \$'000
2020												
Carrying value at 1 July	42,336	56,077	34,657	5,312	140	2,648	2,200	4,502	16,740	899	409,158	574,669
Additions	300	...	...	580	...	1,854	877	381	2,545	654	138	7,329
Contributions received	...	...	...	...	...	...	...	...	...	...	201	201
Disposals	(106)	(195)	(136)	...	...	(35)	...	...	(278)	(162)	...	(912)
<i>Gains/losses recognised in other comprehensive income</i>												
Revaluation increments/(decrements)	...	1,502	...	...	...	...	...	...	...	...	(28,268)	(26,766)
Depreciation & amortisation	...	...	(534)	(193)	(1)	(700)	(414)	(176)	(781)	(110)	...	(2,909)
Carrying value at 30 June	42,530	57,384	33,987	5,699	139	3,767	2,663	4,707	18,226	1,281	381,229	551,612

	Land Level 2 (land in active markets) \$'000	Land Level 3 (specific purpose/use land) \$'000	Buildings Level 2 (general office buildings) \$'000	Buildings Level 3 (specific purpose/use buildings) \$'000	Aerodromes Level 3 (specific purpose/use) \$'000	Plant and equipment (including computer equipment) \$'000	Marine Vessels Level 3 (specific purpose/use) \$'000	Abt Railway Rolling Stock Level 3 (specific purpose/use) \$'000	Traffic Signal installations Level 3 (specific purpose/use) \$'000	Lease-hold improvements Level 2 \$'000	Heritage and cultural assets and artwork Level 3 \$'000	Total \$'000
2019												
Carrying value at 1 July	41,319	68,965	35,192	4,770	140	2,331	2,614	4,604	16,503	1,033	408,994	586,465
Additions	1,116	35	...	726	...	867	...	101	1,138	...	109	4,092
Contributions received	...	...	...	...	...	...	...	...	...	...	55	55
Disposals	(99)	(18,551)	...	...	...	...	(7)	...	(196)	...	...	(18,853)
<i>Gains/losses recognised in other comprehensive income</i>												
Revaluation increments/(decrements)	...	5,628	...	...	...	...	...	...	...	...	...	5,628
Depreciation & amortisation	...	...	(535)	(184)	...	(550)	(407)	(203)	(705)	(134)	...	(2,718)
Carrying value at 30 June	42,336	56,077	34,657	5,313	140	2,648	2,200	4,502	16,740	899	409,158	574,669

(c) Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Land – Rural properties – specific purpose/use land	1,024	A – option price in individual contracts	Nil alternatives	Option prices are locked in individual contracts
Land – Rail Corridor – specific purpose/use land	55,349	A – market value of adjacent land per square metre	\$0.01 – \$453 per sq metre	Increase / decrease in rates per square metre would increase / decrease the fair value
		B – discount factor on market value of adjacent land to reflect specialised nature of asset	30%	Increase / decrease in discount rate would decrease / increase the fair value
Land – Abt Railway – specific purpose, including rail reserve	1,011	A – reference to available evidence in each location related to local economic and property market conditions	Highly variable due to location	Reliance on valuer's professional judgement
Buildings – specific purpose/use (ie Abt Railway buildings)	5,701	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of specialised buildings	20 to 30 years	Increase / decrease in useful life would increase / decrease the fair value
Aerodromes – specific purpose/use	139	A – market value of land	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		B – labour and materials cost to replace	Highly variable due to location	Increase / decrease in replacement costs would increase / decrease the fair value
		C – useful life of specialised buildings	20 years	Increase / decrease in useful life would increase / decrease the fair value
Marine Vessels and equipment – specific purpose/use vessel (Bruny Island Ferry)	2,663	A – Australian Valuation Solutions valuation based on a current replacement cost methodology	10% – 20%	Increase / decrease in replacement cost would increase / decrease the fair value
		B – useful life of Ferry	3 years remaining	Increase / decrease in useful life would increase / decrease the fair value
Abt Railway Rolling Stock – specific purpose/use	4,707	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of rolling stock	5 – 75 years	Increase / decrease in useful life would increase / decrease the fair value
Traffic Signal installations – specific purpose/use	18,226	A – labour costs to replace	\$2,000 to \$52,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		B – materials costs to replace	\$3,000 to \$130,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		C – useful life of installation components	10 – 50 years	Increase / decrease in useful life would increase / decrease the fair value
Heritage and cultural assets and artwork	381,229	A – independent specialist valuation	Nil alternatives	Reliance on valuer's professional judgement

9.7 Right-Of-Use Assets

From 1 July 2019, AASB 16 requires the Department to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. Right-of-use assets includes assets in respect of leases previously treated as operating leases under AASB 117, and therefore not recognised on the Statement of Financial Position.

The Department has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases, rental arrangements for which Finance-General has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than \$10 000.

Right-of-use assets are depreciated over the shorter of the assets useful life and the term of the lease. Where the Department obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the Department will exercise a purchase option, the Department depreciates the right-of-use asset over its useful life.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Buildings		
Level 2 - at fair value (30 June 2020)	1,189	...
Level 3 - at fair value (30 June 2020)	...	...
Less: Accumulated depreciation	(426)	...
Total	763	...
Plant and equipment and vehicles (including computer equipment)		
At cost	573	...
Less: Accumulated depreciation	(275)	...
Total	298	...
Total property, plant and equipment	1,061	...

(b) Reconciliation of movements

2020	Buildings \$'000	Plant, equipment & vehicles \$'000	Total \$'000
Carrying value at 1 July	911	275	1,186
Additions	...	176	176
Disposals / derecognition	...	...	...
Depreciation and amortisation	(148)	(153)	(301)
Carrying value at 30 June	763	298	1,061

9.8 Infrastructure

Revaluations

Assets are revalued at least once in every five years with the following exceptions:

- » land remaining after the completion of the relevant roadworks project which is regarded as non-saleable due to, for example, limited or no access (as required), and;
- » Road and Bridge infrastructure which is revalued every five years, with values indexed annually between valuations.

Assets are grouped on the basis of having a similar nature or function in the operations of the Department.

Those assets that are restricted by government directives or legislation are disclosed in the Statement of Financial Position as administered assets. The restriction on these assets includes the inability of the Department to benefit from the asset in the pursuit of its objectives and to deny access of others to that benefit.

Road Infrastructure

The Road Infrastructure valuation is based on current replacement cost, calculated on a base unit construction cost rate per square metre of given road carriageway area. The rate is then adjusted to reflect the additional factors that contribute significantly to the replacement cost. These factors are as follows:

- » land use;
- » traffic volumes; and
- » national highway as the Commonwealth Government demands a higher standard.

The relative importance of each factor is determined by a statistical analysis of recent road construction project costs.

The road replacement cost gives the cost to provide a new road of the existing standard, less accumulated depreciation calculated on the basis of such cost to reflect the already consumed future economic benefits of the asset.

As a result of a review of road infrastructure valuation methodology during 2017-18, road infrastructure is divided into four components or strata, primarily for depreciation purposes, as follows:

Earthworks, cut and fill – are in the nature of land and therefore are non-depreciable and represents the cost of the earthworks in building road infrastructure.

Pavement sub-base and base – pavement has been split into two separate components, sub-base and base recognising the different useful life and service capacity characteristics for each part of the pavement. Whilst pavement thicknesses vary according to category of road, as an example a category I road (major highways) which typically have a 550mm deep pavement, the bottom sub-base is 350mm deep, and the upper base is 200mm deep. Useful life of the sub-base is between 70 and 80 years, while the useful life of the base is between 40 and 70 years.

Surface – the surface component consists of the bitumen seal visible on the road surface, designed to protect the pavement from water and weathering, as well as items of “road furniture” such as guard rails, wire rope barriers, signs, line marking and other traffic management facilities. Useful life of the surface component is 15 years.

Each of the four components is valued separately based on current unit rates per square metre to replace the asset, depreciated according to the age of the existing asset component. Full valuation occurs every five years, with the last valuation incorporating new methodology and useful lives conducted as at 30 June 2018. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 17).

Bridge Infrastructure

Bridge infrastructure valuation is based on current replacement cost, calculated from base unit rates for construction of different bridge types.

The bridge replacement cost gives the cost to provide a new bridge of the existing standard, less accumulated depreciation calculated on the basis of such cost to reflect the already consumed future economic benefits of the asset.

Full valuation occurs every five years, with the last valuation completed by GHD in 2017. Values are indexed annually using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 17).

Land Under Roads and within Road Reserves

Land under roads and within road reserves value is determined by the Valuer-General every five years from the most recent valuations of land titles adjoining and within a 200-metre corridor of the State road network. The Valuer-General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, and the Department inputs the average values into the land areas in each sector and Municipality. The last full valuation was completed as at 30 June 2019.

ABT Railway Infrastructure

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks owned by the ABT Railway Ministerial Corporation. Railway assets are revalued every five years on a current replacement cost basis, with the last valuation completed by Australian Valuation Solutions in 2017. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

Property Acquired for Roadworks

Expenditure on the acquisition of land and buildings acquired for roadworks is recognised in the accounts at settlement date and is capitalised until such time as formal possession of the property takes place for the purpose of commencing construction on the roadway.

Three methods of valuation for property and land purchased for infrastructure purposes are used by the Department, which are:

Valuer-General Sale Valuation

A sale valuation is obtained from the Valuer-General for properties that are intended to be sold in the near future. In most cases, these are the pieces of property that are left over as a result of the completion of a road construction project.

Valuer-General Rates Valuation

The rates valuation is considered to be a reasonable valuation of properties held, mostly for future roadwork purposes.

Department of State Growth Valuation

This valuation is applied to properties that remain as a result of completion of the relevant road construction project, where the Valuer-General valuation is considered inappropriate. Due to factors such as non-accessibility, usefulness of land and marketability, the true value of a property may be close to zero when accounting for disposal costs or, in any case, significantly lower than the Valuer-General's valuation.

Roads

(a) Carrying amount

	2020	2019
	\$'000	\$'000
At fair value (30 June 2019)	5,685,668	5,588,020
Less: Accumulated depreciation	(2,143,924)	(1,952,007)
	3,541,744	3,636,013
Work in progress at cost	153,612	212,411
Total	3,695,356	3,848,424

The most recent revaluation of the Road asset as at 30 June 2019 was completed by the Department's Asset Management Branch on a current replacement cost basis. Replacement cost was calculated using most recent contract cost experience for Tasmanian road construction. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 17). Current replacement cost is depreciated by the proportion of the asset that has been consumed.

(b) Reconciliation of movements

	Notes	2020 Level 3 \$'000	2019 Level 3 \$'000
Carrying amount at 1 July		3,848,424	3,470,551
Capital improvements		199,625	166,511
Write-off of replaced road assets	7.1	(32,429)	(8,085)
Transferred to Launceston City Council for Nil consideration	7.1	(9,365)	(2,933)
Transferred to Sustainable Timber Tasmania for Nil consideration	7.1	...	(364)
Transferred from Hobart City Council for Nil consideration	6.6	...	7,417
Transferred from Launceston City Council for Nil consideration	6.6	22,929	...
Revaluation increments (decrements) – annual indexation	12.1	(264,189)	194,528
Revaluation increments (decrements) – corrections to seal and pavement ages	12.1	...	91,352
Depreciation expense		(69,639)	(70,553)
Carrying amount at 30 June		3,695,356	3,848,424

(c) Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Road Infrastructure	3,695,356	A – labour and materials cost to replace	\$62 to \$231 per sq metre depending on component and road category	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of road components	15 years – unlimited	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 17))	3.7%	Increase / decrease in indexation factor would increase / decrease the fair value

Land Under Roads and within Road Reserves

(a) Carrying amount

	2020 \$'000	2019 \$'000
At fair value (30 June 2019)	244,467	233,424
Total	244,467	233,424

The latest valuation of land under road assets was completed as at 30 June 2019 calculated on Valuer-General provided average rateable values per hectare or square metre as determined by the Valuer-General from the most recent valuations (at 2019) of land titles adjoining and within a 200-metre corridor of the State road network.

(b) Reconciliation of movements

	Notes	2020 Level 3 \$'000	2019 Level 3 \$'000
Carrying amount at 1 July		233,424	157,024
Additions		7,429	...
Transfer from Hobart City Council (Davey-Macquarie Streets corridor)	6.6	...	40,536
Transfer from Launceston City Council	6.6	3,392	...
Revaluation increments (decrements)	12.1	222	35,864
Carrying amount at 30 June		244,467	233,424

(c) Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Land under Roads	244,467	A – market value of adjacent land per square metre	\$0.01 – \$282 per sq metre	Increase / decrease in rates per square metre would increase / decrease the fair value
		B – discount factor on market value of adjacent land to reflect specialised nature of asset	30%	Increase / decrease in discount rate would decrease / increase the fair value

Bridges

(a) Carrying amount

	2020 \$'000	2019 \$'000
At fair value (30 June 2019)	2,369,662	2,338,984
Less: Accumulated depreciation	(891,346)	(854,177)
	1,478,316	1,484,807
Work in progress at cost	2,126	8,589
Total	1,480,442	1,493,396

The latest revaluation of the Bridge assets as at 30 June 2019 was completed by the Department's Asset Management Branch on a current replacement cost basis. Replacement cost was calculated using most recent contract cost experience for Tasmanian bridge construction. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 17). Reconciliation of movements

	Notes	2020 Level 3 \$'000	2019 Level 3 \$'000
Carrying amount at 1 July		1,493,396	1,462,198
Capital improvements		12,669	16,724
Write-off of replaced bridges	7.1	(529)	(226)
Transfer to Launceston for Nil consideration	7.1	(1,428)	...
Revaluation increments (decrements)	12.1	10,591	48,050
Depreciation expense		(34,257)	(33,350)
Carrying amount at 30 June		1,480,442	1,493,396

(b) Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Bridges	1,480,442	A – labour and materials cost to replace	\$1,937 to \$11,192 per sq metre	Increase / decrease in replacement costs would increase / decrease the fair value
		B – useful life of bridges	25 – 250 years	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (ABS Current Road and Bridge Construction Index Number ABS 6427.0 Table 17)	3.7%	Increase / decrease in indexation factor would increase / decrease the fair value

Abt Railway Infrastructure

(d) Carrying amount

	2020 \$'000	2019 \$'000
At fair value (30 June 2017)	32,446	24,620
Less: Accumulated depreciation	(2,689)	(1,778)
Total	29,757	22,842

The latest revaluation of Abt Railway infrastructure as at 30 June 2017 was completed by Australian Valuation Solutions on a current replacement cost basis. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset.

(e) Reconciliation of movements

	2020 Level 3 \$'000	2019 Level 3 \$'000
Carrying amount at 1 July	22,842	23,322
Additions	7,827	413
Depreciation expense	(911)	(893)
Carrying amount at 30 June	29,758	22,842

(f) Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Abt Railway Infrastructure	29,758	A – Physical depreciation and obsolescence adjustments	Variable	Reliance on valuer's professional judgement
		B – useful life of infrastructure	20-100 years	Increase / decrease in useful life would increase / decrease the fair value
Total Infrastructure				5,450,023

9.9 Intangibles

An intangible asset is recognised where:

- » it is probable that an expected future benefit attributable to the asset will flow to the Department; and
- » the cost of the asset can be reliably measured.

Intangible assets held by the Department are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists. Where no active market exists, intangibles are valued at cost less any accumulated amortisation and any accumulated impairment losses.

(a) Carrying amount

	2020	2019
	\$'000	\$'000
Intangibles with a finite useful life (at cost)		
Motor Registry System	17,504	17,504
Other software systems	1,745	1,934
Less: Accumulated amortisation	(19,249)	(19,438)
Total intangibles	...	...

(b) Reconciliation of movements

	2020	2019
	\$'000	\$'000
Carrying amount at 1 July	...	293
Amortisation expense	...	(293)
Carrying amount at 30 June

The above listed Intangible assets are all in-house developed specialised computer software systems.



9.10 Other assets

Other assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Department and the asset has a cost or value that can be measured reliably.

(a) Carrying amount

	2020	2019
	\$'000	\$'000
Deposit on building	...	11,000
Prepayments	1,357	1,273
Other assets	552	...
Total	1,909	12,273
Recovered within 12 months	1,901	12,256
Recovered in more than 12 months	8	17
Total	1,909	12,273

(b) Reconciliation of movements

	2020	2019
	\$'000	\$'000
Carrying amount at 1 July	12,273	12,737
Additions	636	1,290
Settled/consumed	(11,000)	(1,754)
Carrying amount at 30 June	1,909	12,273

Note 10: Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

10.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Department becomes obliged to make future payments as a result of a purchase of assets or services.

	2020	2019
	\$'000	\$'000
Creditors	10,649	8,098
Accrued expenses	3,027	6,614
Total	13,676	14,712
Settled within 12 months	13,676	14,712
Settled in more than 12 months	...	...
Total	13,676	14,712

Settlement is usually made within 30 days.

10.2 Lease liabilities

On 1 July 2019, a lease liability is measured at the present value of the lease payments that are not paid at that date. The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined the Tascorp indicative lending rate including the relevant administration margin is used.

The Department has elected not to recognise right of use assets and lease liabilities arising from short term leases, rental arrangements for which Finance General has substantive substitution rights over the assets and leases for which the underlying asset is of low value. Substantive substitution rights relate primarily to office accommodation and vehicles within the whole of Government motor pool. An asset is considered low value when it is expected to cost less than \$10 000.

The Department has entered into the following leasing arrangements:

Class of right of use asset	Details of leasing arrangements
Plant and equipment	IT equipment leases range between two and five years with fixed repayments and no residual. The Departments exposure is limited to the liability recorded.
Buildings	Building leases relate to buildings of a specialist nature or of a small size not classified as major office accommodation by Finance-General. Leases of this nature may be under five years, however will generally allow of multiple extensions which have been incorporated within the lease liability calculated below. Lease payments are subject to variation relating to annual CPI indexations, for which the Department is potentially exposed to increase future cash outflows beyond the liability calculated.

	2020
	\$'000
Current	
Lease liabilities	214
Non-current	
Lease liabilities	838
Total	1,052

The following amounts are recognised in the Statement of Comprehensive Income:

	Notes	2020 \$'000
Interest on lease liabilities	8.5	18
Lease expenses		
Short term leases		56
Lease of low value assets		25
Variable lease payments		...
Lease expenses relating to whole of government fleet and major office accommodation		4,255
Income from sub-leasing right of use assets		(7)
Net expenses from leasing activities		4,347

10.3 Borrowings

Bank loans and other loans are initially measured at fair value, net of transaction costs. Bank loans and other loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Loans from the State Government	3,290	3,760
Loans from the Australian Government	43,933	49,772
Loans from Tascorp	80,000	2,300
Total	127,223	55,832

(b) Maturity schedule

	2020 \$'000	2019 \$'000
One year or less	38,647	2,770
From one to five years	88,576	53,062
Total	127,223	55,832

During 2019-20, TDR repaid \$5.84 million of the borrowing with the Australian Government; \$4.83 million relating to Farm Finance Loan Scheme, \$0.13 relating to Drought Dairy Recovery Concessional Loan Scheme; \$0.54 million Farm Business 2016-17 and \$0.34 million Farm Business 2017-18.

Between July 2019 and March 2020, TDR borrowed an additional \$32.7 million from Tascorp with a further \$45 million in May.

10.4 Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

A liability for on-costs (i.e. workers compensation premiums) is recognised and disclosed as part of Payables. On-costs are not classified as an employee benefit.

	2020 \$'000	2019 \$'000
Accrued salaries	1,328	691
Annual leave	6,962	6,146
Long service leave	13,180	13,064
Other employee provisions	76	42
Total	21,546	19,943
Expected to settle within 12 months	9,832	8,364
Expected to settle in more than 12 months	11,714	11,579
Total	21,546	19,943

10.5 Provisions

A provision arises if, as a result of a past event, the Department has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any right to reimbursement relating to some or all of the provision is recognised as an asset when it is virtually certain that the reimbursement will be received.

(a) Carrying amount

	2020 \$'000	2019 \$'000
Compulsory acquisition of land for roadworks	5,601	5,301
Total	5,601	5,301
Settled within 12 months	5,601	5,301
Settled in more than 12 months	...	...
Total	5,601	5,301

(b) Reconciliation of movements in provisions

	2020 \$'000	2019 \$'000
Balance at 1 July	5,301	4,541
Additions/increases	621	1,345
Settled acquisitions	(321)	(585)
Balance at 30 June	5,601	5,301

10.6 Other liabilities

Other liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

	2020	2019
	\$'000	\$'000
Revenue received in advance		
Appropriation received in advance for carry forward under section 8A of the <i>Public Account Act 1986</i>	...	9,291
Other revenue received in advance	1,173	186
Other liabilities		
Monies held in trust	17,685	8,744
Suspense accounts	800	718
PAYG withholding tax liability over year end	64	44
Employee benefits – on costs	159	149
Other	8	...
Total	19,888	19,132
Settled within 12 months	19,795	19,045
Settled in more than 12 months	93	87
Total	19,888	19,132

Monies held in Trust are primarily Mines Deposit Accounts (\$7.7 million), which are held by the Department in trust as mine rehabilitation bonds.

Note II: Commitments and Contingencies

II.1 Schedule of Commitments

Leases are recognised as right of use assets and lease liabilities in the Statement of Financial Position, excluding short term leases and leases for which the underlying asset is of low value, which are recognised as an expense in the Statement of Comprehensive Income.

	2020	2019
	\$'000	\$'000
By type		
<i>Capital commitments</i>		
Infrastructure – Roads	150,261	196,641
Total capital commitments	150,261	196,641
<i>Lease Commitments</i>		
Other leases	47,534	66,991
Total lease commitments	47,534	66,991
<i>Other commitments</i>		
Loan commitments	68,549	57,805
Program/project commitments	569,693	534,010
Total other commitments	638,242	591,815
Total	836,037	855,447
By maturity		
<i>Capital commitments</i>		
One year or less	67,115	66,664
From one to five years	83,146	99,486
More than five years	...	30,491
Total capital commitments	150,261	196,641
<i>Other lease commitments</i>		
One year or less	4,688	4,499
From one to five years	15,880	13,755
More than five years	26,966	48,737
Total lease commitments	47,534	66,991
<i>Other commitments</i>		
One year or less	228,840	196,955
From one to five years	409,152	393,895
More than five years	250	965
Total other commitments	638,242	591,815
Total	836,037	855,447

The Department has entered into a number of other lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

Lease income from other leases where the Department is a lessor is recognised in income on a straight line basis.

NB: Commitments are shown as GST exclusive.

Capital commitments are predominantly associated with maintenance and development of State and National road and bridge infrastructure. State Roads infrastructure commitments will be funded by capital appropriations by the State Government, together with funds provided and held over from prior years. Funding of commitments for National Roads is provided by the Australian Government through the Nation Building, Strategic Regional and Blackspots programs.

The majority of the Department's leases are represented by land and building rental costs and motor vehicles leased through the government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. These range from 2 to 20 years. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

The minimum lease payment for vehicles is based on the average age of the vehicle fleet and a standard lease period of 36 months.

Loans commitments are loans approved but not drawn down by clients as at 30 June.

The program / project commitments shows amounts approved to clients payable over a period of one year or greater on which the actual amount payable is dependent upon expenditure being incurred and certain conditions being met by these clients and a claim submitted and approved for payment. The estimated commitment as at 30 June has been included in these cases.

11.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

(a) Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded net.

	2020	2019
	\$'000	\$'000
Quantifiable Contingent Liabilities		
Asbestos removal from traffic signal sites: This involves the identification and removal of any asbestos from approximately 1,000 traffic signal sites, predominantly pits, associated with traffic signals. The nature and location of the individual traffic signal sites will have a significant impact on the cost of any remediation with the cost range from a few hundred dollars per site to more than \$10,000 for some complex sites. The extent of work on each site will be based on individual assessment which creates significant uncertainty about the final cost.	3,500	3,500
In late 2015 and following a recommendation from the TDR Board, the Minister for State Growth and Treasurer jointly approved the provision of a \$25 million financial assistance package to Copper Mines of Tasmania (CMT) to support a possible reopening of the Mt Lyell Copper Mine. The assistance package was approved in the form of a grant to reimburse CMT for payroll tax and mineral royalties paid over a seven-year period, contingent on the mine reopening.	25,000	25,000
Total quantifiable contingent liabilities	28,500	28,500

(b) Unquantifiable Contingencies

At 30 June 2020 the Department had a number of legal claims against it for:

- » compensation in relation to the acquisition of property for road construction; and
- » personal injury or damage allegedly caused by the actions or inactions of the Department.

It is not possible at the reporting date to accurately estimate the amounts of any eventual payments that may be required in relation to these claims.

Note 12: Reserves

12.1 Reserves

2020	Land \$'000	Rail corridor land \$'000	Buildings \$'000	Aerodromes \$'000	Plant and Equipment \$'000	Traffic Signals \$'000	Road Infrastructure \$'000	Bridges \$'000	Other Infrastructure \$'000	Artwork \$'000	Heritage and Cultural assets \$'000	Total \$'000
Asset revaluation reserve	13,875	21,766	7,478	710	5,907	8,672	2,075,811	778,845	8,977	17	44,647	2,966,705
Net movement through restructuring	...	...	...	...	...	...	...	...	...	...	...	...
Revaluation increments/ (decrements)	222	1,502	...	...	...	...	(264,190)	10,592	...	...	(28,268)	(280,142)
Impairment losses	...	...	...	...	...	...	...	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...	...	...	...	...	...	...	...
Balance at 30 June	14,097	23,268	7,478	710	5,907	8,672	1,811,621	789,437	8,977	17	16,379	2,686,563
2019												
Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	13,875	16,137	7,478	710	5,907	8,672	1,789,931	730,795	8,977	17	44,647	2,627,146
Net Movements through restructuring	...	...	...	...	...	...	...	...	...	...	...	...
Revaluation increments/ (decrements)	...	5,629	...	...	...	...	285,880	48,050	...	...	...	339,559
Impairment losses	...	...	...	...	...	...	...	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...	...	...	...	...	...	...	...
Balance at 30 June	13,875	21,766	7,478	710	5,907	8,672	2,075,811	778,845	8,977	17	44,647	2,966,705

(a) Nature and purpose of reserves

The Asset revaluation reserve is used to record increments and decrements on the revaluation of non-financial assets.

Note 13: Cash Flow Reconciliation

13.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2020	2019
	\$'000	\$'000
Specific Purpose Account balances		
S524 Department of State Growth Financial Management Account	52,188	48,743
Total	52,188	48,743
Agency Trust Accounts		
T466 Mines Deposit Account	7,984	7,320
T003 Provision for Land Acquisition Account	9,036	1,110
Total	17,020	8,430
Other cash held:		
Commonwealth Bank account – Abt Railway Ministerial Corporation	2,231	8,131
Commonwealth Bank account – Tasmanian Museum and Art Gallery	3,712	3,275
Petty cash	14	15
Total	5,957	11,421
Total cash and deposits	75,165	68,594
Restricted use cash and deposits	22,963	19,836
Unrestricted use cash and deposits	52,202	48,758
Total cash and deposits	75,165	68,594

TMAG receives funding from State and Federal Government Agencies, large corporations, private philanthropists and individuals who have designated the funds for use towards museum outcomes. There are stipulated restrictions on the use of the majority of these funds (\$3.24 million).

13.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2020	2019
	\$'000	\$'000
Net results	89,059	132,190
Depreciation and amortisation	108,016	107,775
(Gain) loss on non-financial assets	37,038	...
Impairment losses	812	(183)
Changes in accounting estimates	...	(11)
Decrease (increase) in Receivables	(2,381)	(806)
Decrease (increase) in Other Financial Assets	(20)	(316)
Decrease (increase) in Inventories	(41)	(13)
Decrease (increase) in Right of use asset	(1,062)	...
Decrease (increase) in Prepayments	(84)	464
Decrease (increase) in Other assets	10,448	...
Increase (decrease) in Employee entitlements	1,603	(152)
Increase (decrease) in Payables	(1,036)	4,318
Increase (decrease) in Lease liabilities	1,052	...
Increase (decrease) in Other liabilities	(9,133)	(4,515)
Less: contributions received	(26,521)	(48,009)
Less: non-operational capital funding – recurrent appropriation	(1,473)	(1,247)
Less: non-operational capital funding – works & services appropriation	(150,019)	(55,670)
Less: non-operational capital funding – Australian Government grants	(60,579)	(114,627)
Net cash from (used by) operating activities	(4,321)	19,198

13.3 Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

2020	Borrowings	Monies Held in Trust
	\$'000	\$'000
Balance as at 1 July 2019	55,832	8,744
Trust receipts	...	12,686
Trust payments	...	(4,126)
Other movements	...	31
Changes from financing cash flows:		
Cash Received	77,700	...
Cash Repayments	(6,309)	...
Balance as at 30 June 2020	127,223	17,685

2019	Borrowings	Monies Held in Trust
	\$'000	\$'000
Balance as at 30 June 2018	67,072	8,628
Trust receipts	...	949
Trust payments	...	(619)
Other movements	...	(214)
Changes from financing cash flows:		
Cash Received	9,300	...
Cash Repayments	(20,540)	...
Balance as at 30 June 2019	55,832	8,744

13.4 Acquittal of Capital Investment and Specific Purpose Accounts

The Department received Capital Appropriation funding and revenues from Specific Purpose Accounts to fund specific projects.

Cash outflows relating to these projects are listed below by category.

Budget information refers to original estimates and has not been subject to audit.

(a) Project expenditure

	2020	2020	2019
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Capital Investment Program			
<i>National Highway System</i>			
Bass Highway – Biralee to Exton	...	...	26
Bass Highway – Wynyard	...	188	389
Bridge renewal program	4,224	3,822	3,664
Bridport Western Access Road	...	785	...
Brooker Highway – Elwick, Goodwood, Howards Roads	...	1,240	28
Domain Highway planning	1,701	...	807
Greater Hobart Traffic Solution	...	340	...
Heavy Vehicle Safety and productivity	4,700	1,594	...
Highland Lakes Road	100	(5)	3,597
Hobart Airport Interchange	7,000	927	...
Huon Highway / Summerleas Road	...	105	2,383
Infrastructure Development – Continuing Projects	130	283	7,449
Infrastructure Maintenance	7,674	6,154	7,877
Midland Highway	52,316	46,289	101,475
Murchison Highway	...	...	2,261
New Bridgewater Bridge	6,000	...	68
Road Safety and Traffic Management Works	3,950	1,464	1,217
Roads of Strategic Importance	13,000	5,734	1,812
Tasman Ramps	...	103	108
Urban Congestion Fund	16,200	34	...
<i>State Funded Projects</i>			
Asset Management	5,782	5,394	5,695
Bass Highway – Biralee to Exton	...	...	277

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Bass Highway – Wynyard	...	(186)	(26)
Bridge renewal program	...	873	3,740
Bridge Strengthening on Esk and Tasman Highways	5,100	(37)	160
Brooker, Elwick, Goodwood, Howards Roads	...	909	4
Bruny Island Main Road: The Neck	...	...	456
Colebrook Main Road	...	...	3,386
Community Rd 2 Planning	...	...	8
Domain Highway planning	...	...	3
Environmental Management	599	599	585
Esk Main Road	...	(35)	3,914
Extending the Great Eastern Drive – Binalong Bay Road	200	5	...
Freight Access Bridge Upgrades	4,400	4,916	6,293
Great Eastern Drive	3,000	3,597	3,544
Greater Hobart Traffic Solution	8,750	4,727	511
Heavy Vehicle Safety and Productivity Program	...	4,906	...
Highland Lakes Road	...	457	2,315
Hobart Airport Interchange	2,500	(687)	2,442
Huon Highway / Summerleas Road	...	(31)	(338)
Huon Highway – Glendevie	...	916	443
Infrastructure Development - Continuing Projects	995	780	349
Infrastructure Maintenance	64,619	79,059	68,112
Launceston and Tamar Valley Traffic Vision	4,790	2,175	202
Launceston Northbank	...	...	675
Midland Highway	400	1,674	4,549
Mowbray Connector	6,000	3,983	382
Murchison Highway	...	...	(1,566)
New Bridgewater Bridge	2,000	2,164	623
Program Management	1,248	521	1,116
Real-Time Traffic Congestion Management in Hobart	...	173	1,106
Road Safety and Traffic Management	15,341	9,219	6,103
Roads of Strategic Importance	2,200	1,428	...
Roads Package to Support Tasmania's Visitor Economy	20,740	20,842	8,112
South East Traffic Solution	4,900	11,050	820
Strategic Policy and Planning	2,844	2,557	2,495
State Road Upgrades – Southern Region	25,150	20,639	11,143
State Road Upgrades – Northern Region	7,230	17,003	9,113
State Roads Upgrades – North West & West Coast Region	3,600	7,994	853
Tasmanian Journeys	300	31	...
Urban Congestion Fund	8,000	99	...
West Tamar Traffic Solution	5,800	864	276
A Workforce for Now and the Future	50	...	97
Total cash outflows	323,533	277,635	281,133

(b) Classification of cash flows

The project expenditure above is reflected in the Statement of Cash Flows as follows.

	2020	2019
	\$'000	\$'000
Cash outflows		
Other cash payments		
Maintenance	37,387	74,610
Other (overheads, management, systems)	8,472	9,306
Payments for acquisition of assets	231,776	197,217
Total cash outflows	277,635	281,133

Note 14: Financial Instruments

14.1 Risk exposures

(a) Risk management policies

The Department has exposure to the following risks from its use of financial instruments:

- » credit risk;
- » liquidity risk; and
- » market risk.

The Head of Agency has overall responsibility for the establishment and oversight of the Department's risk management framework. Risk management policies are established to identify and analyse risks faced by the Department, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Department does not hold any derivative financial instruments.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim ie BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Loan advances	Recognised upon receipt of cash, measured at face value Loan advances are held to maturity and are measured at amortised cost subsequent to initial recognition. Impairment of Loan advances are reviewed on an ongoing basis.	Loan advances include financial assistance provided by the government to the private sector in the form of loans.
Other financial assets (i.e. accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

Receivables age analysis - expected credit loss

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2020 and 30 June 2019 are as follows:

Expected credit loss analysis of receivables as at 30 June 2020						
	Not Past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due 91+ days \$'000	Total \$'000
Expected credit loss rate (A)	0.00%	0.09%	0.18%	0.62%	7.95%	
Total gross carrying amount (B)	2,050	82	...	63	892	3,087
Expected credit loss (A x B)	...	...	...	...	75	75

Expected credit loss analysis of receivables as at 1 July 2019 (adoption date of AASB 9)						
	Not Past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due 91+ days \$'000	Total \$'000
Expected credit loss rate (A)	0.00%	0.05%	0.09%	0.32%	4.08%	
Total gross carrying amount (B)	577	111	...	105	848	1,641
Expected credit loss (A x B)	...	...	...	...	36	36

(c) Liquidity risk

Liquidity risk is the risk that the Department will not be able to meet its financial obligations as they fall due. The Department's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Interest bearing liabilities	Bank loans and other loans are initially measured at fair value, net of transaction costs. These loans are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis. The Department regularly reviews its contractual outflows to ensure that there is sufficient cash available to meet contracted payments.	Contractual payments made on a regular basis.
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call
Revenue received in advance	Recognised upon receipt of monies, measured at face value	Expended by 30 September of the following year in terms of section 8A of the <i>Public Account Act 1986</i>

The Department is not exposed to liquidity risk of any significance. Appropriation funding is provided to the Department from State Treasury as funds are spent by the Department, provided the Department does not exceed its budget. The following tables detail the undiscounted cash flows payable by the Department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2020

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	13,676	...	...	...	...	...	13,676	13,676
Interest bearing liabilities	35,000	...	45,000	...	...	...	80,000	80,000
Monies held in Trust	17,685	...	...	...	...	...	17,685	17,685
Total	66,361	...	45,000	...	...	...	111,361	111,361

2019

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	14,712	...	...	...	...	...	14,712	14,712
Interest bearing liabilities	...	2,300	...	...	...	...	2,300	2,300
Monies held in Trust	8,744	...	...	...	...	...	8,744	8,744
Total	23,456	2,300	...	...	...	...	25,756	25,756

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Department is exposed to is interest rate risk.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2020	2019
	\$'000	\$'000
Fixed rate instruments		
Financial assets	...	...
Less Financial liabilities	(80,000)	...
Total	(80,000)	...
Variable rate instruments		
Financial assets	129,930	75,111
Less Financial liabilities	(317)	(2,617)
Total	129,613	72,494

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Department's profit or loss and equity:

Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates:				
	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	\$'000	\$'000	\$'000	\$'000
30 June 2020				
Cash and deposits	37	(37)	...	...
Loan advances	1,262	(1,262)	...	...
Monies held in Trust	(3)	3	...	...
Interest bearing facilities	...	...	...	...
Net sensitivity	1,296	(1,296)	...	...
30 June 2019				
Cash in Special Deposits and Trust Fund	33	(33)	...	...
Loan advances	718	(718)	...	...
Monies held in Trust	(3)	3	...	...
Interest bearing facilities	(23)	23	...	...
Net sensitivity	725	(725)	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2019.

14.2 Categories of Financial Assets and Liabilities

AASB 9 Carrying amount	2020 \$'000	2019 \$'000
Financial assets		
Amortised cost	204,615	142,035
Total	204,615	142,035
Financial Liabilities		
Financial liabilities measured at amortised cost	141,249	70,544
Total	141,249	70,544

There has been no change, during the period and cumulatively, in the fair value of any receivables or financial liabilities that is attributable to changes in the credit risk of that asset or liability.

14.3 Derecognition of Financial Assets

The Department has not transferred financial assets in such a way that part or all of the financial assets do not qualify for derecognition.

14.4 Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities

	Carrying Amount 2020	Net Fair Value 2020	Carrying Amount 2019	Net Fair Value 2019
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash at bank	5,957	5,957	11,421	11,421
Cash and Deposits	69,208	69,208	57,173	57,173
Receivables	9,575	9,575	7,194	7,194
Loan advances	126,218	126,212	71,836	71,830
Total financial assets	210,958	210,952	147,624	147,618
Financial liabilities				
Trade creditors	13,676	13,676	14,712	14,712
Interest bearing facilities	80,000	80,170	2,300	2,300
Other financial liabilities:				
Monies held in Trust	17,685	17,685	8,744	8,744
Total financial liabilities	111,361	111,531	25,756	25,756

14.5 Net Fair Values of Financial Assets and Liabilities

2020

	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash at bank	5,957	...	...	5,957
Cash in Special Deposits and Trust Fund	69,208	...	...	69,208
Receivables	...	9,575	...	9,575
Loan advances	...	126,212	...	126,212
Total financial assets	75,165	135,787	...	210,952
Financial liabilities				
Trade creditors	...	13,676	...	13,676
Interest bearing facilities	...	80,170	...	80,170
Other financial liabilities:				
Monies held in Trust	...	17,685	...	17,685
Total financial liabilities	...	111,531	...	111,531

2019

	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash at bank	11,421	...	...	11,421
Cash in Special Deposits and Trust Fund	57,173	...	...	57,173
Receivables	...	7,194	...	7,194
Loan advances	...	71,830	...	71,830
Total financial assets	68,594	79,024	...	147,618

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial liabilities				
Trade creditors	...	14,712	...	14,712
Interest bearing facilities	...	2,300	...	2,300
Other financial liabilities:				
Monies held in Trust	...	8,744	...	8,744
Total financial liabilities	...	25,756	...	25,756

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets;

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair values of receivables are based on the nominal amounts due less any provision for impairment.

The net fair values of other financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors and other financial liabilities are approximated by their carrying amounts.

Note 15: Details of Consolidated Entities

15.1 List of Entities

The following entities have been consolidated by the Department:

Entity	Ownership Interest	Proportion of Ownership Interest
Tasmania Development and Resources	State of Tasmania	100%
Tasmanian Museum and Art Gallery	State of Tasmania	100%
Abt Railway Ministerial Corporation	State of Tasmania	100%
Forest Practices Authority (consolidated within the Administered Financial Statements)	State of Tasmania	100%

Note 16: Notes to Administered Statements

16.1 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of budget estimate and \$500,000.

(a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Sales of goods and services	(i)	5,412	6,137	725	13%
Employee benefits	(ii)	...	2,132	2,132	100%
Supplies and consumables	(iii)	136	2,149	2,013	1,480%

Notes to Schedule of Administered Income and Expenses variances

(i) Variance reflects the improved performance of custom vehicle plate (Tasplates) sales (\$0.9M)

(ii) Difference reflects the budget exclusion of Forest Practices Authority salaries funded from revenues.

(iii) Partly reflects the budget exclusion of Forest Practices Authority expenses funded from revenues. Secondly, the budget treats the revenue/production cost of custom number plates and other costs incurred in the collection of administered revenues on a net basis, therefore no budget for these expenditures is provided; however, Australian Accounting Standards do not allow for the aggregation of revenues and expenditures (\$0.9).

(b) Schedule of Administered Assets and Liabilities

	Note	Budget \$'000	2020 Actual \$'000	2019 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(i)	11,069	3,838	7,792	(7,231)	(3,954)
Financial Investments	(ii)	...	1,000	1,750	1,000	(750)
Receivables	(iii)	137	845	154	708	691
Payables	(iv)	1,134	522	35	(612)	487

Notes to Schedule of Administered Assets and Liabilities Variances

(i) Variance reflect lower than expected cash and deposits held related to Motor Registry third party revenue collections and the Tasmanian Forests intergovernmental Agreement.

(ii) Variance reflects a term deposit held by Forest Practices Authority not included in Original Budget.

(iii) Variance reflects higher than expected receivable for Mineral Resources Tasmania at the end of the 2019-20 financial year.

(iv) Accrued expenses were lower than anticipated in Original Budget.

(c) Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Sales of goods and services	(i)	5,412	6,035	623	12%
Employee benefits	(ii)	....	2,117	2,117	100%
Other cash payments	(iii)	(136)	(2,257)	(2,121)	(1,560%)
Trust receipts	(iv)	....	(3,624)	(3,624)	(100%)

Notes to Schedule of Administered Cash Flow variances

(i) Variance reflects the improved performance of custom vehicle plate (Tasplates) sales (\$0.9 million)

(ii) Difference reflects the budget exclusion of Forest Practices Authority salaries funded from revenues.

(iii) Partly reflects the budget exclusion of Forest Practices Authority expenses funded from revenues. Secondly, the budget treats the revenue/production cost of custom number plates and other costs incurred in the collection of administered revenues on a net basis, therefore no budget for these expenditures is provided, however Australian Accounting Standards do not allow for the aggregation of revenues and expenditures (\$.09).

(iv) Reflect non-budgeted net cash flows of Motor Registry third party revenue collections and other funds held in trust.

16.2 Administered revenue from Government

Administered revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

The Budget information is based on original estimates and has not been subject to audit.

	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Continuing operations			
Appropriation revenue – recurrent			
Current year	40,994	40,448	53,166
Total	40,994	40,448	53,166

16.3 Administered Grants

	2020	2019
	\$'000	\$'000
<i>Continuing operations</i>		
Grants from other Government Department	500	500
Industry contributions	24	74
Total	524	574
Total revenue from grants	524	574

16.4 Administered State taxation

	2020	2019
	\$'000	\$'000
Vehicle Registration Fees	47,468	44,874
Total	47,468	44,874

16.5 Administered Sales of goods and services

	2020	2019
	\$'000	\$'000
Goods		
Mineral Land Rentals	1,148	1,075
Custom Plates	1,380	1,426
Services		
MAIB Commission	2,542	2,462
Registration and Licensing	100	145
Forest Practice Plan fees	822	782
Forest Practice consulting fees	87	101
Other	58	73
Total	6,137	6,064

16.6 Administered Fees and fines

	2020	2019
	\$'000	\$'000
Regulatory Fees		
Vehicle escorts	550	238
Public Vehicle Licensing	32	32
Fees from Mineral Lands	793	745
Driver Licensing	8,876	9,338
Fines		
Weighbridge	4	1
Other	60	99
Total	10,315	10,453

16.7 Administered other revenue

	2020	2019
	\$'000	\$'000
Mineral Royalties	31,910	34,366
Other	(137)	29
Total	31,773	34,395

Revenue from Mineral Royalties is recognised on receipt based on self-assessment by mining companies. The royalties are calculated and paid based on mined volumes each quarter and supported by spot audits by Mineral Resources Tasmania staff. Due to inherent difficulties of accounting for this revenue on an accrual basis, mineral royalties' revenue is accounted for on a cash basis.

16.8 Administered Employee benefits

	2020	2019
	\$'000	\$'000
Wages and salaries	1,614	1,719
Annual leave	109	133
Long service leave	43	24
Superannuation	224	227
Other employee benefits	142	116
Total	2,132	2,219

Superannuation expenses relating to defined benefit schemes relate to payments into the Consolidated Fund. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The current department contribution is 12.95 per cent (2019: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent (2019: 9.5 per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.45 per cent (2019: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

16.9 Administered Supplies and consumables

	2020	2019
	\$'000	\$'000
Audit fees – financial audit	3	3
Audit fees – internal audit	...	7
Operating Lease costs	80	84
Consultants	510	532
Property services	40	24
Maintenance	1	83
Communications	17	22
Information technology	107	67
Travel and transport	110	159
Advertising and promotion	17	42
Contractor payments	54	89
Personalised number plate production costs	998	1,123
Other supplies and consumables	212	191
Total	2,149	2,426

16.10 Administered Grants and subsidies

	2020 \$'000	2019 \$'000
Grants		
National Road Transport Commission: Local Government Contribution	1,500	1,500
Private Forests Tasmania	1,615	1,583
Contribution to Marine and Safety Tasmania	2,143	2,613
Tasmanian Railway Pty Ltd	10,100	8,100
West Coast Wilderness Railway	4,000	...
Forest Industry grants	1,015	1,520
Government contribution to the Tasmanian Symphony Orchestra	1,519	1,679
Tasmanian Icon program – Tasmanian Symphony Orchestra	500	500
Ten Days on the Island	1,027	1,601
Theatre Royal	870	856
Sustainable Timber Tasmania – Community Service Obligation	10,000	12,000
Total Grants	34,289	31,952
Subsidies		
Student–Only Passenger Services	1	15,055
Conveyance Allowances	703	967
Pensioner Air Travel Subsidy	7	10
Transport Access Scheme	4,847	5,215
Total Subsidies	5,558	21,247
Total	39,847	53,199

16.11 Administered Other expenses

	2020 \$'000	2019 \$'000
Workers Compensation	2	2
Miscellaneous expenses	...	4
Total	2	6

16.12 Administered Financial Investments

	2020 \$'000	2019 \$'000
National Australia Bank and Me Bank term deposits	1,000	1,750
Total	1,000	1,750
Settled within 12 months	1,000	1,750
Total	1,000	1,750

16.13 Administered Receivables

	2020	2019
	\$'000	\$'000
Receivables	891	154
Less: Provision for impairment	(46)	...
Total	845	154
Sales of goods and services (inclusive of GST)	834	147
Less: Provision for impairment	(46)	...
GST receivable	57	7
Total	845	154
Settled within 12 months	845	154
Total	845	154
Reconciliation of movement in expected credit loss for administered receivables	2020	2019
	\$'000	\$'000
Carrying amount at 1 July	...	...
Increase/(decrease) in provision recognised in profit or loss	(46)	...
Carrying amount at 30 June	(46)	...

For ageing analysis of administered financial assets past due but not impaired please refer to note 16.23.

16.14 Administered Other financial assets

	2020	2019
	\$'000	\$'000
Accrued revenue	230	66
Accrued interest	12	30
Total	242	96
Settled within 12 months	242	96
Total	242	96

16.15 Administered Plant and equipment

(a) Carrying amount

	2020	2019
	\$'000	\$'000
Plant and equipment		
At cost	15	14
Less: Accumulated depreciation	(7)	(3)
Total plant and equipment	8	11

(b) Reconciliation of movements

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current and previous financial year are set out below:

	2020 \$'000	2019 \$'000
Carrying amount at 1 July	11	14
Additions	...	...
Depreciation expense	(3)	(3)
Carrying amount at 30 June	8	11

16.16 Administered Other assets

	2020 \$'000	2019 \$'000
Prepayments	31	16
Total	31	16
Settled within 12 months	31	16
Total	31	16

16.17 Administered Payables

	2020 \$'000	2019 \$'000
Creditors	6	14
Accrued expenses	516	21
Total	522	35
Settled within 12 months	522	35
Total	522	35

Settlement is usually made within 30 days.

16.18 Administered Employee benefits

	2020 \$'000	2019 \$'000
Accrued salaries	28	17
Annual leave	129	151
Long service leave	258	239
Other employee provisions	7	...
Total	422	407
Settled within 12 months	191	194
Settled in more than 12 months	231	213
Total	422	407

16.19 Administered Other liabilities

	2020 \$'000	2019 \$'000
Other liabilities		
Monies held in trust	(478)	3,470
PAYG withholding tax payable	1	1
Other liabilities	3	2
Total	(474)	3,473
Settled within 12 months	(474)	3,473
Total	(474)	3,473

Monies held in Trust are primarily third party revenues collected by the Department through motor registration receipts, held pending daily transfer to the owning third parties. Third parties include MAIB, State Revenue Office and Tasmania Fire Service (refer Note 17).

16.20 Schedule of Administered Commitments

	2020 \$'000	2019 \$'000
By type		
<i>Lease Commitments</i>		
Other leases	79	18
<i>Total lease commitments</i>	79	18
By maturity		
<i>Other lease commitments</i>		
One year or less	44	18
From one to five years	35	...
<i>Total other lease commitments</i>	79	18
Total	79	18

Note: Commitments are GST exclusive where relevant.

The majority of the Department's leases are represented by land and building rental costs and motor vehicles leased through the government's fleet manager. The rentals on leased premises generally contain renewal options that extend the lease to match the current lease periods. These range from 2 to 14 years. The total lease commitment excludes local government and other executory costs where they are paid directly to a party other than the lessor. These costs are included elsewhere in the Department's expenditures.

The minimum lease payment for vehicles is based on the average age of the vehicle fleet and a standard lease period of 36 months.

16.21 Administered Cash and deposits

Administered Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, and other cash held, which are administered or held in a trustee capacity or agency arrangement.

	2020	2019
	\$'000	\$'000
S524 State Growth Financial Management Account	606	3,759
S117 Tasmanian Forest Agreement Account	2,601	3,608
Total	3,207	7,367
Other cash held		
Tascorp Interest Bearing Deposit	631	425
Total	631	425
Total cash and deposits	3,838	7,792

FPA also holds \$1 million (2019: \$1.75 million) in term deposits held for periods greater than three months. These do not meet the classification requirements of Cash under accounting standard AASB 107 and therefore have been excluded from the above balance. Refer to note 16.12.

16.22 Reconciliation of Administered Net Result to Net Cash from Administered Operating Activities

	2020	2019
	\$'000	\$'000
Net operating result from transactions	(410)	(2,157)
Depreciation and amortisation	3	3
Decrease (increase) in Receivables	(691)	(17)
Decrease (increase) in Other financial assets	(146)	(13)
Decrease (increase) in Other assets	(15)	(8)
Increase (decrease) in Employee entitlements	15	68
Increase (decrease) in Payables	487	(338)
Increase (decrease) in Other liabilities	(323)	(14)
Net cash from (used by) operating activities	(1,080)	(2,476)

16.23 Administered Financial Instruments

16.24 Risk exposures

(a) Risk management policies

The Department has exposure to the following risks from its use of financial instruments:

- » credit risk;
- » liquidity risk; and
- » market risk.

The Head of Agency has overall responsibility for the establishment and oversight of the Department's risk management framework. Risk management policies are established to identify and analyse risks faced by the Department, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Department does not hold any derivative financial instruments.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Department if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Recognised upon the provision of a good or service and the issuance of an invoice.	Payment terms generally 30 days.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Other financial assets (ie accrued revenue)	Recognised upon the accrual of the future benefit, measured at face value	Majority of accrued revenues are settled within 6 months

Receivables age analysis - expected credit loss

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2020 and 30 June 2019 are as follows.

Expected credit loss analysis of receivables as at 30 June 2020						
	Not Past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due 91+ days \$'000	Total \$'000
Expected credit loss rate (A)	0.00%	0.09%	0.18%	0.62%	7.95%	
Total gross carrying amount (B)	103	56	...	35	573	767
Expected credit loss (A x B)	...	...	...	...	46	46

Expected credit loss analysis of receivables as at 1 July 2019						
	Not Past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due 91+ days \$'000	Total \$'000
Expected credit loss rate (A)	...	...	...	...	...
Total gross carrying amount (B)	71	24	...	1	7	103
Expected credit loss (A x B)	...	...	...	...	...	...

(c) Liquidity risk

Liquidity risk is the risk that the Department will not be able to meet its financial obligations as they fall due. The Department's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Recognised upon the receipt of a good or service that has not been paid for, measured at face value	Settled within 30 days
Monies held in Trust	Recognised upon receipt of monies, measured at face value	At call

The Department is not exposed to liquidity risk of any significance. Appropriation funding is provided to the Department from State

Treasury as funds are spent by the Department, provided the Department does not exceed its budget. The following tables detail the undiscounted cash flows payable by the Department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2020

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	522	...	...	...	...	...	522	522
Monies held in Trust	(478)	...	...	...	...	...	(478)	(478)
Total	44	...	...	...	...	...	44	44

2019

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	35	...	...	...	...	...	35	35
Monies held in Trust	3,470	...	...	...	...	...	3,470	3,470
Total	3,505	...	...	...	...	...	3,505	3,505

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Department is exposed to is interest rate risk.

At the reporting date, the interest rate profile of the Department's interest bearing financial instruments was:

	2020 \$'000	2019 \$'000
Fixed rate instruments		
Financial assets	1,000	1,750
Financial liabilities	...	...
Total	1,000	1,750
Variable rate instruments		
Financial assets	631	425
Financial liabilities	...	...
Total	631	425

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Department's profit or loss and equity:

Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates:				
	Statement of Comprehensive Income		Equity	
	100 basis points increase \$'000	100 basis points decrease \$'000	100 basis points increase \$'000	100 basis points decrease \$'000
30 June 2020				
Cash and deposits	6	(6)	...	...
Net sensitivity	6	(6)	...	...
30 June 2019				
Cash and deposits	22	(22)	...	...
Net sensitivity	22	(22)	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2019.

16.25 Categories of Administered Financial Assets and Liabilities

AASB 9 Carrying amount	2020 \$'000	2019 \$'000
Financial assets		
Amortised cost	5,925	9,792
Total	5,925	9,792
Financial Liabilities		
Financial liabilities measured at amortised cost	48	3,508
Total	48	3,508

There has been no change, during the period and cumulatively, in the fair value of any receivables or financial liabilities that is attributable to changes in the credit risk of that asset or liability.

16.26 Derecognition of Administered Financial Assets

The Department has not transferred financial assets in such a way that part or all of the financial assets do not qualify for derecognition.

16.27 Comparison between Carrying Amount and Net Fair Value of Administered Financial Assets and Liabilities

	Carrying Amount 2020 \$'000	Net Fair Value 2020 \$'000	Carrying Amount 2019 \$'000	Net fair Value 2019 \$'000
Financial assets				
Cash and deposits	3,838	3,838	7,792	7,792
Financial Investments	1,000	1,000	1,750	1,750
Receivables	845	845	154	154
Other financial assets:				
Accrued revenue	242	242	96	96
Total financial assets	5,925	5,925	9,792	9,792
Financial liabilities				
Trade creditors	522	522	35	35
Other financial liabilities:				
Monies held in Trust	(478)	(478)	3,470	3,470
Total financial liabilities	44	44	3,505	3,505

16.28 Net Fair Values of Administered Financial Assets and Liabilities

2020	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Cash at Tascorp	...	631	...	631
Commonwealth Bank term deposits	...	1,000	...	1,000
Cash in Specific Purpose Accounts	...	3,207	...	3,207
Receivables	845	845
Other financial assets:				
Accrued revenue and interest	242	242
Total financial assets	...	4,838	1,087	5,925
Financial liabilities				
Trade creditors	522	522
Other financial liabilities:				
Monies held in Trust	...	(478)	...	(478)
Total financial liabilities	...	(478)	522	44

2019	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial assets				
Cash at Tascorp	...	425	...	425
National Australia Bank and Me Bank term deposits	...	1,750	...	1,750
Cash in Special Deposits and Trust Fund	...	7,367	...	7,367
Receivables	154	154
Other financial assets:				
Accrued revenue and interest	96	96
Total financial assets	...	9,542	250	9,792
Financial liabilities				
Trade creditors	35	35
Other financial liabilities:				
Monies held in Trust	...	3,470	...	3,470
Total financial liabilities	...	3,470	35	3,505

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets;

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The Department uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Administered Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair values of receivables are based on the nominal amounts due less any provision for impairment.

The net fair values of other financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors and other financial liabilities are approximated by their carrying amounts.

Note 17: Transactions and Balances Relating to a Trustee or Agency Arrangement

Account/Activity	Opening balance \$'000	Net transactions during 2019–20 \$'000	Closing balance \$'000
Monies collected on behalf of external bodies through Motor Registrations (refer below):			
Less: Monies collected through Motor Registrations	3,470	331,985	
Transferred to external bodies		(335,609)	154
Agreement for the Conservation of Albatrosses and Petrels (ACAP)	696	228	924
Mine Rehabilitation Bonds	7,320	664	7,984
Pacific National Compensation Fund	64	...	64
Provision for land acquisition	1,084	7,926	9,010

The Department is responsible for the collection of revenue on behalf of other agencies and organisations and the transfer of those funds on an agreed basis, through the function of collecting and processing Motor Vehicle registrations. The following revenues are processed through the Department's Operating Account and then forwarded to the relevant organisation:

- » Motor tax (State);
- » Duties;
- » Motor Accidents Insurance Board premiums;
- » State Fire Service levy; and
- » Motor Tax – National Heavy Vehicle Regulator.

The balance of these activities merely reflects a timing difference between receipt of the revenue and forwarding the funds to the relevant body.

The Department holds monies in trust and performs transactions on behalf of various bodies as listed above, and in those instances trustee funds are held within the Department's Operating Account in separate true trust accounts for each trustee.

Note 18: Events Occurring After Balance Date

There have been no events subsequent to balance date which would have a material effect on the Department's Financial Statements as at 30 June 2020.

Note 19: Other Significant Accounting Policies and Judgements

19.1 Objectives and Funding

The Department was established on 1 July 2014 to strategically pursue jobs, growth and opportunity for Tasmanians. The Department actively pursues and promotes investment, facilitates major projects, supports business and industry to grow and ensures strategic investment in infrastructure. The Department also works closely with business and industry to address barriers to growth; reduce red and green tape; provide a skilled workforce; develop our creative and cultural industries; and ensure efficient, cost effective transport and logistics systems.

The Department provides portfolio support for the following Ministers:

- » Minister for Advanced Manufacturing and Defence Industries
- » Minister for the Arts
- » Minister for Education and Training
- » Minister for Energy
- » Minister for Infrastructure and Transport
- » Minister for Local Government
- » Minister for Resources

-
- » Minister for Science and Technology
 - » Minister for Small Business, Hospitality and Events
 - » Minister for State Growth
 - » Minister for Tourism
 - » Minister for Trade

By providing a strategic approach to the provision of both physical infrastructure and regulatory frameworks, the Department aims to:

- » facilitate industry and jobs growth, and reduce barriers to growth;
- » support Tasmanian industry to succeed nationally and internationally, and encourage investment in Tasmania;
- » enhance infrastructure decision-making across Government;
- » facilitate a safe, sustainable and efficient transport system that enhances economic and social development, in the context of the challenges of climate change;
- » promote reliable, efficient, safe and sustainable energy systems;
- » facilitate forest policy for Tasmania's sustainable forestry practices and forest industries;
- » develop Tasmania's art community and promote cultural activity and events; and
- » facilitate mineral exploration and land management of Tasmanian land and offshore waters.

Department activities contributing towards these outcomes are classified as either controlled or administered.

Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department on behalf of the Government of items controlled or incurred by the Government.

The Department is a Tasmanian Government not-for-profit entity that is predominantly funded by parliamentary appropriations. Other funding sources include Commonwealth grants, industry grants and miscellaneous recoveries from various sources. Entities consolidated within these Financial Statements are detailed in Note 15.1.

19.2 Basis of Accounting

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- » Australian Accounting Standards issued by the Australian Accounting Standards Board and Interpretations; and
- » The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

Compliance with the Australian Accounting Standards (AAS) may not result in compliance with International Financial Reporting Standards, as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Department is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 19.5.

The Financial Statements have been prepared as a going concern. The continued existence of the Department in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and activities.

19.3 Reporting Entity

The Financial Statements include all the controlled activities of the Department. The Financial Statements consolidate material transactions and balances of the Department and entities included in its output groups. Material transactions and balances between the Department and such entities have been eliminated.

Refer to Note 15 for Consolidated Entities.

19.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the Department's functional currency.

19.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, the Department has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- » AASB 15 *Revenue from Contracts with Customers* – This Standard establishes principles that require an entity to apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Standard requires the Department to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the Standard requires relevant disclosures.

The Department has adopted AASB 15 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

Reviewing the Departments revenue streams it was identified that all revenue items for which AASB 15 would apply were already recognised in line with satisfaction of performance obligations. The impact of applying the practical expedients has not significantly affected the financial statements.

- » AASB 16 *Leases* – This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities. The standard results in most of the Department's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability takes into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset is recognised, which is amortised over the term of the lease. Operating lease costs are no longer shown. In the Statement of Comprehensive Income, impact of leases is through amortisation and interest charges. In the Statement of Cash Flows, lease payments is shown as cash flows from financing activities instead of operating activities. The Department has adopted AASB 16 retrospectively with the cumulative effect of applying the standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The Department elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short term leases), lease contracts for which the underlying asset is valued at \$10 000 or under when new (low value assets) and rental arrangements for which Finance General has substantive substitution rights over the assets.

In applying AASB 16 for the first time, the Department has used the following practical expedients permitted by the standard:

- » not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4;
- » applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- » relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- » not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application;
- » excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- » using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effect of adopting AASB 16 on the Statement of Financial Position is as follows:

	Note	\$'000
Assets		
Right of use assets	9.7	1,186
Liabilities		
Lease liabilities	10.2	1,195
Equity		
Accumulated funds		(9)

Reconciliation of operating lease commitments as at 30 June 2019 to lease liabilities on 1 July 2019:

	\$'000
Operating lease commitments as at 30 June 2019 (ex GST)	66,991
Weighted average incremental borrowing rate as at 1 July 2019	1.54%
<i>Reconciliation:</i>	
Discounted operating lease commitments as at 1 July 2019	49,570
Add:	
Commitments relating to leases previously classified as finance leases (ex GST)	...
Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	130
Less practical expedients:	
Commitments relating to short-term leases	(7)
Commitments relating to leases of low-value assets	(28)
Add / (less):	
Contracts re-assessed as lease contracts	(816)
Adjustments relating to changes in the index or rate affecting variable payments	47,653
Lease liabilities as at 1 July 2019	1,196

- » AASB 1058 *Income of Not for Profit Entities* - This Standard establishes principles for not for profit entities that applies to transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable a not for profit entity to further its objectives, and the receipt of volunteer services.

The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. If the transaction is a transfer of a financial asset to enable the Department to acquire or construct a recognisable non-financial asset to be controlled by the Department (i.e. an in-substance acquisition of a non-financial asset), the Department recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The Department will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Revenue recognition for the Department's appropriations, taxes, royalties and most grants and contributions will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when the Department gains control of the asset (e.g. cash or receivable) in most instances.

Under AASB 1058, the Department will recognise volunteer services only when the services would have been purchased if they had not been donated, and the fair value of the services can be measured reliability.

The Department has adopted AASB 1058 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard. The Department has also adopted the transitional practical expedient as permitted by the Standard, whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, remain recorded at cost and are not restated to their fair value.

The effect of adopting AASB 1058 has not had a significant effect on the Departments financial statements.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- » AASB 1059 *Service Concession Arrangements: Grantors* – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This Standard applies on or after 1 January 2020. The impact of this Standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. There is no financial impact.

19.6 Activities Undertaken Under a Trustee or Agency Relationship

Transactions relating to activities undertaken by the Department in a trust or fiduciary (agency) capacity do not form part of the Department's activities. Trustee and agency arrangements, and transactions/balances relating to those activities, are neither controlled nor administered.

Fees, commissions earned and expenses incurred in the course of rendering services as a trustee or through an agency arrangement are recognised as controlled transactions.

Transactions and balances relating to a trustee or an agency arrangement are not recognised as departmental revenues, expenses, assets or liabilities in these Financial Statements. Details of these transactions are provided in Note 17.

19.7 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated gains and losses are not material.

19.8 Comparative Figures

Comparative figures have not been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at Note 19.5.

19.9 Budget Information

Budget information refers to original estimates as disclosed in the 2016-17 Budget Papers and is not subject to audit.

19.10 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$500 are rounded to zero and are indicated by the symbol "...".

19.11 Departmental Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax (GST).

19.12 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the Australian Taxation Office is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.







Independent Auditor's Report

To the Members of Parliament

Department of State Growth

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Department of State Growth (the Department), which comprise the statement of financial position as at 30 June 2020 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the Secretary of the Department.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the Department's financial position as at 30 June 2020 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Department's financial statements.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p>Infrastructure assets <i>Refer to notes 8.2 and 9.8</i></p> <p>The Department's infrastructure assets includes roads, and bridges totalling \$5.02bn as at 30 June 2020 recognised at fair value.</p> <p>The fair value of infrastructure assets is based on current replacement cost. Inputs used in the valuation of infrastructure assets include construction costs, design life, age and condition of the assets and remaining useful life. In the years between valuations, carrying values are updated using indices determined by management. The calculation of fair value is judgemental and highly dependent on a range of assumptions and estimates. In 2019-20 infrastructure assets were adjusted using relevant indices.</p> <p>The calculation of depreciation required estimation of asset useful lives and residual values, which involves a high degree of subjectivity. Changes in assumptions can significantly impact depreciation charged.</p> <p>The Department undertakes a number of significant capital expenditure programs to upgrade and maintain these assets. Capital expenditure in 2019-20 totalled \$0.22bn.</p> <p>Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of</p>	<ul style="list-style-type: none"> • Evaluating the appropriateness of the indexation methodology applied to determine the fair values. • Critically assessing assumptions and other key inputs in the valuation model, including corroboration of market related assumptions to external data. • Testing, on a sample basis, the mathematical accuracy of the indexation calculations. • Evaluating management's assessment of the useful lives. • Performing substantive analytical procedures on depreciation expenses. • Testing, on a sample basis, the allocation of costs between capital and operating expenditure. • Testing, on a sample basis, costs capitalised to work in progress to ensure projects will result in useable assets and that assets commissioned are transferred in a timely manner. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.

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costs between capital and operating expenditure is inherently judgemental.

Responsibilities of the Secretary for the Financial Statements

The Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of Section 42 (1) of the *Financial Management Act 2016*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the Department's ability to continue as a going concern unless the Department's operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary.
- Conclude on the appropriateness of the Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the

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audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Secretary regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Secretary, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ric De Santi
Deputy Auditor-General
Delegate of the Auditor-General

Tasmanian Audit Office

8 October 2020
Hobart

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Financial Statements

for the year ended 30 June 2020

ABT RAILWAY MINISTERIAL CORPORATION

Certification of Financial Statements for the year ended 30 June 2020

The accompanying special purpose financial statement of Abt Railway Ministerial Corporation is in agreement with the relevant accounts and records and has been prepared in compliance with the *Abt Railway Development Act 1999* to present fairly the financial transactions for the year ended 30 June 2020 and the financial position as at end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Bob Rutherford
(Delegate of the Minister)

Date 12 October 2020

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from Government			
Appropriation revenue – recurrent	1.3(a), 3.1	4,000	-
Sales of goods and services	1.3(b), 3.2	4,145	4,786
Other revenue	1.3(c), 3.3	263	483
Total revenue and other income from transactions		8,408	5,269
Expenses from transactions			
Employee benefits	1.4(a)	3,670	3,458
Superannuation	1.4(a)	330	311
Depreciation and amortisation	1.4(b)	1,696	1,547
Supplies and consumables	4.1, 1.4(c)	2,959	2,854
Total expenses from transactions		8,655	8,170
Net result (net operating balance)		(247)	(2,901)
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in property, plant and equipment revaluation surplus	9.1	-	-
Total other comprehensive income		-	-
Comprehensive result		(247)	(2,901)

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Assets			
<i>Financial assets</i>			
Cash and deposits	1.6(a), 7.1	2,914	1,825
Receivables	1.6(b)	15	24
Goods & Services Tax		208	35
Other financial assets		-	7,000
<i>Non-financial assets</i>			
Prepayments		558	479
Inventory	1.6(c)	218	180
Property, plant and equipment	1.6(d), 5.1	7,121	5,984
Land & buildings	1.6(d), 5.1	6,712	6,325
Infrastructure	1.6(d), 5.1	29,789	22,842
Total assets		47,534	44,694
Liabilities			
Payables	1.7(a), 6.1	3,852	643
Income in Advance	6.3	48	172
Employee benefits	1.7(b), 6.2	404	402
Total liabilities		4,304	1,217
Net assets (liabilities)		43,231	43,478
Equity			
Accumulated funds		29,988	30,235
Reserves	9	13,243	13,243
Total equity		43,231	43,478

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Cash inflows			
Appropriation revenue - recurrent		4,016	-
Other cash inflows		5,450	5,738
Total cash inflows		9,466	5,738
Cash outflows			
Employee benefits		(4,152)	(3,780)
Supplies and consumables		(4,063)	(3,071)
Total cash outflows		(8,215)	(6,851)
Net cash from / (used by) operating activities	7.2	1,251	(1,113)
Cash flows from investing activities			
Cash inflows			
Receipts from term deposit redemption		7,000	3,615
Total cash inflows		7,000	3,615
Cash outflows			
Payments for acquisition of fixed assets		(7,162)	(1,687)
Total cash outflows		(7,162)	(1,687)
Net cash from / (used by) investing activities		(162)	1,928
Net increase / (decrease) in cash and cash equivalents held		1,089	815
Cash and deposits at the beginning of the reporting period		1,825	1,010
Cash and deposits at the end of the reporting period	7.1	2,914	1,825

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2020

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2019	13,243	30,235	43,478
Net result	-	(247)	(247)
Other comprehensive income	-	-	-
Total comprehensive result	-	(247)	(247)
Balance as at 30 June 2020	13,243	29,988	43,231

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
Balance as at 1 July 2018	13,243	33,136	46,379
Net result	-	(2,901)	(2,901)
Other comprehensive income	-	-	-
Total comprehensive result	-	(2,901)	(2,901)
Balance as at 30 June 2019	13,243	30,235	43,478

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statements for the year ended 30 June 2020

Note I: Significant Accounting Policies

1.1 Objectives and Funding

The Abt Railway Ministerial Corporation (the Ministerial Corporation) is a body corporate, established by the *Abt Railway Development Act 1999*.

The main activity of Abt Railway is passenger and freight services between Queenstown Station and Regatta Point Station at Strahan. The railway provides the only means of access between Lowana and Lower Landing (Teepookana Plateau), which is State Forest under the control of Sustainable Timber Tasmania.

Since the 1st May 2014, the West Coast Wilderness Railway (WCWR) has been managed by the Ministerial Corporation.

1.2 Basis of Accounting

As there are no users dependent on a general purpose financial report, the financial statements are therefore a special purpose financial report that has been prepared in order to meet the financial reporting obligations of the Corporation.

These Special Purpose Financial Statement have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flow', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation and Application of Standards' and AASB 116 'Property Plant and Equipment'.

The financial statements have been prepared as a going concern.

1.3 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Ministerial Corporation will be able to realise its assets and discharge its liabilities in the normal course of business.

As a consequence of the impact of the COVID-19 pandemic, for the year ended 30 June 2020 the Ministerial Corporation incurred a loss of \$247 000 after receiving a \$4.0 million appropriation from Government. During the year the Ministerial Corporation redeemed a term deposit of \$7.0 million which was used to fund expenditure of \$7.2 million on property, plant and equipment, land and buildings and infrastructure. As at 30 June 2020, the Ministerial Corporation held cash and cash equivalents and term deposits totalling \$2.9 million compared to \$8.8 million at 30 June 2019. The Ministerial Corporation is projecting a loss of \$5.0 million before depreciation and any Government appropriation revenue for the year ending 30 June 2021 and a capital expenditure of program of \$14.5 million. The Ministerial Corporation has insufficient financial resources to cover the projected loss and undertake the capital expenditure program. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Ministerial Corporation's ability to continue as a going concern and, therefore, that the Ministerial Corporation might be unable to realise its assets and discharge its liabilities in the normal course of business.

The Delegate of the Minister is confident of the Ministerial Corporation's ability to continue as a going concern for the reasons outlined below:

- » Rack and Gorge rail journeys out of Queenstown Station recommenced from Tuesday 22 September 2020 and there is strong demand as indicated by customer forward bookings
- » visitors from other COVID-19 safe jurisdictions will be allowed to enter Tasmania without having to quarantine from 26 October 2020, which will further increase customer demand
- » the Ministerial Corporation is able to defer some of the planned capital expenditure
- » the Ministerial Corporation is likely to continue to be supported by Tasmanian Government through appropriation funding that will be announced in the 2020-21 Budget on 12 November 2020.

Based on the circumstances described above, the financial statements are prepared on the assumption that the entity is a going concern.

1.4 Income from transactions

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

(a) Grants

The Ministerial Corporation determines whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Ministerial Corporation applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Ministerial Corporation considers whether AASB1058 applies.

(b) Sales of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised when the service is performed.

(c) Other revenue

Revenue from such sources is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

1.5 Expenses from transactions

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

(a) Employee benefits

Employee benefits include entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

The following table details the asset lives, and depreciation rates and the methods for the various classes of assets employed in the current and previous reporting periods. Asset useful lives and depreciation methods are reviewed annually and adjusted according to the expected rate and/or pattern of consumption, asset condition, and industry best practice.

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Tracks, bridges, structures, culverts and station buildings	20 - 100	1.00% - 5.00%	Straight Line
Railway carriages	30 - 75	1.33% - 3.33%	Straight Line
Locomotives	25	4.00%	Straight Line
Buildings	20 - 30	3.33% - 5.00%	Straight Line
Rail wagons	5	20.00%	Straight Line
Plant and equipment	5 - 15	6.66% - 20.00%	Straight Line

(c) Other expenses

Expenses from activities other than those identified above are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

1.6 Other gains and losses

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

(a) Gain/(loss) on non-financial assets

Gains or losses from the disposal of Non-financial assets are recognised when control of the assets has passed from the Ministerial Corporation.

1.7 Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Ministerial Corporation and the asset has a cost or value that can be measured reliably.

(a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund.

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value. Impairment losses are recognised based on a lifetime expected credit loss calculation.

(c) Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential.

(d) Infrastructure, property, plant and equipment

(i) Valuation basis

ABT Railway infrastructure comprises of the rail track, bridges, culverts, sidings, ramps and earthworks. Railway infrastructure is revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in June 2017. Replacement cost is based on the estimated current cost to build similar assets, which is depreciated on a straight line basis on the expired proportion of the estimated useful life of the asset. Additions to infrastructure, property, plant and equipment since June 2017 are recorded at cost, which approximates fair value.

Land and buildings are recorded at fair value less accumulated depreciation, and are revalued every 5 years by the Valuer General, the last valuation completed in June 2017.

Railway Rolling Stock is revalued every 5 years on a depreciated replacement cost basis, with the last valuation completed in June 2017. Replacement cost is based on the estimated current cost to build similar assets, which are depreciated on a straight line basis on the expired proportion of the estimated useful life of the assets. The next valuation is required on 30th June 2022.

(ii) Asset recognition threshold

The asset capitalisation threshold adopted by the Ministerial Corporation is \$5,000. Assets valued at less than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

1.8 Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

(a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Ministerial Corporation becomes obliged to make future payments as a result of a purchase of assets or services.

(b) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

1.9 Income Tax

As the Ministerial Corporation is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

1.10 Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

1.11 Adoption of New and Amended Accounting Standards

In the current year, the Ministerial Corporation has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

AASB 16 Leases

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

In contracts where the Ministerial Corporation is a lessee, the Ministerial Corporation recognises a right-of-use asset and lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

The Ministerial Corporation has applied this standard from 1 July 2019 using a retrospective approach (partial) with cumulative catch-up. This does not require the Ministerial Corporation to restate comparative figures, but does require the presentation of both qualitative and quantitative disclosures for affected items, along with a corresponding adjustment to the opening balance of Accumulated surpluses for transitional effects of re-measurement.

AASB 16 has resulted in none of the Ministerial Corporation's operating leases being brought onto the statement of financial position, due to the limited exceptions relating to short-term leases and low-value assets.

Impact of lessee accounting

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Ministerial Corporation has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within 'Supplies and consumables' in profit or loss.

Transition

On transition to AASB 16, the Ministerial Corporation did not recognise additional right-of-use assets and additional lease liabilities, as all leases are short-term leases recognised as a lease expense on a straight-line basis. As such, there was no impact on transition.

AASB 15 Revenue from Contracts with Customers

The Ministerial Corporation has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The Ministerial Corporation has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation.

If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

1.12 Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Ministerial Corporation based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Ministerial Corporation operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which

may impact the Ministerial Corporation unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The Ministerial Corporation determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Ministerial Corporation assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Ministerial Corporation and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1.7, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2: Events after Balance Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for the Ministerial Corporation up to 30 June 2020, it is not practicable to estimate the potential negative impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Ministerial Corporation's operations, the results of those operations, or the Ministerial Corporation's state of affairs in future financial years.

Note 3: Income from transactions

3.1 Sales from goods and services

	2020	2019
	\$'000	\$'000
Grant - State Government	4,000	-
Total	4,000	-

3.2 Sales from goods and services

	2020	2019
	\$'000	\$'000
Ticket sales - West Coast Wilderness Railway	2,653	3,239
Café sales	1,299	1,330
Retail sales I	193	217
Total	4,145	4,786

3.3 Other revenue

	2020	2019
	\$'000	\$'000
Grant - State Government	-	60
Interest received	188	288
Miscellaneous revenue	75	135
Total	263	483

Note 4: Expenses from transactions

4.1 Supplies and consumables

	2020	2019
	\$'000	\$'000
Advertising and promotion	141	310
Audit	8	8
Communications	29	33
Consultants	52	55
Cost of sales	483	575
Insurance	596	522
IT	35	33
Maintenance	48	215
Motor vehicle running costs	51	123
Other employee costs	121	76
Other supplies and consumables	952	372
Property services	133	192
Rail operations	273	311
Travel and transport	37	29
Total	2,959	2,854

Note 5: Assets

5.1 Infrastructure, property, plant and equipment

(a) Carrying amount

	Notes	2020 \$'000	2019 \$'000
Plant and equipment:			
Plant and equipment (at fair value)			
At fair value		4,437	2,914
Less: Accumulated depreciation		(2,025)	(1,431)
Total	1.6(d)i)	2,412	1,483
Railway Rolling Stock (at fair value)			
At fair value		4,839	4,839
Railway Rolling Stock work in progress		208	-
Less: Accumulated depreciation		(338)	(338)
Total	1.6(d)i)	4,709	4,501
Total Plant and Equipment		7,121	5,984
Land and Buildings:			
Land (at fair value)			
At fair value		1,011	1,011
Total	1.6(d)i)	1,011	1,011
Buildings (at fair value)			
At fair value		6,242	5,662
Less: Accumulated depreciation		(541)	(348)
Total	1.6(d)i)	5,701	5,314
Total Land and Buildings		6,712	6,325
Abt Railway infrastructure (at fair value)			
At fair value		24,659	24,620
Railway infrastructure work in progress		7,819	-
Less: Accumulated depreciation		(2,689)	(1,778)
Total	1.6(d)i)	29,789	22,842
Total infrastructure, property, plant and equipment		43,621	35,151

(b) Reconciliation of infrastructure, property, plant and equipment

Reconciliations of the carrying amounts of each class of infrastructure, property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2020	Balance at beginning of financial year	Acquisition of assets	Written down value of disposals	Transfers	Depreciation and amortisation	Revaluation increments (decrements)	Balance at end of financial year
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant and equipment							
Plant and equipment	1,483	1,138	-	-	(416)	-	2,205
Railway rolling stock	4,501	384	-	-	(177)	-	4,708
Total Plant and equipment	5,984	1,522	-	-	(593)	-	6,913
Land and buildings							
Land and buildings	1,011	-	-	-	-	-	1,011
Buildings	5,314	580	-	-	(193)	-	5,701
Total Land and buildings	6,325	580	-	-	(193)	-	6,712
Abt Railway infrastructure							
Abt Railway infrastructure	22,842	39	-	-	(911)	-	21,970
Total Abt Railway infrastructure	22,842	39	-	-	(911)	-	21,970
Work in progress							
Railway rolling stock	-	208	-	-	-	-	208
Abt Railway infrastructure	-	7,819	-	-	-	-	7,819
Total work in progress	-	8,027	-	-	-	-	8,027
Total infrastructure, property, plant and equipment	35,151	10,168	-	-	(1,697)	-	43,622
2019	Balance at beginning of financial year	Acquisition of assets	Written down value of disposals	Transfers	Depreciation and amortisation	Revaluation increments (decrements)	Balance at end of financial year
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant and equipment							
Plant and equipment	1,339	442	-	-	(298)	-	1,483
Railway rolling stock	4,604	69	-	-	(172)	-	4,501
Total Plant and equipment	5,943	511	-	-	(470)	-	5,984
Land and buildings							
Land and buildings	976	35	-	-	-	-	1,011
Buildings	4,770	727	-	-	(183)	-	5,314
Total Land and buildings	5,746	762	-	-	(183)	-	6,325
Abt Railway infrastructure							
Abt Railway infrastructure	23,322	413	-	-	(893)	-	22,842
Total Abt Railway infrastructure	23,322	413	-	-	(893)	-	22,842
Total infrastructure, property, plant and equipment	35,011	1,686	-	-	(1,546)	-	35,151

Note 6: Liabilities

6.1 Payables

	2020	2019
	\$'000	\$'000
Creditors	3,765	548
Payroll Liabilities	87	93
Total	3,852	643
Settled within 12 months	3,852	643
Total	3,852	643

Settlement is usually made within 30 days

6.2 Employee benefits

	2020	2019
	\$'000	\$'000
Accrued salaries	89	62
Annual leave	180	211
Long service leave	135	129
Total	404	402
Settled within 12 months	364	367
Settled in more than 12 months	40	35
Total	404	402

6.3 Income in Advance

Income in advance is from advance ticketing sales where customers have prepaid their ticket and have yet to receive the service. The prior year balance is recognised as income in the current year. The current year balance relates to payments received during the current year for services provided after balance date. A reconciliation of the movement in income recognised in the current year and the income recognised in future periods is set out below.

	2020	2019
	\$'000	\$'000
Income in Advance		
Opening Balance	172	168
Income recognised in current year	(172)	(168)
Income to be recognised in future period	48	172
Closing Balance	48	172
Total income in advance	48	172

Note 7: Cash Flow Reconciliation

7.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Ministerial Corporation, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2020	2019
	\$'000	\$'000
Special Deposits and Trust Fund balance	677	686
Total Special Deposits and Trust Fund	677	686
Deposits:		
Commonwealth Bank cheque account (Queenstown)	1,978	1,132
Commonwealth Bank online saver	252	-
Till Float & Petty Cash (Queenstown)	7	7
Total Deposits	2,237	1,139
Total Cash and deposits	2,914	1,825

7.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2020	2019
	\$'000	\$'000
Net result	(247)	(2,901)
Non-cash expenses		
Depreciation and amortisation	1,696	1,547
Decrease (increase) in Receivables	(163)	(31)
Decrease (increase) in Prepayments	(79)	(50)
Decrease (Increase) in Stock	(37)	(25)
Increase (decrease) in Employee entitlements	(25)	36
Increase (decrease) in Payables	231	308
Increase (decrease) in Income in Advance	(125)	4
Net cash from (used by) operating activities	1,251	(1,112)

Note 8: Commitments and Contingent Liabilities

8.1 Schedule of Commitments

	2020	2019
	\$'000	\$'000
By type		
Capital commitments		
Plant & Equipment/Buildings	-	1,336
Railway Infrastructure	-	3,000
Total capital commitments	-	4,336
Lease commitments		
Operating leases	17	46
Total lease commitments	17	46
By maturity		
Capital commitments		
One year or less	-	4,336
One year to five years	-	-
Five years or greater	-	-
Total capital commitments	-	4,336
Lease commitments		
One year or less	17	27
From one to five years	-	19
Total operating lease commitments	17	46
Total	17	4,382

The ARMC has entered into a number of operating lease agreements for vehicles, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease repayments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

Operating leases were for the following vehicles:

- » Ford Ranger
- » Ford Ranger

8.2 Contingent Assets and Liabilities

The Ministerial Corporation has not identified nor recognised any contingent assets or liabilities as at 30 June 2020.

Note 9: Reserves

9.1 Reserves

2020	Land	Buildings	Infrastructure	Rolling Stock	Total
Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	-	3,029	8,978	1,236	13,243
Revaluation increments/ (decrements)	-	-	-	-	-
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
Balance at 30 June 2020	-	3,029	8,978	1,236	13,243

2019	Land	Buildings	Infrastructure	Rolling Stock	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	-	3,029	8,978	1,236	13,243
Revaluation increments/ (decrements)	-	3	-	-	-
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
Balance at 30 June 2019	-	3,029	8,978	1,236	13,243





Independent Auditor's Report

To the Members of Parliament

Abt Railway Ministerial Corporation

Report on the Audit of the Special Purpose Financial Report

Opinion

I have audited the accompanying financial report, being a special purpose financial report of the Abt Railway Ministerial Corporation (the Corporation), which comprises the statement of financial position as at 30 June 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information and the statement of certification by the Delegate of the Minister (the Delegate).

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Corporation as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Section 17 of the *Audit Act 2008*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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Emphasis of Matter - Basis of Accounting

I draw attention to Note 1.2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Corporation to meet the financial reporting requirements of the *Audit Act 2008*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Material Uncertainty Related to Going Concern

I draw attention to Note 1.3 in the financial report, which indicates that the Corporation, as a consequence of the impact of the COVID-19 pandemic, incurred a loss of \$0.25m for the year ended 30 June 2020. The Ministerial Corporation is projecting a loss of \$5.0m before depreciation and any Government appropriation revenue for the year ending 30 June 2021. There is uncertainty as to the amount of appropriation revenue the Corporation will receive for the year ending 30 June 2021 and whether the Corporation has sufficient financial resources to cover the projected loss. As stated in Note 1.3, these events or conditions, along with other matters as set forth in Note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Land, buildings, ABT Railway infrastructure and rolling stock <i>Refer to notes 1.5(b), 1.7(d) and 5.1</i>	
The Corporations' land \$1.01m, buildings \$5.70m, ABT Railway infrastructure \$29.79m and rolling stock \$4.71m are independently revalued every five years. An independent valuation of these assets was undertaken during 2016-17.	<ul style="list-style-type: none">• Evaluating the appropriateness of the valuation methodology applied to determine the fair values.• Testing, on a sample basis, additions and disposals throughout the year.
The valuation approach was complex and required considerable judgement and involved assets valued using the market or cost approaches.	<ul style="list-style-type: none">• Challenging management's assessment of useful lives of buildings, ABT Railway infrastructure and rolling stock.• Assessing depreciation expense for each class of asset.
Calculation of depreciation of buildings, ABT Railway infrastructure and rolling stock includes estimation of useful lives and residual	<ul style="list-style-type: none">• Checking the arithmetical accuracy of schedules supporting the calculation of

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Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
values which involves a high degree of subjectivity.	asset fair values, depreciation expense and written down values.
Changes in assumptions underlying depreciation calculations can significantly impact the depreciation charged.	• Evaluating the adequacy of relevant disclosures in the financial report.

Responsibilities of the Delegate for the Financial Report

The Delegate is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Audit Act 2008* and for such internal control as determined necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Delegate is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Corporation is to be dissolved by an Act of Parliament, or the Delegate intends to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Delegate.

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- Conclude on the appropriateness of the Delegate's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Delegate regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Delegate, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ric De Santi
Deputy Auditor-General
Delegate of the Auditor-General

Tasmanian Audit Office

13 October 2020
Hobart

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