

# Annual Report 2018–19



# Submission to Ministers



**Will Hodgman**

Premier

Minister for Tourism, Hospitality  
and Events

Minister for Trade

Minister for Advanced Manufacturing  
and Defence Industries



**Jeremy Rockliff**

Deputy Premier

Minister for Education and Training



**Michael Ferguson**

Minister for Infrastructure and Transport

Minister for State Growth

Minister for Small Business

Minister for Science and Technology



**Guy Barnett**

Minister for Energy

Minister for Resources



**Elise Archer**

Minister for the Arts

Dear Ministers

In accordance with the requirements of Section 36 of the *State Service Act 2000* and Section 27 of the *Financial Management and Audit Act 1990*, 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 2019.

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 2019

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# Contents

Message from the Secretary	3	Superannuation certificate	68
Who we are	5	Compliance index	69
People and Culture	7	List of acronyms	72
Industry and Business Development	14	Photo credits and acknowledgements	73
Cultural and Tourism Development	22	Financial Statements for the year ended 30 June 2019	74
Transport Services Group	28	Financial Statements for the year ended 30 June 2019 Abt Railway Ministerial Corporation	178
Report from the Director of Energy Planning	33		
Report from the Abt Railway Ministerial Corporation	36		
Business Services	38		
Report from the Office of the Coordinator-General	41		
Report from Infrastructure Tasmania	47		
Supporting information Department of State Growth	49		
Right to Information	49		
Public Interest Disclosures	49		
Integrity Commission	49		
Legislation administered by the Department of State Growth 2018–19	50		
Policies to help manage our business	53		
Gifts, benefits and hospitality	53		
Major contracts and consultancies	54		
Disability Framework for Action 2018–21	63		
Publications	64		
Grants	65		

# Message from the Secretary



I am pleased to present the Department of State Growth Annual Report for 2018-19 which has again delivered a series of strong results driven by buoyant economic conditions.

Throughout 2018-19 we have maintained our focus on supporting the growth of the Tasmanian economy through helping to create more jobs while reinforcing Tasmania's national and international reputation for innovation and quality.

We have opened up new opportunities for individuals, regional communities, businesses and industries to prosper, while also building, improving and maintaining effective infrastructure and efficient transport systems.

December 2018 saw the release of the new Tasmanian Business Growth Strategy which was developed with input from over 180 businesses and community members and industry representatives from across the state. Support was also provided to over 1 500 small businesses via Business Tasmania and through workshops and forums.

In 2018-19 we managed 48 new major contracts or consultancies with a value of almost \$128 million. It was particularly pleasing to note that of these 38, with a combined value of \$126.5 million, were awarded to Tasmanian businesses.

This includes the \$74.4 million contract awarded to the joint venture of two local companies, VEC and Shaw, towards the Midland Highway Perth Link Road, the biggest part of the \$500 million 10-Year Midland Highway Action Plan.

Effective infrastructure is integral to Tasmania's economic prosperity. Across the year we oversaw the management of \$281 million in road construction, upgrades and maintenance with 160 kilometres of road resurfacing, 795 kilometres of line marking, and the management of 306 signalised intersections.

We also entered into a new 10 year \$138 million stewardship contracting arrangement for North West State Road Network maintenance with all services including emergency response management provided under one contract, delivering significant savings.

A better, faster and more efficient public bus network was delivered with improvements to bus routes and timetables in southern Tasmania commencing in January.

Changes to a number of student services occurred from the start of the 2019 school year and a new seven day-a-week bus service between the West Coast and Burnie began in March.

In 2018-19 Tasmania's merchandise export value reached a record high of over \$3.8 billion, an increase of 10.8 per cent on the previous year.

We led successful trade and investment delegations to China and Japan and assisted Tasmanian business attend major food and beverage expos in Tokyo and Hong Kong.

We also participated in education missions in Colombia, Japan, South Korea and the Philippines, and led the inaugural Education Showcase mission to Hong Kong and mainland China.

We supported 29 inbound trade and investment delegations across the six key sectors identified by the Tasmanian Trade Strategy 2019-2025, and provided more than \$220 000 so local businesses could attend trade shows and promote their products internationally.

In 2018 international education, contributed an estimated \$533 million to the Tasmanian economy, and generated 3 000 full-time equivalent jobs. More than 25 500 students in Tasmania benefited from government-subsidised training with more than 28 300 program enrolments and 6.3 million hours of training.



We invested more than \$100 million in local training and workforce development and we subsidised training costs for over 8 400 apprentices and trainees. Pleasingly 88 per cent of VET graduates were satisfied with the quality of their training and 92 per cent would recommend their training provider to others.

In 2018-19 we nominated 2 067 prospective skilled migrants, including 23 business migrants committing a potential \$36 million of investment and generating 75 new direct jobs.

In the same period we also helped Tasmanian businesses secure 65 prospective overseas skilled workers to meet business demands.

We coordinated the Macquarie Point Development Corporation Amendment Bill 2018 which passed in November 2018 and completed the majority of planning and regulatory work towards the lodgement of a development application for the first stages of Macquarie Point.

During 2018-19 we also oversaw 18 loans under the AgriGrowth loans scheme worth more than \$17.4 million, nearly \$300 000 in grants to 41 farm businesses for on-farm energy and irrigation audits and the purchase energy efficient infrastructure, 43 advanced manufacturing grants for innovation and growth initiatives, and almost \$2.4 million to assist nearly 430 businesses recover from the devastating January 2019 bushfires.

The \$1.4 billion Hobart City Deal was signed in February 2019, following 12 months of negotiations. This 10 year shared vision brings together the Australian and Tasmanian governments, and the Clarence, Glenorchy, Hobart and Kingborough councils to guide investment and build on Hobart's position as a vibrant, liveable and connected global city.

This year \$43.6 million went towards supporting the growth of our tourism, cultural and creative industries sector. \$4 million of this went to 153 individual artists and arts organisations, \$14.4 million towards 75 events, and \$1.4 million was for production investment for five screen projects.

The return on this investment through the sale of goods and services alone is estimated at almost \$100 million.

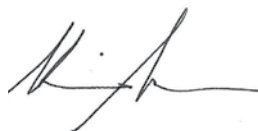
In May, the \$96 million Hedberg performing arts precinct project met another key milestone with the reopening of the 183 year old Theatre Royal after a significant upgrade, ahead of completion of the new Hedberg development.

Internally we released a new project management framework which improves capability and embeds a consistent approach across our organisation through a common language for project teams and stakeholders and more clearly defines strategic priorities, interdependencies and risks.

Finally, with our current Corporate Plan drawing to a close we have also been working to ensure that our new 2019-22 Corporate Plan continues our strong emphasis on delivering results for the Tasmanian community where collaboration and client service are paramount.

None of the above would be possible without the day-to-day dedication of the staff of my department, who I thank for making 2018-19 another successful year and for continuing to deliver on the government's priorities and to serve the Tasmanian community.

I also acknowledge the work of the chairs and members of all of our respective boards and our Ministers for their support.



**Kim Evans**

Secretary  
Department of State Growth



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## Who we are

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

The department is made up of four business areas, Cultural and Tourism Development, Industry and Business Development, Transport Services and Business Services, each headed by a Deputy Secretary reporting to the Secretary.

We collaborate across our own organisation and across government to create opportunities for all Tasmanians.

Cultural and Tourism Development delivers policy and programs to create economic and social benefits through the cultural and creative sectors, encompassing arts, screen, events, and tourism and hospitality supply, as well as providing oversight of the Tasmanian Museum and Art Gallery.

Industry and Business Development drives the development of industry capability and regional development for growth including small business support, workforce development, trade, resources and strategy, policy and coordination.

Transport Services delivers economic and social services and regulatory functions including infrastructure delivery and maintenance, on-road licencing, registration and safety, road safety education, awareness and enforcement, as well as energy policy and security.

Business Services provides financial, communications, human, information, asset management and portfolio services across the portfolio, and leads the development of organisational culture and business improvement.

The Department of State Growth also supports Infrastructure Tasmania and the Office of the Coordinator-General as key drivers of a coordinated approach to the planning, delivery and facilitation of all major economic infrastructure and projects in Tasmania, attracting investment to Tasmania, and in cutting red tape.

## Our Corporate Plan

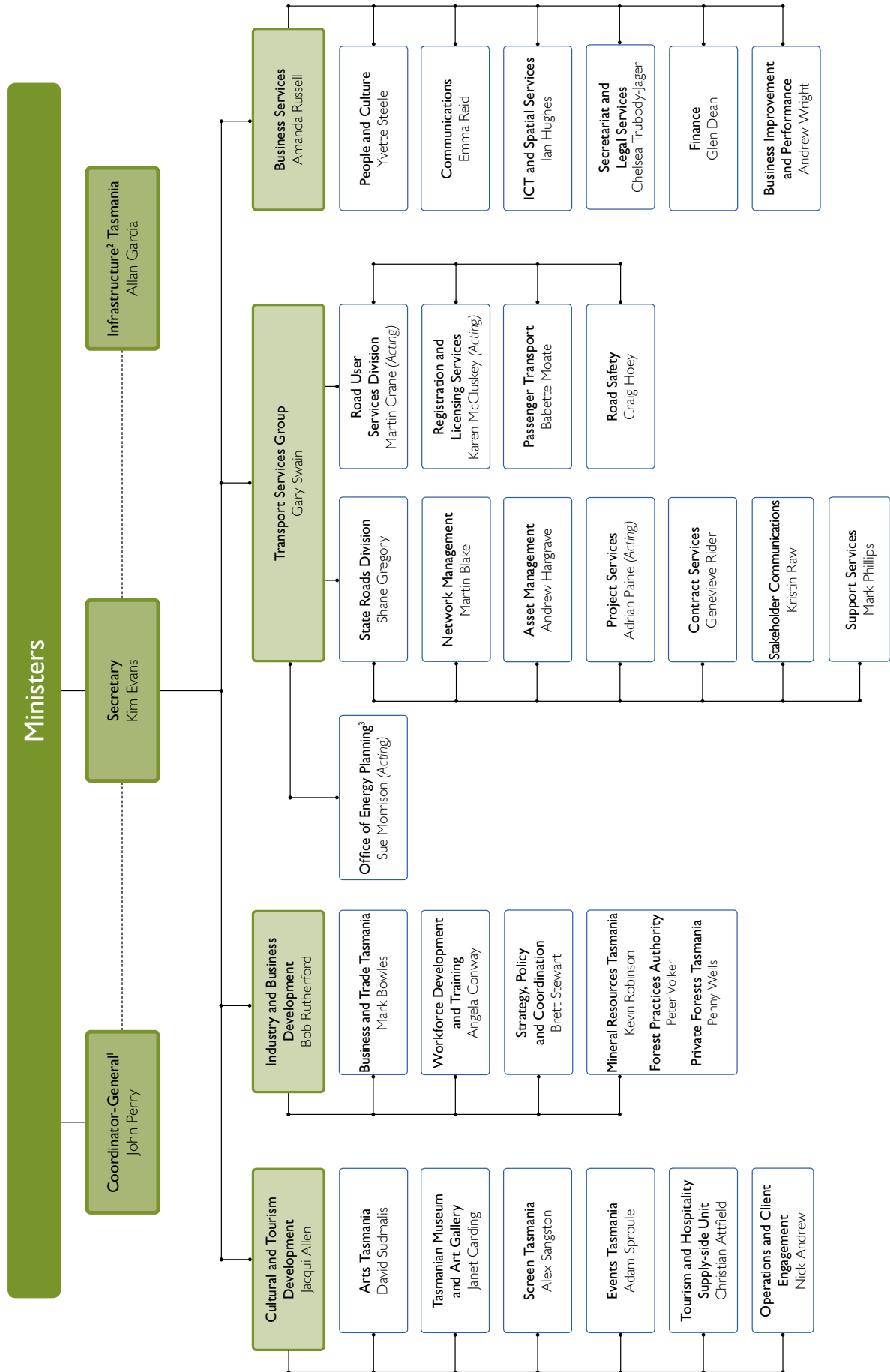
The Department of State Growth's Corporate Plan 2015–18 continued to guide our work across 2018–19 and acknowledges the diversity of our activities and provides us with common objectives that we all contribute to.

1. Work with Tasmanian businesses and industry to support growth and job creation.
2. Grow and support Tasmania's visitor economy.
3. Build Tasmania's brand as the best place in the country to live, work, invest and raise a family.
4. Support industry and business growth by strategically managing our infrastructure and transport systems.
5. Build organisational capacity by developing our people, safety, systems and culture.

With the current Corporate Plan due to conclude at the end of the financial year, the new 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.

The State Growth Corporate Plan 2019–22 is expected to be endorsed by the Executive and Commence on 1 July 2019.

# Department of State Growth – Organisational Structure as at 30 June 2019



<sup>1</sup>The Coordinator-General reports directly to the Minister for State Growth and also reports to the State Growth Committee of Cabinet on major projects where appropriate.  
<sup>2</sup>Chief Executive of Infrastructure Tasmania also reports to the Treasurer.  
<sup>3</sup>Gary Swain assuming management of the Energy Policy team from May 2018.

# People and Culture

One of the five objectives in the department's Corporate Plan is to build organisational capacity by developing our people, safety, systems and culture. This includes creating a shared culture and values to build on our strengths as a department and improve the way we work together.

As a values-based organisation, State Growth has continued to make progress in building a collaborative, coordinated and client-centric culture.

Development of our values and behaviours, implementation of our culture enhancement program, our achievement of White Ribbon accreditation, increased focus on developing a performance-based culture and capability, continuing to embed the goals of our workplace health, safety and wellbeing plan, providing an environment for greater communication, collaboration and strengthening of a shared State Growth brand have been key focus areas in the past year.

## Staffing information

As at 30 June 2019 we employed 893 people (744 paid full-time equivalents – FTEs)



Total number of employees	893
Number of paid FTE employees	744

Paid FTEs include employees currently on the payroll and receiving salary as at 30 June 2019, including those on paid leave.

Excluded from paid FTEs are those employees who are absent on long-term unpaid leave, for example unpaid parental leave, secondment or leave without pay, but who have an expected return date.

As at 30 June	Employees	Paid FTE
2017	829	711
2018	852	704
2019	893	744

The increase in headcount and paid FTE is largely due to the active recruitment of graduates as part of the Tasmanian State Service Graduate Program, as well additional resourcing to ensure Government priorities are met.

## Employment profile

As at 30 June 2019, permanent employees represented 87 per cent of our workforce, with 10 per cent employed on fixed term contracts, with the remaining three per cent being Senior Executive Service employees. Thirty two per cent of our employees work part-time.

## Age profile

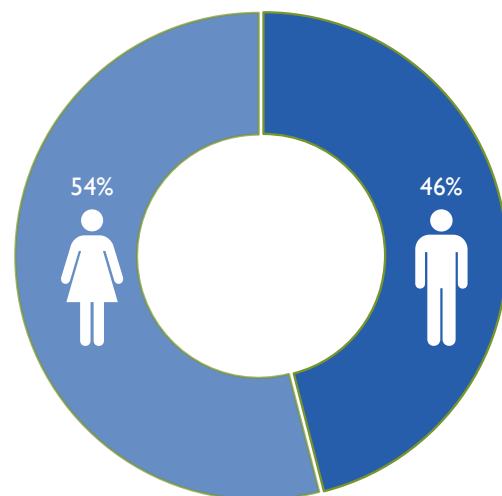
The average age of our staff in 2018–19 was 47 years, which has not changed from 2017–18.

## Gender profile

Staff numbers by gender.

As at 30 June	Female	Male
2017	446	383
2018	454	398
2019	480	413

Our gender profile remains consistent with 2017–18, with a slight increase in the number of females.



The table below shows our gender breakdown in the Senior Executive (and equivalent specialist) roles over the past three years.

	2017		2018		2019	
	Female	Male	Female	Male	Female	Male
SES 1	4	5	3	6	3	7
SES 2	2	6	5	6	3	7
SES 3	3	1	3	1	2	1
SES 4	0	2	0	2	0	2
<b>Total</b>	<b>9</b>	<b>14</b>	<b>11</b>	<b>15</b>	<b>8</b>	<b>17</b>



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In 2017, 42 per cent of the Senior Executive was female. This has decreased to 32 per cent for 2018–19.

A key focus for 2019–20 is undertaking a range of initiatives to further understand the barriers that exist and strategies to increase female representation in our leadership roles.

At 30 June 2019, 33 per cent of females occupied senior roles; that is those in General Stream Band 8 (and equivalent) or above, which is similar to 2017–18.

State Growth is continuing our unconscious bias training to ensure we do not limit inclusion in our decision making.

A key focus of this is the development of an eLearning module for recruitment and selection panels.

## Flexibility@Work

Embedding the department's Flexibility@Work framework which provides flexible work options to employees to achieve an effective work–life balance, while ensuring business units achieve their outcomes, continues to be a key focus for the department.

A review of the framework in early 2019 has seen a significant uptake of a variety of flexibility options.

Results of the 2019 State Service Employee Survey indicate 63 per cent of respondents hold a high satisfaction level of flexible work options available within the department.

## State Service Employee Survey – implementing the results

A total of 430 State Growth employees completed the 2018 State Service Employee Survey representing 62 per cent of employees, up from 51 per cent in 2016 and 44 per cent in 2015.

The results were shared across the agency in December 2018 with the presentation of business area results followed by consultation with employees on proposed actions between February and April 2019.

The survey results indicated an overall improvement in employee satisfaction and engagement since the 2016 survey.

The survey included four summary indices with State Growth results comparing favourably with the rest of the Tasmanian State Service.

A detailed analysis of the survey results has identified five key priorities, three of which are already being addressed through other People and Culture initiatives or programs.

Additional key actions have been developed and are being implemented to address the remaining priority areas, with progress reports to be provided to the department's Executive on a six monthly basis.

## Induction

We understand that first impressions have a significant impact, and the agency's integrated induction approach ensures new employees feel welcome and supported in their new roles at State Growth.

Our induction system provides tools to support managers with induction into a business area, eLearning modules on corporate policies and initiatives and a face–to–face orientation session to meet other new employees and members of the Executive.

The new half–day orientation session provides the opportunity for new employees to meet members of the Executive and hear their thoughts about working at State Growth and understand the nature of working in the public sector.

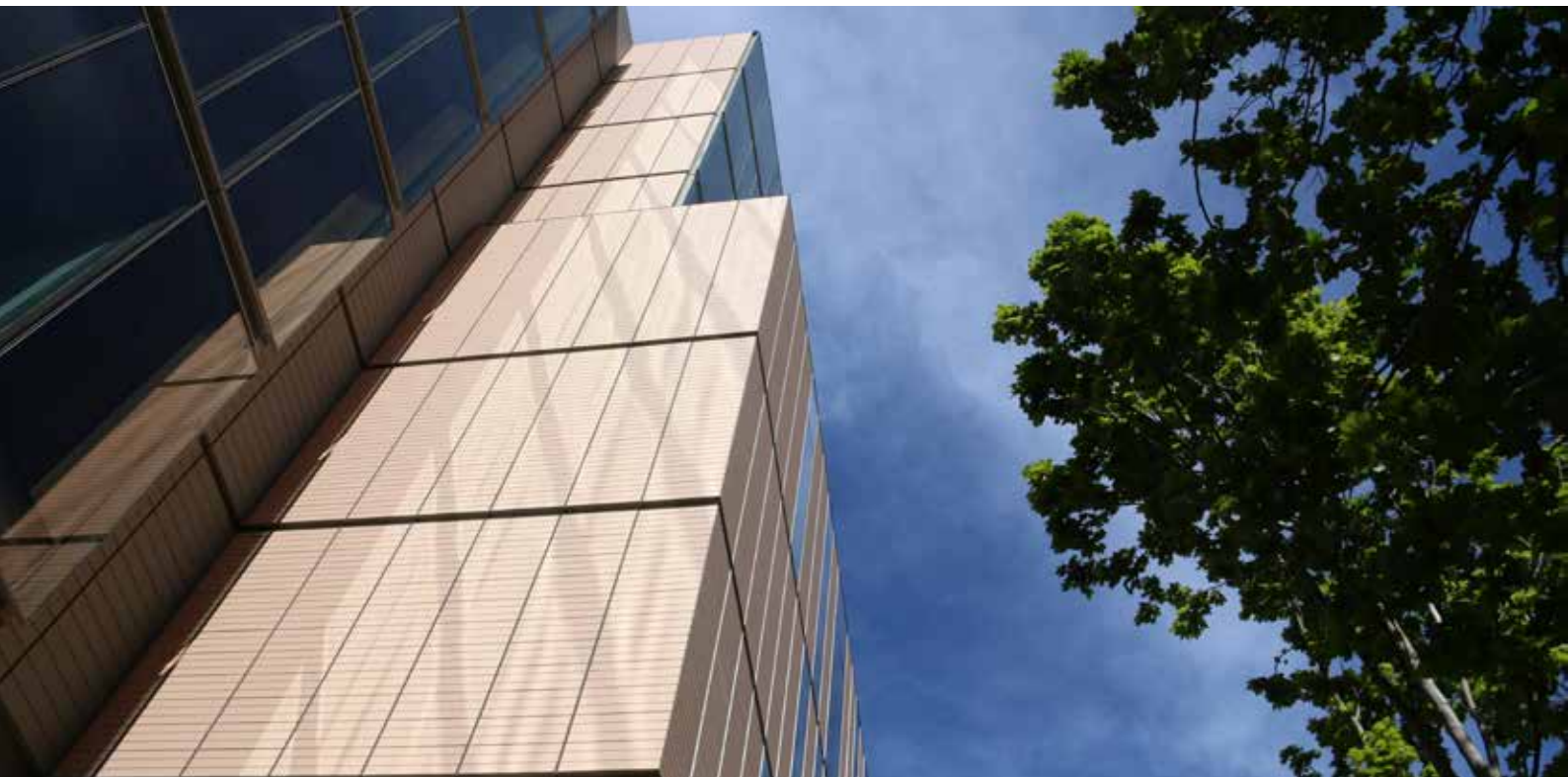
It helps new starters develop an understanding of the scope and impact of work undertaken across the department and meet and form connections with people from across different divisions of State Growth.

Ninety new employees participated in the face–to–face orientation sessions for 2018–19, with overwhelmingly positive feedback received about the program.

Our induction approach is continuously evaluated and feedback has been very positive regarding both the induction program and the culture at State Growth.

Based on this feedback, in November 2018 we commenced a new check–in initiative offering new employees a post induction interview approximately six months after commencement to gain an insight into their experience of the work culture, environment and effectiveness of the department's induction program and identify opportunities for improvement. Thirty two employees took up this offer to the end of 2018–19.

Employee commencement data is reported to the Executive within the monthly and quarterly workforce reports, with a more indepth report compiled annually to provide an analysis of the data and feedback through the induction process.



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## Developing capability

Building capacity and developing our people are key priorities in the department's Corporate Plan.

Learning and development has a direct impact on improved performance, innovation and agility, and we are committed to supporting and developing our people and building our leadership capability at all levels.

The department's *Statement of Commitment to Learning and Growth*, endorsed in November 2018, acknowledges that a culture where learning, working together and sharing knowledge is standard practice is key to delivering outcomes in a complex, rapidly changing environment.

This has provided the impetus for development of a range of resources including a new Study Assistance Policy to support employee learning and growth.

Further work is underway to identify and implement key learning and development initiatives.

Leadership and management capability continues to be a high priority area for the department with work underway to develop leaders at all levels through whole-of-government and department specific programs.

A leadership strategy to guide and develop leadership capability within the agency is under consideration.

Our MyGrowth Learning Management System continues to provide employees with access to an extensive library of online courses through Lynda.com, as well as specially designed eLearning programs and targeted training opportunities.

## Culture and values

The agency places a high priority on organisational culture. We have established a program for ongoing cultural enhancement aimed at developing and implementing the next phase of activities to shape the shared culture and values of State Growth.

There have been several key achievements during 2018–19:

- » Delivery of 20 constructive workplace conversation workshops for 280 participants, with two extension programs for previous participants.
- » Implementation of a new learning and growth intranet site and associated resources, including a guide to developing a learning plan, a 70:20:10 learning model, enhanced capability framework tools, a series of leadership, teams, learning and personal development 'learning bites' online sessions.
- » Publication of 'our stories', a series of staff features on the department's intranet.
- » Focus groups conducted across the agency to identify what training and support managers would find valuable in their role, with a range of initiatives being progressed including regular manager forums, communication tools and coaching and mentoring programs.

## Building a performance culture

State Growth takes a person-centred approach to performance management through the *Personal Performance and Learning* process.

The *Personal Performance and Learning* process provides the basis for regular, constructive discussions between managers and staff about expectations as well as feedback on performance, behaviour, working arrangements and development opportunities.

A key outcome from the performance management process is the identification of performance gaps or capability development opportunities.

This helps inform the priorities for training and development activities across the department.

State Growth has a continual improvement approach to performance management and has redeveloped our tools and templates to enhance outcomes for both the department and employees from this system.

This includes incorporating our values and behaviours, a stronger focus on working arrangements, and personal learning and growth opportunities for each individual.

A new workflow approach has also been developed using the department's learning management system, which is being implemented for 2019–20.

## Our health and wellbeing

The Executive takes an active leadership role in understanding and fulfilling their duty of care, and legal and moral obligations. The weekly Executive meeting includes a standing agenda item on work health, safety and wellbeing to discuss and action priority areas and identify emerging issues.

The department's Work Health, Safety and Wellbeing Plan outlines our program of work for the upcoming financial year to continue to enhance our safety management system, enabling the department to fulfil its duty of care obligations and facilitate continuous improvement.

Key activities completed within the 2018–19 plan include the Occupational Violence and Aggression Policy and supporting procedure, internal work health, safety and wellbeing audits completed across eight divisions so far, implementation of the Lucidity incident management system within the State Roads division for contractors, and the update of core policies including our Work Health, Safety and Wellbeing Policy Statement.

A key focus for 2018–19 has been the implementation of the department's proactive and integrated approach to employee wellbeing, encompassing four themes: physical, mental, social and financial wellbeing. Activities included free-of-charge annual influenza vaccinations, continuation of the Ritualize wellbeing program, financial information sessions, a user pays massage program, and health and wellbeing newsletters.

As driving is a regular activity undertaken by a number of staff across the department the Executive places a high importance on ensuring that every journey is a safe one.

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## People and Culture continued

A review of the existing Safe Driving Policy occurred during 2018–19 and included extensive consultation and engagement with employees, collaboration between the People and Culture and Road Safety branches and application of best practice research.

Engagement in the review was strong with 66 people from across the state attending a face-to-face forum and 174 people completing an online survey.

The final policy document to be released in 2019–20 will focus on positive behaviours and attitudes, collaboration between managers and employees on risk management, and leading by example as a department of safe road users.

### Being a White Ribbon workplace

The department's journey to become a White Ribbon accredited workplace, based around raising awareness and addressing the issue of violence against women, commenced in June 2017 and concluded in August 2018.

In August 2018 evidence of work undertaken during the 15 month accreditation period was submitted against the three standards and 15 criteria that make up the workplace accreditation framework.

In November 2018 State Growth was awarded White Ribbon workplace status. From 175 organisations nationally accredited at the time, State Growth's evidence-based submission was rated the strongest received by White Ribbon Australia.

The department received eight 'outstanding' ratings relating to internal communications, engagement, policy development, policy communication, manager training, risk assessment, support for victims and approach to continuous improvement.

In particular, the department was highly commended on the quality and variety of communication strategies and the innovation and support provided within the Family Violence Support Policy, fact sheets and workplace safety plan.

The design and delivery of the manager training was considered 'exemplary' and the ongoing plan for the future was acknowledged for its comprehensiveness and high standard.

The department's manager training, Developing Safe and Supportive Workplaces – Manager's Program was conducted by Swinburne Professional in partnership with the Hobart Women's Shelter.

The training covered subjects such as conscious and unconscious bias, sexism, harassment, empathy, disclosure and respecting privacy. It highlighted the department's processes and policies as well as the human skills needed to respond to and support people experiencing violence.

One of the most powerful aspects of the training was stories shared anonymously on video by departmental employees who had experienced abusive relationships.

The training was attended by 100 per cent of the department's managers and supervisors, with feedback overwhelmingly positive.

White Ribbon Night 2018 was hosted by the department, on behalf of the Tasmanian State Service, at the Tasmanian Museum and Art Gallery on 26 July 2018. *An evening of light against the dark* was about shining a light on the issue of men's violence against women and the state service response to this issue.

A highlight of the evening was showcasing a short video produced by the department involving all nine state service Heads of Agencies in a visible and united show of commitment to eliminating family violence.

Post-accreditation, from November 2018 the department has commenced its three year journey towards re-accreditation as a White Ribbon workplace.

This provides the opportunity to further build on the work that has already started and fully embed the message of gender equality and respectful relationships within the workplace, together with better connecting this work with a broader approach to equity and inclusion issues.

Following results of the White Ribbon staff follow-up survey the department has undertaken a review of the current prevention and management of bullying and grievance policies.

Work has also commenced on the development of a Respectful Workplace Behaviour Policy, to be supported by a range of resources, encouraging our people to increase reporting of inappropriate behaviour, as well as the provision of additional support.

White Ribbon manager training has resulted in increased reporting in negative workplace behaviours.

The Developing Safe and Supportive Workplaces program has now been rolled out to all staff.

## Diversity and inclusion

State Growth is committed to providing its employees with an inclusive workplace that supports diversity by providing an environment where employees feel safe, supported, valued and respected, and ensuring employment practices are accessible to everyone.

Following our successful White Ribbon accreditation a new Equity and Inclusion Steering Committee, chaired by the Secretary, was established in March 2019 to provide the opportunity for the department to broaden its focus on equity and inclusion over the next 12 months.

A departmental working group has also been established to support the committee to oversee the development and implementation of the department's Workforce Diversity and Inclusion Action Plan and Gender Equity Action Plan, as well as the department's White Ribbon Operational Plan 2018–2021.

An initial priority of the Equity and Inclusion Steering Committee is a series of Making a Difference Chats across the department.

These sessions will be used to guide our approach to becoming an even more diverse, inclusive and respectful workplace, including through the development of our Diversity and Inclusion Action Plan.

## Supporting Aboriginal employment

During 2018–19 the department supported and facilitated the attendance of our Aboriginal employees at state service gatherings and promoted attendance through internal news articles, head of agency updates and emails.

The department supported and promoted NAIDOC week through internal stories and images to highlight events and encourage discussion.

During the reporting period we actively participated in state service working groups and provided key feedback on the draft Aboriginal Employment Strategy for the state service.

## Youth employment opportunities

The department is committed to creating opportunities for young people. In 2018–19 we hosted four VET work experience students through the department's Unpaid Work Framework which provides work-like opportunities and creates opportunities for youth.

This program has been expanded to include the regional areas hosting a student from Hellyer College in the north west and, for the first time, an 'English as an additional Language' (EAL) student.

The department recognises the value of fresh ideas and approaches and continues to participate in the Tasmanian State Service Graduate Program.

State Growth employed 14 graduates in 2018–19 with those graduates being employed across a range of different business units to maximise training and learning experiences aimed at building on their academic achievement and transitioning into the public sector environment.

## Increasing work opportunities for people with disability

The department continues to show its commitment in identifying and removing barriers to employment for people with a disability.

We supported one of our graduates to participate in the Premier's Disability Advisory Council to gain insight into barriers facing employees with a disability and find practical solutions.

In 2018–19 State Growth also actively recruited from the People with Disability Employment Register to support an urgent resourcing need for a critical high priority project, and hosted two people with a disability in November 2018 as part of the AccessAbility Day program.

Feedback from hosts and participants showed ongoing support for these initiatives and positive outcomes for both the organisation and the individuals involved.





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# Industry and Business Development

Industry and Business Development group drives industry capability and supports business growth across Tasmania, including small business support, workforce development, international education, business and skilled migration, trade, mining, geological surveying, forestry, Antarctic gateway, science and technology, advanced manufacturing, defence industries, transport systems and planning.

The group is made up of four divisions, Business and Trade Tasmania, Workforce Development and Training, Strategy, Policy and Coordination, and Mineral Resources Tasmania that work collaboratively across sectors to grow industry and jobs, promote Tasmania as a great place to work, live and study, and provide a coordinated strategy to support state development.

Workforce Development and Training (Skills Tasmania) develops and manages the Tasmanian training and workforce development system in partnership with industry, the education and training sector, and the wider community.

It increases participation by Tasmanians in education and training as part of creating jobs, growth and opportunities for all Tasmanians, while investing in skills and workforce development to support business and our economy.

Business and Trade Tasmania facilitates industry, business and trade, grows the local international education sector and provides business and skilled migration services, supports science and technology and the global Antarctic gateway, provides advice and support to small businesses, provides coordinated leadership across defence, maritime and advanced manufacturing related industries, facilitate significant economic development projects and delivers financial assistance packages.

Strategy, Policy and Coordination provides strategic advice and planning on major infrastructure projects and packages, works with internal, inter-agency, inter-jurisdictional and external clients to resolve emerging issues, support and lead the delivery of key projects, provides a central coordination and liaison service for the agency, oversees planning reform processes, and provides advice on forestry and mining issues.

Mineral Resources Tasmania oversees minerals and petroleum resources, and provides information for land management.

It produces and promotes up-to-date geoscientific information as an aid to the mineral and petroleum exploration industries, other government agencies and the general public, to grow the economy and promote sustainable land-use planning and environmental management.

## Creating jobs through trade

In 2019 we launched Tasmania's first Trade Strategy, which sets out a coordinated whole-of-government approach to work with businesses and partners to grow trade.

Focus sectors include advanced manufacturing, food and agribusiness, international education, resources and energy, science and technology and tourism.

Tasmania's goods export economy is strong, reaching a record high of \$3.8 billion in 2018–19. The Tasmanian Government has set a target to grow the state's trade to \$15 billion by 2050.

International education is Tasmania's fourth largest export earner. In 2018, the international education sector in Tasmania experienced the strongest growth nationally (41.1 per cent), which contributed an estimated \$533 million to the Tasmania economy and generated approximately 3 000 full-time equivalent jobs locally.

It enables further jobs growth through flow-on effects for tourism, business linkages, trade, and population growth.

In 2018–19 as part of the Global Education Growth Strategy we hosted four agents' familiarisation tours with representatives from 18 countries to showcase our international education sector, and led the first state education mission to Hong Kong and China to promote Tasmania's world-class education options to over 100 agents.

We met with more than 500 education agents and over 1 000 prospective students to promote Tasmania's international education offerings as part of our international education missions. We also launched the Enhanced Student Experience Grants program providing grants totalling \$25 000 to organisations to deliver activities that enhance student experience.

## Working with business for growth

December 2018 saw the release of the new Tasmanian Business Growth Strategy, developed in partnership with the Tasmanian Chamber of Commerce and Industry (TCCI) and Tasmanian Small Business Council, to guide growth and diversification across our business sectors.

Direct support was provided to over 1 500 small businesses via Business Tasmania and through workshops such as Winning Government Business and our small business forums.

In 2018–19, we approved 18 loans under the AgriGrowth loans scheme worth \$17.43 million. In the same period 41 farm businesses received nearly \$300 000 in grants to undertake on-farm energy and irrigation audits and to purchase energy efficient infrastructure.

Through Advanced Manufacturing grant programs, 43 grants were provided businesses to undertake innovation and growth initiatives that improve competitiveness through new technologies and products, recognised accreditations and product design and innovation.

After the devastating bushfires in January 2019, and with assistance from across the agency, 427 grants totalling almost \$2.4 million were provided to affected businesses to assist with regional recovery.

In 2018–19, we nominated 2 067 prospective skilled migrants, including 23 business migrants committing a potential \$36 million of investment and generating at least 75 new direct jobs into our local economy.

In the same period, in our role as a Regional Certifying Body for the Regional Sponsored Migration Scheme, we helped Tasmanian businesses secure 65 prospective overseas skilled workers to meet business demands.

## Industry and Business Development continued

### Harnessing science and technology

In 2018–19 we supported improvements in digital capability, connectivity and infrastructure through the launch of the Digital Ready for Business Check-Up Tool, we finalised Tasmanian Government funding for the Flinders and Cape Barren Islands Telecoms Transformation project, and hosted ICT summits in Hobart and Launceston.

Across October and November 2018 we commissioned the Tasmanian Council of Social Service (TasCOSS) to undertake research to identify barriers to digital inclusion with their report Understanding Digital Inclusion in Tasmania released in June 2019.

In March we officially launched the new Centre for Antarctic, Remote and Maritime Medicine (CARMM). This is a partnership with the Australian Antarctic Division, the University of Tasmania, the Menzies Centre and the Department of Health to take Antarctic and Southern Ocean expertise into Tasmanian and Australian remote communities as well as on ships at sea and other remote and extreme environments.

In 2018–19 we commenced three geoscience initiatives designed to collect, interpret and curate new scientific data in areas including natural hazards such as landslides and tsunami risk, the environment including to improve current and legacy mine sites, and regional geoscience including systematic mapping, acquisition of geophysical data and development of 3D geoscience models.

In October 2018 we announced 10 successful applications under the Exploration Drilling Grant Initiative worth \$1.4 million, and in May 2019 11 more successful projects were announced worth \$1.5 million. The grants encourage greenfields exploration and will help locate the next generation of mines with the third funding round expected to be announced in July 2019.

### Taking Tasmania to the world

In 2018–19 we coordinated international trade and investment delegations to China and Japan, supported 29 inbound delegations across the six key sectors identified within the Tasmanian Trade Strategy 2019–2025, and provided more than \$220 000 to help local businesses attend trade shows and promote their products internationally.

To showcase Tasmanian industry products and capability, across the year, we coordinated Tasmanian delegations to the Land Forces International Defence Exposition in September and Euronaval in France in October 2018, and the Sea Air Space Exhibition in the USA in May 2019, with Tasmanian businesses reporting new contacts and strong business leads through their participation.

In this financial year we also took Tasmanian businesses and products to the FOODEX JAPAN and the HOFEX food and beverage expos in Tokyo in March and Hong Kong in May 2019 respectively, to connect Tasmanian businesses with buyers, distributors and influencers.

In addition to our inward international education delegations, we participated in education missions in Colombia, Japan, South Korea and the Philippines, and led the inaugural Education Showcase mission to Hong Kong and mainland China.

In October 2018 we represented Tasmania's minerals interests at the Mining 2018 conference in Brisbane and attended international events including Beijing and Tokyo Investment Seminars and the China Mining Conference in Tianjin as part of the Tasmanian Mineral Exploration Investment Attraction Plan.

In March 2019 we attended the Prospectors and Developers Association of Canada (PDAC) Conference and also travelled to India to meet industry, business and government leaders to promote minerals and exploration investment in Tasmania.





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## Growing apprenticeships and traineeships

In 2018–19 we invested more than \$100 million in training and workforce development in Tasmania with TasTAFE receiving approximately 80 per cent of training funds and the remaining, 20 per cent provided through other training providers, including around 100 endorsed private providers.

A large share of training investment funded skill sets and qualifications for priority sectors such as aged care and disability services, building and construction, manufacturing, and agriculture.

Of VET graduates in Tasmania in 2018, 88 per cent were satisfied with the quality of training, 92 per cent would recommend the training provided and 92 per cent would recommend their training provider.

For employers with VET qualifications as a job requirement, Tasmania had the highest employer satisfaction rate in Australia, at 81 per cent. Apprenticeship and traineeship commencements increased by 1.1 per cent in 2018 compared to a 3.7 per cent national decline, while trade apprenticeships in Tasmania increased by 12.5 per cent.

Across the 2018 calendar year we subsidised training costs for over 8 400 apprentices and trainees, significantly reducing the cost of training of almost all apprentices and trainees in Tasmania.

In addition the Targeted Apprentice and Trainee Grant for Small Business provided incentives to businesses in specific industries to employ new apprentices and trainees. Larger businesses received payroll tax exemptions and the Growing Apprenticeship and Traineeship program supported projects that address barriers to employing apprentices or trainees from a regional or industry perspective.

The 2018–19 the Workforce Development Grant Program allocated \$2 million to industry-led projects in the fastest growing sectors of our economy such as building and construction, aged services and disability services. Projects were also funded in key sectors like advanced manufacturing, defence, and maritime industries.

## Building pathways to training and employment

In 2018–19 Skills Tasmania's Training and Work Pathways Program supported 18 projects valued at \$1.95 million to assist Tasmanians facing disadvantage to more effectively participate in training and employment. These projects will engage with over 827 participants.

The Beacon Foundation also received \$250 000 to expand its work readiness programs into regional schools, and Whitelion Tasmania was funded \$200 000 to support youth at risk into training and employment.

During 2018–19, the job seeker stream of the Skills Fund program allocated \$4.58 million to support approximately 1 300 learners to train in a range of industry sectors.

The program delivered positive employment outcomes with job seekers gaining the skills required to obtain employment in their career or industry of choice.

The program also provided a supply of appropriately trained potential employees for engaged employers.

This year we also continued our support for Jobs Action Package in partnership with TasCOSS and the TCCI with \$850 000 provided this financial year to empower nominated regional communities to implement local ideas to support local people into local training and jobs.

## Vision for the future

In 2018–19 we coordinated the development of the Macquarie Point Development Corporation Amendment Bill 2018 which passed the Parliament in November 2018.

With planning amendments expected to pass the Tasmanian Planning Commission and a development application for the first stages of development expected to be lodged by the Macquarie Point Development Corporation in September 2019, the first parcels of land are expected to be released for sale in 2020.

This financial year saw significant progress made on new long-term contracts for public transport bus services including the statewide review of services and the greater integration of networks.

In January 2019, changes were made to bus routes and timetables in southern Tasmania, as well as the introduction of a seven day a week service on the west coast to Burnie and changes to a large number of student services across the state.

Changes to the northern and north west networks will follow in 2019–20 with extensive consultation planned for services in the north and north west in the first half of the financial year.

The Hobart City Deal was signed on 24 February 2019, following 12 months of negotiations. It represents a 10-year partnership to implement a shared vision to guide and encourage investment to leverage Hobart's natural amenity and build on its position as a vibrant, liveable and connected global city.

It brings together the Australian and Tasmanian Governments, and the Clarence, Glenorchy, Hobart and Kingborough councils.

The Hobart City Deal includes \$1.4 billion of investment from across the three levels of government to support a direct international gateway at the Hobart Airport, establish the Antarctic and Science Precinct at Macquarie Point and Wharf, implement the Greater Hobart Transport Vision, drive urban renewal and deliver affordable housing, and activate the Northern Suburbs Transit Corridor.

The City Deal implementation plan is expected to be released in the first half of 2019–20.



## FAST FACTS

In 2018–19 2 115 small businesses participated in the Digital Ready for Business program statewide seminars and coaching sessions.

In 2018–19 Tasmania's merchandise export value reached a record high of over \$3.8 billion: an increase of 10.8 per cent from the previous year.

In 2018 international education, our fourth largest export earner, contributed an estimated \$533 million to the Tasmania economy and generated approximately 3 000 full-time equivalent jobs.

In 2018 25 675 students in Tasmania benefited from government-subsidised training with 28 335 program enrolments and 6.3 million nominal hours of training delivered.

The Tasmanian Government subsidises just under three-quarters (71 per cent) of training in Tasmania.

In 2018 TasTAFE and other government providers delivered 65 per cent of government-subsidised training in Tasmania. TasTAFE received over 80 per cent of the state's training budget.

In 2018, 93 endorsed private training providers actively delivered training in Tasmania.

Tasmanian apprentice contract completion rates remain the highest in the country at 58.4 per cent, compared to 53 per cent nationally.

Permanent Timber Production Zone Land currently comprises 812 000 hectares, with 482 000 hectares being land available for wood production (including native forest and plantation).

Well over 1 000 000 hectares of old growth forest is protected in Tasmania.

At the end of 2018–19 Tasmania's population growth rate was 1.24 per cent.

Ongoing 1:25 000 scale regional geological mapping now covering 55 per cent of Tasmania's land mass, with a focus on highly prospective areas.

In 2018–19 collection of revenue from mineral tenements totalled \$34.3 million in royalties and \$1.7 million in fees and rent.

At the end of 2018–19 there were 517 mining leases and 139 licences in Tasmania, and 296 on site tenement inspections were conducted.

In 2018–19 the Core Library at Mornington received drill core totalling 10 kilometres with 19 kilometres of core viewed, and there were 580 visitors to the library.

In 2018–19 our laboratories analysed the chemistry and/or mineralogy of 624 geological samples for a range of clients.

## Performance information Industry and Business Development

Performance measure	Unit of measure	2017–18 actual	2018–19 actual	2019–20 target
International students commencing their studies in Tasmania	number	5 676	8 107	6 875
Supporting access to a skilled workforce through state nomination of skilled migrants <sup>1</sup>	number	1 626	2 132	2 300
Grow the value of Tasmania's premium exports to international markets <sup>2</sup>	\$ million	3 170	3 098	3 500
Provision of information and advisory services to SMEs <sup>3</sup>	number	5 483	5 874	5 650
Policy, project and program advice and implementation meets the expectations of stakeholders <sup>4</sup>	stakeholder feedback survey	satisfied	satisfied	satisfied
VET graduates employed after training <sup>5</sup>	% of total	80.3	78.4	81.0
VET graduates with improved employment status after training <sup>6</sup>	% of total	59.7	59.2	62.0
Apprentice/trainee commencements <sup>7</sup>	number	5 035	5 519	6 500
Apprentice/trainee in training <sup>8</sup>	number	8 290	9 561	8 400
Total VET commencements <sup>9</sup>	number	19 652	n/a	25 000
Project management, policy advice and analysis is consistent with stakeholder expectations (MRT) <sup>10</sup>	satisfaction	satisfied	satisfied	satisfied
Tasmania's percentage of industry's mineral exploration expenditure in Australia <sup>11</sup>	%	1.0	0.9	1.3
Area covered by modern geoscientific data collection techniques with subsequent 1:25 000 geological mapping coverage <sup>12</sup>	%	63.8	64.7	67.1
Programmed abandoned mining lands rehabilitation projects completed	%	100	100	100

### Notes

- Actual figures include nominations under the 190 Skilled Nominated visa, 489 Skilled Regional visa and 187 Regional Sponsored Migration Scheme visa.
- Premium exports is calculated as the value of total goods exports less ores and concentrates. Note that in future reporting, this measure will be changed to reflect measures in the new Tasmanian Trade Strategy launched in early 2019.
- This measure captures the number of advice services and assistance packages, provided by Business Tasmania, Enterprise Centres, Digital Ready and targeted industry-specific grants programs including emergency response.
- Satisfaction and outcomes are measured by feedback from the Minister's office and, where appropriate, colleagues and clients. The feedback focusses on the quality, relevance and timeliness of advice.
- Graduates employed after training data is sourced from *National Centre for Vocational Education Research (NCVER) Student Outcomes Survey*. The latest data was released in December 2018. Data for the 2018–19 actual relates to students that graduated in 2017.
- Graduated with improved employment status after training is sourced from *NCVER Student Outcomes Survey*. Improved employment status after training includes the following: employment status changed from not employed before training to employed after training, employed at a higher skill level after training, or received a job related benefit as reported by the graduate.
- Apprentice/trainee commencements represents the number of Tasmanian trainees and apprentices who commenced their apprenticeship or traineeship in the 12 months to 30 June. Figures are sourced from internal Skills Tasmania data.
- Apprentice/trainee in training represents the number of Tasmanian apprentices and trainees undertaking training as at 30 June. Figures are sourced from internal Skills Tasmania data.

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9. Total VET commencements represents the number of government-funded Tasmanian program enrolments in a VET course that commenced in the previous calendar year. Data for this measure is no longer published nationally and is not available to be reported in 2018–19.
  10. Satisfaction and outcomes are measured by feedback from the Minister's office, Secretary, relevant Deputy Secretary and, where appropriate, colleagues and clients. The feedback focusses on the quality, relevance and timeliness of advice.
  11. Statistics are derived from the first three quarters of each financial year from ABS series 8412.0 *Mineral and Petroleum Exploration, Australia*.
  12. The method used to calculate this performance measure has been altered. The definition of modern remote sensing data is now defined as data created from 1996 onwards. The definition of modern mapping has also been changed to reflect this. Modern mapping is now defined as data produced or updated from 1996 onwards. Figures prior to and including the 2016–17 actual were calculated using a previous method of calculation. Figures for the 2017–18 actual and onwards have been calculated with the new definition and are not directly comparable with earlier figures.





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# Cultural and Tourism Development

The Cultural and Tourism Development division works to support and deliver products, services and experiences that appeal to both locals and visitors.

The division is made up of five business units, Arts Tasmania, Events Tasmania, Screen Tasmania, Tourism and Hospitality Supply-side Unit and Operations and Client Engagement, all supporting sector development, facilitating delivery of services, providing funding and stimulating demand.

Arts Tasmania supports the arts and cultural heritage sectors to deliver activities across the state that stimulate the cultural and creative life of Tasmania through grant funding and industry development initiatives.

Screen Tasmania is the Tasmanian Government body responsible for supporting and developing the state's film, television and multimedia industries by increasing the amount of independent screen production occurring in Tasmania.

Events Tasmania helps build and sustain a strong events sector, promotes investment and supports events, and maximises the value and return on investment of events funded by the Tasmanian Government through our major event partnerships and grant programs.

The Tourism and Hospitality Supply-side Unit works alongside industry associations and tourism businesses to encourage investment in quality visitor infrastructure and build the capability, capacity and community required to ensure a great visitor experience, and a strong visitor economy.

The Tasmanian Museum and Art Gallery (TMAG) became a statutory authority in February 2018. It is managed by its board but is also part of the division for the purposes of financial appropriation, staffing, strategic fit and reporting of government activity in the cultural sector.

## Growing the creative sector

In 2018–19 we invested \$43.6 million into productive tourism, cultural and creative industries projects in support of the economic and social value they contribute to our community.

Across the year we provided more than \$4 million to 153 individual artists and arts organisations, \$14.4 million to 75 events, and \$1.4 million in production investment to five screen projects.

Combined, this investment saw almost \$100 million injected into the Tasmanian economy through spending on Tasmanian goods and services alone.

Throughout the year, our focus on tourism and hospitality supply saw us support our four regional tourism organisations to strengthen regionally-based visitor experiences, complete another six infrastructure projects through the \$6 million Cycle Tourism Fund, and continue the roll out of the Tasmanian Journeys Project.

## Strategic investment

In 2018–19 we delivered on 26 strategic actions defined under the *Cultural and Creative Industries Strategy 2016–2018* to grow investment and jobs in Tasmania's cultural and creative industries, including the Arts Tasmania Jeju International Residency South Korean exchange program, the Waddamana and the Highlands Power Trail, and the kanalaritja exhibition by Tasmanian Aboriginal artist, Lola Greeno and her peers.

With completion of the current strategy at the end of 2018, we have been working closely with industry and wider community in developing the new *Cultural and Creative Industries Strategy 2019 and beyond*, which is expected to be released in November, 2019.

## A new home for the arts

This year saw significant progress on the construction of Tasmania's new creative industries and performing arts precinct. The \$96 million project Hedberg project is being delivered with a \$30 million contribution from the Tasmanian Government, and in partnership with the University of Tasmania and the Theatre Royal Management Board and once complete will include the upgraded Theatre Royal, a new home for the university's Conservatorium of Music, and performance venues and public spaces.

In May 2019, the Theatre Royal reopened after a significant upgrade, ahead of completion of the main construction phase of the project, with the entire Hedberg complex expected to open in early 2020.

As well as providing a peak of around 280 jobs during construction, the development will create about 58 ongoing jobs and become a must-see tourist destination for Tasmanian, interstate and international arts lovers.

## Taking art and history to the people

This year we continued our work in developing the brand profile of Tasmanian arts and culture nationally and internationally through the COLLECT Arts Purchase Scheme. The scheme enables the work of Tasmanian living artists to be purchased from eligible galleries through a 12 month interest-free loan. Since its launch in 2008 COLLECT has facilitated the purchase of over \$16 million worth of Tasmanian art, directly supporting over 460 artists through the purchase of over 5 250 artworks.

Through the scheme, in 2018–19 we have been supporting the Bett Gallery, the Despard Gallery and the Michael Bugelli Gallery towards attending Australia's largest gathering of local and international galleries, Sydney Contemporary, to showcase the work of some of Tasmania's most respected artists and emerging talent. Sydney Contemporary will take place in September 2019.

The 2018–19 financial year also saw our art and history recognised with TMAG's *The National Picture: the art of Tasmania's Black War* exhibition recognised for its excellence at this year's Museums and Galleries National Awards (MAGNAs) in Alice Springs, reinforcing TMAG's reputation as the home for intriguing, important and award-winning exhibitions that tell Tasmanian stories.

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## Cultural and Tourism Development continued

### Tasmania on screen

This year saw season three of the highly successful ABC comedy series *Rosehaven*, featuring Tasmanian cast and crew, go to air backed by a \$500 000 investment from the Screen Innovation Fund.

The award-winning series showcases worldwide the Tasmanian landscape and portrays the beauty of the small-town Tasmanian way of life.

Our 2018–19 investment builds on the \$950 000 invested in the first two seasons, which resulted in 271 employment opportunities for Tasmanians and the injection of more than \$5.74 million into the local economy.

April 2019 also saw the filming of the new Tasmanian-based drama series, *The Gloaming*, which will showcase Hobart and its surrounds to a worldwide audience and saw more than \$7.5 million spent on Tasmanian goods and services during filming alone.

A production of Stan and ABC Studios International, *The Gloaming* is expected to air on Stan in the first half of 2020.

In 2018–19 we also continued our partnership with NITV and the ABC with investment in the second season of *Little J & Big Cuz*, the landmark indigenous children's animation series designed to engage Aboriginal and Torres Strait Islander children and prepare them for schooling.

Our investment in season 2 will ensure the inclusion of a distinct Tasmanian story called Pilot Bird focussed on Tasmanian Aboriginal culture and follows on from the success of the first series took out the Logie for Most Outstanding Children's Program in July 2018.

### A journey to excite

A Tasmanian Journey is a driving experience that encourages people to explore regional Tasmania. In simple terms, it's a touring holiday.

The Tasmanian Journeys Project will deliver five self-drive journeys across regional Tasmania, including the existing Western Wilds and Great Eastern Drive.

Following on from the success of the Great Eastern Drive which has contributed to a 20 per cent increase in visitation to the east coast, we launched the Western Wilds in October 2018.

Now in its implementation phase, the Western Wilds encourages travellers to immerse themselves in the landscape and stories of the west coast.

In 2019–20, industry consultation in relation to the three remaining journey experiences will be undertaken with the insights gathered to assist in the development of the new Journeys, proposed to be located in the south, centre and across the top of the state.

### The art of unconforming

In October 2018 we again supported The Unconformity biennial arts and cultural festival based in Queenstown and surrounds as a unique driver of Tasmania brand identity at local and national level.

The award-winning three day festival draws visitors to the west coast of Tasmania and fills Queenstown to capacity drawing on the distinctive character and heritage of the region and in 2018 attracted more than 2 000 attendees.

The festival sees a mix of visual arts, music, performance, dance and cultural celebration colliding with local industry, landscape, and west coast lifestyle, with crowds and excitement growing every two years.

This financial year we have already commenced the work required to continue our support of The Unconformity in 2020.

### A welcoming state

During 2018–19 we established a dedicated Hospitality Unit to support the hospitality industry in Tasmania and build strong relationships across the hospitality sector and identify opportunities for growth and development.

The Hospitality Unit is now well established and is overseeing \$6.8 million in funding to assist the industry to grow visitor satisfaction levels, drive return visitation and encourage longer stays and higher spends.



## Bringing the crowds

In this financial year our support for events saw more than 80 000 additional people visit Tasmania, with support provided across a wide range of events, from small pagan festivals to large-scale sporting tournaments, musical theatre, and food and wine showcases.

This year we have already locked in support for events that will be staged in 2019–20 including the Huon Valley Mid–Winter Festival, the East Coast Harvest Odyssey Festival (ECHO) and the Flinders Island Running Festival.

At the end of 2018–19 we have confirmed nine significant events to be held between 2018 and 2028 through our Event Attraction Fund.

These events are expected to bring 21 000 visitors to Tasmania and generate around \$23 million in direct spend into the Tasmanian visitor economy.

In 2018–19 TMAG also attracted significant visitor numbers with highlights including the highly successful *Dinosaur Evolution: Secrets of Survival* exhibition, the first ticketed event for TMAG in many years seeing very strong box office returns.

It contributed strongly to TMAG’s record attendance of more than 440 000 for 2018–19, and brought many visitors to TMAG for the first time.

This financial year saw our continued support of the Ten Days on the Island biennial statewide festival held in March.

This year the festival attracted total attendances of more than 18 000, spread across three separate weekends in more than 50 locations around Tasmania.

Our cultural heritage also remains an important drawcard for visitors, with facilities from the West Coast Heritage Centre in Zeehan to the Maritime Museum of Tasmania in Hobart and our range of vibrant museums and galleries drawing in more than 310 000 visitors in 2018–19.

### FAST FACTS

In 2018–19 Screen Tasmania had projects on, or in production/development with, almost all Australian small–screen outlets including the ABC, SBS, 9, Channel 7, Foxtel and Stan.

In 2018–19 Screen Tasmania’s production investment was a record \$1.4 million across five projects.

In 2018–19 projects with Screen Tasmania production investment employed 148 Tasmanian cast and crew over 185 days of shooting.

In 2018–19 Screen Tasmania investment is estimated to have generated \$10 million in spending on Tasmanian goods and services during production.

In 2018–19 there were 71 public art projects underway, or in planning and development, through Arts Tasmania’s Tasmanian Government Public Art Site Scheme.

In 2018–19 Arts Tasmania and Screen Tasmania supported six arts organisations, four artist residencies in schools, and four Tasmanian Aboriginal arts mentorships through Youth Arts Programs.

In 2018–19 six organisations from the north of the state receive support to deliver high quality arts activities that strengthened northern Tasmania’s arts sector; and engaged and inspired audiences through the new Northern Tasmania Arts Organisations Initiative.

Supported events throughout 2018–19 saw a total of 88 950 visitors, equating to around \$88.5 million in direct spending into the Tasmanian visitor economy.

In 2018–19 the Tasmanian Museum and Gallery (TMAG) attracted a record of more than 440 000 visitors.



## Performance information Cultural and Tourism Development<sup>1</sup>

Performance measure	Unit of measure	2017–18 actual	2018–19 actual	2019–20 target
Attendance at selected cultural venues <sup>2</sup>	number	319 274	324 000	324 000
Contribution to Gross State Product of selected arts industries <sup>3</sup>	\$ million	66.6	67.0	67.0
Attendance at selected performing arts events <sup>4</sup>	number	n/a	n/a	285 000
Number of artists, arts and museum–workers supported <sup>5</sup>	number	n/a	n/a	n/a
Developed projects that advance into production <sup>6</sup>	ratio	7.5:1	10:1	10:1
Leveraged spend in the state <sup>7</sup>	ratio	4.7:1	4:1	4:1

### Notes

1. The Tasmanian Museum and Art Gallery (TMAG) became a statutory authority in February 2018 with the commencement of the *Tasmanian Museum and Art Gallery Act 2017*. Performance measures relating to TMAG previously covered in the department's annual report will be included in the TMAG annual report due to be released by November 2019.
2. Attendance at selected cultural venues includes only those organisations receiving assistance under Arts Tasmania's Cultural Heritage Program and can change from year to year. Figures are collected from acquittal data meaning 2018–19 data is not yet available, therefore the target figure has been provided for 2018–19 as well as 2019–20.
3. Contribution to Gross State Product of selected arts industries is derived from ABS 5220.0 *Australian National Accounts: State Accounts* released in November each year. Note that actual figures are subject to change due to ABS revision of historical data. Actual data for 2018–19 is not available until November 2019, therefore target figures have been provided for 2018–19 as well as 2019–20.
4. The figure for attendance at performing arts events is subject to change each reporting period depending upon the organisations supported. Figures are collected triennially from acquittal data, with the next collection period being 2019–20.
5. This measure replaces ABS data 4921.0 *Participation in Selected Cultural Activities, Australia*, which is captured triennially. Baseline data collected during 2016–17 will inform the development of performance targets. Collection methodology of data for this indicator is in development as part of a KPI review of acquittal data, with the first figures to be available in 2019–20.
6. The industry standard ratio for developed projects advancing into production is 10:1. The ratio varies due to the time taken by some projects to go into production.
7. The calculation of the actual Tasmanian spend leveraged by productions is updated as projects acquit against investments. This may result in previously reported actuals being restated to reflect the final actual position.



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# Transport Services Group

Transport Services Group works to enable the safe, reliable and efficient transport of people and goods, to connect Tasmanian communities, promote freight efficiency and economic growth, and to improve the visitor experience.

The group is made up of two divisions, Road User Services and State Roads which collaborate with other areas of the Department of State Growth to deliver positive outcomes for Tasmania and Tasmanians.

Road User Services provides the legislation, regulatory policies and practices to support the safety and efficiency of the Tasmanian road network, including responsibility for registration and licensing services, passenger transport, the Tasmanian Road Rules and road safety.

The work done within the division enhances the safety of the Tasmanian community through targeted, evidence-based policy development, supported by efficient and effective programs.

The State Roads division manages, builds and maintains the state road network to meet the needs of its customers.

This includes looking at traffic and freight trends, population growth and industry development, to plan and deliver new road projects and maintenance programs to ensure we provide safer and more efficient roads.

State Roads manages and maintains more than 3 700 kilometres of roads and 1 280 bridges and major structures linking our major population centres, moving people and freight and underpinning the economic growth and creation of jobs.

## A safer start for new drivers

In 2018–19 improvements to the graduated licensing system were announced, which will give new learner drivers more on-road supervised experience and limit dangerous distractions – both major contributors to crashes.

This is a critical component of the Toward Zero Road Safety Strategy to reduce the number of serious injuries and deaths on Tasmanian roads.

This year an Enhanced PI Assessment Delivery Model was established to allow suitably qualified driving instructors to deliver PI driver assessments.

The model has been co-designed by State Growth and key industry stakeholders and has road safety, integrity of the licensing system, professional development, compliance, increased access and the use of technology at its core.

A pilot of the new system is expected to commence at the end of September 2019.

## A safer system for vulnerable road users

The year we continued our support of the RACT, Rotary Tasmania and Bicycle Network as part of a four year commitment to grow participation in road safety education programs targeted at young road users.

This year saw the 'Love 40' campaign launched to remind drivers to keep our children safe by driving under 40km/h in school zones and around school buses when warning lights are flashing.

Around \$144 000 was also awarded to 13 community projects through the Community Road Safety Grants Program aimed to address a variety of local road safety issues with themes relating to safe road users, safe speeds and community education of road safety issues.

## A focus on regulatory services

In 2018–19 State Growth commenced Over-Size Over-Mass (OSOM) vehicle escorts to support the movement of large wind farm components to Cattle Hill Wind Farm in the Central Highlands.

To meet these additional demands, the permanent workforce has been supplemented with a casual pool of 21 qualified heavy vehicle escort drivers.

This financial year we also released a draft framework for the on-demand passenger transport sector for public consultation. Consultation was supported with a proposals paper to guide discussion, as well as a series of fact sheets and three regional forums held in Hobart, Ulverstone and Launceston. This resulted in strong engagement with more than 70 submissions received.

We also continued to work closely with the Australian Competition and Consumer Commission to replace dangerous Takata airbags in vehicles in Tasmania in support of the national Compulsory Recall Notice. Tasmania no longer has any currently registered vehicles with a Takata Alpha type airbag.

## Improving compliance

This year we have renewed our focus on protecting the integrity of the Transport Access Scheme which assists those with life-long permanent and severe disability which affects mobility.

A new pilot parking permit verification program for enforcement officers was introduced, as was a new process to validate that members meet the scheme's eligibility criteria and remain resident in Tasmania. We also continued our program of detection and prosecution for those fraudulently accessing the scheme.

We continue to modernise our compliance frameworks to support the quality delivery of motorcycle and heavy vehicle training and assessment services, as well as light vehicle assessments. In 2018–19 we commenced work on developing a contemporary compliance framework for monitoring on-demand passenger transport services.

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## Transport Services Group continued

### A connected transport system

Throughout 2018–19 we have continued the development and delivery of a fully connected transport system. With existing long term contracts for public transport bus services, including student only bus services, expiring in 2018–19, we have been establishing a better, faster and more efficient network through new contracts and enhanced services being phased-in across the state.

In January 2019, changes were made to bus routes and timetables in southern Tasmania and changes to a large number of student services rolled-out across the state from the start of the 2019 school year.

In March a seven day-a-week service from the West Coast to Burnie was implemented with changes to the northern and north west networks to follow in 2019–20.

A number of poorly designed or under-utilised services have been removed with funds reinvested in other parts of the bus network, including both urban and urban fringe services, to help tackle growing congestion.

Through these changes, the project has delivered improved service levels, and better and more options for bus users as well as those looking for a transport alternative.

### Connecting north and south

In August 2018, work started on the largest single project in the \$500 million Australian and Tasmanian Government-funded Midland Highway 10 Year Action Plan, the \$92.3 million Perth Link Roads project.

The project will deliver the final link in a dual carriageway along the Midland Highway from Launceston to the south of Perth, improving safety and efficiency for locals, commuters and the freight industry by removing heavy vehicles from the centre of Perth as they travel to and from the northern and north western ports.

As of the end of June 2019, 16 projects have been completed in the 10 Year Action Plan, with construction progressing on a number of projects including York Plains to St Peters Pass, Mangalore to Bagdad Stage 2 (Mangalore), Epping Forest to Powranna and St Peters Pass to south of Tunbridge. Planning has also begun on Spring Hill, Melton Mowbray to Lovely Banks and Powranna to Symmons Plains.

### Unlocking the airport roundabout

In 2018–19 planned improvements works for the Hobart airport roundabout progressed with the addition of a second lane to the existing roundabout, improved entries and exits and an additional lane on the approach from Sorell.

These works improved traffic flow for the commuters, visitors and commercial traffic using this roundabout, in advance of the new Hobart Airport Interchange project, funded by the Australian and Tasmanian Governments, which also went to tender during 2018–19.

### Better bridges

June 2019 saw work completed under the current round of the \$19 million Tasmanian Government-funded Freight Access Bridge Upgrade Program, involved strengthening eight bridges in the state's north and north west, with the program developed in consultation with stakeholders to meet the needs of those moving freight around state.

Bridges were upgraded at several locations on Bass Highway: Oakleigh rail underpass at Burnie, Emu River bridge at Wivenhoe, two Formby Road underpasses at Devonport, Lovett Street underpass at Ulverstone and Meander Valley Road underpass at Travellers Rest.

In addition, strengthening of both the Mount Pleasant Interchange underpass near Launceston and of the Jordan River Bridge on the Midland Highway was completed in 2019.

### Supporting the visitor economy

Commencing in late 2018 and finishing in May 2019, we delivered the first round of projects under the \$72 million Tasmanian Government-funded Roads Package to Support Tasmania's Visitor Economy including the construction of a new overtaking lane on the Great Eastern Drive at Cranbrook, upgrades to the pull-over area at Four Mile Creek, and four junction upgrades in the Beaumaris Beach area including Beaumaris Beach, Dark Hollow Creek, Freshwater Street and Skyline Drive.

The first stage of Hastings Caves Road sealing was also completed in May 2019, paving the way for final works to be completed on the road in the summer of 2019–20.

The upgrades provide a better experience for visitors accessing tourism icons around the state.

### Safer regional links

This financial year saw the completion of the Channel Highway–Bonnet Hill safety improvements on this important link between Hobart and the rapidly growing Kingston.

The upgrade has improved safety for all road users, including cyclists along the route by providing widened and sealed shoulders and improved signage.

In 2018–19 we saw significant progress on the Richmond Road Master Plan upgrades with the Richmond Golf Club to the University of Tasmania farm section completed in December 2018 and the Malcolms Hut Road Junction to Dry Creek section completed in April 2019, with works including shoulder sealing, drainage improvements and junction upgrades.

Works on the University of Tasmania farm and Malcolms Hut Road section, upgrades to Boyes Street junction and the construction of the new Cambridge Link Road are expected to start in late 2019.

## Value for money investment

Over the 2018–19 financial year, \$281 million was spent on road construction, upgrades and maintenance. This includes 160 kilometres of road resurfaced, 795 kilometres of line marking done on road carriageways, 306 signalised intersections managed, and responses completed to 1 055 emergency call outs.

In 2018–19 a new stewardship style contract was awarded for the maintenance of the north west state road network, providing a holistic delivery model for the maintenance of the roads in the region, with a total contract value of \$138 million over 10 years.

This approach provides value for money with all services provided under one contract, including the planning and delivery of road and roadside maintenance and improvement works, and emergency response management.

The State Roads division plans, builds and maintains the state's roads, bridges and other assets under its management using a whole-of-asset-life approach to decision-making, to deliver cost-effective management strategies that meet the needs of customers.

## Embracing innovation

In 2018–19 a number of traffic improvement measures for Hobart were implemented, laying the foundation for future works. These included a real-time traffic management system, which has been installed and trialled as a reporting tool for peak traffic travel times.

As part of State Roads' broader traffic incident management focus, Incident Response Plans have been developed to deal with a range of scenarios that might occur across the transport network. Extensive scenario mapping has already been done and this work will be used to direct traffic flow.

The Australian Government has committed \$10 million to the development of Tasman Highway Intelligent Transport Solutions, which will provide for substantially improved traffic surveillance systems, initiatives to make information available to commuters before and during their trips, and an upgraded lane-use management system on the Tasman Bridge.

Planning is also underway for a number of public transport initiatives across the state road network, including priority lanes on the Tasman and Brooker Highways and a fifth lane on the Southern Outlet.

### FAST FACTS

As at 30 June 2019, in Tasmania there were 401 013 licensed drivers, an increase of 2.6 per cent from the previous year, and 631 317 registered vehicles, up 2.7 per cent.

At 30 June 2019 over 1 300 ancillary certificates had been approved for ride sourcing services in Tasmania since their introduction in December 2016.

In 2018–19, we collected in excess of \$404 million in registration and licensing fees, an increase of \$17 million on the previous year, and processed more than 1.2 million financial transactions.

The number of Provisional (P1) driving assessments provided in 2018–19 was 11 732, an increase of 4.5 per cent from the previous year.

Over the October to March peak season of 2018–19, patronage on Bruny Island ferry services was 99 614, an increase of 0.4 per cent compared to the same period in 2017–18.

In 2018–19, State Growth delivered subsidy payments for 616 968 taxi and wheelchair accessible taxi (WAT) trips for eligible scheme members, up 0.4 per cent on 2017–18.

In 2018 Tasmania had 33 road fatalities, compared to 32 in 2017, at a rate of 6.2 annual fatalities per 100 000 population, compared to the national average of 4.6 fatalities.

In 2018–19 more than 470 Over-Size Over-Mass (OSOM) loads were escorted by State Growth Transport Inspectors, an increase of 46.1 per cent on the previous year.

In 2018–19, \$281 million was spent on road construction, upgrades and maintenance.

In 2018–19, 1 280 bridges across the state were maintained.

In 2018–19, 795 kilometres of line marking road carriageways was carried out.

In 2018–19, 591 electronic school speed signs were maintained.

In 2018–19, 306 signalised intersections were managed.

In 2018–19, 160 kilometres of road carriageways were resurfaced.

In 2018–19, 227 intelligent transport system sites were managed, including traffic monitoring technology, electronic warning signs and weather stations.





## Performance information Transport Services Group

Performance measure <sup>1</sup>	Unit of measure	2017–18 actual	2018–19 actual	2019–20 target
Provision of effective support to the Government by providing road safety and road policy advice and information to enable informed decision making <sup>2</sup>	satisfaction	satisfied	satisfied	satisfied
Motor Registry System availability	%	99	99	99
Vehicles found to be unregistered of those checked <sup>3</sup>	%	0.63	0.65	0.65
Heavy Vehicles found overweight <sup>4</sup>	%	3.1	na	na
Speed limit reviews completed within 28 days of request <sup>5</sup>	%	72	74	80
Safety reviews completed within 28 days of request <sup>6</sup>	%	98	94	90
Wheelchair accessible taxis (WAT) licensed	number	76	69	76
Average bus age on contracted services <sup>7</sup>	number	14.8	13.5	14.8

### Notes

1. The Transport Services Group is implementing a new Performance Management Framework – an integrated set of performance indicators to benchmark performance and support continuous improvement. It is expected that performance information in future years will be revised to reflect the new measures.
2. Satisfaction and outcomes are largely measured by feedback from the Minister's office, Secretary, relevant Deputy Secretary and, where appropriate, colleagues and clients.
3. This measure is based upon Automatic Number Plate Recognition cameras in accordance with the Memorandum of Understanding between the department and the Motor Accidents Insurance Board.
4. From 2 July 2018 heavy vehicle compliance and enforcement became the responsibility of the National Heavy Vehicle Regulator.
5. Speed is a key factor in road safety and this measure ensures that requests for speed limit reviews are completed in a timely manner.
6. The department receives many requests for safety reviews at junctions and other road locations and this measure reports on the timeliness of the safety assessment and response to request process.
7. This is a measure of the effectiveness of government strategies to ensure that the average age of buses on government contracted services is appropriate. It is anticipated the average age will decrease once operators have contract certainty as part of the current bus re-contracting process.

## Report from the Director of Energy Planning



The functions and powers of the Director of Energy Planning as outlined in the *Energy Co-ordination and Planning Act 1995* are broad. Past practice has seen many of these functions carried out through staff within the energy policy area of the Department of State Growth (and its predecessor agencies) with those staff reporting to a senior departmental officer who also holds the statutory position of Director of Energy Planning.

From 2018-19 the Director of Energy Planning also holds the new statutory role of the Energy Security Coordinator. This role ensures that if hydro water storage levels fall below prescribed levels, mitigating actions will automatically be undertaken to plan and move towards a recovery of storage levels.

This financial year I have focussed on embedding operational arrangements consistent with the statutory requirements under the Energy Security Risk Response Framework, representing Tasmania's interests in intergovernmental policy forums including the Council of Australian Governments (COAG) Energy Council, providing advice to the Minister for Energy on energy security and emerging policy issues in Tasmania and nationally, participating in national energy security exercises, and working with the government-owned energy businesses to ensure that government energy policy objectives are reflected and implemented in their corporate planning processes.

### Project Marinus and Battery of the Nation

The work on Marinus Link and Battery of the Nation (BoTN) has continued in 2018-19 and there have been some significant developments since last year.

At the beginning of 2019 TasNetworks, supported by the Australian Renewable Energy Agency (ARENA), published an Initial Feasibility Report on Marinus Link. The key conclusion from that report is that Marinus Link is technically feasible and economically viable under a range of scenarios. A business case assessment for Marinus Link will be completed by the end of 2019.

As a result of those positive initial findings and the importance of the project to the National Electricity Market (NEM), this year the Australian Government agreed to contribute \$56 million to progress the Design and Approvals phase for Marinus Link ahead of the business case assessment being completed.

This funding will support key activities including technical and engineering designs, and planning and environmental approvals. Six million dollars of that funding has supported the establishment of a project team in the Office of Energy Planning that provides policy and coordination support to government, and to me, on major energy projects.

This financial year the Australian Government has also committed \$17 million towards the 'Energising Tasmania' skills package which will support training and development opportunities in the Tasmanian renewable energy sector.

The Australian Government has also committed to supporting BoTN under its Underwriting New Generation Investment program intended to create an ongoing mechanism to support targeted investment that will lower prices, increase competition, and increase reliability in the system. The program will provide financial support to support generation capacity as part of the government's commitment to lowering electricity prices and increasing reliability.

Because of this, the Tasmanian Government, through Hydro Tasmania, can commit up to \$30 million to develop one of three shortlisted pumped hydro sites to investment-ready stage by 2021. With support from ARENA, Hydro Tasmania has progressed a number of BoTN studies including the Future State NEM Analysis report and the Pumped Hydro Knowledge Sharing report, with other reports under development.

In early 2019 the Tasmanian Government also released its Current Situation Assessment report that sets out its position on both Marinus Link and BoTN. A key focus is that Tasmanian electricity customers or taxpayers should not be called on to pay for benefits that occur in other NEM regions. The Government is continuing to work through a solution to this issue.

Another key development this year has been the formal establishment of the Energy Policy and Coordination Committee under the *Energy Co-ordination and Planning Act 1995*, as well as the Energy Sub-Committee of Cabinet chaired by the Minister for Energy. Through these committees, the Tasmanian government is progressing a number of policy, regulatory, and project improvements for Marinus Link and BoTN, as well as oversight on the development of the *Tasmania First Energy Plan*.

### Improving legislation

The year has seen a particularly strong focus on legislation development and review with two key Bills passed by both Houses of Parliament. The *Gas Industry Act 2019* modernises Tasmania's gas legislation and combines the industry regulation provisions from the *Gas Act 2000* and the *Gas Pipelines Act 2001* into one piece of legislation. On proclamation the *Gas Industry Act* will provide for the licensing and regulation of the gas supply industry in Tasmania.

The *Energy Co-ordination and Planning Amendment Act 2019* will give a statutory basis to energy security oversight roles and arrangements stemming from the recommendations of the Tasmanian Energy Security Taskforce.

Importantly, the Act establishes and details the functions and powers of the Energy Security Coordinator and Monitor and Assessor positions with regard to Tasmania's energy security.

After a period of public consultation the *Electricity Supply Industry Act 1995* (ESI Act) is currently being reviewed by the Office of Energy Planning. The *Energy Co-ordination and Planning Act 1995* will also be subject to a related review process over the coming year. The purpose of these reviews is to create a more contemporary legislative structure that continues to promote efficiency and competition in the electricity supply industry and provides for a secure, safe and efficient system of electricity generation, transmission, distribution, supply, and protects the interests of consumers of electricity for related purposes.

## Solar Feed-in Tariff Review

This year a committee chaired by the Director of Energy Planning, and including representatives from the departments of State Growth and Treasury and Finance, undertook a review of the solar feed-in tariff (FiT) arrangements. Public submissions were sought on 7 July 2018 with the consultation period ending on 6 August 2018 with 63 written submissions received.

The Committee provided its findings to the government, which has already responded to a number of its recommendations. For one year from 1 January 2019 to 31 December 2019 the government is providing an additional five cents per kilowatt hour on top of the Regulated FiT rate for customers on the previous Transitional FiT rate.

## National Events and Reform Agenda

It is important to note that since joining the National Electricity Market in 2005 the market issues, regulatory settings, and policy implications of the NEM apply in, and have significant implications for, Tasmania. There are significant benefits of physical interconnection, and this means that Tasmanian energy policy cannot be considered in isolation from the national energy issues.

In July 2018 the Australian Energy Market Operator (AEMO) released the Integrated System Plan (ISP) which identifies the most appropriate and least-cost strategic investments required for the transition of the energy market. Related to the ISP, the Coordination of Generation and Transmission Investment Review by the Australian Energy Market Commission (AEMC) also commenced in 2018.

The continuing refinement of the ISP assumptions and promotion of investment are important to Project Marinus and Battery of the Nation.

Notably, during 2018-19 hydrogen has emerged on the national agenda. Hydrogen has the potential to develop into a cost competitive source of energy. It has a number of applications and can be used as a source of power for electricity generation and storage, heat, transport, and as an input for a number of industrial applications. In the longer-term, hydrogen may play a key role in energy markets throughout Australia, and the world, and this is likely to have whole-of-government implications.

The Office of Energy Planning undertakes a planning and strategy role around hydrogen in Tasmania and ensures the Minister for Energy is informed about the emerging opportunities and risks associated with this industry.

The Office is also participating in the development of the National Hydrogen Strategy, which aims to develop a planned approach to developing a hydrogen industry in Australia and coordinate Australia's approach to support projects and programs that support the development of the industry.

Tasmania is well placed to capitalise on the emerging green hydrogen industry by harnessing existing infrastructure and its renewable, reliable energy resources to produce renewable hydrogen. The potential for relatively low cost renewably based production of hydrogen in Tasmania is already attracting the interest of businesses and the Coordinator-General is actively involved with these proponents while this office advocates Tasmania's competitive advantages through the National Hydrogen Strategy development process, as well as other intergovernmental forums.

The Department of State Growth is continuing to monitor the development of hydrogen and market developments generally, and is participating actively in those that hold particular promise for Tasmania. The department ensures that the Director of Energy Planning and the Minister for Energy are informed about the progress of the reform agenda, and the opportunities for Tasmania.

**Gary Swain**

Director of Energy Planning

## Performance information Office of Energy Planning

Performance measure <sup>1</sup>	Unit of measure	2017-18 actual	2018-19 actual	2019-20 target
Attend emergency security meetings and participate in emergency exercises at both the state and national level	number	2	4	2
Policy, project and program advice and analysis meets the expectations of stakeholders <sup>2</sup>	satisfaction	satisfied	satisfied	satisfied

### Notes

1. The number of meetings that are held and attended each year varies depending on the level of risk and frequency of planned exercises.
2. Satisfaction and outcomes are measured by feedback from the Minister's office and, where appropriate, colleagues and clients. The feedback focusses on the quality, relevance and timeliness of advice.



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# Report from the Abt Railway Ministerial Corporation

In 2018–19, the Abt Railway Ministerial Corporation has continued its oversight of the West Coast Wilderness Railway (WCWR), including planning, developing, operating and growing the historic tourist attraction.

The Tasmanian Government has continued to provide support to assist ongoing operations and infrastructure replacement of the West Coast Wilderness Railway with a Budget allocation of \$16 million over four years from 2019–20 to 2022–23.

The railway is an iconic tourism experience and its continued and growing success is a testament to its staff.

2018–19 saw the General Manager, Mr Anthony Brown, continue to build the business while also continuing his role as Chair of the West Coast Tourism Association. He was also appointed Director of the newly formed regional tourism organisation, West x North West Tourism, working to harness and grow tourism in the region.

The railway continues to operate in accordance with the requirements of the Rail Safety National Law (RSNL), with its operations subject to the ongoing audit and inspection requirements as provided for in the RSNL, as well as internal and external third party audits.

The WCWR again demonstrated a strong safety record across 2018–19.

## Commercial operations

Following on from the strong performance in 2015–16, 2016–17 and 2017–18 WCWR performed above expectations in 2018–19.

Total passenger numbers grew for the year to 35 545, up 8.31 per cent on 2017–18, and a total of 28.76 per cent since 2015–16. Despite combined revenue being slightly down on 2017–18, net results were ahead of 2017–18 by around 8 per cent.

Having taken out Tasmania's Best Tourism Attraction in the 2017 Tasmanian Tourism Awards, 2018 saw the railway as runner-up in the awards, clear recognition of the WCWR's continued strong performance across the board and its local, regional and statewide value.

In conjunction with the strong core wilderness railway experience, the railway continued to partner with other regional tourism businesses to provide complementary offerings including its new Heli-steam with Strahan Helicopters, Raft and steam adventure with King River Rafting and Steam-hydro experiences with RoamWild.

Tracks Café at Queenstown station continued to prove very popular with visitors and locals, holding Queenstown's number one rated restaurant on TripAdvisor and continues to grow in popularity and profitability, breaking takings records over the Unconformity weekend in October 2018. The addition of an alfresco area proved popular in warmer months.

With a large gap in the café/restaurant market in Strahan, WCWR entered into the market softly by restoring/renovating the inside of Regatta Point Station and opened Tracks on Point Café for the 2018–19 season. The café was able to undertake all catering for the trains operating out of Strahan, while saving on staffing and transport time and costs from Queenstown on a daily basis.

Regatta Point retail also saw an upgrade as part of the station restoration/upgrades. The inhouse made Tasmanian timber products, plus packaged Tasmanian alcohol gift products, Tasmanian boiled lollies and ice creams in retail continued to be popular. A number of environmental initiatives continue to be adopted to reduce the carbon footprint of the railway and to enhance the environment in which it operates.

Wildfires on the West Coast over summer impacted tourism including WCWR, compounded by the resultant lack of Heli-steam operations for three months and reduced access deterring visitation over the peak season.

As WCWR grows it continues to provide additional employment and training opportunities, including two workshop apprentices, two trainee locomotive crew, and school-based apprenticeship in Tracks Café. Middle management training and development also recognises the importance of training, development and providing opportunities for locals and those working for the railway.

## Capital works

WCWR is in the final stages of acquiring a fourth original steam locomotive, the Abt #2 with restoration to commence next year to add to the WCWR stables. This will address the reduction in ticketing, retail and beverage revenue experienced through mechanical issues which resulted in full day Queenstown Explorer services being replaced with half day diesel services out of Strahan.

The workshop team were again busy this year with the restoration and upgrading of our heritage carriages to include tinted windows and additional air conditioning and ventilation, to eliminate previous heat complaints by guests.

The completion of a fourth wilderness carriage and restoration of two of the three original wilderness carriages has allowed for additional revenue opportunities in the start of winter and will continue.

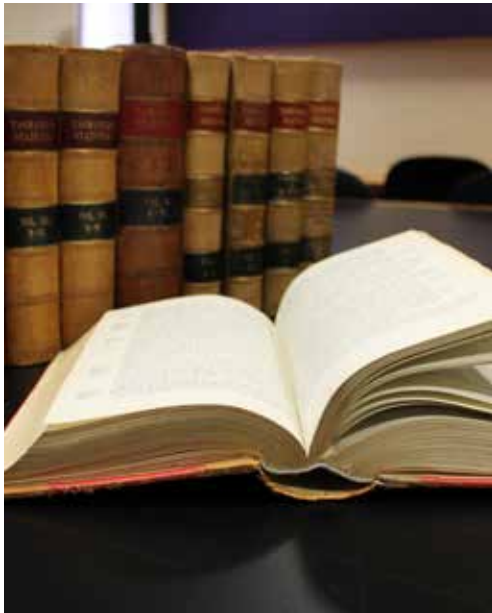
Further work included commencement of WCWR booking carriage construction, which once complete will be located on the wharf at the Strahan waterfront.

This year the guest experience was further improved and revenue opportunities increased through the connection of mains power at Rinadeena station, allowing for espresso coffee, cold drinks and ice creams to be available to passengers.

Rinadeena station has also seen the construction of additional toilets and the commencement of platform extensions aimed at improving the guest experience. Additional toilets at Lower Landing station plus preparation for augmented reality on track will continue putting passengers first.

In 2018–19 we also purchased and relocated an original 1953 rail car that is being restored to specifically operate on the line from Strahan to Dubbil Barril station. The newly restored engine will be running on the line from December 2019, further enhancing the historical experience of our guests and making a significant contribution to the company's operations.

With bridge revitalisation works having commenced along the 34.5 kilometre WCWR track, we are excited to bring on a new contractor in 2019–20 to continue these important upgrades.



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# Business Services

The Business Services division delivers value-added services and support that meet business and client needs.

Business Services is committed to providing advice and services that effectively support the agency to undertake its functions and meet its obligations.

The division works collaboratively across the department to understand business needs to assist our partners deliver outcomes, and to deliver policy advice and leadership that reflects a connected whole of agency approach and best practice.

The division supports the department in delivering essential services to the Tasmanian community and develops the department as a great place to work.

The division is made up of six branches, Business Improvement and Performance, Communications, Finance, Information, Communication, Technology and Spatial Services, People and Culture and Secretariat and Legal Services.

Business Improvement and Performance works with business units across the department to identify and implement process improvement, monitor and implement risk mitigation strategies, administration of grants and loans, and manage departmental property and facilities.

Communications provides services across the department as well as working closely with Ministers' offices on strategic communication advice, media and issues management, corporate brand management and the production of marketing and promotional material.

Finance delivers compliant financial management services for the department including budget management, financial reporting, accounting, transaction processing, taxation and other financial management administration, and compliance and asset management.

Information, Communication, Technology (ICT) and Spatial Services manages the department's corporate ICT and spatial services including State Growth websites.

People and Culture provides quality and contemporary people services to ensure the current and future business needs of the department are met.

Secretariat and Legal Services provides the ministerial interface and legal and legislative support services for the department.

In addition to leadership of the division and the organisational change and engagement efforts across the department, Business Services provides policy support and advice to the Tasmanian Development and Resources Board, governance advice to State Growth portfolio boards and committees, and business support services to Tourism Tasmania, the Macquarie Point Development Corporation and the Tasmanian Museum and Art Gallery.

## Investing in our people

This financial year our integrated approach to induction saw the introduction of two new features, a face-to-face orientation session with the Executive Committee, with 90 new employees participating during the year, and a post induction interview, approximately six months after commencement to track the progress of new starters. Overwhelmingly positive feedback has been received about the induction program and the positive culture within the department.

This year we supported five Senior Executive Services officers in the State Service ANZSOG SES Leadership Development program, 10 managers on the Tasmanian State Service Management Essentials program, and two managers on both the Public Sector Management Program and Tasmanian State Service Strategic Management Program.

In November 2018 our new Statement of Commitment to Learning and Growth was endorsed, acknowledging that a culture where learning, working together and sharing knowledge is standard practice is a key to delivering outcomes in a complex, rapidly changing environment.

To provide staff with the skills and confidence to initiate and participate in workplace conversations in a respectful and constructive manner that aligns with our agency values, the department delivered constructive workplace conversations workshops statewide which saw 280 staff participate.

## Compliance, best practice and risk management

Across 2018–19, to ensure we were ready to meet new requirements of the *Financial Management Act 2016* from 1 July 2019, we worked closely with the Department of Treasury and Finance and reviewed and updated our Financial Management Policies and Guidelines.

This year we continued to build capability in legal education and risk management across the department with attendance at Crown Law's whole-of-government legal education sessions along with departmental specific sessions.

In November 2018, we were awarded status as a White Ribbon workplace with our evidence-based submission rated as the strongest received by White Ribbon Australia to date.

We have already begun the three year process towards re-accreditation and our aim is to better connect this work with a broader approach to equity and inclusion issues.

This year we also completed the second stage of our Grants Management Policies Review to ensure consistency across our grants programs, with implementation of the recommendations to commence in 2019–20.

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## Business Services continued

In 2018–19 we continued to embed the use of the Agency-wide Records Management System (RMS) to increase productivity and improve the management of critical information. Considerable work has been undertaken to improve business processes using RMS workflows to support improved information management practices.

During 2018–19, the number of documents entering the RMS as part of a workflow process reached 10 per cent, and we intend to grow this number in 2019–20.

## Business capability and technology

In 2018–19 we saw significant progress in our accommodation consolidation project with the move into the CH Smith Centre in Launceston and offices/workshops in Invermay, enabling further consolidation and the reduction of our overall footprint. The final stages of the consolidation project will be completed in 2019–20.

Over the past 12 months, mobility within the workplace has again been a key focus with the transition from desk-based to portable PC equipment where appropriate, and we deployed another 350 devices as part of the IT desktop hardware refresh and upgrade program.

To meet cybersecurity and compatibility requirements, at the end of 2018–19 a migration to Windows 10 was nearing completion and is on track to be completed by the end of the 2019 calendar year.

This financial year we also rolled out stage one of the new two-stage financial processing electronic workflow system, seeing the end of existing paper-based processing of corporate card acquittals to a more efficient electronic workflow process. Stage two of the solution is currently under development.

## Shared culture and leadership

Results from the 2018 State Service Employee Survey released in December showed an overall improvement in employee engagement and satisfaction since the last survey. The results found that 90 per cent of our staff believe the work they do is important, 85 per cent feel they receive support from others, 84 per cent believe staff are treated with dignity and respect, 71 per cent are satisfied with the support available for good work/life balance, and 81 per cent believe that we provide high quality and responsive services.

The department's web strategy guiding the development of State Growth's websites and web content continues to be implemented. The strategy focusses on developing a better user experience by concentrating on improved web content, mobile responsiveness and accessibility. Web projects have included the development of websites for Study Tasmania, the Launceston City Deal and the Sub-Antarctic Forum.

On December 2018 we held our fourth leadership forum. The theme was 'what it means to be an inclusive leader and how it impacts culture and performance', with outcomes shaping our leadership approach across the remainder of the financial year and leadership initiatives throughout 2019–20.

## Client centric systems and processes

Through established Service Level Agreements, Business Services continues to provide corporate service support to the business activities of the Macquarie Point Development Corporation, Tourism Tasmania and the Board of Trustees of the Tasmanian Museum and Art Gallery.

In 2018–19 we implemented a new project management framework to improve capability across government and within the department.

This year we completed the Heavy Vehicle Access Management System (HVAMS) that maps the state and local government road network that large cranes and similar heavy vehicles can use. The system will boost productivity by maximising the access that can be given to heavy vehicles on the existing road and removing the requirement for heavy vehicle operators to obtain National Heavy Vehicle Regulator permits.

This financial year we also commenced the review of the Bus Route Manager system that supports the process of creating bus routes, stops and timetables and the mapping of routes for both school bus and general access purposes. It is being redeveloped as part of the ongoing statewide bus services review. The system is used to manage routes and new passenger transport contracts created following the statewide review and is expected to be complete in 2019–20.

## Strategy and good decision making

With our current Corporate Plan due to come to an end on 31 June 2019, across 2018–19 we have invested significant effort in developing a new Corporate Plan to guide our work through to 2022.

Through extensive consultation from across our portfolios, and with key clients, we have developed a draft Corporate Plan 2019–22 that is based around the driving principles of being an organisation that is client-centric, collaborative and coordinated, values-based, results-driven, innovative and creative, adaptable and agile, efficient, diverse and supportive.

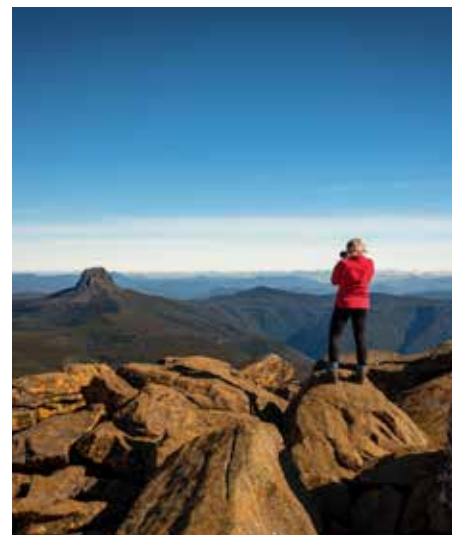
The draft plan reaffirms our values of having the courage to make a difference through teamwork, excellence, integrity, and respect. Following a comment period on the draft plan open to all staff, the new State Growth Corporate Plan 2019–22 is now expected to be endorsed by the Executive Committee on 1 July 2019.

In 2018–19 we took steps to address cybersecurity from a risk-based perspective, focussing on developing our cyber resilience based on a balance between protection, detection, response and recovery. A five stream work plan was developed supported by increased staff awareness and training, and reviews of key systems and applications have also been undertaken.

In April 2019, we sought by open tender a new internal audit contract to assist in reviewing our business and operational risks and developing mitigation strategies towards the development of our new strategic risk register and identifying business improvement opportunities. The register is reviewed and updated every two years and feeds into periodic divisional risk registers. The outcome of the tender is expected to be finalised in August 2019.



# The Office of the Coordinator-General



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# Report from the Office of the Coordinator–General



The Office of the Coordinator–General is Tasmania’s principal entity to attract and support investment in the state. Its role is fundamental in promoting and developing Tasmania’s attractiveness for investment and creating jobs.

The Office continues to deliver significant outcomes that are having a positive impact for Tasmania now and will also contribute to sustaining a strong economy for the state’s future.

During 2018–19 the Office of the Coordinator–General continued to actively promote Tasmania’s industry and location strengths to national and international investors. This year we facilitated almost \$560 million of investment in Tasmania well above the target of \$340 million.

## Investment and jobs

At the end of 2018 our ongoing work with Dutch Mill saw its Edith Creek dairy processing facility reopen and production recommence.

With all necessary permits and licensing received and trial shipments performing well, within two years staffing levels are expected to increase from the current 12 to 112, and more than \$25 million will have been invested in the operation.

In 2018–19 we worked with Tasmanian Stockfeed to bring its proposed \$7.2 million investment in a new manufacturing facility in Devonport to fruition and thereby create an additional 16 jobs. This work included a \$6 million loan through the Tasmanian Development Board.

This financial year we assisted Patriarch and Sons with its new rotary peel veneer and plywood mill in the Bell Bay Industrial Precinct, which will see around \$54 million to be invested in the facility over three stages and the promise of the creation of up to 109 jobs. In March this year the project received approval to proceed from the Environmental Protection Authority.

This year we also worked with Norske Skog to progress a range of initiatives including further investment in its exciting Cyrene renewable wood–based (non–petroleum) bio solvent product supported by a \$1.5 million grant through the Tasmanian Development Board.

This is the first part of a package aimed at improving the operations, and extending the life, of its Boyer Mill.

## Major projects

Throughout 2018–19 we have provided a range of assistance to Granville Harbour Wind Farm project including stakeholder engagement, resolution of significant red tape matters, promoting the opportunity and facilitating introductions to a range of potential investors.

In January, the project progressed to moving massive tower components into the state to a holding yard in Burnie. The components are expected to be moved to the wind farm site in the first half of 2019–20.

Across the financial year we continued to facilitate the proposed Kangaroo Bay Hotel and Hospitality Management College as part of the wider Kangaroo Bay redevelopment. At the end of 2018–19 negotiations between Chambroad Overseas Investment Australia Pty Ltd and the University of Tasmania on the potential education operator arrangement were nearing completion of a Memorandum of Understanding.

Significant work was undertaken throughout the year to progress the Cradle Mountain vision. In October 2018 we released an investment prospectus seeking suitable proposals from investors and developers to fully realise the Cradle Mountain Gateway Precinct.

Negotiations with proponents were continuing beyond the financial year. In February 2019, construction of the new visitor centre and shared infrastructure for the Cradle Mountain Gateway development commenced.

## Building modern cities

The Office continued to work to progress key infrastructure projects in Burnie, Devonport and Launceston under the Northern Cities Initiative.

This financial year the University of Tasmania finalised the precinct plan for the Inveresk Campus in Launceston and finalised an asset exchange agreement with the City of Launceston enabling the University of Tasmania to prepare the first Development Application for the project.

April 2019 also saw conditional approval granted to the Development Application for the relocation of the University of Tasmania’s Burnie campus to West Park, which will incorporate world–class research and teaching facilities and promote cohesive university, business and community use of the site.

In October 2018 the Civic Precinct and the Paranapple Centre were officially opened as part of the Devonport Living City Project. The project is now focused on completing the waterfront precinct which aims to open the city centre to the river and will incorporate a hotel, waterfront parkland, and a marina.

This year the Launceston City Deal saw the implementation of Stage 1 and successful funding of Stage 2 of the Greater Launceston Transformation Project, the establishment of a Launceston Hub of the National Institute for Forest Products and Innovation, the launch of the Launceston Apprentice Pipeline program, the revitalisation of Launceston’s CBD, and the launch of the Tamar Action Grants program.

## Tourism opportunities

Over the life of the tourism in parks EOI program total of 49 ecotourism submissions have been made which, if fully realised, will amount to almost \$94 million in new investments and create almost 250 full time jobs.

Through the EOI process Tasmanian EBike Adventures Maria Island commenced in October 2018. The Maria Island tours have already experienced significant demand meaning additional tour guides are now in training to further expand their tours.

The 2019 Destinations Tasmania Awards in May recognised with the Innovation Award.

In August 2018 we saw the completion of the first two stages of the Freycinet Lodge Extension supported through the Tourism EOI process.

The new 'pod' style accommodation situated between the granite Hazards mountain range and Great Oyster Bay was awarded the 2019 Australian Interior Design Awards: Best of State in May 2019.

In 2018–19 we saw further progress under the Tourism Accommodation Refurbishment Loan Scheme with an additional two projects to improve visitors' accommodation across the state approved for \$1.6 million in loans, and the completion of two upgrade projects, taking total loan funding to \$5.32 million across 10 loans, generating a total investment of almost \$12.3 million, and seeing five projects now complete.

In 2018–19 three projects were approved for funding under the Heritage Places Renewal Loan Scheme. These three projects collectively received more than \$1 million for projects in Hobart, Wynyard and Launceston which have a total investment value of \$1.86 million.

## Encouraging innovation

The 2018–19 financial year saw Enterprize's innovation hubs in Launceston and Hobart grow activity and participation rates significantly with 9 625 attendees taking part in 640 events, with 5 807 participants recorded in Hobart and 3 818 in Launceston. This is an increase from 229 events and 3 873 attendees in 2017–18.

2018–19 also saw exciting outcomes for a number of startups who have been assisted by Enterprize and its programs.

This includes Lateroll, a MedTech invention that allows the seamless transfer of patients from the surgical table to hospital bed, which took out the Best Team and People's Choice awards at the UTas Pitch Competition and the EY award at the Australian MedTech's Got Talent competition. Lateroll has since secured a pilot with both the Royal Hobart Hospital and Launceston's Calvary Hospital.

This year C&Y Consulting has secured recurring revenues in excess of \$10 000 per month promoting Tasmanian products and services to the Chinese market while creating two jobs within the business, and supporting many others. The business is looking to add a sales channel via the Chinese social media platform WeChat later in 2019.

Gretel Analytics developed a platform that provides insights into how people interact with their physical environment enabling organisations including museums, hospitals and supermarkets to improve their engagement and user experience.

This year we also moved to establish a Startup Accelerator in Tasmania and invited expressions of interest to operate tech-based programs from Launceston. Selection was completed in late June and the first program was awarded to EnergyLab.

EnergyLab will deliver an Energy and IoT Accelerator Program partnering with a Launceston-based tech company to assist startups with prototyping in early 2020 and received \$150 000 to assist.



## Making business easier

This financial year we continued to consult with industry and across all sectors of the economy and take up their nominated red tape issues and work across Government to resolve.

A further 10 issues were put forward by industry this year and of the now 118 red tape reform issues identified, we were able to resolve another 12 over the year.

Importantly, from the start of 2018–19, the role of the Red Tape Reduction Coordinator was expanded to also become Tasmania's first Small Business Advocate.

This advocacy role works to create a more level playing field and assist small business to resolve disputes that may arise with larger businesses, state government bodies or local councils.

The Small Business Advocate has been working closely with a number of small businesses to resolve coal face issues ranging from retail tenancy disputes to commercial disputes with major freight services.

**John Perry**  
Coordinator-General

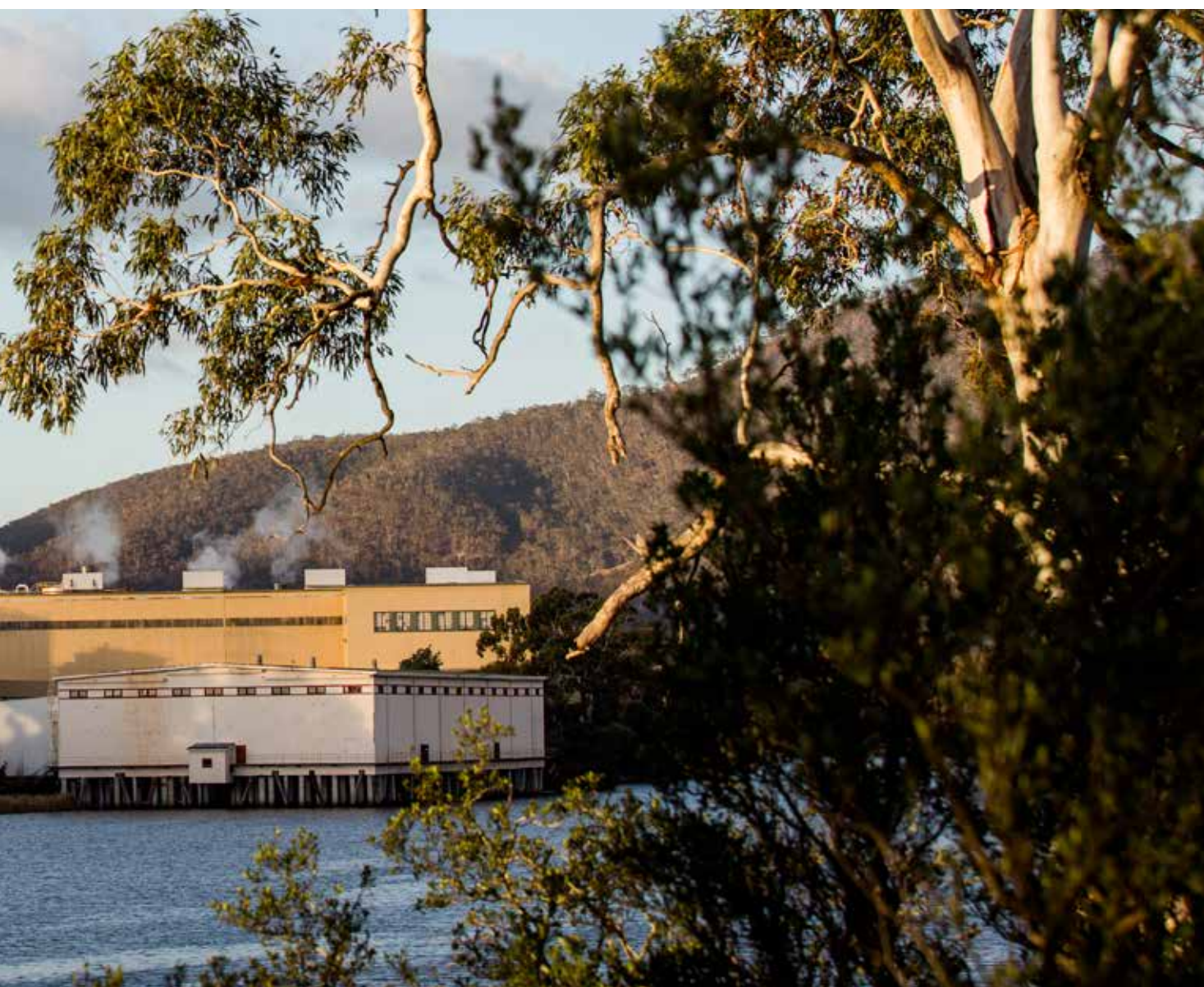


## Performance information Office of the Coordinator–General

Performance measure	Unit of measure	2017–18 actual	2018–19 actual	2019–20 target
Publish the Annual Red Tape Reduction Report and continue to reduce red tape by progressing the red tape issues identified in the Report <sup>1</sup>	Yes/No	Yes	Yes	Yes
Investment facilitated by the Office of the Coordinator–General <sup>2</sup>	\$ million	378	559	340

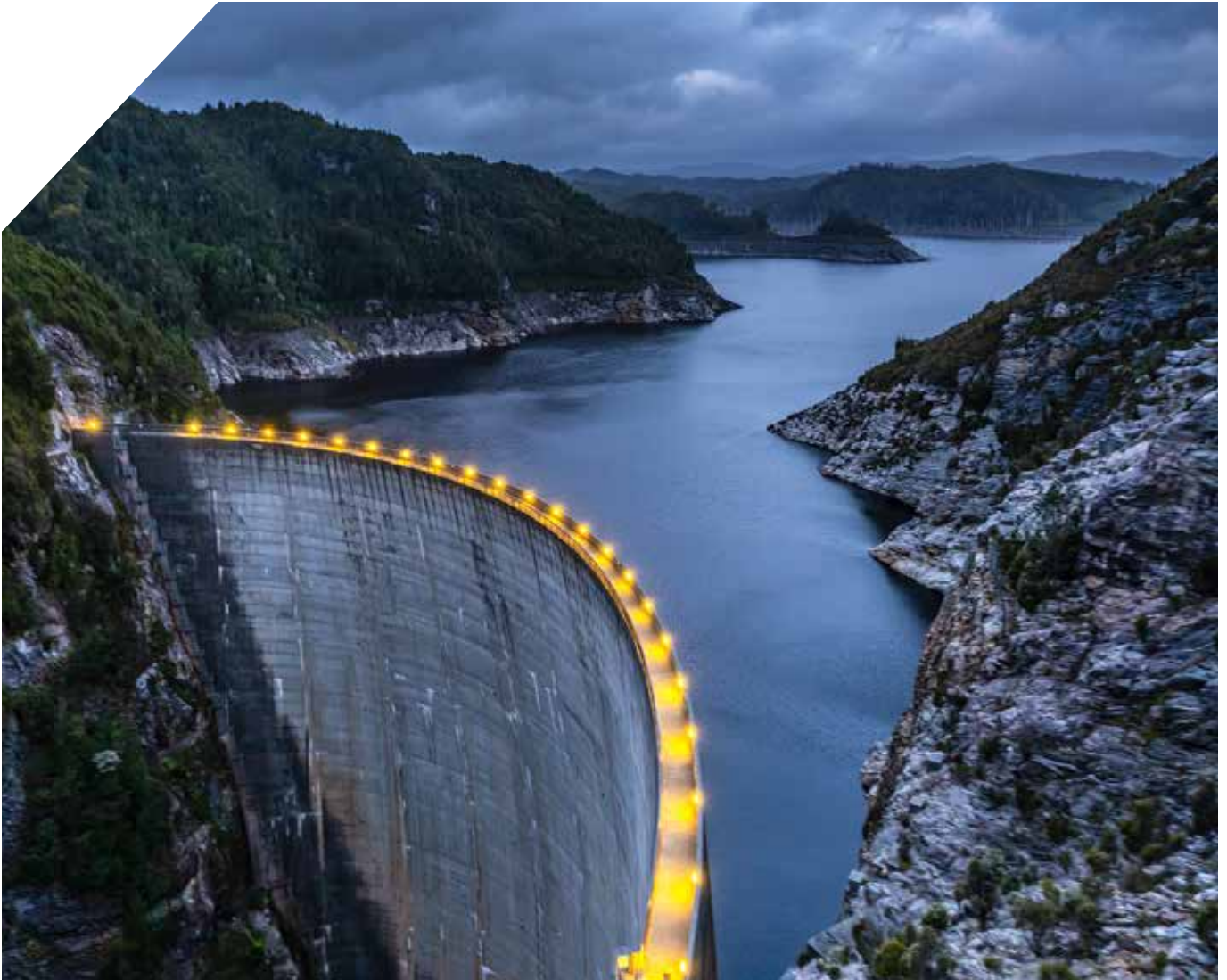
### Notes

1. The Annual Red Tape Reduction Report lists the red tape issues that have been identified for the Tasmanian Government to take action on and captures the progress towards resolution and issues that have been resolved.
2. This measure includes investment where the Office of the Coordinator–General has had a direct role supporting new, or retaining existing, investment in Tasmania; facilitating projects including providing advice, processes identification and navigation, and supporting engagement with linked parties; and/or by providing recommendations to the Tasmanian Government resulting in financial or other support to facilitate investment.





# Infrastructure Tasmania



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# Report from Infrastructure Tasmania



Infrastructure Tasmania continue to provide a coordinated, statewide approach to the planning and delivery of infrastructure in Tasmania, including rail, major roads, energy, ports and water and sewerage.

Our objective is to ensure the right infrastructure is built at the right time, in the right place, and as efficiently as possible to support productivity, economic growth and community amenity.

Across 2018–19 we have continued our focus on assessing and prioritising all major publicly funded infrastructure investment proposals, providing independent and objective advice about proposals to the Minister for Infrastructure and the Treasurer, and coordinating of all major infrastructure funding submissions to the Tasmanian and Australian Governments.

This year has seen the delivery of a suite of high profile outcomes to further Tasmania's infrastructure future.

## Tasmanian Infrastructure Pipeline

During the year Infrastructure Tasmania progressed the groundwork for the second iteration of the Tasmanian Infrastructure Project Pipeline of strategic infrastructure investments planned in the state over the next 10 years.

The latest forecast shows that 10 year expenditure is now \$15.2 billion, up from \$13 billion last year, indicating strong planned levels of capital investment across most economic and social infrastructure providers.

The data already collected for 2020–21 suggest a further increase in excess of 10 per cent, pushing infrastructure expenditure over \$1.7 billion for that year alone. This is a boost of around \$400 million from 2016–17.

The updated pipeline is to be released in August 2019.

## 30 year Tasmanian Infrastructure Strategy

During 2018–19 Infrastructure Tasmania worked with government agencies and government owned businesses to develop a comprehensive 30 year Tasmanian Infrastructure Strategy that looks over the horizon to understand what our needs will be over the next three decades.

It highlights the demographic, technological and social trends that will impact our communities into the future, to assist in identifying the early signs of change and planning appropriate responses in advance.

This Infrastructure Strategy has sought and received input from a range of parties with a consolidated draft to be released for consultation in September 2019. The final strategy is expected to be released by the end of 2019.

## Bridgewater Bridge replacement

Throughout the first half of 2018–19, Infrastructure Tasmania developed a significant business case for the Bridgewater Bridge replacement project and played a key role in securing a joint funding commitment from the Australian and Tasmanian Governments for the project.

In early 2019 Infrastructure Tasmania submitted this business case for a new Derwent River crossing to Infrastructure Australia for consideration against the National Infrastructure Priority List. In its assessment of the business case, Infrastructure Australia raised a number of matters that require further consideration.

The Australian and Tasmanian Governments have committed a combined \$576 million to deliver a new crossing and will work together on the design components and overall amenity of the bridge. To progress the project geotechnical investigations are being progressed by the Department of State Growth.

It is expected that three years of detailed design and approvals will be followed by three years of construction.

## River Health Action Plan for the Tamar River

Infrastructure Tasmania, through its role in chairing the Tamar Estuary Management Taskforce, coordinated the implementation of the River Health Action Plan for the Tamar River during the year.

The 2018–19 Federal Budget included confirmation of the Australian Government's contribution to the plan, with \$47.5 million made available over five years commencing in 2019–20.

The 2018–19 Tasmanian State Budget also allocated funding which resulted in the commencement of works in the Estuary's catchments. NRM North was formally engaged to deliver these works.

Detailed planning and design of the projects associated with the combined sewerage and stormwater system also commenced during the year.



## Hobart City Deal infrastructure projects

In the second half of the financial year, following the signing of the Hobart City Deal in February 2019, Infrastructure Tasmania has taken a leading role in advising on key infrastructure projects to be delivered under the agreement.

A central component of the Hobart City Deal is investment to establish a reliable, sustainable and cost effective transport system, supporting active transport and improving the efficiency of private car travel.

The City Deal includes funding commitments from both the Australian and Tasmanian Governments for a range of transport

initiatives and Infrastructure Tasmania is working with the Department of State Growth to progress the planning for a Hobart Transit Centre and activation of the Northern Suburbs Transit Corridor.

**Allan Garcia**  
CEO  
Infrastructure Tasmania

## Performance information Infrastructure Tasmania

Performance measure	Unit of measure	2017–18 actual	2018–19 actual	2019–20 target
Proposals assessed by Infrastructure Tasmania within required timeframes <sup>1</sup>	%	100	100	100
Reviews requested by the Tasmanian Government completed by Infrastructure Tasmania within required timeframes <sup>1</sup>	%	100	100	100

### Notes

- Proposals are publicly-funded major economic infrastructure proposals. Timeframes will be developed on a case-by-case basis and documented in Infrastructure Tasmania's yearly work program.



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# 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 2018–19 the department dealt with 37 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. [www.stategrowth.tas.gov.au](http://www.stategrowth.tas.gov.au)

## Public Interest Disclosures

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 [www.stategrowth.tas.gov.au](http://www.stategrowth.tas.gov.au)

The department did not receive any disclosures, either directly or indirectly referred via the Ombudsman, in the year to 30 June 2019.

## 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 2018–19

### 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 insofar as it relates to the erection of dwellings  
for renting to eligible persons under the *Homes Act 1935*  
(see *Department of Health under the Minister for Human*  
*Services*)

*Goldamere Pty Ltd (Agreement) Act 1996*  
*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

*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 insofar 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*

## Supporting information Department of State Growth continued

### 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 insofar as it relates to contestable customers, price regulation and contracts and the making of regulations under section 122, insofar 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 insofar 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 Pipelines Act 2000*

except insofar 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 insofar 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 insofar 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 2018–19

*Energy Co-ordination and Planning Amendment Act 2019*

*Gas (Consequential Amendments) Act 2019*

*Gas Industry Act 2019*

*Macquarie Point Development Corporation Amendment Act 2018*

*Metro Tasmania Amendment Act 2018*

*Roads and Jetties Amendment (Management of State Highways in Cities) Act 2018*

*Traffic and Related Legislation Amendment Act 2018*



## 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 2018–19 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 sub-committee of the Executive Committee undertakes a review of the department's strategic risks and ensures that its internal audit program reflects these strategic risks.

These 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 adopted the whole-of-government Gifts, Benefits and Hospitality Policy from 1 December 2016.

The policy sets out the broad principles to be applied to, and by, all Tasmanian State Service officers and employees in relation to the receiving or offering of a gift, benefit or hospitality.

The Department of State Growth adheres to the 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.

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 (excluding GST) and excluding consultancy contracts.

Table C (1) provides a summary of consultancy contracts with a value of \$50 000 or more (excluding GST).

Table C (2) provides detailed information on consultancies engaged under Contract No. 2220 Professional Services for Transport Infrastructure, Civil Engineering, Planning and Design.

These totals have not been included in the value of contracts awarded as it has been reported on the Department of Treasury and Finance website with a zero value.

Table D (1) 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 (formerly T1114 or I217).

Table D (2) provides a summary of total payments made under Contract No. 2385 for services ordered up by the department from 1/7/2018–30/6/2019.

This total has not been included in the value of contracts awarded as it has been reported on the Department of Treasury and Finance website with a zero value.

Table E provides a summary of contract extensions approved in accordance with Treasurer's Instruction PP-6 (formerly I115[4]).



**Table A**

<b>Summary of procurement including participation by local business for procurement processes of \$50 000 or more excluding GST)</b>	
Total number of contracts awarded	34
Total number of contracts awarded to Tasmanian businesses	30
Total value of contracts awarded to Tasmanian businesses	\$125,392,190.22
Total number of tenders called and/or quotation processes run	33
Total number of bids and/or written quotations received	86
Total number of bids and/or written quotations received from Tasmanian businesses	71
<b>Total number of new consultancies awarded</b>	
Total number of new consultancies awarded	14
Total number of new consultancies awarded to Tasmanian businesses	8
Total value of new consultancies awarded to Tasmanian businesses	\$1,195,438.00
Total number of tenders called and/or quotation processes run	13
Total number of bids and/or written quotations received	38
Total number of bids and/or written quotations received from Tasmanian businesses	27
<b>Total number of consultancies awarded under Contract No. 2220 – Professional Services for Transport Infrastructure, Civil Engineering, Planning &amp; Design</b>	
Total number of consultancies awarded under Contract No. 2220 – Professional Services for Transport Infrastructure, Civil Engineering, Planning & Design	33
Total number of consultancies awarded under Contract No. 2220 – Professional Services for Transport Infrastructure, Civil Engineering, Planning & Design to Tasmanian businesses	33
Total value of consultancies awarded under Contract No. 2220 – Professional Services for Transport Infrastructure, Civil Engineering, Planning & Design	\$7,688,616.90
Total value of consultancies awarded under Contract No. 2220 – Professional Services for Transport Infrastructure, Civil Engineering, Planning & Design to Tasmanian businesses	\$7,688,616.90
<b>Contract No. 2385 – Standing Offer Contract for the Provision of Linemarking Services</b>	
Total Payments 1/7/2018–30/6/2019	\$2,756,297.57
<b>Total number of contracts and consultancies awarded</b>	
Total number of contracts and consultancies awarded	48
Total number of contracts and consultancies awarded to Tasmanian businesses	38
Total value of contracts and consultancies awarded	\$127,854,433.22
Total value of contracts and consultancies awarded to Tasmanian businesses	\$126,587,628.22
Total number of tenders called and/or quotation processes run	46
Total number of bids and/or written quotations received	124
Total number of bids and/or written quotations received from Tasmanian businesses	98



**Table B**

Contracts with a value of \$50 000 or more (ex. GST) and excluding consultancy contracts						
Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract No. 2353	Tasman Highway (A0113) Doctors Creek Bridge Replacement and Wacketts Creek Bridge Replacement	BridgePro Engineering Pty Ltd	Latrobe	Tasmania	3/08/2018-29/06/2019	\$4,766,600.00
Contract No. 2400	Midland Highway Perth Link Road	VEC Shaw Joint Venture	Ulverstone	Tasmania	13/08/2018-18/04/2021	\$74,397,237.94
Contract No. 2426	Arthur Highway Carlton River Bridge Replacement	Hazell Bros Group Pty Ltd	Derwent Park	Tasmania	20/02/2019-3/03/2020	\$5,353,239.00
Contract No. 2427	Zeehan Rivulet Bridge Replacement	Tas Marine Construction Pty Ltd	Howden	Tasmania	13/08/2018-30/04/2019	\$979,958.00
Contract No. 2959	Maintenance Services Agreement- Mineral Resources Tasmania Hylogger-3	Corescan Pty Ltd	Ascot	Western Australia	01/07/2017-30/06/2021	\$82,560.00
Contract No. 2965	Great Eastern Drive Orford to St Helens Passing Lanes	Fulton Hogan Construction Pty Ltd	Richmond	Victoria	30/10/2018-31/5/2019	\$1,999,182.00
Contract No. 2970	Hobart Real Time Traffic Congestion Management Project - Wireless Communication, CCTV Cameras, Bluetooth, Travel Time Detectors and Traffic Signal Controller, Communication with SCATS	Sage Automation Pty Ltd	Melrose Park	South Australia	30/09/2018-21/01/2019	\$764,322.00
Contract No. 2972	The Provision of Office Supplies	Winc Australia Pty Ltd	Hobart	Tasmania	22/11/2018-31/03/2024	\$393,846.78
Contract No. 2973	Pavement Resurfacing 2018-2019 South	Roadways Pty Ltd	Glenorchy	Tasmania	19/07/2018-19/04/2019	\$9,492,410.46
Contract No. 2974	Pavement Resurfacing 2018-2019 North	Fulton Hogan Industries Pty Ltd	Mowbray	Tasmania	3/08/2018-4/05/2019	\$7,442,020.01
Contract No. 2981	Tasman Bridge Piles - Wrapping Protection Works Stage 2	VEC Civil Engineering Pty Ltd	Ulverstone	Tasmania	7/12/2018-3/05/2019	\$1,172,207.00
Contract No. 2982	Mineral Resources Tasmania Mornington Upgrade - Architectural Design Services	BPSM Pty Ltd	Battery Point	Tasmania	03/08/2018-03/01/2020	\$146,134.00
Contract No. 2983	Esk Main Road - Shoulder Sealing West of Mt Forster Road to West of McGregor Street, Fingal	Shaw Contracting (Aust) Pty Ltd	Launceston	Tasmania	3/12/2018-19/04/2019	\$3,176,747.00
Contract No. 2992	Jordan River Bridge Strengthening B5665 and B783	Fulton Hogan Construction Pty Ltd	Richmond	Victoria	8/10/2018-16/11/2018	\$497,756.00

## Supporting information Department of State Growth continued

Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract No. 2994	Hobart Airport Roundabout Improvements	Andrew Walter Constructions Pty Ltd	Austins Ferry	Tasmania	10/10/2018-15/01/2019	\$1,657,316.89
Contract No. 3000	Richmond Road (A1154) - Section 6 - Malcolms Hut Road Junction to Dry Creek	DCS Civil Tas Pty Ltd	Blackmans Bay	Tasmania	28/11/2018-27/04/2019	\$1,818,097.92
Contract No. 3002	GITC - Online form application	Tempus Pty Ltd	North Hobart	Tasmania	4/09/2018-1/09/2019	\$74,700.00
Contract No. 3003	Greater Hobart Household Travel Survey	Ipsos Public Affairs Pty Ltd	North Sydney	New South Wales	1/12/2018-30/09/2019	\$920,700.00
Contract No. 3007	Murchison Highway - Anthony Main Road to Cradle Mountain Tourist Road Improvements Stage 4	Gradco Pty Ltd	St Leonards	Tasmania	13/05/2019-27/03/2020	\$3,157,918.79
Contract No. 3010	Freight Access Scheme - Bridge Strengthening 2018 - 2019	VEC Civil Engineering Pty Ltd	Ulverstone	Tasmania	7/02/2019-31/05/2019	\$4,333,051.00
Contract No. 3032	Zeehan Highway - Dundas Rivulet Bridge (B2861) - Leslie Station Creek Bridge (B4681) - Leslie Station Creek Bridge (B3861) Strengthening	VEC Civil Engineering Pty Ltd	Ulverstone	Tasmania	11/12/2018-30/01/2019	\$647,392.50
Contract No. 3033	Murchison Highway - Farm Creek Bridge (B4833) Strengthening	BridgePro Engineering Pty Ltd	Latrobe	Tasmania	23/11/2018-30/01/2019	\$884,320.00
Contract No. 3034	Murchison Highway Piney Creek Bridge (B5736) Strengthening	VSL Australia Pty Ltd	Thornleigh	New South Wales	4/12/2018-30/01/2019	\$215,345.00
Contract No. 3038	Work, Health and Safety Auditor	QMIS Pty Ltd	Mount Eliza	Victoria	28/02/2019-28/02/2023	\$100,000.00
Contract No. 3039	Digital Ready for Business - Coaching Services	Kingthing Pty Ltd	Trevallyn	Tasmania	01/01/2019-31/12/2019	\$38,400.00
Contract No. 3039	Digital Ready for Business - Coaching Services	Digital Dandy	Hobart	Tasmania	01/01/2019-31/12/2019	\$19,200.00
Contract No. 3072	Midland Highway Devon Hills to Breadalbane Micro Asphalt	Downer EDI Works Pty Ltd	Somerton	Victoria	12/02/2019-30/04/2019	\$349,110.20
Contract No. 3073	Area Connect Trial Bus Services	Community Transport Services Tasmania Inc	Derwent Park	Tasmania	6/02/2019-5/02/2020	\$122,008.73
Contract No. 3078	Australian Business License Information Service (ABLIS) 2019-2025	Stenning & Associates Pty Ltd	Hobart	Tasmania	01/07/2019-30/06/2025	\$134,599.00

Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract No. 3079	Hobart Bus Transit Centre Siting Analysis	WSP Australia Pty Ltd	Sydney	New South Wales	1/05/2019-31/07/2019	\$178,000.00
Contract No. 3083	Flexible Workstation Systems	UCI Tasmania Pty Ltd	Ulverstone	Tasmania	4/04/2019-30/06/2019	\$228,830.00
Contract No. 3090	Development of integrated bus timetables	Transitgraphics Pty Ltd	Turner	Australian Capital Territory	4/06/2019-31/12/2020	\$147,246.00
TMAG 18/19_17	Tasmanian Museum and Art Gallery - Rosny Archive - Roof Waterproofing	Sealed Solutions Pty Ltd	North Hobart	Tasmania	12/02/2019-12/03/2019	\$134,140.00
TMAG 18/19_20	Tasmanian Museum and Art Gallery Custom House Roof Upgrade	Construction 3	Hobart	Tasmania	1/04/2019-30/05/2019	\$75,400.00

**Table C (I)**

Consultancy contracts with a value of \$50 000 or more (ex. GST)						
Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract No. 2954	Management of Expression of Interest Process to seek Investment Proposals for the Cradle Mountain Gateway Precinct	Colliers International Pty Ltd	Sydney	New South Wales	30/04/2018-30/04/2019	\$110,000.00
Contract No. 2976	Traffic Statistics Service	Transmetric Pty Ltd	Kew	Victoria	11/09/2018-31/08/2021	\$249,999.00
Contract No. 2980	Cradle Mountain Cableway and Transport Options Study	Phillip Boyle & Associates	Doncaster East	Victoria	10/09/2018-30/12/2018	\$146,100.00
Contract No. 2991	Tracking Research 2018	Enterprise Marketing and Research Services	Moonah	Tasmania	23/08/2018-28/11/2018	\$61,050.00
Contract No. 2993	Superintendent Services in relation to Road Construction and Bridge Replacement Contracts	Burbury Consulting Pty Ltd	South Hobart	Tasmania	26/09/2018-29/06/2019	\$235,640.00
Contract No. 2993	Superintendent Services in relation to Road Construction and Bridge Replacement Contracts	Pitt & Sherry (Operations) Pty Ltd	Hobart	Tasmania	26/09/2018-29/06/2019	\$130,664.00
Contract No. 3001	Superintendent Services - Bridge Strengthening and Road Construction	Burbury Consulting Pty Ltd	South Hobart	Tasmania	18/10/2018-29/06/2019	\$109,190.00
Contract No. 3004	Hobart Cultural Facilities Development Vision	AEN Advisory Services Pty Ltd	Glen Iris	Victoria	10/09/2018-10/12/2018	\$68,900.00
Contract No. 3009	Tasmanian Museum and Art Gallery - Lepidoptera Larvae Lucid Key - Taxonomic Sample Preparation	Diane Moyle	Richmond	Tasmania	20/09/2018-8/06/2020	\$50,000.00

## Supporting information Department of State Growth continued

Tender ID	Title	Supplier name	City	State	Period of contract	Value (\$)
Contract No. 3031	Tasmanian Development Regulatory Reform Project	ERA Planning	Hobart	Tasmania	30/11/2018-31/03/2019	\$210,200.00
Contract No. 3060	Cradle Mountain Cableway Financial Study and Business Case Development	GHD Pty Ltd	Melbourne	Victoria	09/04/2019-17/06/2019	\$185,000.00
Contract No. 3061	Supply of Consultant Services for Albert Hall, Launceston	Warren and Mahoney	Sydney	New South Wales	10/01/2019-21/03/2019	\$120,000.00
Contract No. 3109	Specialist Advisor Western Bypass Study	Ken Kanofski Advisory Services Pty Ltd	Milsons Point	New South Wales	24/06/2019-31/03/2020	\$64,000.00
TMAG17-18_25	Consultant Services - Property and Facility Planning for the Tasmanian Museum and Art Gallery	GHD Advisory	Brisbane	Queensland	22/11/2018-30/05/2019	\$213,694.00

**Table C (2)**

<b>Consultancies engaged under Contract No. 2220 – Professional Services for Transport Infrastructure Civil Engineering, Planning &amp; Design (comprising Pitt&amp;Sherry [Operations] Pty Ltd, GHD Pty Ltd Pty Ltd, Jacobs Group [Australia] Pty Ltd, Johnstone McGee &amp; Gandy and Burbury Consulting Pty Ltd) with a value of \$50 000 or more (ex. GST)</b>				
Supplier name	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
Jacobs Group (Australia) Pty Ltd	Hobart	Tasman Highway - Sorell to Hobart Planning Study	15/08/2018	\$389,985.00
Jacobs Group (Australia) Pty Ltd	Hobart	Bass Highway - Wynyard to Marrawah - Survey and aerial data capture	22/08/2018	\$215,740.00
Jacobs Group (Australia) Pty Ltd	Hobart	Midland Highway Safety Upgrade - Melton Mowbray to North of Lovely Banks	18/10/2018	\$982,265.00
Jacobs Group (Australia) Pty Ltd	Hobart	Tasman Highway, Great Eastern Drive - Road widening and safety treatments	27/08/2018	\$204,820.00
Jacobs Group (Australia) Pty Ltd	Hobart	AMIS - Data Preparation	14/11/2018	\$57,888.00
Jacobs Group (Australia) Pty Ltd	Hobart	Cam River Bridge Emergency Management Planning	7/03/2019	\$100,000.00
Jacobs Group (Australia) Pty Ltd	Hobart	Tasman Highway - Rosny Access Ramps	1/05/2019	\$164,994.00
Jacobs Group (Australia) Pty Ltd	Hobart	Midland Highway 10 Year Action Plan - Powranna Road to Symmons Plains	17/05/2019	\$548,595.00
Jacobs Group (Australia) Pty Ltd	Hobart	Midland 10 Year Upgrade - Final Stage - Early Works	4/06/2019	\$512,665.00
GHD Pty Ltd	Hobart	Specification Development for Traffic Signals Maintenance	26/09/2018	\$58,190.00
GHD Pty Ltd	Hobart	Bridge Assessments - Granville Harbour Wind Farm	17/08/2018	\$83,200.00
GHD Pty Ltd	Hobart	Tasman Highway - Sorell Southern Bypass	13/08/2018	\$127,963.00

Supplier name	Location of consultant	Description of consultancy	Date awarded	Value of consultancy
GHD Pty Ltd	Hobart	3D Survey, Instrumentation and Load Testing of Red Bridge (B1349)	20/08/2018	\$227,119.00
GHD Pty Ltd	Hobart	Tasman Bridge Pathways - Structural Assessment Rating Review	6/11/2018	\$135,882.00
GHD Pty Ltd	Hobart	Arthur Highway - Eaglehawk Neck Widening	28/11/2018	\$301,290.00
GHD Pty Ltd	Hobart	Bass Highway Wynyard to Marrawah - Boat Harbour Primary School right turn options	30/11/2018	\$250,269.00
GHD Pty Ltd	Hobart	Channel Highway Corridor Study - Margate to Kingston	13/02/2019	\$146,213.00
GHD Pty Ltd	Hobart	Bass Highway - Wynyard to Marrawah - Corridor Strategy	12/03/2019	\$420,000.00
GHD Pty Ltd	Hobart	Goderich Street - Gleadow Street and Forster Street Intersection Upgrades	3/06/2019	\$301,825.00
GHD Pty Ltd	Hobart	Stakeholder Team Leader	27/06/2019	\$91,706.00
Pitt&Sherry (Operations) Pty Ltd	Hobart	Evandale Main Road Duplication - Launceston Airport to Breadalbane	30/11/2018	\$119,700.00
Pitt&Sherry (Operations) Pty Ltd	Hobart	Standardised Bridge Component Design	7/09/2018	\$86,465.00
Pitt&Sherry (Operations) Pty Ltd	Hobart	Bridge Assessments - Granville Harbour Wind Farm	20/08/2018	\$57,117.00
Pitt&Sherry (Operations) Pty Ltd	Hobart	Tasman Highway - Causeway Duplication Feasibility	13/08/2018	\$72,234.00
Pitt&Sherry (Operations) Pty Ltd	Hobart	Granville Harbour Bridge Strengthening/Design	17/09/2018	\$141,204.00
Pitt&Sherry (Operations) Pty Ltd	Hobart	Richmond Road - Sections 3-5	8/10/2018	\$248,917.90
Pitt&Sherry (Operations) Pty Ltd	Hobart	Arthur Highway Overtaking Lanes East of Ironstone (East Bound)	5/12/2018	\$361,216.00
Pitt&Sherry (Operations) Pty Ltd	Hobart	Esk Main Road Shoulder Widening - Fingal to Killymoon Bridge and Cornwall Road to St Marys	28/06/2019	\$410,964.00
Pitt&Sherry (Operations) Pty Ltd	Hobart	Lyell Highway - Hamilton to Ouse and Railton Main Road - Shoulder Sealing	30/04/2019	\$334,158.00
Pitt&Sherry (Operations) Pty Ltd	Hobart	Superintendent Services - Contract 3007 Murchison Highway - Anthony Main Road to Cradle Mountain Tourist Road	14/05/2019	\$106,720.00
Johnstone McGee & Gandy	Hobart	Huon Highway/Sandfly Road Intersection - Safety Upgrade	12/04/2019	\$198,692.00
Burbury Consulting Pty Ltd	Hobart	Tasman Bridge Pathways - Structural Assessment	8/10/2018	\$139,760.00
Burbury Consulting Pty Ltd	Hobart	Bridport Road - Road Curve Improvement	29/05/2019	\$90,860.00

## Supporting information Department of State Growth continued

**Table D (1)**

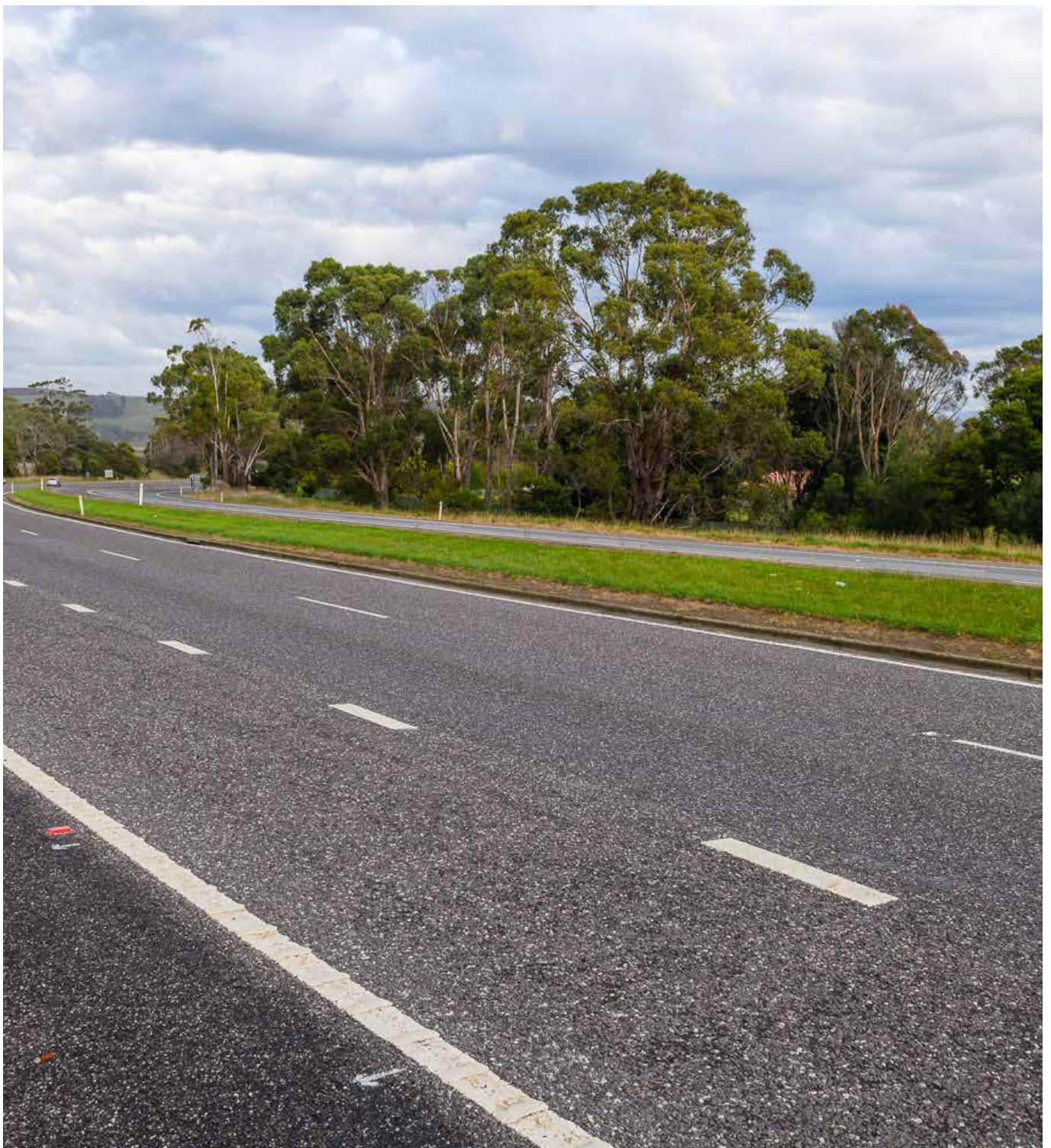
Consultancies or contracts awarded under an approved limited or direct sourcing process				
Name of supplier	Location of supplier	Description of contract	Reason for the Procurement Methodology	Total value of contract
Corescan Pty Ltd	Western Australia	Maintenance Services Agreement- Mineral Resources Tasmania Hylogger-3	Single supplier	\$82,560.00
VEC Civil Engineering Pty Ltd	Tasmania	Zeehan Highway - Dundas Rivulet Bridge (B2861 - Leslie Station Creek Bridge (B4681) - Leslie Station Creek Bridge (B3861) Strengthening	Urgent requirements	\$647,392.50
BridgePro Engineering Pty Ltd	Tasmania	Murchison Highway - Farm Creek Bridge (B4833) Strengthening	Urgent requirements	\$884,320.00
VSL Australia Pty Ltd	New South Wales	Murchison Highway Piney Creek Bridge (B5736) Strengthening	Urgent requirements	\$215,345.00
Downer EDI Works Pty Ltd	Victoria	Midland Highway Devon Hills to Breadalbane Micro Asphaltting	Single supplier	\$349,110.20
Community Transport Services Tasmania Inc	Tasmania	Area Connect Trial Bus Services	Single supplier	\$122,008.73
Stenning & Associates Pty Ltd	Tasmania	Australian Business License Information Service (ABLIS) 2019-2025	Limited suppliers	\$134,599.00
Transitgraphics Pty Ltd	Australian Capital Territory	Development of integrated bus timetables	Cost to agency/suppliers outweighs value	\$147,246.00
Diane Moyle	Tasmania	Tasmanian Museum and Art Gallery - Lepidoptera Larvae Lucid Key - Taxonomic Sample Preparation	Specialist nature of work	\$50,000.00
Ken Kanofski Advisory Services Pty Ltd	New South Wales	Specialist Advisor Western Bypass Study	Single supplier	\$64,000.00

**Table D (2)**

Contract No. 2385 – Standing Offer for the Provision of Linemarking Services			
Name of supplier	Location of supplier	Description of contract	Total payments 1/7/2018-30/6/2019
Statewide Linemarking Pty Ltd	Glenorchy, TAS	Contract No. 2385 – Standing Offer for the Provision of Linemarking Services	\$908,839.25
Supalux Pty Ltd	Kewdale, WA	Contract No. 2385 – Standing Offer for the Provision of Linemarking Services	\$1,847,458.32

Table E

Contract extensions approved in accordance with Treasurer's Instruction 1115(4)				
Name of supplier	Location of supplier	Description of contract	Period of extension	Total value of contract
WSP	Victoria	Domain Highway Long Term Planning	4 months	\$667,860.13



## Disability Framework for Action 2018–21

The department continues to support and report on actions under *Accessible Island: Tasmania's Disability Framework for Action 2018 – 2021* (Accessible Island), a whole-of-Government approach and framework to guide government agencies in the implementation of appropriate policies and practices for Tasmanians with a disability.

On 4 June 2018, the department's Disability Action Plan 2018–2021 was endorsed by its Executive Committee. An internal working group oversees the implementation of the plan and provide updates to the Executive Committee twice a year. In addition, the department has commenced a redesign of Senior Executive Service performance agreements to include responsibilities linked to the Action Plan.

The output areas covered by the Action Plan are:

- » inclusive and accessible communities
- » economic security, and
- » learning and skills.

Business units across the department are progressing actions for which they are accountable, and new initiatives are also being considered and progressed.

### Inclusive and accessible communities

The department is committed to ensuring that all its sites are *Disability Discrimination Act 1992* (DDA) compliant at the date of occupancy and post any refurbishments. This year consultancy has been engaged to undertake an audit of all sites in relation to current DDA compliance in relation to Australian Standards 1428.1–2009 and 1428.2 1992. Resources were, and remain, available to address any issues that arise.

The department has a strong commitment to web accessibility and has achieved compliance with WCAG 2.0 AA.

The department maintains an ongoing dialogue with the Anti-Discrimination Commissioner and Guide Dogs Tasmania on matters concerning access to transport.

All new vehicles used for general access bus services are compliant with the *Disability Discrimination Act 1992*. The department aims to make all of Metro Tasmania's bus fleet accessible by December 2022.

The department continues to provide special needs school bus services for students who are unable to use regular buses or other forms of transport to get to school. Responsibility for school transport support for students with a disability will transfer to the National Disability Insurance Scheme (NDIS) in the coming years.

In addition, the department is leading a national transport working group with the aim of assisting the National Disability Insurance Agency (NDIA) reach a workable arrangement for students, families and bus operators.

The Department of State Growth administers the Transport Access Scheme providing transport support through the Taxi Subsidy Scheme and Australian Disability Parking Permits to support independent participation in work, education and community life for people with a permanent and severe disability which impacts on their physical mobility. A review of the scheme commenced this financial year.

The Tasmanian Government will continue to provide support for taxi travel to NDIS members through a Taxi Supplement to be implemented in the first half of 2019–20 to provide a capped annual amount of taxi fare subsidy to eligible participants until December 2023 to assist the transition.

This year the department has been working towards making more TMAG information available in alternative formats for people with disability. To this end, we implemented the OpenAccess smartphone app for the Dinosaur rEvolution exhibition including Auslan and text for the hearing impaired and audio for those with low literacy levels.

### Economic security

This year the department has worked with the disability employment sector to increase opportunities for unpaid and paid work for people with disability through national initiatives as well as State Growth's Unpaid Work Framework and the State Service People with Disability Employment Register. During the period we have engaged one employee, with a second employee currently being negotiated through the Register.

Throughout the year the department continued to participate in initiatives to support people with disability, such as the national AccessAbility day, when unpaid work placement is provided for people with disability. Stories of placements are being promoted in order to encourage future participation.

Across 2018–19 the department has reviewed our Flexibility@Work Framework with options for improvement under consideration based on ongoing feedback. A review of the framework in early 2019 has already seen a significant take-up of a variety of flexibility options, with the delivery of additional supporting resources to be released in 2019–20. The education of managers on the application of flexible work practices has also continued with specific resources refined across the financial year.

Across 2018–19 the department continued to work on job design and inherent job requirements in order to remove barriers that may be limiting access to employment by people with disability.

The content of the department's Learning Management System continued to be enhanced throughout this financial year. This system will provide State Growth staff with online access to disability awareness training including training for recruitment and selection panels and awareness of potential biases that may influence recruitment decisions.

These elements will be incorporated into the department's existing online induction package for employees.



## Learning and skills

This year the department continued to deliver the Training and Work Pathways Program (TWPP) which replaced a range of previous equity programs.

In 2018, 21 TWPP projects were approved, of which, three were explicitly supporting Tasmanians with disability. In 2019, 18 TWPP projects were approved, of which one was explicitly supporting Tasmanians with a disability.

The projects include some form of work placement or work exposure activity for the participant with the aim of increasing post-VET employment opportunities for people with a disability. Results of projects supported under the program to the end of 2018–19 have shown an increase in employment outcomes and higher completion rates.

This year greater flexibility has also been incorporated into the funding structure of training subsidies, allowing applicants to demonstrate the need for additional support to assist people with a disability successfully engage in VET.

## Publications

The department produced the following stakeholder publications in 2018–19:

Department of State Growth draft Corporate Plan 2019–22

Department of State Growth Annual Report 2017–18

Solar Feed-in Tariff Review – Final Report

Tasmanian Adult Learning Strategy 2019–22

Tasmanian Business Growth Strategy 2019–2023

Tasmanian Defence Strategy 2023

Tasmanian Polar Network – New Members 2018–19

Tasmanian Red Tape Audit Report 2018–19

Tasmanian Trade Strategy 2019–2025

Tasmanian Training Awards 2018 Souvenir Booklet

TDR Board Annual Report 2017–18

TDR Corporate Plan 2019–22

### Also a wide range of material including:

5 more misunderstood road rules brochure

Bus Services Review

Business Tasmania collateral

Defence industries collateral

Employer of Choice collateral

Euronaval World Naval Defence Exhibition 2018 collateral

FOODEX 2019 International Food and Beverage Exhibition collateral

G'Day USA 2019 collateral

HOFEX 2019 Food and Hospitality Tradeshow collateral

Land Forces 2018 collateral

On-demand passenger transport collateral

Revised Solar Feed-in Tariff arrangements brochure

Safe carrying of loads on cars and trailers brochure

Sea Air Space 2019 Global Maritime Exposition collateral

Seasonal Workers, New Tasmanians and International Students road safety collateral

Tasmanian Training Awards Promotional Postcard and Poster

Visiting drivers road safety collateral



## Grants

### Grants program review

In accordance with Treasurer's Instruction 709—Grant Management Framework, the following grant programs have been reviewed by the department and are considered to be meeting their intended objectives.

The department continues to improve grant program outcome key performance indicators to assist decision making and improve the effectiveness of grant programs in meeting government objectives.

Treasurer's Instruction 709—Grant Management Framework requires the department to provide details, including purpose and intended outcomes, of each significant grant or grant program. Significant grants programs and grants are reported below:

Significant Grant Program	Paid 2018–19	Purpose and intended outcomes
Major Events Partnerships Program	\$10,799,714	<p>The Major Event Partnerships Program provides funding to significant events that return substantial economic outcomes for the state. The program is aligned to Events Tasmania's strategic aims of attracting people to Tasmania, getting Tasmanians and visitors moving around the state, and the ability of events to get consumers and the public talking about Tasmania as a destination.</p> <p>Examples of major events funded include V8 Supercars, Dark Mofo, Festival of Voices, Junction Arts Festival, Targa Tasmania, Australian Wooden Boat Festival and The Unconformity.</p>
Arts Tasmania Grants Funding Programs	\$3,758,947	<p>The objective of Arts Tasmania's competitive grants funding programs is to support, facilitate, and enable creativity, cultural excellence and quality arts practice in Tasmania. The programs also aim to broaden the engagement of Tasmanians in the arts, highlight the state's arts and cultural sector, and deepen Tasmanian cultural experiences.</p> <p>The program focusses on providing support to the arts sector in Tasmania through funding to individual artists, arts organisations and Tasmanian cultural institutions to plan and realise projects, and create new work.</p>
Bushfire Disruption to Business Grants	\$2,309,084	<p>In response to the Summer 2018–2019 bushfires the Tasmanian Government announced a financial assistance package to assist bushfire affected businesses recover. Two grant programs were announced; the Bushfire Business Disruption Grant and Bushfire Business Recovery Grant.</p> <p>The total value of the disruption grants, will be split evenly between the Australian and Tasmanian Government totalling \$664 698.</p>
Cycle Tourism Fund	\$2,178,353	<p>The Tasmanian Cycle Tourism Fund supports projects that strengthen Tasmania's reputation as Australia's leading cycle tourism destination for the road, mountain biking, touring and cycle event markets.</p>
Learner Driver Mentor Program	\$1,045,432	<p>"The Tasmanian Government is providing \$1 million per year over four years (2018–19 to 2021–22), from the Road Safety Levy for the Learner Driver Mentor Program (LDMP). The LDMP provides the opportunity for disadvantaged learner drivers to obtain a licence as part of Tasmania's Graduated Licensing System (GLS).</p> <p>The GLS requires a minimum of 50 supervised on–road driving hours before being eligible to undertake the provisional licence assessment.</p> <p>The LDMP provides grants to community based not–for–profit organisations to coordinate the matching of disadvantaged learner drivers with volunteer mentors and vehicles to gain the minimum supervised driving hours to progress to the provisional stage of the GLS."</p>
Museums, Art Galleries and Heritage Organisations grants	\$2,142,513	<p>This is the State Government's contribution to the annual operating costs of the Queen Victoria Museum and Art Gallery (QVMAG) as negotiated between the Launceston City Council and the State Government, plus payments made under Arts Tasmania's competitive Cultural Heritage Program, Cultural Heritage Program (multi–year) and the Lynne Stacpoole Caring for Your Collection Bursary.</p>

Significant Grant Program	Paid 2018–19	Purpose and intended outcomes
Grants to councils – Road Works	\$14,438,270	<p>"The Black Spot Program (\$1,178,755) is an annual program for rectification of road accident black spots, whereby local councils submit applications to the Australian Government for assessment and approval. Funding for approved projects flows from the Australian Government to the respective states, who then enter into a funding agreement with successful local councils and transfer funding once conditions are met and funding is received from the Australian Government.</p> <p>The Bridge Renewal Program (\$2,058,950) is funded by the Australian Government and is initiated by calls for expressions of interest for funding of projects nominated by local councils. The Australian Government assesses and approves projects, and advises the conditions and milestones that will apply to the provision of funding.</p> <p>Funding for approved projects flows from the Australian Government to the respective states, who then enter into a funding agreement with successful local councils and transfer funding once conditions are met and funding is received from the Australian Government.</p> <p>The Legana Local Road Project (\$1,135,000), and the Industry Road Upgrade (\$3,262,000) and Soldier Settlement Road (\$2,310,000) projects were funded by the Australian Government.</p> <p>\$3.7 million was granted to local councils under the Roads Package to Support Tasmania's Visitor Economy. The balance comprises various grants assisting local councils with road safety upgrades and essential bridge works."</p>
Community Infrastructure Fund	\$1,151,750	<p>"The Government established a Community Infrastructure Fund to support community infrastructure initiatives throughout Tasmania.</p> <p>The objective of the infrastructure delivered by the fund was to enhance the liveability and cohesion of communities around Tasmania.</p> <p>The Community Infrastructure Fund consisted of two funding rounds being for minor grants of up to \$50 000 and major grants of over \$50 000.</p> <p>Both funding rounds were opened on 18 November 2016 with the minor grants round closing on 3 February 2017 and the major funding round closing on the 31 March 2017.</p> <p>There were a total of 162 projects approved. To date there have been 118 projects fully acquitted."</p>
Road Safety Grants	\$1,148,268	<p>"The provision of road safety grants allows State Growth to continue to promote and support road safety in the community. The aim of these grants is to promote road safety in the community, foster key stakeholder relationships, and address local road safety issues.</p> <p>There are a number of grants under this program which include the Community Road Safety Grants Program for councils and eligible community organisations to provide non–infrastructure road safety activities; specific grants to the RACT, Bicycle Network, and Rotary Tasmania for the delivery of road safety education, bicycle safety for school students, and the delivery of the RYDA road safety program to year 10 students respectively; and the Vulnerable Road User Program for councils to provide safety related infrastructure facilities to improve safety for pedestrians, cyclists, and motorcyclists."</p>

## Supporting information Department of State Growth continued

Significant non-program grants	Paid 2018–19	Purpose and intended outcomes
AFL Agreement – Hawthorn Football Club	\$4,966,125	<p>Hawthorn Football Club AFL games in Tasmania make a significant impact to our state economy, delivering substantial on-the-ground benefits to businesses as well as enhancing community engagement. Independent reports by PriceWaterhouseCoopers and Repucom have valued Hawthorn's presence as generating a total direct expenditure of \$20.4 million for the state.</p> <p>The current partnership runs from the 2017 to 2021 AFL seasons inclusive, and is valued at \$19 million plus CPI.</p>
Launceston City Deal	\$4,705,254	<p>"Signed in April 2017, between the Australian and Tasmanian governments, and the City of Launceston, the Launceston City Deal is a five-year plan that will shape Launceston's future, create jobs and generate economic growth for the region by building on its natural advantages.</p> <p>Projects funded by the State Government in 2018–19 included:</p> <ul style="list-style-type: none"> <li>» The City Heart project which is bringing new life to the city centre with the revitalisation of both the Brisbane St mall and Civic Square now complete. The first public event at the new Civic Square, a Launceston Night Market in winter, attracted more than 4 000 people to enjoy a range of local food and music.</li> <li>» The Launceston Apprenticeship Pipeline Project which supports the construction industry to train more apprentices across different projects. Ultimately, this will lead to a more capable local workforce, ready to take on bigger projects.</li> <li>» Priority investment and policy actions directed at improving the health of the Tamar Estuary with the first River Health Action Plan commitments underway with the launch of the Tamar Action Grants program – providing incentives for graziers and dairy farmers to prevent pollutants entering the Tamar catchment." </li></ul>
Carlton and United Breweries	\$1,000,000	To assist with the upgrade and expansion of the Cascade Brewery in Tasmania which would establish Cascade as CUB's principal brewery for small batch brewing and new product development for the Asia Pacific region.
Latrobe Flood Mitigation	\$1,000,000	Co-contribution to the Latrobe Council to undertake works associated with minimising the flood risk in Latrobe and surrounding areas.
Tasmanian Symphony Orchestra	\$2,179,333	<p>The Tasmanian Symphony Orchestra (TSO), one of the world's finest small orchestras, continues to receive Tasmanian Government support. The TSO plays to audiences throughout Tasmania and its award-winning recordings are heard throughout the world.</p> <p>A versatile orchestra, the TSO is renowned for its expertise in music of the classical and early romantic periods and is recognised internationally as a champion of Australian music.</p>
Tasmanian Railway Pty Ltd	\$8,100,000	<p>This payment represents the Government's ongoing grant contribution to Tasmanian Railway Pty Ltd.</p> <p>The payments allow Tasmanian Railway Pty Ltd to manage, maintain and operate the Tasmanian rail network on a sustainable basis and provides for critical annual maintenance of rolling stock assets.</p>
Ten Days on the Island	\$1,601,000	<p>Ten Days on the Island is a biennial arts festival that commenced in 2001.</p> <p>The event has attracted high quality local and international artists from around the world to celebrate our unique island culture. The tenth festival was held in March 2019.</p>
National Road Transport Commission: Local Government Contribution	\$1,500,000	Under the reform measures that abolished local road tolls in favour of national heavy vehicle charges, \$1.5 million is provided annually from motor tax receipts to local government to compensate for loss of revenues from heavy vehicles.

Significant non-program grants	Paid 2018–19	Purpose and intended outcomes
Academy of Creative Industries and Performing Arts (The Hedberg)	\$4,000,000	<p>"The Tasmanian Government is providing \$30 million in support for the new Creative Industries and Performing Arts precinct, since named the Hedberg.</p> <p>The Tasmanian Government entered into a Development Agreement with the University of Tasmania and the Theatre Royal Management Board for the construction of the \$96 million project.</p> <p>Once complete it will comprise improvements to the Theatre Royal, a new home for the University Conservatorium of Music, performance venues and public spaces. Once complete, the project will provide the Theatre Royal access to improved front-of-house patron spaces and modern back-of-house technical facilities.</p> <p>In addition, the Theatre Royal's Backspace Theatre will be replaced by a modern, purpose-built Studio Theatre."</p>
Sustainable Timber Tasmania CSO	\$12,000,000	This payment represents the government's ongoing Community Service Obligation funding to Sustainable Timbers Tasmania.
National Institute for Forest Products Innovation (NIFPI)	\$1,000,000	A grant was approved for \$2,000,000 to Forest and Wood Products Australia (FWPA) for National Institute for Forest Products Innovation (NIFPI) research grants and administration, part paid in 2018–19 with the balance expected to be paid in the next financial year.

## 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 and Audit Act 1990*
- » *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 statutory disclosure requirements in Tasmanian public sector legislation.
3. Page number – this states where in this Annual Report 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

FMAA	<i>Financial Management and Audit Act 1990</i>
PSSRA	<i>Public Sector Superannuation Reform Act 1999</i>
RTI	<i>Right to Information Act 2009</i>
SS	<i>State Service Act 2000</i>
SSR	<i>State Service Regulations 2001</i>
TI	<i>Treasurer's Instructions</i>



Section	Compliance	Page	Details
<b>General</b>			
		2	Table of contents
		72	List of acronyms
<b>Overview</b>			
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	
	FMAA s27(1)(a)	Annual Report	A report on the performance of the functions and exercises of the power of the Secretary under any written law
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
<b>Operational structure</b>			
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 9(a)(iii)	Annual Report	A description of the relationship between the organisational structure and the program management structure of the agency
<b>Performance measurement</b>			
Performance summary	TI 701 (1)(a)(e)	14-39	A narrative summary, together with quantitative measure where relevant, of the objectives and functions of the programs or activities, including significant outcomes, key efficiency measures, targets, proposed plans and any ministerial objectives
	TI 201 (1)(b)	3-4	Economic and other factors that have affected the achievement of operational objectives
<b>Legislation administered and major documents published</b>			
Legislation administered	SSR s9(d)	50-52	A list of legislation administered by the department
Legislation enacted	SSR 9(d)	52	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
<b>Public access and awareness of services provided</b>			
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)	14-39	Details of activities undertaken to develop community awareness of the department and the services it provides
Agency publications	SSR s9(c)(i)	64	List of major documents published by any internal or external body of the department during the year
Right to Information	RTI s23	49	Right to Information details for 2018–19

## Supporting information Department of State Growth continued

Section	Compliance	Page	Details
Human resources management			
Recruitment and selection	SSR s9(b)(i)	7-12, 38-39, 63	Details of recruitment policies and programs, including statistical information
Staff development	SSR s9(b)(ii)	7-12, 38-39	Information relating to employee training and development activities, including statistical information for 2018–19
Equal employment opportunities	SSR s9(b)(iii)	7-12, 38-39	A description of the department's workplace diversity program, including statistical information for 2018–19
Industrial democracy	SSR s9(b)(iv)	7-12, 38-39	Details of the processes established to ensure employee participation in industrial relations matters within the department
Internal grievance procedures	SSR s9(b)(v)	7-12, 38-39	Summary of internal grievance procedures
Occupational health and safety	SSR s9(b)(vi)	7-12, 38-39	Outline of occupational health and safety strategies
Appeals process	SSR s9(c)(iii)	7-12, 38-39	An outline of the processes available for appeals against decisions made by the department
Superannuation contribution	PSSRA s13	68	Certification by the relevant department manager relating to contributions to non–RBF superannuation funds, including a report that the department has met its obligations under the <i>Superannuation Guarantee (Administration) Act 1992</i>
Asset management and risk management policies			
Major capital projects	TI 201 (1)(d)	Annual Report	Information on major capital projects or undertakings
Asset management	TI 201 (1)(g)	Annual Report	Statement of asset management policies and an outline of asset management strategies and initiatives
Risk management	TI 201 (1)(f)	Annual Report	Statement of risk management policies and an outline of significant risk management activities and initiatives
Pricing policies	TI 201 (1)(c)	Annual Report	Pricing policies of goods and services provided, the last review date, and reference to documents that contain the pricing information, with details of cost–recovery policies and their application, as appropriate
Government procurement			
Support for local businesses	TI 1110 6(a)	Secretary's Foreword	A narrative statement by the Secretary regarding the department's support for local business
	TI 1110 6(b)(i)	Annual Report	Summary of the department's support for local business, including the number of procurement contracts awarded, the number of tenders called and the number of bids received and the extent of local participation in procurement activities
Contracts awarded during the year	TI 1110 6(b)(ii)	54-62	Detailed information on all contracts awarded, including consultancy contracts, including a description of the contract, the total value of the contract and the name and locality of contractors
Other matters	TI 201 (i)(i)	N/A	Any other matters deemed relevant by the Secretary
Financial Statements			
Financial Statements	FMAA s27 (1)(c), FMAA s27 (2),(3) and (4)	74-172	Financial Statements of the department for the year including financial statements of any statutory or public body not required to report under any other Act
	TI 201 (i)(j)	178-194	Abt Railway Ministerial Corporation
Audit opinion	FMAA s27 (1)(c),	173-176	Auditor–General's report on the department's financial statements
	TI 201 (1)(k)	195-197	Auditor–General's report on the Abt Railway Ministerial Corporation



## List of acronyms

AASB	Australian Accounting Standards Board	NCVER	National Centre for Vocational Education Research
ABC	Australian Broadcasting Corporation	NDIA	National Disability Insurance Agency
AEMC	Australian Energy Market Commission	NDIS	National Disability Insurance Scheme
AEMO	Australian Energy Market Operator	NEM	National Electricity Market
AFL	Australian Football League	NITV	National Indigenous Television
ANZSOG	Australia and New Zealand School of Government	NRM	Natural Resource Management
ARENA	Australian Renewable Energy Agency	OSOM	Over–Size Over–Mass
ARMC	Abt Railway Ministerial Corporation	QVMAG	Queen Victoria Museum and Art Gallery
BoTN	Battery of the Nation	RACT	Royal Automobile Club of Tasmania
COAG	Council of Australian Governments	RMS	Records Management System
DDA	<i>Disability Discrimination Act 1992</i>	RSNL	Rail Safety National Law
EOI	Expression of Interest	RTI	Right to Information
FIT	Feed–in Tariff	SBS	Special Broadcasting Service
FTE	Full–time equivalent	SES	Senior Executive Service
GLS	Graduated Licensing System	TasCOSS	Tasmanian Council of Social Service
GST	Goods and Services Tax	TCCI	Tasmanian Chamber of Commerce and Industry
HVAMS	Heavy Vehicle Access Management System	TDR	Tasmania Development and Resources
ICT	Information and Communication Technology	TMAG	Tasmanian Museum and Art Gallery
IoT	Internet of Things	TRMF	Tasmanian Risk Management Fund
ISP	Integrated System Plan	TSBC	Tasmanian Small Business Council
KPI	Key Performance Indicator	TSO	Tasmania Symphony Orchestra
LDMP	Learner Driver Mentor Program	TWPP	Training and Work Pathways Program
MAGNA	Museums and Galleries National Awards	VET	Vocational Education and Training
MAIB	Motor Accidents Insurance Board	WAT	Wheelchair Accessible Taxi
MRT	Mineral Resources Tasmania	WCWR	West Coast Wilderness Railway
NAIDOC	National Aboriginal and Islanders Day Observance Committee		

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# Financial Statements

for the year ended 30 June 2019

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## Table of Contents


Certification of Financial Statements .....	76
Statement of Comprehensive Income for the year ended 30 June 2019 .....	77
Statement of Financial Position as at 30 June 2019 .....	78
Statement of Cash Flows for the year ended 30 June 2019 .....	79
Statement of Changes in Equity for the year ended 30 June 2019 .....	81
Notes to and forming part of the Financial Statements for the year ended 30 June 2019 .....	82

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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 and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2019 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

30 September 2019

# Statement of Comprehensive Income for the year ended 30 June 2019

	Notes	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Continuing operations</b>				
<b>Revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue – recurrent	6.1	329,914	299,918	288,416
Appropriation revenue – works and services	6.1	154,175	137,643	109,784
Other revenue from Government	6.1	...	12,042	8,859
Grants	6.2	163,338	157,266	91,701
Sales of goods and services	6.3	4,255	9,761	11,236
Fees and fines	6.4	14,012	15,119	14,157
Interest	6.5	2,380	1,254	1,237
Contributions received	6.6	...	48,723	4,646
Other revenue	6.7	1,972	2,847	2,497
<b>Total revenue and other income from transactions</b>		<b>670,046</b>	<b>684,573</b>	<b>532,533</b>
<b>Expenses from transactions</b>				
Employee benefits	7.1	65,779	67,066	62,959
Depreciation and amortisation	7.2	89,055	107,775	92,866
Supplies and consumables	7.3	102,366	118,157	101,047
Grants and subsidies	7.4	256,869	255,961	248,533
Finance costs	7.5	1,670	828	1,094
Other expenses	7.6	6,078	2,596	2,340
<b>Total expenses from transactions</b>		<b>521,817</b>	<b>552,383</b>	<b>508,839</b>
<b>Net result from transactions (net operating balance)</b>		<b>148,229</b>	<b>132,190</b>	<b>23,694</b>
<b>Other economic flows included in net result</b>				
Net gain/(loss) on non-financial assets	8.1	4	5,603	(22,623)
Net gain/(loss) on financial instruments and statutory receivables/payables	8.2	...	(1,774)	(1,120)
<b>Total other economic flows included in net result</b>		<b>4</b>	<b>3,829</b>	<b>(23,743)</b>
<b>Net result from continuing operations</b>		<b>148,233</b>	<b>136,019</b>	<b>(49)</b>
<b>Net result</b>		<b>148,233</b>	<b>136,019</b>	<b>(49)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in physical asset revaluation reserve	12.1	149,947	339,559	794,505
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	19.5	...	(11)	...
<b>Total other comprehensive income</b>		<b>149,947</b>	<b>339,548</b>	<b>794,505</b>
<b>Comprehensive result</b>		<b>298,180</b>	<b>475,567</b>	<b>794,456</b>

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 2019

	Notes	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Assets</b>				
<i>Financial assets</i>				
Cash and deposits	13.1	58,651	68,594	95,219
Receivables	9.1	6,625	7,194	6,388
Loan advances	9.2	89,915	71,836	54,328
Equity investments	9.3	50	...	...
Other financial assets	9.4	125	462	146
<i>Non-financial assets</i>				
Inventories	9.5	349	345	332
Property, plant and equipment and artwork	9.6	180,363	165,800	177,759
Heritage and cultural assets	9.6	428,744	408,870	408,706
Infrastructure	9.7	4,800,918	5,598,086	5,113,095
Intangibles	9.8	1,222	...	293
Other assets	9.9	12,739	12,273	12,737
<b>Total assets</b>		<b>5,579,701</b>	<b>6,333,460</b>	<b>5,869,003</b>
<b>Liabilities</b>				
Payables	10.1	9,097	14,712	10,394
Interest bearing liabilities	10.2	84,116	55,832	67,072
Employee benefits	10.3	20,055	19,943	20,095
Provisions	10.4	2,514	5,301	4,541
Other liabilities	10.5	8,761	19,132	23,928
<b>Total liabilities</b>		<b>124,543</b>	<b>114,920</b>	<b>126,030</b>
<b>Net assets</b>		<b>5,455,158</b>	<b>6,218,540</b>	<b>5,742,973</b>
<b>Equity</b>				
Contributed capital		417,334	417,334	417,334
Reserves	12.1	2,132,235	2,966,705	2,627,146
Accumulated funds		2,905,589	2,834,501	2,698,493
<b>Total equity</b>		<b>5,455,158</b>	<b>6,218,540</b>	<b>5,742,973</b>

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 2019

	Notes	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>				
<b>Cash inflows</b>				
Appropriation receipts – recurrent		328,798	302,820	292,730
Appropriation receipts – works and services		64,603	87,115	68,157
Other revenue from Government		...	(1,714)	(255)
Grants		20,829	43,086	33,753
Sales of goods and services		4,260	10,698	11,408
Fees and fines		14,012	14,999	14,061
GST receipts		16,898	41,506	34,934
Interest receipts		2,380	1,183	1,212
Other cash receipts		1,972	2,207	6,321
<b>Total cash inflows</b>		<b>453,752</b>	<b>501,900</b>	<b>462,321</b>
<b>Cash outflows</b>				
Employee benefits		(65,399)	(68,470)	(62,843)
Grants and subsidies		(256,794)	(255,799)	(248,574)
Supplies and consumables		(102,572)	(114,102)	(100,919)
Interest payments		(1,760)	(1,162)	(1,096)
GST payments		(16,899)	(41,998)	(34,265)
Other cash payments		(6,078)	(1,171)	(1,055)
<b>Total cash outflows</b>		<b>(449,502)</b>	<b>(482,702)</b>	<b>(448,752)</b>
<b>Net cash from (used by) operating activities</b>	13.2	<b>4,250</b>	<b>19,198</b>	<b>13,569</b>
<b>Cash flows from investing activities</b>				
<b>Cash inflows</b>				
Proceeds from the disposal of non-financial assets		4	1	5
Receipts from non-operational capital funding - recurrent		1,116	1,247	26
Receipts from non-operational capital funding - works and services		89,572	55,670	51,043
Receipts from Australian Government funding		142,509	114,627	57,889
Repayment of loans by other entities		...	10,962	12,481
<b>Total cash inflows</b>		<b>233,201</b>	<b>182,507</b>	<b>121,444</b>
<b>Cash outflows</b>				
Payments for acquisition of non-financial assets		(240,115)	(187,183)	(115,428)
Loans made to other entities		(27,884)	(28,610)	(29,465)
Payments for investments		...	(1,627)	(1,166)
<b>Total cash outflows</b>		<b>(267,999)</b>	<b>(217,420)</b>	<b>(146,059)</b>
<b>Net cash from (used by) investing activities</b>		<b>(34,798)</b>	<b>(34,913)</b>	<b>(24,615)</b>



Statement of Cash Flows for the year ended 30 June 2019 (continued)

	Notes	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from financing activities</b>				
<b>Cash inflows</b>				
Proceeds from borrowings		14,530	9,300	10,140
Trust receipts		...	949	1,022
<b>Total cash inflows</b>		<b>14,530</b>	<b>10,249</b>	<b>11,162</b>
<b>Cash outflows</b>				
Repayment of borrowings		...	(20,540)	(4,290)
Trust payments		...	(619)	(361)
<b>Total cash outflows</b>		<b>...</b>	<b>(21,159)</b>	<b>(4,651)</b>
<b>Net cash from (used by) financing activities</b>	13.3	<b>14,530</b>	<b>(10,910)</b>	<b>6,511</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>		<b>(16,018)</b>	<b>(26,625)</b>	<b>(4,535)</b>
<b>Cash and deposits at the beginning of the reporting period</b>		<b>74,669</b>	<b>95,219</b>	<b>99,754</b>
<b>Cash and deposits at the end of the reporting period</b>	13.1	<b>58,651</b>	<b>68,594</b>	<b>95,219</b>

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 2019

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total Equity \$'000
<b>Balance as at 1 July 2018</b>		<b>417,334</b>	<b>2,627,146</b>	<b>2,698,493</b>	<b>5,742,973</b>
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)
<b>Total</b>		<b>...</b>	<b>339,559</b>	<b>136,008</b>	<b>475,567</b>
<b>Balance as at 30 June 2019</b>		<b>417,334</b>	<b>2,966,705</b>	<b>2,834,501</b>	<b>6,218,540</b>

	Notes	Contributed Equity \$'000	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
<b>Balance as at 1 July 2017</b>		<b>417,334</b>	<b>1,832,641</b>	<b>2,698,542</b>	<b>4,948,517</b>
Net result		...	...	(49)	(49)
Other comprehensive income – revaluation reserve	12.1	...	794,505	...	794,505
<b>Total</b>		<b>...</b>	<b>794,505</b>	<b>(49)</b>	<b>794,456</b>
<b>Balance as at 30 June 2018</b>		<b>417,334</b>	<b>2,627,146</b>	<b>2,698,493</b>	<b>5,742,973</b>

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

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# Notes to and forming part of the Financial Statements for the year ended 30 June 2019

<b>Note 1: Administered Financial Statements</b> .....	<b>85</b>
1.1 Schedule of Administered Income and Expenses.....	85
1.2 Schedule of Administered Assets and Liabilities.....	86
1.3 Schedule of Administered Cash Flows.....	87
1.4 Schedule of Administered Changes in Equity.....	88
<b>Note 2: Departmental Output Schedules</b> .....	<b>89</b>
2.1 Output Group Information.....	89
2.2 Reconciliation of Total Output Groups Comprehensive Result to Statement of Comprehensive Income.....	99
2.3 Reconciliation of Total Output Groups Net Assets to Statement of Financial Position.....	99
2.4 Administered Output Schedule.....	100
2.5 Reconciliation of Total Administered Output Groups Comprehensive Result to Schedule of Administered Income and Expenses.....	101
2.6 Reconciliation of Total Administered Output Groups Net Assets to Schedule of Administered Assets and Liabilities.....	101
<b>Note 3: Expenditure under Australian Government Funding Arrangements</b> .....	<b>102</b>
<b>Note 4: Explanations of Material Variances between Budget and Actual Outcomes</b> .....	<b>103</b>
4.1 Statement of Comprehensive Income.....	103
4.2 Statement of Financial Position.....	104
4.3 Statement of Cash Flows.....	105
<b>Note 5: Underlying net operating balance</b> .....	<b>106</b>
<b>Note 6: Income from transactions</b> .....	<b>107</b>
6.1 Revenue from Government.....	107
6.2 Grants.....	108
6.3 Sales of goods and services.....	108
6.4 Fees and fines.....	108
6.5 Interest.....	109
6.6 Contributions received.....	109
6.7 Other revenue.....	109
<b>Note 7: Expenses from transactions</b> .....	<b>110</b>
7.1 Employee benefits.....	110
7.2 Depreciation and amortisation.....	112
7.3 Supplies and consumables.....	114
7.4 Grants and subsidies.....	115
7.5 Finance costs.....	117
7.6 Other expenses.....	117
<b>Note 8: Other economic flows included in net result</b> .....	<b>118</b>
8.1 Net gain/(loss) on non-financial assets.....	118
8.2 Net gain/(loss) on financial instruments and statutory receivables/payables.....	119

<b>Note 9: Assets</b> .....	<b>120</b>
9.1 Receivables.....	120
9.2 Loan advances.....	121
9.3 Equity investments .....	122
9.4 Other financial assets.....	122
9.5 Inventories.....	123
9.6 Property, plant and equipment, artwork, heritage and cultural assets.....	123
9.7 Infrastructure.....	129
9.8 Intangibles.....	134
9.9 Other assets.....	135
<b>Note 10: Liabilities</b> .....	<b>135</b>
10.1 Payables.....	135
10.2 Interest bearing liabilities.....	136
10.3 Employee benefits.....	136
10.4 Provisions.....	137
10.5 Other liabilities .....	138
<b>Note 11: Commitments and Contingencies</b> .....	<b>139</b>
11.1 Schedule of Commitments.....	139
11.2 Contingent Assets and Liabilities .....	140
<b>Note 12: Reserves</b> .....	<b>142</b>
12.1 Reserves.....	142
<b>Note 13: Cash Flow Reconciliation</b> .....	<b>143</b>
13.1 Cash and deposits.....	143
13.2 Reconciliation of Net Result to Net Cash from Operating Activities.....	144
13.3 Reconciliation of liabilities arising from financing activities .....	144
13.4 Acquittal of Capital Investment and Special Capital Investment Funds.....	145
<b>Note 14: Financial Instruments</b> .....	<b>147</b>
14.1 Risk exposures.....	147
14.2 Categories of Financial Assets and Liabilities.....	150
14.3 Reclassifications of Financial Assets.....	151
14.4 Derecognition of Financial Assets .....	151
14.5 Comparison between Carrying Amount and Net Fair Value of Financial Assets and Liabilities.....	151
14.6 Net Fair Values of Financial Assets and Liabilities.....	151
<b>Note 15: Details of Consolidated Entities</b> .....	<b>153</b>
15.1 List of Entities .....	153
<b>Note 16: Notes to Administered Statements</b> .....	<b>153</b>
16.1 Explanations of Material Variances between Budget and Actual Outcomes.....	153
16.2 Administered revenue from Government.....	155
16.3 Administered Grants.....	155
16.4 Administered State taxation.....	155
16.5 Administered Sales of goods and services.....	155
16.6 Administered Fees and fines.....	156
16.7 Administered other revenue .....	156

16.8 Administered Employee benefits.....	156
16.9 Administered Supplies and consumables.....	157
16.10 Administered Grants and subsidies.....	157
16.11 Administered Other expenses.....	158
16.12 Administered Financial Investments.....	158
16.13 Administered Receivables.....	158
16.14 Administered Other financial assets.....	159
16.15 Administered Plant and equipment.....	159
16.16 Administered Other assets.....	159
16.17 Administered Payables.....	160
16.18 Administered Employee benefits.....	160
16.19 Administered Other liabilities.....	160
16.20 Schedule of Administered Commitments.....	161
16.21 Administered Cash and deposits.....	161
16.22 Reconciliation of Administered Net Result to Net Cash from Administered Operating Activities.....	162
16.23 Administered Financial Instruments.....	162
16.24 Risk exposures.....	162
16.25 Categories of Administered Financial Assets and Liabilities.....	165
16.26 Reclassifications of Administered Financial Assets.....	165
16.27 Derecognition of Administered Financial Assets.....	165
16.28 Comparison between Carrying Amount and Net Fair Value of Administered Financial Assets and Liabilities.....	166
16.29 Net Fair Values of Administered Financial Assets and Liabilities.....	166
<b>Note 17: Transactions and Balances Relating to a Trustee or Agency Arrangement.....</b>	<b>168</b>
<b>Note 18: Events Occurring After Balance Date.....</b>	<b>168</b>
<b>Note 19: Other Significant Accounting Policies and Judgements.....</b>	<b>169</b>
19.1 Objectives and Funding.....	169
19.2 Basis of Accounting.....	170
19.3 Reporting Entity.....	170
19.4 Functional and Presentation Currency.....	170
19.5 Changes in Accounting Policies.....	170
19.6 Activities Undertaken Under a Trustee or Agency Relationship.....	172
19.7 Foreign Currency.....	172
19.8 Comparative Figures.....	172
19.9 Budget Information.....	172
19.10 Rounding.....	172
19.11 Departmental Taxation.....	172
19.12 Goods and Services Tax.....	172
<b>Note 20: Tasmanian Audit Office.....</b>	<b>173</b>

## 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	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Administered revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue – recurrent	16.2	64,840	53,166	55,327
Grants	16.3	542	574	8,668
State taxation	16.4	43,784	44,874	43,158
Sales of goods and services	16.5	5,315	6,064	5,468
Fees and fines	16.6	9,978	10,453	10,295
Other revenue	16.7	34,108	34,395	42,192
<b>Total administered revenue and other income from transactions</b>		<b>158,567</b>	<b>149,526</b>	<b>165,108</b>
<b>Administered expenses from transactions</b>				
Employee benefits	16.8	462	2,219	1,970
Depreciation and amortisation		...	3	1
Supplies and consumables	16.9	136	2,426	2,040
Grants and subsidies	16.10	64,704	53,199	59,400
Transfers to the Consolidated Fund		93,265	93,830	94,865
Other expenses	16.11	...	6	41
<b>Total administered expenses from transactions</b>		<b>158,567</b>	<b>151,683</b>	<b>158,317</b>
<b>Administered net result from transactions attributable to the State</b>		<b>...</b>	<b>(2,157)</b>	<b>6,791</b>
<i>Administered net result</i>		<b>...</b>	<b>(2,157)</b>	<b>6,791</b>
<b>Administered comprehensive result</b>		<b>...</b>	<b>(2,157)</b>	<b>6,791</b>

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.

## I.2 Schedule of Administered Assets and Liabilities

	Notes	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Administered assets</b>				
<i>Administered financial assets</i>				
Cash and deposits	16.21	3,910	7,792	9,509
Financial Investments	16.12	...	1,750	1,560
Receivables	16.13	112	154	137
Other financial assets	16.14	72	96	83
<i>Administered non-financial assets</i>				
Plant and equipment	16.15	...	11	14
Other assets	16.16	12	16	8
<b>Total administered assets</b>		<b>4,106</b>	<b>9,819</b>	<b>11,311</b>
<b>Administered liabilities</b>				
Payables	16.17	1,173	35	1,134
Employee benefits	16.18	386	407	339
Other liabilities	16.19	1,277	3,473	1,777
<b>Total administered liabilities</b>		<b>2,836</b>	<b>3,915</b>	<b>3,250</b>
<b>Administered net assets</b>		<b>1,270</b>	<b>5,904</b>	<b>8,061</b>
<b>Administered equity</b>				
Accumulated funds		1,270	5,904	8,061
<b>Total administered equity</b>		<b>1,270</b>	<b>5,904</b>	<b>8,061</b>

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.

### I.3 Schedule of Administered Cash Flows

	Notes	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Administered cash flows from operating activities</b>				
<b>Administered cash inflows</b>				
Appropriation receipts - recurrent		64,840	53,166	55,327
Taxation		43,784	45,158	42,874
Grants		542	544	8,669
Sales of goods and services		5,315	6,097	5,531
Fees and fines		9,978	10,436	10,271
Other cash receipts		34,108	34,483	42,224
<b>Total administered cash inflows</b>		<b>158,567</b>	<b>149,884</b>	<b>164,896</b>
<b>Administered cash outflows</b>				
Employee benefits		(462)	(2,191)	(2,077)
Grants and subsidies		(64,704)	(53,342)	(59,877)
Transfers to the Consolidated Fund		(93,265)	(93,830)	(94,865)
Other cash payments		(136)	(2,997)	(2,135)
<b>Total administered cash outflows</b>		<b>(158,567)</b>	<b>(152,360)</b>	<b>(158,954)</b>
<b>Administered net cash from (used by) operating activities</b>	16.22	<b>...</b>	<b>(2,476)</b>	<b>5,942</b>
<b>Administered cash flows from investing activities</b>				
<b>Administered cash inflows</b>				
Proceeds from maturing Term Deposits		...	1,560	1,700
<b>Total administered cash inflows</b>		<b>...</b>	<b>1,560</b>	<b>1,700</b>
<b>Administered cash outflows</b>				
Investment in long term deposits		...	(1,750)	(1,560)
Payments for acquisition of non-financial assets		...	...	(15)
<b>Total administered cash outflows</b>		<b>...</b>	<b>(1,750)</b>	<b>(1,575)</b>
<b>Administered net cash from (used by) investing activities</b>		<b>...</b>	<b>(190)</b>	<b>(125)</b>
<b>Administered cash flows from financing activities</b>				
<b>Administered cash inflows</b>				
Trust receipts		...	2,428	1,232
<b>Total administered cash inflows</b>		<b>...</b>	<b>2,428</b>	<b>1,232</b>
<b>Administered cash outflows</b>				
Trust payments		...	(1,479)	...
<b>Total administered cash outflows</b>		<b>...</b>	<b>(1,479)</b>	<b>...</b>
<b>Administered net cash from (used by) financing activities</b>		<b>...</b>	<b>949</b>	<b>1,232</b>
<b>Net increase (decrease) in administered cash held</b>		<b>...</b>	<b>(1,717)</b>	<b>7,299</b>
<b>Administered cash and deposits at the beginning of the reporting period</b>		<b>3,910</b>	<b>9,509</b>	<b>2,210</b>
<b>Administered cash and deposits at the end of the reporting period</b>	16.21	<b>3,910</b>	<b>7,792</b>	<b>9,509</b>

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
<b>Balance as at 1 July 2018</b>	<b>8,061</b>	<b>8,061</b>
Total comprehensive result	(2,157)	(2,157)
<b>Balance as at 30 June 2019</b>	<b>5,904</b>	<b>5,904</b>

	Accumulated surplus / deficit \$'000	Total Equity \$'000
<b>Balance as at 1 July 2017</b>	<b>1,270</b>	<b>1,270</b>
Total comprehensive result	6,791	6,791
<b>Balance as at 30 June 2018</b>	<b>8,061</b>	<b>8,061</b>

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

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	177,996	145,500	144,717
Other revenue from government	...	...	6,391
Grants	6,150	15,326	15,031
Sales of goods and services	610	1,884	1,443
Interest	2,380	790	991
Other revenue	1,120	571	450
<b>Total revenue and other income from transactions</b>	<b>188,256</b>	<b>164,071</b>	<b>169,023</b>
<b>Expenses from transactions</b>			
Employee Entitlements	17,460	20,365	19,903
Depreciation and Amortisation	3,047	557	940
Grants and subsidies	152,260	131,243	142,253
Supplies and Consumables:			
Consultants	1,809	2,388	940
Property Services	2,524	672	755
Maintenance	327	400	426
Communications	531	259	373
Information Technology	885	1,269	1,467
Travel and Transport	1,271	1,151	897
Operating Lease costs	...	1,268	1,179
Advertising and Promotion	819	1,197	910
Other Supplies and Consumables	8,560	(65)	1,398
Finance costs	1,670	811	1,082
Other expenses	133	257	201
<b>Total expenses from transactions</b>	<b>191,296</b>	<b>161,772</b>	<b>172,724</b>
<b>Net result from transactions (net operating balance)</b>	<b>(3,040)</b>	<b>2,299</b>	<b>(3,701)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on disposal of non-financial assets	...	(53)	(566)
Net gain/(loss) on financial assets	...	(203)	...
<b>Net result</b>	<b>(3,040)</b>	<b>(256)</b>	<b>(566)</b>

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

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	3,604	...	...
Other movements taken directly to equity	1,925	...	...
<b>Total other comprehensive income</b>	<b>5,529</b>	<b>...</b>	<b>...</b>
<b>Comprehensive result</b>	<b>2,489</b>	<b>2,043</b>	<b>(4,267)</b>
<b>Expense by output</b>			
I.1 Coordinator–General	24,007	10,405	6,707
I.2 Industry and Business Development	48,571	31,754	55,267
I.3 Skills Development	118,718	119,613	110,750
<b>Total</b>	<b>191,296</b>	<b>161,772</b>	<b>172,724</b>
<b>Net Assets</b>			
Total assets deployed for Output Group I		90,504	102,759
Total liabilities incurred for Output Group I		63,535	75,228
<b>Net assets deployed for Output Group I</b>		<b>26,969</b>	<b>27,531</b>

## Output Group 2 – Infrastructure

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	23,064	25,522	25,213
Other revenue from government	...	...	655
Grants	1,471	1,907	6,939
Sales of goods and services	2,845	6,531	8,604
Fees and fines	6,769	15,300	4,193
Other revenue	75	460	782
<b>Total revenue and other income from transactions</b>	<b>34,224</b>	<b>49,720</b>	<b>46,386</b>
<b>Expenses from transactions</b>			
Employee Entitlements	21,358	24,888	24,051
Depreciation and Amortisation	1,349	2,353	2,894
Grants and subsidies	300	4,114	3,630
Supplies and Consumables:			
Consultants	2,291	525	994
Property Services	1,397	334	451
Maintenance	6,901	234	862
Communications	752	1,425	1,360
Information Technology	1,571	2,717	2,282
Travel and Transport	507	1,146	981
Operating Lease costs	...	1,910	1,779
Advertising and Promotion	643	2,436	1,720
Other Supplies and Consumables	(1,347)	2,240	3,134
Other expenses	319	1,055	829
<b>Total expenses from transactions</b>	<b>36,041</b>	<b>45,377</b>	<b>44,967</b>
<b>Net result from transactions (net operating balance)</b>	<b>(1,817)</b>	<b>4,343</b>	<b>1,419</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	4	(18,538)	(787)
<b>Total other economic flows included in net result</b>	<b>4</b>	<b>(18,538)</b>	<b>(787)</b>
<b>Net result</b>	<b>(1,813)</b>	<b>(14,195)</b>	<b>632</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	136,211	5,628	(12)
Other movements taken directly to equity	4,431	...	...
<b>Total other comprehensive income</b>	<b>140,642</b>	<b>5,628</b>	<b>(12)</b>
<b>Comprehensive result</b>	<b>138,821</b>	<b>(8,567)</b>	<b>620</b>

## Output Group 2 – Infrastructure (continued)

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Expense by output</b>			
2.1 Infrastructure Tasmania	800	1,524	672
2.2 Infrastructure Strategy	1,595	9,700	10,118
2.3 Land Transport Safety	25,981	23,980	24,922
2.4 Passenger Transport	3,676	4,606	4,071
2.5 Traffic Management and Engineering Services	3,989	5,567	5,184
<b>Total</b>	<b>36,041</b>	<b>45,377</b>	<b>44,967</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 2		166,921	185,393
Total liabilities incurred for Output Group 2		6,198	5,672
<b>Net assets deployed for Output Group 2</b>		<b>160,722</b>	<b>179,721</b>

## Output Group 3 – Energy Policy and Advice

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	2,854	5,609	1,912
Other revenue from government	...	...	203
Grants	...	30	785
Sales of goods and services	...	24	2
Fees and fines	475	...	...
Other revenue	1	...	23
<b>Total revenue and other income from transactions</b>	<b>3,330</b>	<b>5,663</b>	<b>2,925</b>
<b>Expenses from transactions</b>			
Employee Entitlements	2,039	1,697	1,281
Depreciation and Amortisation	...	33	62
Grants and subsidies	475	112	788
Supplies and Consumables:			
Consultants	756	424	21
Property Services	28	11	16
Maintenance	...	8	7
Communications	14	16	11
Information Technology	...	87	67
Travel and Transport	19	80	76
Operating Lease costs	...	86	80
Other Supplies and Consumables	...	4,029	706
Other expenses	1	19	8
<b>Total expenses from transactions</b>	<b>3,332</b>	<b>6,602</b>	<b>3,123</b>
<b>Net result from transactions (net operating balance)</b>	<b>(2)</b>	<b>(939)</b>	<b>(198)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non financial assets	...	(4)	(5)
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>(4)</b>	<b>(5)</b>
<b>Net result</b>	<b>(2)</b>	<b>(943)</b>	<b>(203)</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	...	(12)
Other movements taken directly to equity	(4)	...	...
<b>Total other comprehensive income</b>	<b>(4)</b>	<b>...</b>	<b>(12)</b>
<b>Comprehensive result</b>	<b>(6)</b>	<b>(943)</b>	<b>(203)</b>
<b>Expense by output</b>			
3.1 Energy Policy and Advice	3,332	6,602	3,123
<b>Total</b>	<b>3,332</b>	<b>6,602</b>	<b>3,123</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 3		161	105
Total liabilities incurred for Output Group 3		1,134	213
<b>Net assets deployed for Output Group 3</b>		<b>(973)</b>	<b>(108)</b>

## Output Group 4 – Resources Policy and Regulatory Services

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	12,260	9,131	9,411
Other revenue	776	223	490
<b>Total revenue and other income from transactions</b>	<b>13,036</b>	<b>9,354</b>	<b>9,901</b>
<b>Expenses from transactions</b>			
Employee Entitlements	5,873	6,894	6,782
Depreciation and Amortisation	352	230	405
Grants and subsidies	2,831	298	491
Supplies and Consumables:			
Consultants	322	31	49
Property Services	622	67	145
Maintenance	(13)	68	75
Communications	566	83	93
Information Technology	265	649	480
Travel and Transport	83	393	373
Operating Lease costs	...	471	465
Advertising and Promotion	...	64	93
Other Supplies and Consumables	3,517	121	450
Other expenses	12	105	53
<b>Total expenses from transactions</b>	<b>14,430</b>	<b>9,474</b>	<b>9,954</b>
<b>Net result from transactions (net operating balance)</b>	<b>(1,394)</b>	<b>(120)</b>	<b>(53)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non financial assets	...	(22)	(26)
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>(22)</b>	<b>(26)</b>
<b>Net result</b>	<b>(1,394)</b>	<b>(142)</b>	<b>(79)</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	...	...	(12)
Other movements taken directly to equity	155	...	
<b>Total other comprehensive income</b>	<b>155</b>	<b>...</b>	<b>(12)</b>
<b>Comprehensive result</b>	<b>(1,239)</b>	<b>(142)</b>	<b>(79)</b>
<b>Expense by output</b>			
4.1 Forest Policy and Reform	3,196	3,253	2,194
4.2 Minerals Resources	11,234	6,221	7,760
<b>Total</b>	<b>14,430</b>	<b>9,474</b>	<b>9,954</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 4		12,534	12,262
Total liabilities incurred for Output Group 4		8,840	8,589
<b>Net assets deployed for Output Group 4</b>		<b>3,694</b>	<b>3,673</b>

## Output Group 5 – Cultural and Creative Industries

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	38,251	42,314	35,303
Grants	...	3,273	1,313
Sales of goods and services	700	1,620	1,008
Other revenue	...	1,677	4,778
<b>Total revenue and other income from transactions</b>	<b>38,951</b>	<b>48,884</b>	<b>42,402</b>
<b>Expenses from transactions</b>			
Employee Entitlements	11,222	12,503	12,559
Depreciation and Amortisation	496	698	955
Grants and subsidies	23,024	29,675	19,512
Supplies and Consumables:			
Consultants	871	485	110
Property Services	606	1,357	1,150
Maintenance	605	788	610
Communications	211	356	317
Information Technology	156	1,027	591
Travel and Transport	291	484	470
Operating Lease costs	10	737	683
Advertising and Promotion	480	588	617
Other Supplies and Consumables	1,422	820	602
Other expenses	43	199	74
<b>Total expenses from transactions</b>	<b>39,437</b>	<b>49,717</b>	<b>38,250</b>
<b>Net result from transactions (net operating balance)</b>	<b>(486)</b>	<b>(833)</b>	<b>4,152</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	...	(35)	(132)
Net gain/(loss) on financial instruments and statutory receivables/payables	...	...	(1,122)
Net gain/(loss) on financial assets	...	(1,570)	...
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>(1,605)</b>	<b>(1,254)</b>
<b>Net result</b>	<b>(486)</b>	<b>(2,438)</b>	<b>2,898</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	10,140	...	...
Other movements taken directly to equity	436	...	...
<b>Total other comprehensive income</b>	<b>10,576</b>	<b>...</b>	<b>...</b>
<b>Comprehensive result</b>	<b>10,090</b>	<b>2,438</b>	<b>2,898</b>
<b>Expense by output</b>			
5.1 Tasmanian Museum and Art Gallery	9,719	12,659	11,575
5.2 Arts Industry Development	7,749	12,242	8,219
5.3 Screen Industry Development	2,836	2,908	2,183
5.4 Events and Hospitality	19,133	21,908	16,273
<b>Total</b>	<b>39,437</b>	<b>49,717</b>	<b>38,250</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 5		453,098	451,848
Total liabilities incurred for Output Group 5		3,033	2,698
<b>Net assets deployed for Output Group 5</b>		<b>450,065</b>	<b>449,150</b>



## Output Group 6 –Transport Subsidies and Concessions

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	75,437	75,359	71,800
Reserved by Law	52	...	...
Other revenue	...	273	273
<b>Total revenue and other income from transactions</b>	<b>75,489</b>	<b>75,632</b>	<b>72,073</b>
<b>Expenses from transactions</b>			
Grants and subsidies	75,087	74,345	71,738
Supplies and Consumables:			
Consultants	...	...	37
Property Services	...	...	...
Maintenance	...	103	133
Advertising and promotion	...	5	1
Other Supplies and Consumables	402	633	306
Other expenses	...	680	8
<b>Total expenses from transactions</b>	<b>75,489</b>	<b>75,766</b>	<b>72,223</b>
<b>Net result from transactions (net operating balance)</b>	<b>...</b>	<b>(134)</b>	<b>(150)</b>
<b>Comprehensive result</b>	<b>...</b>	<b>(134)</b>	<b>(150)</b>
<b>Expense by output</b>			
6.1 Shipping and Ferry Subsidies	1,133	1,602	881
6.2 Metropolitan General Access Services	41,313	40,390	38,307
6.3 Rural and Special Needs School Bus Services	25,165	18,855	19,405
6.4 Non–Metropolitan General Access Services	7,826	14,920	13,630
6.5 Construction of Streets in Towns	52	...	...
<b>Total</b>	<b>75,489</b>	<b>75,766</b>	<b>72,223</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 6		33	18
Total liabilities incurred for Output Group 6		371	223
<b>Net assets deployed for Output Group 6</b>		<b>(338)</b>	<b>(205)</b>

## Output Group – Capital Investment Program

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<i>Continuing operations</i>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	154,175	146,166	109,844
Other revenue from government	...	...	1,610
Grants	155,717	136,682	67,082
Sales of goods and services	100	301	259
Fees and fines	6,768	...	10,138
Other revenue	...	48,098	1,888
<b>Total revenue and other income from transactions</b>	<b>316,760</b>	<b>331,247</b>	<b>190,821</b>
<b>Expenses from transactions</b>			
Employee Entitlements	7,827	1,997	2,237
Depreciation and Amortisation	83,811	103,903	87,610
Grants and subsidies	2,892	15,936	10,106
Supplies and Consumables:			
Consultants	...	1,025	1,706
Maintenance	61,661	70,741	60,028
Property Services	...	134	151
Communications	...	324	385
Information Technology	...	543	558
Travel and Transport	...	172	159
Operating Lease costs	...	11	24
Advertising and Promotion	...	64	189
Other Supplies and Consumables	31	8,766	5,126
Other expenses	5,570	69	317
<b>Total expenses from transactions</b>	<b>161,792</b>	<b>203,685</b>	<b>168,596</b>
<b>Net result from transactions (net operating balance)</b>	<b>154,968</b>	<b>127,562</b>	<b>22,225</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non financial assets	...	24,256	(21,106)
Net gain/(loss) on financial assets	...	(1)	...
<b>Total other economic flows included in net result</b>	<b>...</b>	<b>24,255</b>	<b>(21,106)</b>
<b>Net result</b>	<b>154,968</b>	<b>151,817</b>	<b>1,119</b>
<b>Other comprehensive income</b>			
Changes in physical asset revaluation reserve	2,357	333,930	794,518
<b>Total other comprehensive income</b>	<b>2,357</b>	<b>333,930</b>	<b>794,518</b>
<b>Comprehensive result</b>	<b>152,611</b>	<b>485,747</b>	<b>795,637</b>
<b>Net Assets</b>			
Total assets deployed for Output – Capital Investment Program		5,603,445	5,108,015
Total liabilities incurred for Output – Capital Investment Program		25,936	27,066
<b>Net assets deployed for Output – Capital Investment Program</b>		<b>5,577,508</b>	<b>5,080,949</b>

Output Group – Capital Investment Program (continued)

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Expense by output</b>			
A Workforce for Now and the Future	50	(63)	...
Asset Management	5,663	5,736	5,589
Bass Highway – Birrallee to Exton	1,467	303	1,584
Bass Highway - Wynyard	2,300	419	1,297
Bridge Renewal Program	490	7,404	2,742
Bridge Strengthening on Esk and Tasman Highways	4,100	160	(400)
Bridport Western Access Road	380	...	1,000
Brooker Hwy – Elwick, Goodwood, Howards Roads	...	31	1,083
Bruny Island Main Road	...	456	3,681
Colebrook Main Road	2,998	3,445	1,755
Community Roads 2 Planning	...	8	61
Domain Highway Planning	4,337	810	441
Environmental Management	585	585	...
Esk Main Road	4,000	3,918	4,129
Freight Access Bridge Upgrades	5,350	5,867	3,564
Great Eastern Drive	3,000	3,499	323
Greater Hobart Traffic Vision	3,325	511	...
Heavy Vehicle Safety and Productivity	820	...	...
Highland Lakes Road	2,500	5,926	5,142
Hobart Airport Interchange	25,000	2,489	1,915
Huon Highway / Summerleas Rd	...	2,064	12,131
Huon Highway Upgrade - Glendevie	...	443	3,021
Infrastructure Development	3,912	...	...
Infrastructure Maintenance	69,850	4,851	53,740
Launceston and Tamar Valley Traffic Vision	2,180	139	...
Launceston Northbank	675	675	...
Midland Highway	100,164	108,467	48,587
Mowbray Connector	6,500	401	375
Murchison Highway	2,311	695	4,746
New Bridgewater Bridge	6,000	411	...
North East Freight Roads	...	...	31
Program Management	1,213	1,162	1,101
Real-Time Traffic Congestion Management in Hobart	640	1,095	590
Road Safety and Traffic Management	12,970	8,069	8,096
Roads of Strategic Importance	10,000	1,857	...
Roads Package to Support Tasmania's Visitor Economy	7,150	7,312	...
South Arm Highway/Rokeby Main Road Stage 2	...	...	4
South East Traffic Solution	1,050	813	...
State Road Upgrades – Northern Region	4,150	9,113	...
State Road Upgrades – Southern Region	11,750	10,978	...
State Roads Upgrades - North West & West Coast Region	4,350	771	...

Output Group – Capital Investment Program (continued)

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
Strategic Planning and Policy	2,970	2,495	2,090
Tasman Ramps	...	108	118
Tasmanian Journeys	800	...	...
West Coast Roads, Strahan	...	...	60
West Tamar Traffic Solution	1,750	262	...
<b>Total</b>	<b>316,750</b>	<b>203,685</b>	<b>168,596</b>

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

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Total comprehensive result of Output Groups</b>	<b>298,735</b>	<b>475,567</b>	<b>794,456</b>
<b>Reconciliation to comprehensive result</b>			
Expenses unallocated to Output Groups (accruals)	555	...	...
<b>Comprehensive result</b>	<b>298,180</b>	<b>475,567</b>	<b>794,456</b>

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

	2019 Actual \$'000	2018 Actual \$'000
<b>Total net assets deployed for Output Groups</b>	<b>6,217,648</b>	<b>5,740,711</b>
<b>Reconciliation to net assets</b>		
Assets unallocated to Output Groups (overheads)	6,764	8,603
Liabilities unallocated to Output Groups (overheads)	(5,872)	(6,341)
<b>Net assets</b>	<b>6,218,540</b>	<b>5,742,973</b>

## 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

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Administered revenue and other income from transactions</b>			
Revenue from appropriation	64,840	53,166	55,327
Grants	462	574	10,141
Sales of goods and services	...	926	915
Fees and fines	...	99	39
Other revenue	...	75	95
<b>Total administered revenue and other income from transactions</b>	<b>65,302</b>	<b>54,840</b>	<b>66,517</b>
<b>Administered expenses from transactions</b>			
Employee Entitlements	462	2,232	1,794
Depreciation and Amortisation	...	3	1
Grants and subsidies	64,704	53,028	55,953
Supplies and Consumables:			
Consultants	...	459	241
Property Services	...	24	29
Maintenance	...	1	2
Communications	...	22	29
Information Technology	...	66	77
Travel and Transport	...	159	142
Operating Lease costs	...	84	81
Advertising and Promotion	...	...	2
Other Supplies and Consumables	136	598	318
Other expenses	...	316	97
<b>Total administered expenses from transactions</b>	<b>65,302</b>	<b>56,992</b>	<b>58,766</b>
<b>Administered net result from transactions (net operating balance)</b>	<b>...</b>	<b>(2,152)</b>	<b>7,751</b>
<b>Total administered comprehensive result</b>	<b>...</b>	<b>(2,152)</b>	<b>7,751</b>
<b>Administered expense by output</b>			
91.580 Government contribution to Tasmanian Symphony Orchestra	1,519	1,519	1,655
91.595 Student-Only Passenger Services	27,207	15,003	14,377
91.598 National Road Transport Commission: Local Government Contribution	1,500	1,500	1,500
91.621 Payments on behalf of Forest Practices Authority	1,503	4,862	4,171
91.624 Conveyance Allowance	1,630	967	1,068
91.625 Pensioner Air Travel Subsidy	10	10	10
91.626 Transport Access Scheme	4,518	5,426	5,964
91.643 Contribution to Marine & Safety Authority	2,613	2,613	1,603
91.660 Monies on behalf of External Bodies	...	452	...
91.739 Private Forests Tasmania	1,583	1,583	1,550
91.750 Tasmanian Icon Program - Tasmanian Symphony Orchestra	500	500	500
91.751 Ten Days on the Island	1,301	1,601	675
91.787 Exporter Assistance	462	...	...

## Output Group – Grants and Subsidies (continued)

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
91.878 Theatre Royal	856	856	359
91.882 Tasmanian Railway Pty Ltd	8,100	8,100	8,100
91.883 West Coast Wilderness Railway	...	...	5,234
91.884 Sustainable Timber Tasmania Community Service Obligation	12,000	12,000	12,000
<b>Total</b>	<b>65,302</b>	<b>56,992</b>	<b>58,766</b>

### Net Assets

Total assets deployed for Output – Grants and Subsidies	701	1,357
Total liabilities incurred for Output – Grants and Subsidies	445	372
<b>Net assets deployed for Output – Grants and Subsidies</b>	<b>256</b>	<b>985</b>

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

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Total administered comprehensive result of Output Groups</b>	<b>...</b>	<b>(2,152)</b>	<b>7,751</b>
<b>Reconciliation to administered net surplus (deficit)</b>			
Administered revenue collections	93,265	93,550	95,978
Transfers to the Consolidated Fund	(93,265)	(93,830)	(94,865)
Other administered transactions (ie unallocated to Output Groups)	...	275	(2,073)
<b>Administered comprehensive result</b>	<b>...</b>	<b>(2,157)</b>	<b>6,791</b>

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

	2019 Actual \$'000	2018 Actual \$'000
<b>Total administered net assets deployed for Output Groups</b>	<b>256</b>	<b>985</b>
<b>Reconciliation to administered net assets</b>		
Assets unallocated to Output Groups	9,118	9,954
Liabilities unallocated to Output Groups	(3,470)	(2,878)
<b>Administered net assets</b>	<b>5,904</b>	<b>8,061</b>

## Note 3: Expenditure under Australian Government Funding Arrangements

	State Funds 2019 Actual \$'000	Australian Government Funds 2019 Actual \$'000	State Funds 2018 Actual \$'000	Australian Government Funds 2018 Actual \$'000
<b>National Partnership Payments</b>				
<i>Infrastructure</i>				
Black Spot Projects	653	1,179	177	2,267
West Coast Wilderness Railway	...	...	4,500	734
Nation Building Program- Road	57,502	124,980	37,715	64,896
Interstate Road Transport	...	643	...	...
Regional Infrastructure Fund - Eco Infrastructure Projects	...	...	...	330
Asset Recycling Fund - New Investments	277	27	214	1,294
Roads of Strategic Importance	...	340	...	...
Bridges Renewal Programme	3,746	3,664	500	2,241
Murchison Highway	...	2,261	3,782	951
New Bridgewater Bridge	623	68	...	...
<i>Education</i>				
Building Australia's Workforce Training for Single and Teen Parents	...	698	...	...
<i>Skills and Workforce</i>				
Skilling Australians Fund	...	24	...	...
Building Australia's Future Workforce - Vocational Education	...	5,476	...	6,335
Industry and Indigenous Skills Centre	...	5	...	228
TAFE Fee Waivers for Childcare Qualifications	...	422	...	...
<i>Other</i>				
Tasmanian Forest Contractors Financial Support	...	...	5,130	1,146
Developing Demand Driver Infrastructure for the Tourism Industry	...	85	...	1,676
Regional Tourism Infrastructure and Innovation Fund	...	30	...	992
Tourism Growth Package	...	540	...	357
Western Tasmania Export Corridor Plan	...	59	...	...
<b>Total</b>	<b>62,801</b>	<b>140,501</b>	<b>52,018</b>	<b>83,447</b>

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 - works and services	(a)	154,175	137,643	(16,532)	(11%)
Appropriation revenue - other revenue from Government	(b)	...	12,041	12,041	100%
Sales of goods and services	(c)	4,255	9,761	5,506	129%
Interest revenue	(d)	2,380	1,254	(1,126)	(47%)
Contributions received	(e)	...	48,723	48,723	100%
Other revenue	(f)	1,972	2,848	876	44%
Depreciation and amortisation	(g)	89,055	107,775	18,720	21%
Supplies and consumables	(h)	102,366	118,157	15,791	15%
Finance costs	(i)	1,670	828	(842)	(50%)
Other expenses	(j)	6,078	2,596	(3,482)	(57%)
Net gain/(loss) on non-financial assets	(k)	4	5,603	5,599	100%
Net gain/(loss) on financial instruments and statutory receivables/payables	(l)	...	(1,774)	(1,774)	(100%)
Changes in physical asset revaluation reserve	(m)	149,947	339,559	189,612	126%

#### Notes to Statement of Comprehensive Income variances

(a) Original budget was subsequently revised downwards by cash flowing funding to future years, including Greater Hobart Traffic Solution (-\$1.8M), Launceston and Tamar Valley Traffic Vision (-\$1.8M), Roads Package to Support Tasmania's Visitor Economy (-\$1.7M), Road Upgrades Southern Region (-\$1.8M), Road Upgrades North West and West Coast Regions (-\$2.3M) and Hobart Airport Interchange (-\$2.5M).

(b) Unanticipated (in original budget) appropriation carried forward from 2017-18 under section 8A of the *Public Account Act 1986* \$13.75M, less \$1.7M unexpended and returned to the Consolidated Fund.

(c) Variation reflects unanticipated (in original budget) rental revenue from Technopark and other properties (+\$1.5M), and Abt Railway ticketing and sales revenue (\$4.7M).

(d) Variance reflects diminishing interest earning loan balances. A large proportion of new lending is in Commonwealth funded programs, where interest is paid direct to the Commonwealth.

(e) Variance represents unbudgeted receipts of donations of money and cultural assets to TMAG (\$0.77M), and the transfer of Macquarie - Davey Streets road infrastructure from Hobart City Council (+\$47.9M).

(f) Variance primarily reflects the \$0.9M administrative support fee charged to Tourism Tasmania, which is not included in the original budget.

(g) Variation mainly reflects the change in road infrastructure valuation and depreciation methodology as at 30 June 2018. Changes made include the re-evaluation of road component useful lives, generally increasing useful lives which had the effect of resuming depreciation on previously fully depreciated assets. In addition, a greater proportion of road infrastructure was allocated to surface assets, which have a shorter useful life and therefore has the effect of increasing annual depreciation expense.

(h) Primary variances include \$6.4M increase in infrastructure maintenance expenditure and BassLink legal costs.

(i) Borrowing costs were below budget due to TDR having sufficient cash to fund existing borrowings, allowing the repayment of a \$15M bond loan earlier in the financial year. \$2.3M was borrowed at overnight rates late June 2019.

(j) Original budget was subsequently revised downwards by cash flowing \$3.4M funding for Domain Highway planning to future years.

(k) Variation includes the application of the revaluation increment resulting from revaluation of land under roads (+\$35.8M) to the statement of comprehensive income due to prior year revaluation decrements being written off to the statement of comprehensive income, the write-off of replaced road and bridge assets (-\$8.3M), transfer of road assets to other entities (-\$3.3M), and the transfer of land previously held as rail corridor land to Macquarie Point Development Corporation (-\$18.35M). Refer note 8.1 for details.



(l) Variation reflects the impairment of Screen Tasmania investment in various film productions (\$1.6M) and the impairment of \$0.2M loan assets. Refer note 8.2 for details.

(m) Variance reflects the higher than expected annual indexation revaluation of road infrastructure (+\$234M) and bridges (+\$48.1M), and the review and update of road pavement and surface asset ages, which resulted in decreased average ages and increased asset values (+\$60.2M).

## 4.2 Statement of Financial Position

Budget estimates for the 2018-19 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 2019 actual balances.

	Note	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	58,651	68,594	95,219	9,943	(26,625)
Loan advances	(b)	89,915	71,836	54,328	(18,079)	17,508
Infrastructure	(c)	4,800,918	5,598,086	5,113,095	797,168	484,991
Intangibles	(d)	1,222	...	293	(1,222)	(293)
Payables	(e)	9,097	14,712	10,394	5,615	4,318
Interest bearing liabilities	(f)	84,116	55,832	67,072	(28,284)	(11,240)
Provisions	(g)	2,514	5,301	4,541	2,787	760
Other liabilities	(h)	8,761	19,132	23,928	10,371	(4,796)
Reserves	(i)	2,132,235	2,966,705	2,627,146	834,470	339,559

### Notes to Statement of Financial Position variances

(a) Variance to budget is predominantly unanticipated \$9.3M of appropriation revenue held for carry forward to 2019-20 under section 8A of the *Public Account Act 1986*. Variance to prior year includes, drawdown of \$9.9M of Australian Government funds held for loans to the farm and business sectors, the allocation of \$15.0M TDR funds to repay a Bond loan, and \$2.8M reduction in Abt Railway Ministerial Corporation funds.

(b) Variance to budget reflects lower than anticipated drawdown of approved State funded loan programs, including Agrigrowth Young Farmers (\$10.4M) and Tourist Accommodation Refurbishment Loan Scheme (TARLS) (\$3.0M), and Australian Government funded schemes (\$5.5M).

(c) Variance reflects the higher than expected annual indexation revaluation of road infrastructure (+\$234M) and bridges (+\$48.1M), revaluation of land under roads (+\$35.8M), and the review and update of road pavement and surface asset ages, which resulted in decreased average ages and increased asset values (+\$60.2M).

(d) Variance reflects the full depreciation of the Motor Registry System (MRS) over its 10 year life.

(e) Variance reflects higher than expected accrual of supplier payments after the end of financial year that were for services supplied during 2018-19, \$10.6M to road construction contractors.

(f) Variance reflects unanticipated repayment by TDR of a \$15M Bond loan from cash resources, and original budget anticipation of additional borrowing to fund approved loans that were not immediately drawn down.

(g) Provisions are for compulsory land acquisitions for roadworks purposes. Variance to budget reflects slower than expected settlements of acquisitions made during 2017-18 primarily related to Midland Highway roadworks.

(h) Variance to budget primarily due to unanticipated revenue received in advance for funding carried forward to 2018-19 under s8A of the *Public Account Act 1986* (\$9.3M).

(i) Variance reflects the higher than expected annual indexation revaluation of road infrastructure (+\$234M) and bridges (+\$48.1M), and the review and update of road pavement and surface asset ages, which resulted in decreased average ages and increased asset values (+\$60.2M).

## 4.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - works and services	(a)	64,603	87,115	22,512	35%
Receipts from non-operational capital funding - works and services (investing)	(b)	89,572	55,670	(33,902)	(38%)
Other revenue from Government	(c)	...	(1,714)	(1,714)	(100%)
Grants	(d)	20,829	43,086	22,257	107%
Receipts from Australian Government Funding (investing)	(e)	142,509	114,627	(27,882)	(20%)
Sales of goods and services	(f)	4,260	10,698	6,438	151%
GST receipts/payments (net)	(g)	(1)	(492)	(491)	(100%)
Interest receipts	(h)	2,380	1,183	(1,197)	(50%)
Supplies and consumables	(i)	(102,572)	(114,102)	(11,530)	(11%)
Interest payments	(j)	(1,760)	(1,162)	598	(34%)
Other cash payments	(k)	(6,078)	(1,171)	4,907	81%
Repayment of loans by other entities	(l)	...	10,962	10,962	100%
Loans made to other entities	(m)	(27,884)	(28,610)	(726)	3%
Payments for acquisition of non-financial assets	(n)	(240,115)	(187,183)	(52,932)	(22%)
Payments for investments	(o)	...	(1,627)	(1,627)	(100%)
Proceeds from borrowings	(p)	14,530	9,300	(5,230)	(36%)
Repayment of borrowings	(q)	...	(20,540)	(20,540)	(100%)
Trust receipts/payments (net)	(r)	...	330	330	100%

### Notes to Statement of Cash Flows variances

(a) and (b) Operational and non-operational funding combined were 7% (\$11.4M) below original budget. Original budget was subsequently revised downwards by cash flowing funding to future years, including Greater Hobart Traffic Solution (-\$1.8M), Launceston and Tamar Valley Traffic Vision (-\$1.8M), Roads Package to Support Tasmania's Visitor Economy (-\$1.7M), Road Upgrades Southern Region (-\$1.8M), Road Upgrades North West and West Coast Regions (-\$2.3M) and Hobart Airport Interchange (-\$2.5M).

(c) Unanticipated (in original budget) return of unexpended appropriation carried forward from 2017-18 under section s8A of the *Public Account Act 1986* and returned to the Consolidated Fund.

(d) and (e) Operational grants and Australian Government capital grants combined were 3% (\$5.6M) below original budget. Original budget was subsequently revised down due to re-prioritisation of Commonwealth funded infrastructure projects. Most significant variances to original budget were New Bridgewater Bridge (-\$5.0M), Roads of Strategic Importance (-\$5.0M), Hobart Airport Interchange (-\$19.5M). These were offset by increases to Skills Development (+\$7.2M), Bridge Renewal Program (+\$3.2M), Midland Highway (+\$5.7m), Huon Highway/Summerleas Road (+\$2.4M) and other ongoing Infrastructure projects (+\$7.0M)

(f) Variation reflects unanticipated (in original budget) rental revenue from Technopark and other properties (+\$1.5M), and Abt Railway ticketing and sales revenue (\$4.7M).

(g) Variance reflects timing differences of the receipt of GST refunds over the end of financial years.

(h) Variance reflects diminishing interest earning loan balances. A large proportion of new lending is in Commonwealth funded programs, where interest is paid direct to the Commonwealth.

(i) Primary variances include \$6.4M increase in infrastructure maintenance expenditure and BassLink legal costs.

(j) Borrowing costs were below budget due to TDR having sufficient cash to fund existing borrowings, allowing the repayment of a \$15M bond loan earlier in the financial year. \$2.3M was borrowed at overnight rates late June 2019.

(k) Original budget was subsequently revised downwards by cash flowing \$3.4M funding for Domain Highway planning to future years.

(l) & (m) Budget is set on a net basis and anticipated net outflow of funds through lending. The actual net outflow of funds was \$17.7M, \$10.2M below original budget. Variance reflects lower than forecast drawdown of approved State funded loan programs, including Agrigrowth Young Farmers (\$10.4M) and Tourist Accommodation Refurbishment Loan Scheme (TARLS) (\$3.0M), and higher than anticipated repayment of loans.

(n) Variance reflects re-prioritisation of infrastructure projects, resulting in subsequent downward revision of original budget. New Bridgewater Bridge (-\$5.0M), Roads of Strategic Importance (-\$5.0M), Hobart Airport Interchange (-\$19.5M), Greater Hobart Traffic Solution (-\$1.8M), Launceston and Tamar Valley Traffic Vision (-\$1.8M), Roads Package to Support Tasmania's Visitor Economy (-\$1.7M), Road Upgrades Southern Region (-\$1.8M), Road Upgrades North West and West Coast Regions (-\$2.3M), and Mowbray Connector (-\$6.5M).

(o) Variance reflects Screen Tasmania investments in various film productions.

(p) and (q) Budget is set on a net basis and anticipated net inflow of funds through borrowing. Actual result was a net outflow of funds \$11.2M. Variance reflects unanticipated repayment by TDR of a \$15M Bond loan from cash resources, and original budget anticipation of additional borrowing to fund approved loans that have not yet been drawn down.

(r) Variance reflects unbudgeted movements in monies held in trust, such as Mining Bonds (+\$0.4M).

## Note 5: Underlying net operating balance

Non-operational capital funding is the income from transactions relating to funding for capital projects and equity contributions to Tasmanian Railway. 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	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Net result from transactions (net operating balance)</b>		<b>148,229</b>	<b>132,190</b>	<b>23,694</b>
<i>Less impact of Non-operational capital funding</i>				
Revenue from Government – recurrent		1,116	1,157	...
Revenue from Government – works and services	6.1	89,572	55,664	51,003
Revenue from Australian Government	6.2	142,509	114,627	57,889
Contributions received	6.6	...	48,009	215
<b>Total</b>		<b>233,197</b>	<b>219,457</b>	<b>109,107</b>
<b>Underlying Net operating balance</b>		<b>(84,968)</b>	<b>(87,267)</b>	<b>(85,413)</b>

## 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* 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.

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Appropriation revenue – recurrent</b>			
Continuing operations	328,798	302,910	292,756
Non–operational capital funding	1,116	1,157	...
Less: Revenue received in advance	...	(4,149)	(4,340)
<b>Appropriation revenue – recurrent</b>	<b>329,914</b>	<b>299,918</b>	<b>288,416</b>
<b>Appropriation revenue – works and services</b>			
Continuing operations	64,603	87,121	68,197
Non–operational capital funding	89,572	55,664	51,003
Less: Revenue received in advance	...	(5,142)	(9,416)
<b>Appropriation revenue – works and services</b>	<b>154,175</b>	<b>137,643</b>	<b>109,784</b>
<b>Other revenue from Government</b>			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year:			
Recurrent	...	4,340	7,404
Works and services	...	9,416	1,710
Unexpended from prior year – returned	...	(1,714)	(255)
<b>Other revenue from Government</b>	<b>...</b>	<b>12,042</b>	<b>8,859</b>
<b>Total revenue from Government</b>	<b>484,089</b>	<b>449,603</b>	<b>407,059</b>

## 6.2 Grants

Grants payable by the Australian Government are recognised as revenue when the Department gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

	2019 \$'000	2018 \$'000
<b>Continuing operations</b>		
Grants from the Australian Government	9,105	8,804
Grants from the Tasmanian Government	3,296	12,061
Industry contributions	1,881	2,630
<b>Total</b>	<b>14,282</b>	<b>23,495</b>
<b>Non-operational capital funding</b>		
Grants from the Australian Government	135,694	68,199
Grants from the Tasmanian Government	7,290	7
<b>Total</b>	<b>142,984</b>	<b>68,206</b>
<b>Total revenue from Grants</b>	<b>157,266</b>	<b>91,701</b>

## 6.3 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 in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

	2019 \$'000	2018 \$'000
Goods	1,465	1,823
Services	1,087	2,853
Abt Railway ticketing sales and retail revenue	4,786	4,677
Rental revenue	2,423	1,883
<b>Total</b>	<b>9,761</b>	<b>11,236</b>

## 6.4 Fees and fines

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

	2019 \$'000	2018 \$'000
Road Safety Levy	14,573	13,989
Other	546	168
<b>Total</b>	<b>15,119</b>	<b>14,157</b>

## 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.

	2019	2018
	\$'000	\$'000
Interest – loan advances	1,254	1,237
<b>Total</b>	<b>1,254</b>	<b>1,237</b>

## 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.

	2019	2018
	\$'000	\$'000
Fair value of additions to TMAG Collections at no cost	55	215
Road Safety campaign contributions	...	55
Training Award contributions/sponsorships	...	62
TMAG Trustees contribution	...	3,439
Roads transferred from Hobart City Council	7,417	...
Land under Roads transferred from Hobart City Council	40,537	...
Other contributions and sponsorship received	714	875
<b>Total</b>	<b>48,723</b>	<b>4,646</b>

During 2017-18 TMAG became a Statutory Authority, resulting in the consolidation of assets that were previously held by the Trustees outside the State Growth consolidated entity.

## 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*, and rural properties.

	2019	2018
	\$'000	\$'000
Administrative support charge – Tourism Tasmania	932	1,000
Administrative support charge – Macquarie Point Development Corporation	131	...
Recoveries and contributions received	1,320	957
Miscellaneous revenue	464	540
<b>Total</b>	<b>2,847</b>	<b>2,497</b>

## Note 7: 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.

### 7.1 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

	2019	2018
	\$'000	\$'000
Wages and salaries	47,934	45,746
Annual leave	4,727	4,945
Long service leave	1,095	1,705
Superannuation	8,238	6,769
Other post-employment benefits	2,033	1,088
Other employee expenses	2,641	2,307
Other employee benefits – Fringe Benefits Tax	398	399
<b>Total</b>	<b>67,066</b>	<b>62,959</b>

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 (2018: 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 (2018: 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 (2018: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key management personnel

2019	Short-term benefits		Long-term benefits			Total \$'000
	Salary	Other Benefits	Super-annuation	Other Benefits & Long-Service Leave	Termination Benefits	
	\$'000	\$'000	\$'000	\$'000	\$'000	
<i>Key management personnel</i>						
<b>Office of the Coordinator-General:</b>						
John Perry, Coordinator-General	411	11	40	22	...	484
<b>Department of State Growth:</b>						
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 and Tourism Industry Development	201	27	20	8	...	256
Allan Garcia, Chief Executive Officer Infrastructure Tasmania	275	24	26	(1)	...	324
<b>Total</b>	<b>1,894</b>	<b>153</b>	<b>221</b>	<b>7</b>	<b>...</b>	<b>2,275</b>

2018	Short-term benefits		Long-term benefits			Total \$'000
	Salary	Other Benefits	Super-annuation	Other Benefits & Long-Service Leave	Termination Benefits	
	\$'000	\$'000	\$'000	\$'000	\$'000	
<i>Key management personnel</i>						
<b>Office of the Coordinator-General:</b>						
John Perry, Coordinator-General	403	15	39	13	...	470
<b>Department of State Growth:</b>						
Kim Evans, Secretary	343	40	51	(12)	...	422
Bob Rutherford, Deputy Secretary Industry and Business Growth	254	2	38	4	...	298
Gary Swain, Deputy Secretary Transport Services	203	35	19	(8)	...	249
Amanda Russell, Deputy Secretary Business Services	193	29	24	(3)	...	243
Jacqui Allen, Deputy Secretary Cultural & Tourism Industry Development	198	20	19	5	...	242
Allan Garcia, Chief Executive Officer Infrastructure Tasmania	269	43	26	9	...	347
<b>Total</b>	<b>1,863</b>	<b>184</b>	<b>216</b>	<b>8</b>	<b>...</b>	<b>2,271</b>

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 2018-19 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.

## 7.2 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
<b>Road Infrastructure:</b>			
Earthworks	Unlimited	Nil	NA
Pavement – 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
<b>Bridge Infrastructure:</b>			
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
<b>Traffic Signal Installations: (Residual value 10% applies to all traffic signals assets)</b>			
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
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 is estimated at 10 years.

#### (a) Depreciation

	2019 \$'000	2018 \$'000
Plant and equipment	722	651
Marine vessels and equipment	407	426
Traffic signal installations	704	693
Buildings	719	698
Aerodromes	...	1
Road infrastructure	70,553	57,262
Bridges	33,350	30,348
Other infrastructure	893	885
<b>Total</b>	<b>107,348</b>	<b>90,964</b>

## (b) Amortisation

	2019	2018
	\$'000	\$'000
Intangibles	293	1,750
Leasehold improvements	134	152
<b>Total</b>	<b>427</b>	<b>1,902</b>
<b>Total depreciation and amortisation</b>	<b>107,775</b>	<b>92,866</b>

## 7.3 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.

	2019	2018
	\$'000	\$'000
Audit fees – financial audit	269	211
Audit fees – internal audit	76	89
Operating lease costs	4,483	4,210
Consultants	4,512	3,857
Property services	2,575	2,668
Maintenance	72,342	62,141
Communications	2,463	2,540
Information technology	6,293	5,445
Travel and transport	3,426	2,956
Advertising and promotion	4,356	3,530
Legal expenses	4,693	...
Contractor payments (non-roadworks)	5,166	5,428
Other supplies and consumables	7,503	7,972
<b>Total</b>	<b>118,157</b>	<b>101,047</b>

## 7.4 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.

	2019	2018
	\$'000	\$'000
Academy of Creative Industries and Performing Arts	4,000	9,075
Advanced Manufacturing Action Plan	275	384
AFL Agreement - Hawthorn Football Club	4,966	3,885
Arts Grants	3,759	3,825
Australian Masters Games	...	91
Biomar	...	2,300
Brand Tasmania	...	400
Bushfire disruption to Business Grants	2,309	...
Business and Industry Assistance	2,799	2,765
Business & Jobs Attraction and Population Growth Initiative - other	616	541
Business Enterprise Centres	829	851
CCAMLR	188	184
City Deal Launceston	4,705	...
Great Customer Experience	700	...
Community Infrastructure Fund	1,152	6,489
Copper Mines of Tasmania	...	5,578
Creative Industry Policy	...	48
Carlton And United Breweries	1,000	...
Cycle Tourism Fund	2,178	970
Energy Policy and contributions	102	798
Enterprise development	321	297
Enterprise Hubs	250	278
Supporting EV Charging Partnerships	250	...
Former Devonport Maternity Hospital	...	918
Flinders And Cape Barren Island – communications upgrade	350	...
Global Education Strategy	130	190
Grants to Councils - road works	14,438	10,237
Greater Circular Head Enterprise Growth Program	15	1,145
Growing the Visitor Economy	321	455
Hospitality Industry Policy	...	300
Hobart to Strahan Air Service	73	...
Kings Meadows Flood Protection	...	1,000
Learner Driver Mentoring program	1,045	691
Latrobe Flood Mitigation	1,000	...
Launceston Northbank	675	...
Major events	10,800	8,479
Menzies ICON	500	500
Museums and Art Galleries	2,143	1,463

Mining Exploration Grants Program	65	...
Regional Events Startup Program	40	58
Regional Revival Fund	...	900
Regional Tourism Infrastructure & Innovation Fund	30	992
Regional Tourism Organisations	230	230
Road Safety Grants	1,148	1,006
Screen Grants	392	228
Tamar River Dredging	330	322
Tasmanian Demand Driver Infrastructure Program	85	1,676
Tasmanian Innovation, ICT & Science Agenda	55	210
Tasmanian Polar Network	25	25
Tasmanian Hospitality Association	575	245
Tourism Growth Package	...	95
UXC Support	264	648
Vodafone	(200)	(40)
West Coast - Tourism Infrastructure	...	400
Other contributions	483	852
Other grants	305	636
<b>Total grants</b>	<b>65,716</b>	<b>72,620</b>

#### Subsidies

Apprentice and trainee subsidies	2,869	1,857
Metropolitan and general access regular passenger transport services	40,169	38,241
Non-Metropolitan and general access regular passenger transport services	14,605	13,279
Rural and special needs school bus services	18,861	19,404
Shipping and ferry subsidies	1,639	814
Vocational Education Training (VET) delivery	112,102	102,318
<b>Total subsidies</b>	<b>190,245</b>	<b>175,913</b>

<b>Total grants and subsidies</b>	<b>255,961</b>	<b>248,533</b>
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## 7.5 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;
- » unwinding of discounting of provisions;
- » amortisation of discounts or premiums related to borrowings;
- » amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- » finance lease charges.

	2019	2018
	\$'000	\$'000
<b>Interest expense</b>		
Interest on loans	811	1,075
<b>Total</b>	<b>811</b>	<b>1,075</b>
<b>Other finance costs</b>		
Penalty interest on late payments to creditors	17	19
<b>Total</b>	<b>17</b>	<b>19</b>
<b>Total finance costs</b>	<b>828</b>	<b>1,094</b>

## 7.6 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.

	2019	2018
	\$'000	\$'000
Workers compensation	513	405
Other employee expenses (including training/development, OH&S, recruitment)	1,277	878
Miscellaneous expenses	806	1,057
<b>Total</b>	<b>2,596</b>	<b>2,340</b>

## Note 8: Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

### 8.1 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

All impairment losses are recognised in Statement of Comprehensive Income.

In respect of other assets, 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.

	2019 \$'000	2018 \$'000
Revaluation increment Land under Roads applied to statement of comprehensive income	35,864	...
Write off of replaced road assets	(8,085)	(8,960)
Write off of replaced bridge assets	(226)	(180)
Roads transferred to Central Coast Council	...	(7,200)
Land under roads transferred to Central Coast Council	...	(3,675)
Bridges transferred to Central Coast Council	...	(746)
Roads transferred to Hydro	...	(336)
Land under roads transferred to Meander Valley Council	...	(3)
Land under roads transferred to Hydro	...	(2)
Roads transferred to Launceston City Council	(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)	(203)
Write off of traffic signals replaced/upgraded	(196)	(365)
Net loss on disposal of Leasehold Improvements on vacation of 22 Elizabeth Street Hobart premises	...	(953)
	<b>5,603</b>	<b>(22,623)</b>

## 8.2 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, in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in the Statement of Comprehensive Income and Schedule of Administered Income and Expenses.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

	2019 \$'000	2018 \$'000
Impairment reversals/(losses) of:		
Loans advances	(183)	67
Equity investments	(1,570)	(1,122)
Statutory receivables	...	22
Impairment of Statutory receivables	...	2
Loan advances written off during the year	...	(67)
Receivables written off during the year	(21)	(22)
<b>Total net gain/(loss) on financial instruments</b>	<b>(1,774)</b>	<b>(1,120)</b>



## 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 recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

	2019 \$'000	2018 \$'000
Receivables	7,230	6,413
Less: Provision for impairment	...	(25)
Less: Expected credit loss	(36)	...
<b>Total</b>	<b>7,194</b>	<b>6,388</b>
Sales of goods and services (inclusive of GST)	159	223
Fees and fines (inclusive of GST)	100	645
Tax assets	5,589	4,675
Other receivables(inclusive of GST)	1,346	845
<b>Total</b>	<b>7,194</b>	<b>6,388</b>
Settled within 12 months	7,096	6,290
Settled in more than 12 months	98	98
<b>Total</b>	<b>7,194</b>	<b>6,388</b>

	2019 \$'000
<b>Reconciliation of movement in expected credit loss for receivables</b>	
Carrying amount at 30 June 2018 under AASB 139	(25)
Amounts restated through Accumulated Funds	(11)
<b>Carrying amount at 1 July under AASB 9</b>	<b>(36)</b>
Amounts written off during the year	...
Amounts recovered during the year	...
Increase/(decrease) in provision recognised in profit or loss	...
<b>Carrying amount at 30 June</b>	<b>(36)</b>

	2018 \$'000
<b>Reconciliation of movement in expected credit loss for receivables</b>	
Carrying amount at 1 July	(50)
Amounts written off during the year	22
Amounts recovered during the year	3
Increase/(decrease) in provision recognised in profit or loss	...
<b>Carrying amount at 30 June</b>	<b>(25)</b>

## 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. Loan advances that are known to be uncollectable are written off. Loan advances include financial assistance provided by the government to the private sector in the form of loans.

	2019 \$'000	2018 \$'000
Renewable Energy Loan Scheme	26	104
Section 35 Loans Administered by TDR	...	5,234
<i>Tasmanian Development Act 1983</i>	2,526	2,522
<i>Fire Damage Relief Act 1967</i>	18	19
Farm Finance Loan Scheme	8,541	10,922
Agrigrowth Loan Program	13,231	8,628
Drought Relief Loans	304	304
Pacific Oyster Mortality Syndrome	726	1,504
Drought Dairy Recovery Concessional Program & Drought Recovery – NON DEBT	3,110	2,108
Flood Recovery Rural	1,351	1,093
Flood Recovery Small Business	160	200
Farm Business Concessional Loan scheme - Dairy Recovery & Drought Assistance	21,637	17,435
Tourism Accommodation Refurbishment Loan Scheme	2,179	651
Farm Business Concessional Loan scheme - Dairy Recovery - JUL 2017 & Drought Assistance - JUL 2017	10,778	1,748
Heritage Renewal Loan Scheme	605	...
Agrigrowth Loan Scheme - Young Farmers	4,983	...
Screen Tasmania Loans	230	230
Arts Loans	1,099	1,102
No Interest Loan Scheme	815	824
Less: Provision for impairment	(483)	(300)
<b>Total</b>	<b>71,836</b>	<b>54,328</b>
Settled within 12 months	9,010	5,964
Settled in more than 12 months	62,826	48,364
<b>Total</b>	<b>71,836</b>	<b>54,328</b>

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 TDR) has the power to provide loans to clients that assist in the development and expansion of the Tasmanian economy. Generally, these loans are provided on the basis of commercial terms, conditions, interest rates and security.

	2019 \$'000	2018 \$'000
Reconciliation of movement in provision for impairment of other financial assets		
<b>Carrying amount at 1 July</b>	<b>300</b>	<b>367</b>
Increase/(decrease) in provision recognised in net result	183	(67)
<b>Carrying amount at 30 June</b>	<b>483</b>	<b>300</b>

*Tasmanian Development Act 1983* loan advance impaired in previous years relate to J & A Gretschnann. The value of the impairment provision for J & A Gretschnann has been recommended to be increased from \$300,000 to the full value of the loan, \$483,000, given the potential of a mortgagee sale.

### 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.

	2019 \$'000	2018 \$'000
Unlisted equity instruments	14,019	12,450
Less: Provision for impairment	(14,019)	(12,450)
<b>Total</b>	<b>...</b>	<b>...</b>
Settled within 12 months	...	...
Settled in more than 12 months	...	...
<b>Total</b>	<b>...</b>	<b>...</b>
	2019 \$'000	2018 \$'000
Reconciliation of movement in provision for impairment of equity investments		
<b>Carrying amount at 1 July</b>	<b>12,450</b>	<b>11,328</b>
Increase(decrease) in provision recognised in net result	1,569	1,122
<b>Carrying amount at 30 June</b>	<b>14,019</b>	<b>12,450</b>

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.

	2019 \$'000	2018 \$'000
Accrued interest	22	12
Accrued revenue	440	134
<b>Total</b>	<b>462</b>	<b>146</b>
Settled within 12 months	462	146
<b>Total</b>	<b>462</b>	<b>146</b>

## 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.

	2019 \$'000	2018 \$'000
Inventory held for sale – Tasmanian Museum and Art Gallery (TMAG)	164	178
Inventory held for sale – Abt Railway	181	154
<b>Total</b>	<b>345</b>	<b>332</b>
Consumed within 12 months	345	332
<b>Total</b>	<b>345</b>	<b>332</b>

## 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 5 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);
- » 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 of State Growth to benefit from the asset in the pursuit of its objectives and to deny access of others to that benefit.

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## 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

	2019	2018
	\$'000	\$'000
<b>Land holdings</b>		
Land (including land under buildings) Level 2 - at fair value (30 June 2019)	42,336	41,319
Land (including land under buildings) Level 3 - at fair value (30 June 2017)	1,011	975
Rural properties - at fair value (30 June 2019)	1,219	1,422
Rail Corridor land - at fair value (30 June 2019)	53,847	66,568
<b>Total</b>	<b>98,413</b>	<b>110,284</b>
<b>Buildings</b>		
Level 2 - at fair value (30 June 2019)	37,367	37,367
Level 3 - at fair value (30 June 2017)	5,662	4,935
Less: Accumulated depreciation	(3,059)	(2,340)
<b>Total</b>	<b>39,970</b>	<b>39,962</b>
<b>Aerodromes</b>		
At fair value (30 June 2015)	150	150
Less: Accumulated depreciation	(10)	(10)
<b>Total</b>	<b>140</b>	<b>140</b>
<b>Plant and equipment (including computer equipment)</b>		
At cost	8,373	8,109
Less: Accumulated depreciation	(6,060)	(5,939)
	2,313	2,170
Work in progress (at cost)	335	161
<b>Total</b>	<b>2,648</b>	<b>2,331</b>
<b>Marine vessels and equipment</b>		
At fair value (30 June 2017)	3,062	3,131
Less: Accumulated depreciation	(862)	(517)
<b>Total</b>	<b>2,200</b>	<b>2,614</b>
<b>Abt Railway rolling stock</b>		
At fair value (30 June 2017)	4,871	4,770
Less: Accumulated depreciation	(369)	(166)
<b>Total</b>	<b>4,502</b>	<b>4,604</b>
<b>Traffic Signal installations</b>		
At fair value (30 June 2017)	18,106	17,181
Less: Accumulated depreciation	(1,366)	(678)
<b>Total</b>	<b>16,740</b>	<b>16,503</b>
<b>Leasehold improvements</b>		
At cost	1,456	1,456
Less: Accumulated depreciation	(557)	(423)
<b>Total</b>	<b>899</b>	<b>1,033</b>
<b>Artwork</b>		
At fair value (30 June 2014)	288	288
<b>Total</b>	<b>288</b>	<b>288</b>
<b>Heritage and cultural assets</b>		
At fair value (30 June 2016)	408,870	408,706
<b>Total</b>	<b>408,870</b>	<b>408,706</b>
<b>Total property, plant and equipment, artwork, heritage and cultural assets</b>	<b>574,670</b>	<b>586,465</b>

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## Rural properties

Rural properties are valued as at 30 June 2019 at 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 5 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 2014.

## Other properties and buildings

Other land and buildings are valued at either the most recent Valuer-General valuation as available on LIST, or valuations as at 30 June 2014 undertaken by independent valuers Brothers and Newton Opteon. The independent valuations were prepared in accordance with the International Valuation Standards (IVS) 2011 which are endorsed by the Australian Property Institute and in accordance with the International Financial Reporting Standards (IFRS) 13 Fair Value Measurement.

## 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 an independent specialist valuer RHAS Chartered Valuers and Brokers as at 30 June 2015. The valuation was undertaken in accordance with accounting standards for fair value applicable to cultural and heritage collections AASB13 *Fair Value Measurement*. The definition of fair value is defined in AASB13 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.

Heritage and cultural assets were valued by internal review conducted by management and specialist staff as at 30 June 2016. The internal review adopted the 30 June 2015 independent valuation, and added items exceeding the asset capitalisation threshold of \$10,000 that have been added to the collection during subsequent years, at either cost or where an item was acquired at no cost, the cost is its estimated fair value at acquisition.

The most recent 2019 internal review has adopted the 2016 internal valuation, and added items that were acquired for the heritage collection during 2018-19. The value of the added items was determined on a combination of internal acquisition records, specialised knowledge and market information. Some of the internal acquisition records include independent valuations. Where an item was acquired at no cost, the cost is its estimated fair value at acquisition.

## 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 2 \$'000	Total \$'000
<b>2019</b>												
<b>Carrying value at 1 July</b>	<b>41,319</b>	<b>68,965</b>	<b>35,192</b>	<b>4,770</b>	<b>140</b>	<b>2,331</b>	<b>2,614</b>	<b>4,604</b>	<b>16,503</b>	<b>1,033</b>	<b>408,994</b>	<b>586,465</b>
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)	...	(2,717)
<b>Carrying value at 30 June</b>	<b>42,336</b>	<b>56,077</b>	<b>34,657</b>	<b>5,313</b>	<b>140</b>	<b>2,648</b>	<b>2,200</b>	<b>4,502</b>	<b>16,740</b>	<b>899</b>	<b>409,158</b>	<b>574,670</b>
<b>2018</b>												
<b>Carrying value at 1 July</b>	<b>39,491</b>	<b>69,350</b>	<b>35,558</b>	<b>4,870</b>	<b>141</b>	<b>1,963</b>	<b>3,040</b>	<b>4,571</b>	<b>16,834</b>	<b>1,580</b>	<b>408,752</b>	<b>586,150</b>
Additions	1,975	...	167	65	...	886	...	199	727	559	27	4,605
Contributions received	...	...	...	...	...	...	...	...	...	...	215	215
Disposals	(165)	(355)	...	...	...	(33)	...	...	(365)	(954)	...	(1,872)
<i>Gains/losses recognised in other comprehensive income</i>												
Revaluation increments/(decrements)	18	(30)	...	...	...	...	...	...	...	...	...	(12)
Depreciation & amortisation	...	...	(533)	(165)	(1)	(485)	(426)	(166)	(693)	(152)	...	(2,621)
<b>Carrying value at 30 June</b>	<b>41,319</b>	<b>68,965</b>	<b>35,192</b>	<b>4,770</b>	<b>140</b>	<b>2,331</b>	<b>2,614</b>	<b>4,604</b>	<b>16,503</b>	<b>1,033</b>	<b>408,994</b>	<b>586,465</b>



(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	1,219	A – option price in individual contracts	Nil alternatives	Option prices are locked in individual contracts
Land – Rail Corridor – specific purpose/use land	53,847	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)	5,313	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	140	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)	2,200	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	4,502	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	16,740	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

(d) Assets where current use is not the highest and best use

The agency holds vacant land that is specifically acquired for future roadworks. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the purpose for which that asset is currently being used/occupied. The Department considers that the highest and best use for these assets is vacant land in an active market. The fair value of this vacant land reflects its estimated selling price in the principal market.

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## 9.7 Infrastructure

### Revaluations

Assets are revalued at least once in every 5 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 5 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 of State Growth 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 1 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 5 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 5 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 5 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 5 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

	2019 \$'000	2018 \$'000
At fair value (30 June 2018)	5,588,020	5,368,824
Less: Accumulated depreciation	(1,952,007)	(2,010,257)
	<b>3,636,013</b>	<b>3,358,567</b>
Work in progress at cost	212,411	111,984
<b>Total</b>	<b>3,848,424</b>	<b>3,470,551</b>

The most recent revaluation of the Road asset as at 30 June 2018 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

		2019 Level 3 \$'000	2018 Level 3 \$'000
	Notes		
<b>Carrying amount at 1 July</b>		<b>3,470,551</b>	<b>2,696,453</b>
Capital improvements		166,511	107,984
Write-off of replaced road assets	8.1	(8,085)	(8,960)
Transferred to Central Coast Council for Nil consideration	8.1	...	(7,200)
Transferred to Launceston City Council for Nil consideration	8.1	(2,933)	...
Transferred to Sustainable Timber Tasmania for Nil consideration	8.1	(364)	...
Transferred to Hydro for Nil consideration	8.1	...	(336)
Transferred from Hobart City Council for Nil consideration	6.6	7,417	...
Revaluation increments (decrements) – annual indexation	12.1	194,528	739,872
Revaluation increments (decrements) – corrections to seal and pavement ages	12.1	91,352	...
Depreciation expense		(70,553)	(57,262)
<b>Carrying amount at 30 June</b>		<b>3,848,424</b>	<b>3,470,551</b>

## (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	3,848,424	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

	2019 \$'000	2018 \$'000
At fair value(30 June 2019)	233,424	157,024
<b>Total</b>	<b>233,424</b>	<b>157,024</b>

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	2019 Level 3 \$'000	2018 Level 3 \$'000
<b>Carrying amount at 1 July</b>		<b>157,024</b>	<b>160,681</b>
Additions		...	23
Transfer from Hobart City Council (Davey-Macquarie Streets corridor)	6.6	40,536	...
Transfer to Central Coast Council for Nil consideration	8.1	...	(3,675)
Transfer to Meander Valley Council for Nil consideration	8.1	...	(3)
Transfer to Hydro for Nil consideration	8.1	...	(2)
Revaluation increments (decrements)	12.1	35,864	...
<b>Carrying amount at 30 June</b>		<b>233,424</b>	<b>157,024</b>

## (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	233,424	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

	2019 \$'000	2018 \$'000
At fair value (30 June 2018)	2,338,984	2,256,086
Less: Accumulated depreciation	(854,177)	(793,888)
	1,484,807	1,462,198
Work in progress at cost	8,589	...
<b>Total</b>	<b>1,493,396</b>	<b>1,462,198</b>

The latest revaluation of the Bridge assets as at 30 June 2017 was completed by GHD Pty Ltd on a current replacement cost basis. Values are indexed annually between revaluations using the ABS Current Road and Bridge Construction Index Number (ABS 6427.0 Table 17).

## (b) Reconciliation of movements

	Notes	2019 Level 3 \$'000	2018 Level 3 \$'000
<b>Carrying amount at 1 July</b>		<b>1,462,198</b>	<b>1,432,480</b>
Capital improvements		16,724	6,347
Write-off of replaced bridges	8.1	(226)	(180)
Transfer to Central Coast Council for Nil consideration	8.1	...	(746)
Revaluation increments (decrements)	12.1	48,050	54,645
Depreciation expense		(33,350)	(30,348)
<b>Carrying amount at 30 June</b>		<b>1,493,396</b>	<b>1,462,198</b>

## (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
Bridges	1,493,396	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

	2019 \$'000	2018 \$'000
At fair value(30 June 2017)	24,620	24,207
Less: Accumulated depreciation	(1,778)	(885)
<b>Total</b>	<b>22,842</b>	<b>23,322</b>

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

	2019 Level 3 \$'000	2018 Level 3 \$'000
<b>Carrying amount at 1 July</b>	<b>23,322</b>	<b>24,100</b>
Additions	413	107
Depreciation expense	(893)	(885)
<b>Carrying amount at 30 June</b>	<b>22,842</b>	<b>23,322</b>

(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	22,842	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
<b>Total Infrastructure</b>				<b>5,598,086</b>

## 9.8 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

	2019 \$'000	2018 \$'000
<b>Intangibles with a finite useful life (at cost)</b>		
Motor Registry System	17,504	17,504
Other software systems	1,934	1,934
Less: Accumulated amortisation	(19,438)	(19,145)
<b>Total intangibles</b>	<b>...</b>	<b>293</b>

(b) Reconciliation of movements

	2019 \$'000	2018 \$'000
<b>Carrying amount at 1 July</b>	<b>293</b>	<b>2,044</b>
Amortisation expense	(293)	(1,751)
<b>Carrying amount at 30 June</b>	<b>...</b>	<b>293</b>

The above listed Intangible assets are all in-house developed specialised computer software systems. Work in progress represents computer software undergoing internal development that has not yet been released into production.

## 9.9 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

	2019 \$'000	2018 \$'000
Deposit on building	11,000	11,000
Prepayments	1,273	1,737
<b>Total</b>	<b>11,273</b>	<b>12,737</b>
Recovered within 12 months	12,256	12,712
Recovered in more than 12 months	17	25
<b>Total</b>	<b>12,273</b>	<b>12,737</b>

### (b) Reconciliation of movements

	2019 \$'000	2018 \$'000
<b>Carrying amount at 1 July</b>	<b>12,737</b>	<b>12,299</b>
Additions	1,290	1,737
Settled/consumed	(1,754)	(1,299)
<b>Carrying amount at 30 June</b>	<b>12,273</b>	<b>12,737</b>

## 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.

	2019 \$'000	2018 \$'000
Creditors	8,098	7,796
Accrued expenses	6,614	2,598
<b>Total</b>	<b>14,712</b>	<b>10,394</b>
Settled within 12 months	14,712	10,394
Settled in more than 12 months	...	...
<b>Total</b>	<b>14,712</b>	<b>10,394</b>

Settlement is usually made within 30 days.



## 10.2 Interest bearing liabilities

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

	2019 \$'000	2018 \$'000
Loans from the State Government	3,760	4,230
Loans from the Australian Government	49,772	47,842
Loans from Tascorp	2,300	15,000
<b>Total</b>	<b>55,832</b>	<b>67,072</b>

### (b) Maturity schedule

	2019 \$'000	2018 \$'000
One year or less	2,770	470
From one to five years	53,062	66,602
<b>Total</b>	<b>55,832</b>	<b>67,072</b>

During 2018-19 TDR repaid \$2.77 million to the borrowing with the Australian Government relating to unused Farm Finance Loan Scheme funds, \$1 million relating to the Drought Dairy Recovery Concessional Loan Scheme and \$0.5 million relating to the Farm Business Concessional Loan Scheme 2016-17 Program. In addition \$6.20 million was received from the Australian Government relating to the Farm Business Concessional Loan Scheme 2017-18 Program. TDR also repaid \$15 million to Tascorp in September 2018 but borrowed \$2.3 million on 27 June 2019.

## 10.3 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 (eg workers compensation premiums) is recognised and disclosed as part of Payables. On-costs are not classified as an employee benefit.

	2019 \$'000	2018 \$'000
Accrued salaries	691	622
Annual leave	6,146	6,077
Long service leave	13,064	13,389
Other employee provisions	42	7
<b>Total</b>	<b>19,943</b>	<b>20,095</b>
Expected to settle within 12 months	8,364	8,148
Expected to settle in more than 12 months	11,579	11,947
<b>Total</b>	<b>19,943</b>	<b>20,095</b>

## 10.4 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

	2019 \$'000	2018 \$'000
Compulsory acquisition of land for roadworks	5,301	4,541
<b>Total</b>	<b>5,301</b>	<b>4,541</b>
Settled within 12 months	5,301	4,541
Settled in more than 12 months	...	...
<b>Total</b>	<b>5,301</b>	<b>4,541</b>

### (b) Reconciliation of movements in provisions

	2019 \$'000	2018 \$'000
<b>Balance at 1 July</b>	<b>4,541</b>	<b>2,594</b>
Additions/increases	1,345	3,256
Settled acquisitions	(585)	(1,309)
<b>Balance at 30 June</b>	<b>5,301</b>	<b>4,541</b>

## 10.5 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.

	2019 \$'000	2018 \$'000
<b>Revenue received in advance</b>		
Appropriation received in advance for carry forward under section 8A of the <i>Public Account Act 1986</i>	9,291	13,756
Other revenue received in advance	186	182
<b>Other liabilities</b>		
Monies held in trust	8,744	8,628
Suspense accounts	718	568
PAYG withholding tax liability over year end	44	651
Employee benefits – on costs	149	143
<b>Total</b>	<b>19,132</b>	<b>23,928</b>
Settled within 12 months	19,045	23,843
Settled in more than 12 months	87	85
<b>Total</b>	<b>19,132</b>	<b>23,928</b>

Monies held in Trust are primarily Mines Deposit Accounts (\$7.0M), which are held by the Department in trust as mine rehabilitation bonds.

## Note II: Commitments and Contingencies

### II.1 Schedule of Commitments

	2019	2018
	\$'000	\$'000
<b>By type</b>		
<i>Capital commitments</i>		
Infrastructure – Roads	196,641	220,327
<b>Total capital commitments</b>	<b>196,641</b>	<b>220,327</b>
<i>Lease Commitments</i>		
Operating leases	66,991	72,901
<b>Total lease commitments</b>	<b>66,991</b>	<b>72,901</b>
<i>Other commitments</i>		
Loan commitments	57,805	49,459
Program/project commitments	534,010	298,577
<b>Total other commitments</b>	<b>591,815</b>	<b>348,036</b>
<b>By maturity</b>		
<i>Capital commitments</i>		
One year or less	66,664	102,455
From one to five years	99,486	106,417
More than five years	30,491	11,455
<b>Total capital commitments</b>	<b>196,641</b>	<b>220,327</b>
<i>Operating lease commitments</i>		
One year or less	4,499	4,836
From one to five years	13,755	13,366
More than five years	48,737	54,699
<b>Total operating lease commitments</b>	<b>66,991</b>	<b>72,901</b>
<i>Other commitments</i>		
One year or less	196,955	201,072
From one to five years	393,895	144,062
More than five years	965	2,903
<b>Total other commitments</b>	<b>591,815</b>	<b>348,036</b>
<b>Total</b>	<b>855,447</b>	<b>641,265</b>

The Department has entered into a number of operating 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.

The Department is prohibited by Treasurer's Instruction 502 Leases from holding finance leases.

Lease income from operating 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.

	2019 \$'000	2018 \$'000
<b>Quantifiable Contingent Liabilities</b>		
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
Tasmania Development and Resources (TDR) has committed to a \$12.0 million State guarantee for the ANZ Bank funding associated with the client's construction of the Silo Hotel complex at the North Bank Precinct in Launceston. The guarantee was extinguished in early 2018-19 upon completion of the Hotel.	...	11,574
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
<b>Total quantifiable contingent liabilities</b>	<b>28,500</b>	<b>40,074</b>

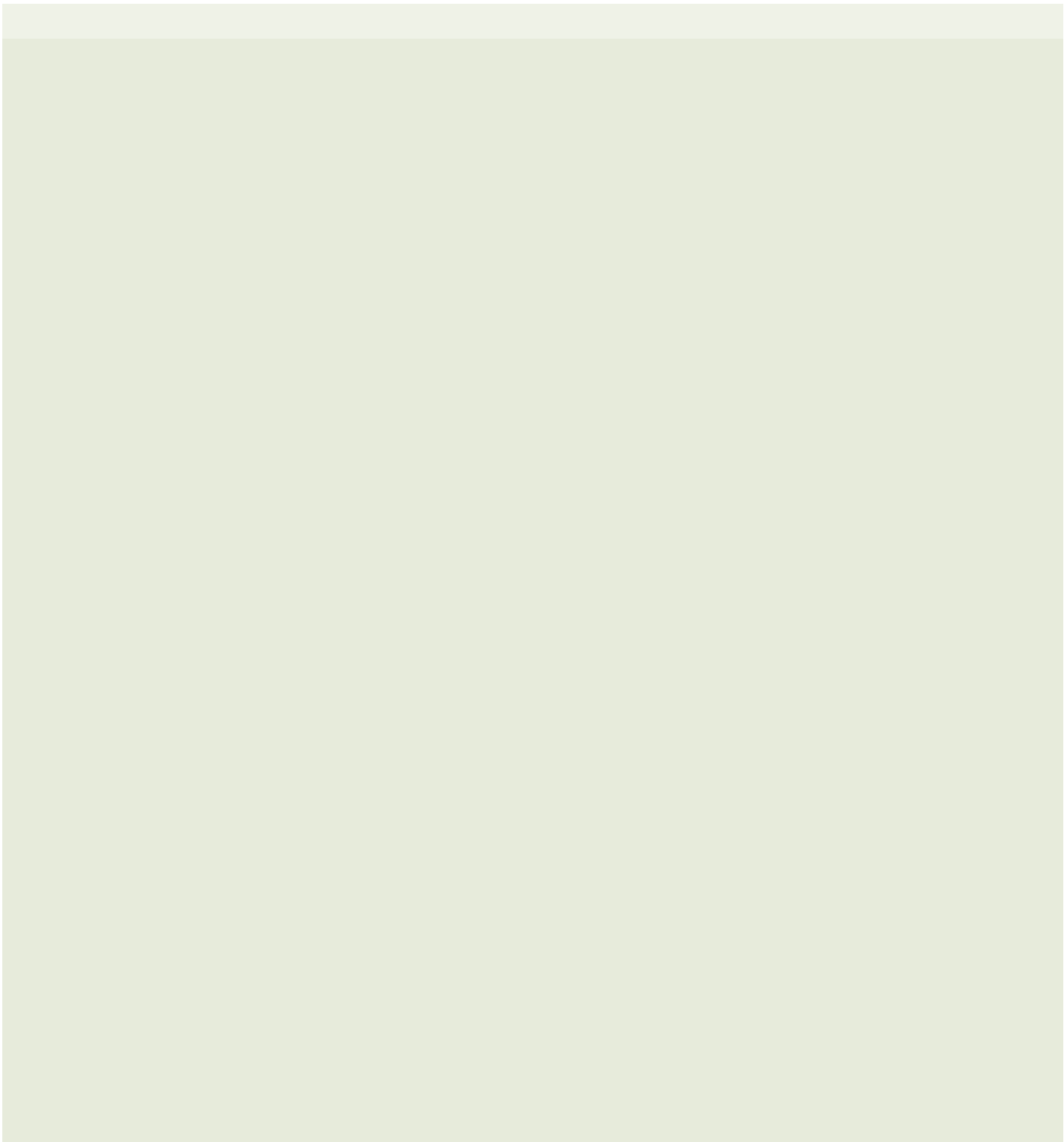
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**(b) Unquantifiable Contingencies**

At 30 June 2019 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

2019	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	16,137	7,478	710	5,907	8,672	1,789,931	730,795	8,977	17	44,647	2,627,146
Balance at 1 July												
Net movement 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
2018												
Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	13,857	16,167	7,478	710	5,907	8,672	1,050,059	676,150	8,977	17	44,647	1,832,641
Net Movements through restructuring	...	...	...	...	...	...	...	...	...	...	...	...
Revaluation increments/(decrements)	18	(30)	...	...	...	...	739,872	54,645	...	...	...	794,505
Impairment losses	...	...	...	...	...	...	...	...	...	...	...	...
Reversals of impairment losses	...	...	...	...	...	...	...	...	...	...	...	...
Balance at 30 June	13,875	16,137	7,478	710	5,907	8,672	1,789,931	730,795	8,977	17	44,647	2,627,146

(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.

	2019	2018
	\$'000	\$'000
<b>Special Deposits and Trust Fund balance:</b>		
T466 Mines deposit account	7,320	6,956
T524 State Growth Operating account	47,161	71,538
T636 Princes Wharf No 1 management account	...	...
T661 Traffic Management operating account	102	69
T790 Government Guarantees Reserve account	1,438	1,398
T796 Abt Railway account	686	846
T801 Taxi Industry administration account	424	344
T941 Fire Relief account	4	3
T797 Intelligent Island Project account	38	37
<b>Total</b>	<b>57,173</b>	<b>81,191</b>
<b>Other cash held:</b>		
Commonwealth Bank account – Queenstown (Abt Railway)	8,131	10,773
Commonwealth Bank account – Tasmanian Museum and Art Gallery	3,275	3,240
Petty cash	15	15
<b>Total</b>	<b>11,421</b>	<b>14,028</b>
<b>Total cash and deposits</b>	<b>68,594</b>	<b>95,219</b>
Restricted use cash and deposits	8,955	18,244
Unrestricted use cash and deposits	59,639	76,975
<b>Total cash and deposits</b>	<b>68,594</b>	<b>95,219</b>

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 (\$3.24M).

The Commonwealth Government provides funding for various loan programs. Funds provided for this purpose may only be used for the purpose specified in the funding agreements, with unused and repaid funds returned to the Commonwealth (\$5.71M).



## 13.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2019	2018
	\$'000	\$'000
<b>Net result from transactions</b>	<b>132,190</b>	<b>23,694</b>
Depreciation and amortisation	107,775	92,866
Changes in accounting estimates	(11)	(1,039)
Decrease (increase) in Receivables	(806)	245
Decrease (increase) in Prepayments	464	(459)
Increase (decrease) in Employee entitlements	(152)	880
Increase (decrease) in Payables	4,318	1,533
Increase (decrease) in Provisions & Other liabilities	(4,844)	5,108
Impairment adjustments	(183)	67
Less: contributions received	(48,009)	(368)
Less: non-operational capital funding – recurrent appropriation	(1,247)	(26)
Less: non-operational capital funding - works & services appropriation	(55,670)	(51,043)
Less: non-operational capital funding – Australian Government grants	(114,627)	(57,889)
<b>Net cash from (used by) operating activities</b>	<b>19,198</b>	<b>13,569</b>

## 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.

2019	Borrowings	Monies Held in Trust
	\$'000	\$'000
<b>Balance as at 1 July 2018</b>	<b>67,072</b>	<b>8,628</b>
Trust receipts	...	949
Trust payments	...	(619)
Other movements	...	(214)
Changes from financing cash flows:		...
Cash Receive	9,300	...
Cash Repayments	(20,540)	...
<b>Balance as at 30 June 2019</b>	<b>55,832</b>	<b>8,744</b>

## 13.4 Acquittal of Capital Investment and Special Capital Investment Funds

The Department received Works and Services Appropriation funding and revenues from Special Capital Investment Funds 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

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Capital Investment Program</b>			
<i>National Highway System</i>			
Bass Highway - Biralee to Exton	1,467	26	1,294
Bass Highway - Wynyard	2,300	389	878
Bridge renewal program	490	3,664	...
Bridport Western Access Road	380	...	...
Brooker Highway – Elwick, Goodwood, Howards Roads	...	28	998
Domain Highway planning	3,894	807	...
Grants to Local Government	...	...	8,163
Heavy Vehicle Safety and productivity	820	...	...
Highland Lakes Road	2,500	3,597	1,408
Hobart Airport Roundabout	19,500	...	779
Huon Highway / Summerleas Road	...	2,383	10,621
Infrastructure Development - Continuing Projects	2,776	7,449	114
Infrastructure Maintenance	7,120	7,877	8,233
Midland Highway	95,799	101,475	37,847
Murchison Highway	2,011	2,261	951
New Bridgewater Bridge	5,000	68	...
North East Freight Roads	...	...	29
Road Safety and Traffic Management Works	1,660	1,217	324
Roads of Strategic Importance	10,000	1,812	...
Tasman Ramps	...	108	111
<i>State Funded Projects</i>			
Asset Management	5,663	5,695	5,521
Bass Highway - Biralee to Exton	...	277	...
Bass Highway - Latrobe Safety Improvements	...	...	214
Bass Highway - Wynyard	...	(26)	575
Bridge renewal program	...	3,740	500
Bridge Strengthening on Esk and Tasman Highways	4,100	160	...
Bridge Strengthening/replacement	...	...	(463)
Bridport Western Access Road	...	...	1,000
Brooker, Elwick, Goodwood, Howards Roads	...	4	1
Bruny Island Main Road: The Neck	...	456	3,635
Colebrook Main Road	2,998	3,386	1,814
Community Rd 2 Planning	...	8	61
Domain Highway planning	443	3	441
Environmental Management	585	585	...
Esk Main Road	4,000	3,914	4,131

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
Freight Access Bridge Upgrades	5,350	6,293	3,345
Great Eastern Drive	3,000	3,544	323
Greater Hobart Traffic Vision	3,325	511	...
Highland Lakes Road	...	2,315	3,748
Hobart Airport Interchange	5,500	2,442	1,002
Huon Highway / Summerleas Road	...	(338)	847
Huon Highway - Glendevie	...	443	3,021
Infrastructure Development - Continuing Projects	1,136	349	714
Infrastructure Maintenance	62,730	68,112	61,670
Launceston and Tamar Valley Traffic Vision	2,180	202	...
Launceston Northbank	675	675	...
Midland Highway	4,365	4,549	13,049
Mowbray Connector	6,500	382	395
Murchison Highway	300	(1,566)	3,782
New Bridgewater Bridge	1,000	623	...
North East Freight Roads	...	...	2
Program Management	1,213	1,116	1,171
Real-Time Traffic Congestion Management in Hobart	640	1,106	590
Road Safety and Traffic Management	11,310	6,103	7,831
Roads Package to Support Tasmania's Visitor Economy	7,150	8,112	...
Rokeby Main Road: Stage 2	...	...	4
South East Traffic Solution	1,050	820	...
Strategic Policy and Planning	2,970	2,495	2,090
State Road Upgrades – Southern Region	11,750	11,143	...
State Road Upgrades – Northern Region	4,150	9,113	...
State Roads Upgrades - North West & West Coast Region	4,350	853	...
Tasmanian Journeys	800	...	...
West Coast Roads, Strahan	...	...	59
West Tamar Traffic Solution	1,750	276	...
A Workforce for Now and the Future	50	97	...
<b>Total cash outflows</b>	<b>316,750</b>	<b>281,133</b>	<b>192,821</b>

(b) Classification of cash flows

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

	2019 \$'000	2018 \$'000
<b>Cash outflows</b>		
Other cash payments		
Maintenance	74,610	54,898
Other (overheads, management, systems)	9,306	8,782
Payments for acquisition of assets	197,217	129,141
<b>Total cash outflows</b>	<b>281,133</b>	<b>192,821</b>

## 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)
<b>Financial Assets</b>		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim eg 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	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 (eg 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 2019 and 1 July 2018 (adoption of AASB 9) are as follows.

Expected credit loss analysis of receivables as at 30 June 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 90+ 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	<b>1,641</b>
Expected credit loss (A x B)	...	...	...	...	36	<b>36</b>

Expected credit loss analysis of receivables as at 1 July 2018 (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 90+ days \$'000	Total \$'000
Expected credit loss rate (A)	0.00%	0.05%	0.10%	0.34%	4.34%	
Total gross carrying amount (B)	1,288	97	...	93	260	<b>1,738</b>
Expected credit loss (A x B)	...	...	...	...	12	<b>12</b>

The following table is for comparative purposes only, and represents the age analysis that was published as part of the Department's 2017-18 financial statements under the previous accounting standards.

Analysis of financial assets that are past due at 30 June 2018 but not impaired					
	Not Past due \$'000	Past due > 30 \$'000	Past due > 60 \$'000	Past due > 90 days \$'000	Total \$'000
Receivables	1,477	46	22	193	<b>1,738</b>
Loan advances	54,611	3	3	11	<b>54,628</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)
<b>Financial Liabilities</b>		
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:

## 2019

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	14,712	...	...	...	...	...	14,712	14,712
Interest bearing liabilities	470	2,300	53,062	...	...	...	55,832	55,832
Monies held in Trust	8,744	...	...	...	...	...	8,744	8,744
<b>Total</b>	<b>23,926</b>	<b>2,300</b>	<b>53,062</b>	...	...	...	<b>79,288</b>	<b>79,288</b>

## 2018

Maturity analysis for financial liabilities:								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	10,394	...	...	...	...	...	10,394	10,394
Interest bearing liabilities	470	15,000	11,243	303	...	40,056	67,072	67,072
Monies held in Trust	8,628	...	...	...	...	...	8,628	8,628
<b>Total</b>	<b>19,492</b>	<b>15,000</b>	<b>11,243</b>	<b>303</b>	...	<b>40,056</b>	<b>86,094</b>	<b>86,094</b>

### (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:

	2019	2018
	\$'000	\$'000
<b>Fixed rate instruments</b>		
Financial assets	...	...
Less Financial liabilities	...	(15,000)
<b>Total</b>	...	<b>(15,000)</b>
<b>Variable rate instruments</b>		
Financial assets	75,111	57,568
Financial liabilities	(2,617)	(313)
<b>Total</b>	<b>72,494</b>	<b>57,255</b>

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
<b>30 June 2019</b>				
Cash and deposits	33	(33)	...	...
Loan advances	718	(718)	...	...
Monies held in Trust	(3)	3	...	...
Interest bearing facilities	(23)	23	...	...
<b>Net sensitivity</b>	<b>725</b>	<b>(725)</b>	...	...
<b>30 June 2018</b>				
Cash in Special Deposits and Trust Fund	32	(32)	...	...
Loan advances	543	(543)	...	...
Monies held in Trust	(150)	150	...	...
Interest bearing facilities	(3)	3	...	...
<b>Net sensitivity</b>	<b>423</b>	<b>(423)</b>	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2018.

## 14.2 Categories of Financial Assets and Liabilities

<b>AASB 9 Carrying amount</b>		<b>2019</b>
		<b>\$'000</b>
<b>Financial assets</b>		
Amortised cost		142,035
<b>Total</b>		<b>142,035</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost		70,544
<b>Total</b>		<b>70,544</b>
<b>AASB 139 Carrying amount</b>		<b>2018</b>
		<b>\$'000</b>
<b>Financial assets</b>		
Cash and deposits		95,219
Loans and receivables		56,041
<b>Total</b>		<b>151,260</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost		77,466
<b>Total</b>		<b>77,466</b>

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 Reclassifications of Financial Assets

The Department has not reclassified any financial assets.

### 14.4 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.

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

	Carrying Amount 2019	Net Fair Value 2019	Carrying Amount 2018	Net Fair Value 2018
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash at bank	11,421	11,421	14,028	14,028
Cash in Special Deposits and Trust Fund	57,173	57,173	81,191	81,191
Receivables	7,194	7,194	6,388	6,388
Loan advances	71,836	71,830	54,328	54,322
<b>Total financial assets</b>	<b>147,624</b>	<b>147,618</b>	<b>155,935</b>	<b>155,929</b>
<b>Financial liabilities</b>				
Trade creditors	14,712	14,712	10,394	10,394
Interest bearing facilities	55,832	52,072	67,072	63,173
Other financial liabilities:				
Monies held in Trust	8,744	8,744	8,628	8,628
<b>Total financial liabilities</b>	<b>79,288</b>	<b>75,528</b>	<b>86,094</b>	<b>82,195</b>

### 14.6 Net Fair Values of Financial Assets and Liabilities

2019

	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
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
<b>Total financial assets</b>	<b>68,594</b>	<b>79,024</b>	<b>...</b>	<b>147,618</b>
<b>Financial liabilities</b>				
Trade creditors	...	14,712	...	14,712
Interest bearing facilities	...	52,072	...	52,072
Other financial liabilities:				
Monies held in Trust	...	8,744	...	8,744
<b>Total financial liabilities</b>	<b>...</b>	<b>75,528</b>	<b>...</b>	<b>75,528</b>



## 2018

	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash at bank	14,028	...	...	14,028
Cash in Special Deposits and Trust Fund	81,191	...	...	81,191
Receivables	...	6,388	...	6,388
Loan advances	...	54,322	...	54,322
<b>Total financial assets</b>	<b>95,219</b>	<b>60,710</b>	...	<b>155,929</b>
<b>Financial liabilities</b>				
Trade creditors	...	10,394	...	10,394
Interest bearing facilities	...	63,173	...	63,173
Other financial liabilities:				
Monies held in Trust	...	8,628	...	8,628
<b>Total financial liabilities</b>	...	<b>82,195</b>	...	<b>82,195</b>

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%
The 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 %
Appropriation revenue - recurrent	(i)	64,840	53,166	(11,674)	(18%)
Sales of goods and services	(ii)	5,315	6,064	749	14%
Employee benefits	(iii)	462	2,219	1,757	380%
Supplies and consumables	(iv)	136	2,426	2,290	1684%
Grants and subsidies	(v)	64,704	53,199	(11,505)	(18%)

#### Notes to Schedule of Administered Income and Expenses variances

(i) Variance is predominantly due to student only passenger services subsidies below budget.

(ii) Variance reflects the improved performance of custom vehicle plate (Tasplates) sales (+\$0.5M),

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

(iv) Partly reflects the budget exclusion of Forest Practices Authority expenses funded from revenues (\$1.1M). 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 (+\$1.1M).

(v) Variance is predominantly result of student only passenger services subsidies coming in below original budget, which was subsequently revised down in response to a similar result in the prior year.

## (b) Schedule of Administered Assets and Liabilities

	Note	Budget \$'000	2019 Actual \$'000	2018 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(i)	3,910	7,792	9,509	3,882	1,717
Payables	(ii)	1,173	35	1,134	(1,138)	(1,099)
Other liabilities	(iii)	1,277	3,473	1,777	2,196	1,696

### Notes to Schedule of Administered Assets and Liabilities Variances

(i) Variance predominantly reflects the transfer from State Treasury Finance General of \$6.3M Tasmanian Forests Intergovernmental Agreement funds late 2017-18, which occurred after the original budget was released.

(iii) Variance reflects higher than expected payables for Taxi subsidies over the end of the 2017-18 financial year, which did not occur at the end of 2018-19.

(iv) Variance reflects the holding of Motor Registry third party revenue collections over the end of 2018-19 financial year weekend. Normal holding of one day's collections over end of financial year is approximately \$1.7M, this year being abnormal due to end of year falling on a weekend.

## (c) Schedule of Administered Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - recurrent	(i)	64,840	53,166	(11,674)	(18%)
Sales of goods and services	(ii)	5,315	6,097	782	15%
Employee benefits	(iii)	(462)	(2,191)	(1,729)	374%
Grants and subsidies	(iv)	(64,704)	(53,342)	11,362	(18%)
Other cash payments	(v)	(136)	(2,997)	(2,861)	2104%
Trust receipts	(vi)	...	2,428	2,428	100%
Trust payments	(vii)	...	(1,479)	(1,479)	(100%)

### Notes to Schedule of Administered Cash Flow variances

(i) Variance is predominantly due to Student only passenger services subsidies below budget.

(ii) Variance reflects the improved performance of custom vehicle plate (Tasplates) sales (+\$0.5M),

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

(iv) Variance is predominantly result of student only passenger services subsidies coming in below original budget, which was subsequently revised down in response to a similar result in the prior year.

(v) Partly reflects the budget exclusion of Forest Practices Authority expenses funded from revenues \$1.1M. 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 (+\$1.1M).

(vi) and (vii) Reflects non-budgeted net cash flows of Motor Registry third party revenue collections and other funds held in trust, ie Brand Tasmania Council transferred to Department of Premier and Cabinet.

## 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.

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Continuing operations</b>			
Appropriation revenue – recurrent			
Current year	64,840	53,166	55,327
<b>Total</b>	<b>64,840</b>	<b>53,166</b>	<b>55,327</b>

## 16.3 Administered Grants

	2019 \$'000	2018 \$'000
<b>Continuing operations</b>		
Tasmanian Forestry Agreement	...	1,158
Transfer of Tasmanian Intergovernmental Agreement funds from State Treasury	...	6,276
Grants from other Government Department	500	500
Industry contributions	74	...
<b>Total</b>	<b>574</b>	<b>7,934</b>
<b>Non-operational capital funding</b>		
Grants from the Australian Government	...	734
<b>Total</b>	<b>...</b>	<b>734</b>
<b>Total revenue from grants</b>	<b>574</b>	<b>8,668</b>

## 16.4 Administered State taxation

	2019 \$'000	2018 \$'000
Vehicle Registration Fees	44,874	43,158
<b>Total</b>	<b>44,874</b>	<b>43,158</b>

## 16.5 Administered Sales of goods and services

	2019 \$'000	2018 \$'000
<b>Goods</b>		
Mineral Land Rentals	1,075	1,054
Custom Plates	1,426	955
<b>Services</b>		
MAIB Commission	2,462	2,391
Registration and Licensing	145	112
Forest Practice Plan fees	782	808
Forest Practice consulting fees	101	19
Other	73	129
<b>Total</b>	<b>6,064</b>	<b>5,468</b>

## 16.6 Administered Fees and fines

	2019	2018
	\$'000	\$'000
<b>Regulatory Fees</b>		
Vehicle escorts	238	202
Public Vehicle Licensing	32	21
Fees from Mineral Lands	745	614
Driver Licensing	9,338	9,418
<b>Fines</b>		
Weighbridge	1	1
Other	99	39
<b>Total</b>	<b>10,453</b>	<b>10,295</b>

## 16.7 Administered other revenue

	2019	2018
	\$'000	\$'000
Mineral Royalties	34,366	36,966
Insurance claim recoveries - June 2016 flood event	...	1,047
Heavy Vehicle Motor Tax collection	...	4,085
Other	29	94
<b>Total</b>	<b>34,395</b>	<b>42,192</b>

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

	2019	2018
	\$'000	\$'000
Wages and salaries	1,719	1,527
Annual leave	133	130
Long service leave	24	(9)
Superannuation	227	203
Other employee benefits	116	119
<b>Total</b>	<b>2,219</b>	<b>1,970</b>

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 (2018: 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 (2018: 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 (2018: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

## 16.9 Administered Supplies and consumables

	2019	2018
	\$'000	\$'000
Audit fees – financial audit	3	3
Audit fees – internal audit	7	...
Operating Lease costs	84	81
Consultants	532	358
Property services	24	29
Maintenance	83	2
Communications	22	29
Information technology	67	77
Travel and transport	159	149
Advertising and promotion	42	232
Contractor payments	89	20
Personalised number plate production costs	1,123	784
Other supplies and consumables	191	276
<b>Total</b>	<b>2,426</b>	<b>2,040</b>

## 16.10 Administered Grants and subsidies

	2019	2018
	\$'000	\$'000
<b>Grants</b>		
National Road Transport Commission: Local Government Contribution	1,500	1,500
Private Forests Tasmania	1,583	1,550
Forest Practices Authority		...
Contribution to Marine and Safety Tasmania	2,613	1,603
Tasmanian Railway Pty Ltd	8,100	8,100
West Coast Wilderness Railway	...	5,234
Forest Industry grants	1,520	1,635
Government contribution to the Tasmanian Symphony Orchestra	1,679	1,655
Tasmanian Icon program – Tasmanian Symphony Orchestra	500	500
Ten Days on the Island	1,601	675
Theatre Royal	856	359
Sustainable Timber Tasmania – Community Service Obligation	12,000	12,000
Contributions to National Heavy Vehicle Regulator	...	3,667
<b>Total Grants</b>	<b>31,952</b>	<b>38,478</b>
<b>Subsidies</b>		
Student–Only Passenger Services	15,055	14,413
Conveyance Allowances	967	1,068
Pensioner Air Travel Subsidy	10	10
Transport Access Scheme	5,215	5,431
<b>Total Subsidies</b>	<b>21,247</b>	<b>20,922</b>
<b>Total</b>	<b>53,199</b>	<b>59,400</b>

## 16.11 Administered Other expenses

	2019	2018
	\$'000	\$'000
Workers Compensation	2	1
Miscellaneous expenses	4	40
<b>Total</b>	<b>6</b>	<b>41</b>

## 16.12 Administered Financial Investments

	2019	2018
	\$'000	\$'000
National Australia Bank and Me Bank term deposits	1,750	1,560
<b>Total</b>	<b>1,750</b>	<b>1,560</b>

Settled within 12 months	1,750	1,560
<b>Total</b>	<b>1,750</b>	<b>1,560</b>

## 16.13 Administered Receivables

	2019	2018
	\$'000	\$'000
Receivables	154	139
Less: Provision for impairment	...	(2)
Less: expected credit loss	...	...
<b>Total</b>	<b>154</b>	<b>137</b>

Sales of goods and services (inclusive of GST)	147	83
GST receivable	7	54
<b>Total</b>	<b>154</b>	<b>137</b>

Settled within 12 months	154	137
<b>Total</b>	<b>154</b>	<b>137</b>

Reconciliation of movement in expected credit loss for administered receivables	2019
	\$'000
Carrying amount at 30 June 2018 under AASB 139	2
Increase/(decrease) in provision recognised in profit or loss	(2)
<b>Carrying amount at 1 July under AASB 9</b>	<b>...</b>
Increase/(decrease) in provision recognised in profit or loss	...
<b>Carrying amount at 30 June</b>	<b>...</b>

Reconciliation of movement in provision for impairment of administered receivables		2018
		\$'000
Carrying amount at 1 July		2
Increase/(decrease) in provision recognised in profit or loss		...
<b>Carrying amount at 30 June</b>		<b>2</b>

For ageing analysis of administered financial assets past due but not impaired please refer to note 16.22.

## 16.14 Administered Other financial assets

	2019	2018
	\$'000	\$'000
Accrued revenue	66	68
Accrued interest	30	15
<b>Total</b>	<b>96</b>	<b>83</b>
Settled within 12 months	96	83
<b>Total</b>	<b>96</b>	<b>83</b>

## 16.15 Administered Plant and equipment

### (a) Carrying amount

	2019	2018
	\$'000	\$'000
<b>Plant and equipment</b>		
At cost	15	15
Less: Accumulated depreciation	(3)	(1)
<b>Total plant and equipment</b>	<b>11</b>	<b>14</b>

### (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.

	2019	2018
	\$'000	\$'000
Carrying amount at 1 July	14	...
Additions	...	15
Depreciation expense	(3)	(1)
<b>Carrying amount at 30 June</b>	<b>11</b>	<b>14</b>

## 16.16 Administered Other assets

	2019	2018
	\$'000	\$'000
Prepayments	16	8
<b>Total</b>	<b>16</b>	<b>8</b>
Settled within 12 months	16	8
<b>Total</b>	<b>16</b>	<b>8</b>



## 16.17 Administered Payables

	2019	2018
	\$'000	\$'000
Creditors	14	492
Accrued expenses	21	642
<b>Total</b>	<b>35</b>	<b>1,134</b>
Settled within 12 months	35	1,134
<b>Total</b>	<b>35</b>	<b>1,134</b>

Settlement is usually made within 30 days.

## 16.18 Administered Employee benefits

	2019	2018
	\$'000	\$'000
Accrued salaries	17	15
Annual leave	151	107
Long service leave	239	217
<b>Total</b>	<b>407</b>	<b>339</b>
Settled within 12 months	194	144
Settled in more than 12 months	213	195
<b>Total</b>	<b>407</b>	<b>339</b>

## 16.19 Administered Other liabilities

	2019	2018
	\$'000	\$'000
<b>Other liabilities</b>		
Monies held in trust	3,470	1,760
PAYG withholding tax payable	1	15
Other liabilities	2	2
<b>Total</b>	<b>3,473</b>	<b>1,777</b>
Settled within 12 months	3,473	1,777
<b>Total</b>	<b>3,473</b>	<b>1,777</b>

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

	2019	2018
	\$'000	\$'000
<b>By type</b>		
<i>Lease Commitments</i>		
Operating leases	18	146
<b>Total lease commitments</b>	<b>18</b>	<b>146</b>
<b>By maturity</b>		
<i>Operating lease commitments</i>		
One year or less	18	129
From one to five years	...	17
<b>Total operating lease commitments</b>	<b>18</b>	<b>146</b>
<b>Total</b>	<b>18</b>	<b>146</b>

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.

	2019	2018
	\$'000	\$'000
Special Deposits and Trust Fund balance	7,367	8,884
<b>Total</b>	<b>7,367</b>	<b>8,884</b>
<b>Other cash held</b>		
Tascorp Interest Bearing Deposit	425	625
<b>Total</b>	<b>425</b>	<b>625</b>
<b>Total cash and deposits</b>	<b>7,792</b>	<b>9,509</b>

FPA also holds \$1.75 million (2018 \$1.56 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

	2019 \$'000	2018 \$'000
Net operating result from transactions	(2,157)	6,791
Depreciation and amortisation	3	1
Decrease (increase) in Receivables	(17)	(25)
Decrease (increase) in Other financial assets	(13)	(11)
Decrease (increase) in Other assets	(8)	4
Increase (decrease) in Employee entitlements	68	(47)
Increase (decrease) in Payables	(338)	(39)
Increase (decrease) in Other liabilities	(14)	(732)
<b>Net cash from (used by) operating activities</b>	<b>(2,476)</b>	<b>5,942</b>

## 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)
<b>Financial Assets</b>		
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 2019 and 1 July 2018 (adoption of AASB 9) are as follows.

Expected credit loss analysis of receivables as at 30 June 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 90+ 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)	...	...	...	...	...	...

Expected credit loss analysis of receivables as at 1 July 2018 (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 90+ days \$'000	Total \$'000
Expected credit loss rate (A)	...	...	...	...	22%	2%
Total gross carrying amount (B)	72	...	2	1	9	84
Expected credit loss (A x B)	...	...	...	...	2	2

The following table is for comparative purposes only, and represents the age analysis that was published as part of the Department's 2017-18 financial statements under the previous accounting standards.

Analysis of financial assets that are past due at 30 June 2018 but not impaired					
	Not Past due \$'000	Past due 31 to 60 days \$'000	Past due 61 to 90 days \$'000	Past due over 90 days \$'000	Total \$'000
Receivables	72	2	1	9	84

### (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)
<b>Financial Liabilities</b>		
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:

### 2019

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

## 2018

### Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
<b>Financial liabilities</b>								
Payables	1,134	...	...	...	...	...	1,134	1,134
Monies held in Trust	1,760	...	...	...	...	...	1,760	1,760
<b>Total</b>	<b>2,894</b>	...	...	...	...	...	<b>2,894</b>	<b>2,894</b>

### (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:

	2019 \$'000	2018 \$'000
<b>Fixed rate instruments</b>		
Financial assets	1,750	1,560
Financial liabilities	...	...
<b>Total</b>	<b>1,750</b>	<b>1,560</b>
<b>Variable rate instruments</b>		
Financial assets	425	625
Financial liabilities	...	...
<b>Total</b>	<b>425</b>	<b>625</b>

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
<b>30 June 2019</b>				
Cash and deposits	22	(22)	...	...
<b>Net sensitivity</b>	<b>22</b>	<b>(22)</b>	...	...
<b>30 June 2018</b>				
Cash and deposits	22	(22)	...	...
<b>Net sensitivity</b>	<b>22</b>	<b>(22)</b>	...	...

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2018.

## 16.25 Categories of Administered Financial Assets and Liabilities

AASB 9 Carrying amount		2019
		\$'000
<b>Financial assets</b>		
Amortised cost		9,792
<b>Total</b>		<b>9,792</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost		3,508
<b>Total</b>		<b>3,508</b>
AASB 139 Carrying amount		2018
		\$'000
<b>Financial assets</b>		
Cash and deposits		9,509
		1,560
Receivables and accrued revenue		220
<b>Total</b>		<b>11,289</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost		2,911
<b>Total</b>		<b>2,911</b>

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 Reclassifications of Administered Financial Assets

The Department has not reclassified any financial assets.

## 16.27 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.

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

	Carrying Amount 2019 \$'000	Net Fair Value 2019 \$'000	Carrying Amount 2018 \$'000	Net fair Value 2018 \$'000
<b>Financial assets</b>				
Cash and deposits	7,792	7,792	9,509	9,509
Financial Investments	1,750	1,750	1,560	1,560
Receivables	154	154	137	137
Other financial assets:				
Accrued revenue	96	96	83	83
<b>Total financial assets</b>	<b>9,792</b>	<b>9,792</b>	<b>11,289</b>	<b>11,289</b>
<b>Financial liabilities</b>				
Trade creditors	35	35	1,134	1,134
Other financial liabilities:				
Monies held in Trust	3,470	3,470	1,760	1,760
<b>Total financial liabilities</b>	<b>3,505</b>	<b>3,505</b>	<b>2,894</b>	<b>2,894</b>

## 16.29 Net Fair Values of Administered Financial Assets and Liabilities

2019	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
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
<b>Total financial assets</b>	<b>...</b>	<b>9,542</b>	<b>250</b>	<b>9,792</b>
<b>Financial liabilities</b>				
Trade creditors	...	...	35	35
Other financial liabilities:				
Monies held in Trust	...	3,470	...	3,470
<b>Total financial liabilities</b>	<b>...</b>	<b>3,470</b>	<b>35</b>	<b>3,505</b>

2018	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial assets</b>				
Cash at Tascorp	...	625	...	625
National Australia Bank term deposit	...	1,560	...	1,560
Cash in Special Deposits and Trust Fund	...	8,884	...	8,884
Receivables	...	...	137	137
Other financial assets:				
Accrued revenue and interest	...	...	83	83
<b>Total financial assets</b>	...	<b>11,069</b>	<b>220</b>	<b>11,289</b>
<b>Financial liabilities</b>				
Trade creditors	...	...	1,134	1,134
Other financial liabilities:				
Monies held in Trust	...	1,760	...	1,760
<b>Total financial liabilities</b>	...	<b>1,760</b>	<b>1,134</b>	<b>2,894</b>

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 2017-18 \$'000	Closing balance \$'000
Monies collected on behalf of external bodies through Motor Registrations (refer below),			
Less: Monies collected through Motor Registrations transferred to external bodies	1,042	327,288	
Transferred to external bodies		(324,860)	3,470
Agreement for the Conservation of Albatrosses and Petrels (ACAP)	839	(143)	696
Brand Tasmania Council Incorporated	306	(306)	...
Mine Rehabilitation Bonds	6,956	364	7,320
Pacific National Compensation Fund	63	1	64
Provision for land acquisition	1,084	...	1,084

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

The Public Sector Union Wages Agreement 2018 was registered by the Tasmanian Industrial Commission on 19 August 2019. As part of the terms of this Agreement, departmental employees covered by the Tasmanian State Service Award, are entitled to receive an increase of 2.1 per cent per annum effective from the pay period commencing on 13 December 2018. For those employees on the Engineer's Industrial Agreement the effective pay period is from 4 April 2019.

The Department of State Growth is expecting to pay this retrospective increase in respect of the period from 13 December 2018 to 30 June 2019 by 18 September 2019. The estimated amount of the payment is \$637,000.

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## Note 19: Other Significant Accounting Policies and Judgements

### 19.1 Objectives and Funding

The Department of State Growth was established on 1 July 2014 to strategically pursue jobs, growth and opportunity for Tasmanians. The Department of State Growth 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 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
- » Minister for State Growth
- » Minister for Tourism, Hospitality and Events
- » 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 7 *Financial Instruments: Disclosures* - the objective of this Standard is to require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. The amendments to this Standard have resulted in a reconciliation being required where there is a reclassification of financial assets or liabilities resulting from the adoption of AASB 9. There is no financial impact.
- » AASB 9 *Financial Instruments* - the objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. AASB 9 has replaced accounting for impairment losses with a forward looking expected credit loss approach. The Department has applied AASB 9 on a cumulative basis and has not restated comparative information which was reported under AASB 139. Any differences arising from the adoption of AASB 9 have been recognised directly to equity. The effect of the change in impairment model to that of expected credit loss under AASB 9 is shown below.

	Allowances for impairment under AASB 139 as at 30 June 2018	Re-measurement	Expected credit loss under AASB 9 as at 1 July 2018
Receivables	(25)	(11)	(36)
Loan advances	(300)	...	(300)
Total	(325)	(11)	(336)

AASB 9 introduces new classification and measurement requirements. This has had the following impact on the Department.

	Measurement category		Carrying amount		Difference \$000's
	AASB 139	AASB 9	30 June 2018 \$000's	1 July 2018 \$000's	
	Loans and Receivables	Amortised Cost			
Loans and Receivables			56,041	56,041	...
<b>Total</b>			<b>56,041</b>	<b>56,041</b>	<b>...</b>

The Department does not measure its financial assets at fair value.

The overall effect on equity due to the adoption of AASB 9 is as follows

	Reserves \$000's	Accumulated Funds \$000's	Total Change in Equity \$000's
<b>Closing balance at 30 June 2018</b>			
Re-classification adjustments	...	...	...
Re-measurement impacts	...	...	...
Recognition of AASB 9 expected credit loss	...	(11)	(11)
<b>Opening balance 1 July 2018</b>	<b>...</b>	<b>(11)</b>	<b>(11)</b>

#### (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 15 *Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2015 8 *Amendments to Australian Accounting Standards - Effective Date of AAS 15*, this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it will disclose that fact. The Department has commenced reviewing the financial impact of this standard and at this stage, the initial application of AASB 15 is not expected to significantly impact the department's financial position.
- » 2014 5 *Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 *Revenue from Contracts with Customers*. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard will be applied when AASB 15 is applied. There will be no significant impact for the department.
- » 2016-3 *Amendments to Australian Accounting Standards - Clarifications to AASB 15* - The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to revenue. The impact is enhanced disclosure in relation to revenue. The impact is enhanced disclosure in relation to revenue. There will be no significant impact for the department.
- » AASB 16 *Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The standard will result 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 will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value leases and short-term leases. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. The Department's current operating lease cost is shown at notes 7.3 and 0. In the Statement of Cash Flows, lease payments will be shown as cash flows from financing activities instead of operating activities. Further information on the Department's current operating lease position can be found at notes 11.1 and 16.19. The financial impact will be the recognition of right of use asset (\$29.78 million) and a lease liability (\$30.70 million).
- » AASB 1058 *Income of Not for Profit Entities* - The objective of this Standard is to establish principles for not for profit entities that apply 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. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not for profit entities. The financial impact is expected to be minimal.

- 
- » 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 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.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

Restructures of Outputs within the Department (internal restructures) that do not affect the results shown on the face of the Financial Statements are reflected in the comparatives in the Output Schedules at Note 2.

## 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 Goods and Services Tax, 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 Department of State Growth (the Department), which comprise the statement of financial position as at 30 June 2019 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 2019 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Financial Management and Audit Act 1990* 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* (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.

...1 of 4

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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 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.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p><b>Infrastructure assets</b> <i>Refer to notes 7.2 and 9.6</i></p> <p>The Department's infrastructure assets includes roads, and bridges totalling \$5.12bn as at 30 June 2019 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.</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 its road network. Capital expenditure in 2018–19 totalled \$0.19bn.</p> <p>Capital projects can contain a combination of enhancement and maintenance activity which are not distinct and therefore the allocation of costs between capital and operating expenditure is inherently judgemental.</p>	<ul style="list-style-type: none"> <li>Assessing the scope, expertise and independence of experts involved to assist in the indexation of infrastructure assets.</li> <li>Evaluating the appropriateness of the indexation methodology applied to determine the fair values.</li> <li>Critically assessing assumptions and other key inputs in the valuation model, including corroboration of market related assumptions to external data.</li> <li>Testing, on a sample basis, the mathematical accuracy of the valuation model's calculations.</li> <li>Evaluating management's assessment of the useful lives.</li> <li>Performing substantive analytical procedures on depreciation expenses.</li> <li>Testing, on a sample basis, the allocation of costs between capital and operating expenditure.</li> <li>Testing, on a sample basis, costs capitalised to work in progress to ensure projects will result in useable assets and</li> </ul>

...2 of 4

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
	<p>that assets commissioned are transferred in a timely manner.</p> <ul style="list-style-type: none"> <li>• Testing, on a sample basis, repairs and maintenance transactions to ensure they have been correctly treated.</li> <li>• Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.</li> </ul>

### 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 27 (1) of the *Financial Management and Audit Act 1990*. 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.

...3 of 4

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- 
- 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 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 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**

15 October 2019  
Hobart

...4 of 4

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# Financial Statements

for the year ended 30 June 2019

ABT RAILWAY MINISTERIAL CORPORATION

# Statement of Comprehensive Income for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from Government			
Appropriation revenue – recurrent	1.3(a)(b)	-	5,294
Sales of goods and services	1.3(c), 3.1	4,786	4,677
Other revenue	1.3(d), 3.2	483	246
<b>Total revenue and other income from transactions</b>		<b>5,269</b>	<b>10,217</b>
<b>Expenses from transactions</b>			
Employee benefits	1.4(a)	3,458	3,193
Superannuation	1.4(a)	311	282
Depreciation and amortisation	1.4(b)	1,547	1,467
Supplies and consumables:	1.4(c), 4.1	2,854	2,919
<b>Total expenses from transactions</b>		<b>8,170</b>	<b>7,861</b>
<b>Net result from transactions (net operating balance)</b>		<b>(2,901)</b>	<b>2,356</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	5.1(a), 5.1	-	-
<b>Total other economic flows included in net result</b>		<b>-</b>	<b>-</b>
<b>Net result from continuing operations</b>		<b>(2,901)</b>	<b>2,356</b>
<b>Net result</b>		<b>(2,901)</b>	<b>2,356</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in property, plant and equipment revaluation surplus	9.1	-	3
<b>Total other economic flows included in net result</b>		<b>-</b>	<b>3</b>
<b>Net result from continuing operations</b>		<b>(2,901)</b>	<b>2,359</b>
Net result from discontinued operations		-	-
<b>Net result</b>		<b>(2,901)</b>	<b>2,359</b>

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

## Statement of Financial Position as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000
<b>Assets</b>			
<i>Financial assets</i>			
Cash and deposits	1.6(a), 7.1	8,825	11,625
Receivables	1.6(b)	24	18
Goods & Services Tax		35	10
<i>Non-financial assets</i>			
Prepayments		479	429
Inventory	1.6(c)	180	155
Property, plant and equipment	1.6(d), 5.1	5,984	5,943
Land & Buildings	1.6(d), 5.1	6,325	5,746
Infrastructure	1.6(d), 5.1	22,842	23,322
<b>Total assets</b>		<b>44,695</b>	<b>47,248</b>
<b>Liabilities</b>			
Payables	1.7(a), 6.1	643	335
Income in Advance	6.3	172	168
Employee benefits	1.7(b), 6.2	402	366
<b>Total liabilities</b>		<b>1,217</b>	<b>869</b>
<b>Net assets (liabilities)</b>		<b>43,478</b>	<b>46,379</b>
<b>Equity</b>			
Accumulated funds		30,235	33,136
Reserves		13,243	13,243
<b>Total equity</b>		<b>43,478</b>	<b>46,379</b>

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

## Statement of Cash Flows for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Appropriation revenue – recurrent		-	5,295
Other cash receipts		5,738	5,430
<b>Total cash inflows</b>		<b>5,738</b>	<b>10,725</b>
<b>Cash outflows</b>			
Employee benefits		(3,780)	(3,520)
Supplies and consumables		(3,071)	(3,340)
<b>Total cash outflows</b>		<b>(6,851)</b>	<b>(6,860)</b>
<b>Net cash from operating activities</b>	7.2	<b>(1,113)</b>	<b>3,865</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Payments for acquisition of non-financial assets		(1,687)	(543)
<b>Total cash outflows</b>		<b>(1,687)</b>	<b>(543)</b>
<b>Net cash from / (used by) investing activities</b>		<b>(1,687)</b>	<b>(543)</b>
<b>Net increase / (decrease) in cash and cash equivalents held</b>		<b>(2,800)</b>	<b>3,322</b>
<b>Cash and deposits at the beginning of the reporting period</b>		<b>11,625</b>	<b>8,303</b>
<b>Cash and deposits at the end of the reporting period</b>	7.1	<b>8,825</b>	<b>11,625</b>

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 2019

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
<b>Balance as at 1 July 2018</b>	<b>13,243</b>	<b>33,136</b>	<b>46,379</b>
Net result	-	(2,901)	(2,901)
Other comprehensive income	-	-	-
Total comprehensive result	-	(2,901)	(2,901)
<b>Balance as at 30 June 2019</b>	<b>13,243</b>	<b>30,235</b>	<b>43,478</b>

	Reserves \$'000	Accumulated funds \$'000	Total equity \$'000
<b>Balance as at 1 July 2017</b>	<b>13,240</b>	<b>30,780</b>	<b>44,020</b>
Net result	-	2,356	2,356
Other comprehensive income	3	-	3
Total comprehensive result	3	2,356	2,359
<b>Balance as at 30 June 2018</b>	<b>13,243</b>	<b>33,136</b>	<b>46,379</b>

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

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# Notes to and forming part of the Special Purpose Financial Statements for the year ended 30 June 2019

## 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.

The financial statements were signed by the Delegate of the Minister on 13 August 2019.

### 1.3 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) Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Ministerial Corporation gains control of the appropriated funds. All grants received in 2019 financial year are non capital grants

#### (b) Grants

Grants payable by the Australian Government, State Government or industry are recognised as revenue when the Ministerial Corporation gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant.

Non-reciprocal grants are recognised as revenue when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

#### (c) 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 in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

#### (d) 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.



## 1.4 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 depreciation methods are reviewed annually and adjusted according to the expected rate and/or pattern of consumption, asset condition, and industry best practice.

<i>Asset</i>	<i>Estimated Useful Life (years)</i>	<i>Depreciation Rate (per annum)</i>	<i>Method</i>
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.

## 1.5 Other Economic Flows included in Net Result

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.

---

## 1.6 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.

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).

## 1.7 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.

## 1.8 Changes in Accounting Policies

### (a) 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 15 Revenue from Contracts with Customers - The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount timing an uncertainty of revenue and cashflows arising from a contract with a customer. In accordance with 2016-2017 Amendments to Australian Accounting Standards - Effective Date of AASB 15, for not for profit entities this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. The financial impact of the Standard has been assessed as immaterial.
- » 2014-15 Amendments to Australian Accounting Standards arising from AASB 15 - The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 Revenue from Contracts with Customers. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. The financial impact has been assessed as immaterial.
- » 2016-3 Amendments to Australian Accounting Standards - Clarifications to AASB 15 - The objective of this Standard is to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. This Standard applies to annual periods on or after 1 January 2018. The impact is enhanced disclosure in relation to revenue. The financial impact of the Standard has been assessed as immaterial.
- » AASB 16 Leases - The objective of this Standard is to introduce a single lessee accounting model and require 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. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhance disclosure in relation to leases. The financial impact of the Standard has been assessed as immaterial.
- » AASB 1058 Income of Not-for-Profit Entities - The objective of this Standard is to establish principles for not-for-profit entities that apply 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. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities. The financial impact of the Standard has been assessed as immaterial.

## Note 2: Events after Balance

There have been no events subsequent to balance date which would have a material effect of the Ministerial Corporation's Financial Statements as at 30 June 2019.

## Note 3: Income from transactions

### 3.1 Sales of goods and services

	2019	2018
	\$'000	\$'000
Ticket sales – West Coast Wilderness Railway	3,239	3,395
Café sales	1,330	1,050
Retail sales	217	232
<b>Total</b>	<b>4,786</b>	<b>4,677</b>

### 3.2 Other revenue

	2019	2018
	\$'000	\$'000
Interest Received	288	152
Grant - State Government	60	-
Miscellaneous revenue	136	94
<b>Total</b>	<b>483</b>	<b>246</b>

## Note 4: Expenses from transactions

### 4.1 Supplies and consumables

	2019	2018
	\$'000	\$'000
Advertising and promotion	310	195
Audit	8	9
Communications	33	35
Consultants	55	64
Cost of sales	575	559
Insurance	522	581
IT	33	41
Maintenance	215	231
Motor vehicle running costs	123	98
Other employee costs	76	74
Other supplies and consumables	373	406
Property services	192	167
Rail operations	311	438
Travel and transport	29	21
<b>Total</b>	<b>2,854</b>	<b>2,919</b>

## Note 5: Assets

### 5.1 Infrastructure, property, plant and equipment

(a) Carrying amount

	Notes	2019 \$'000	2018 \$'000
<b>Plant and equipment:</b>			
<b>Plant and equipment (at fair value)</b>			
At fair value		2,914	2,472
Less: Accumulated depreciation		(1,431)	(1,133)
<b>Total</b>	1.6(d)(i)	<b>1,483</b>	<b>1,339</b>
<b>Railway Rolling Stock (at fair value)</b>			
At fair value		4,839	4,770
Less: Accumulated depreciation		(338)	(166)
<b>Total</b>	1.6(d)(i)	<b>4,501</b>	<b>4,604</b>
<b>Total Plant and equipment</b>		<b>5,984</b>	<b>5,943</b>
<b>Land and Buildings:</b>			
<b>Land (at fair value)</b>			
At fair value		1,011	976
<b>Total</b>	1.6(d)(i)	<b>1,011</b>	<b>976</b>
<b>Buildings (at fair value)</b>			
At fair value		5,662	4,935
Less: Accumulated depreciation		(348)	(164)
<b>Total</b>	1.6(d)(i)	<b>5,314</b>	<b>4,770</b>
<b>Total Land and Buildings</b>		<b>6,325</b>	<b>5,746</b>
<b>Abt Railway infrastructure (at fair value)</b>			
At fair value		24,620	24,207
Less: Accumulated depreciation		(1,778)	(885)
<b>Total</b>	1.6(d)(i)	<b>22,842</b>	<b>23,322</b>
<b>Total infrastructure, property, plant and equipment</b>		<b>35,151</b>	<b>35,011</b>

## (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.

2019	Land	Buildings	Railway Rolling Stock	Abt Railway Infras-structure	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying value at 1 July 2018</b>	<b>976</b>	<b>4,770</b>	<b>4,604</b>	<b>23,322</b>	<b>1,339</b>	<b>35,011</b>
Additions	35	727	69	413	442	1,686
Disposals	-	-	-	-	-	-
Depreciation	-	(183)	(172)	(893)	(298)	(1,546)
Revaluation	-	-	-	-	-	-
<b>Carrying value at 30 June 2019</b>	<b>1,011</b>	<b>5,314</b>	<b>4,501</b>	<b>22,842</b>	<b>1,483</b>	<b>35,151</b>

2018	Land	Buildings	Railway Rolling Stock	Abt Railway Infras-structure	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying value at 1 July 2017</b>	<b>976</b>	<b>4,870</b>	<b>4,571</b>	<b>24,100</b>	<b>1,418</b>	<b>35,935</b>
Additions	-	64	199	107	173	543
Disposals	-	-	-	-	-	-
Depreciation	-	(164)	(166)	(885)	(252)	(1,467)
Net transfers	-	-	-	-	-	-
<b>Carrying value at 30 June 2018</b>	<b>976</b>	<b>4,770</b>	<b>4,604</b>	<b>23,322</b>	<b>1,339</b>	<b>35,011</b>

## Note 6: Liabilities

### 6.1 Payables

	2019	2018
	\$'000	\$'000
Creditors	549	271
Payroll Liabilities	93	64
<b>Total</b>	<b>643</b>	<b>335</b>
Settled within 12 months	643	335
<b>Total</b>	<b>643</b>	<b>335</b>

Settlement is usually made within 30 days

## 6.2 Employee benefits

	2019 \$'000	2018 \$'000
Accrued salaries	62	50
Annual leave	211	179
Long service leave	129	137
<b>Total</b>	<b>402</b>	<b>366</b>
Settled within 12 months	368	344
Settled in more than 12 months	35	22
<b>Total</b>	<b>402</b>	<b>366</b>

## 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 income is recognised in the period when the service is provided.

# 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.

	2019 \$'000	2018 \$'000
Special Deposits and Trust Fund balance	686	845
<b>Total Special Deposits and Trust Fund</b>	<b>686</b>	<b>845</b>
<b>Deposits:</b>		
Commonwealth Bank cheque account (Queenstown)	1,132	157
Commonwealth Bank online saver	0	1
Commonwealth Bank term deposit	7,000	10,165
Till Float & Petty Cash (Queenstown)	7	6
<b>Total Deposits</b>	<b>8,139</b>	<b>10,780</b>
<b>Total Cash and deposits</b>	<b>8,825</b>	<b>11,625</b>

## 7.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2019 \$'000	2018 \$'000
Net result		
Non-cash expenses:	(2,901)	2,356
Decrease (Increase) in Stock	(25)	(6)
Depreciation and amortisation	1,547	1,467
Decrease (increase) in Receivables	(31)	43
Decrease (increase) in Prepayments	(50)	89
Increase (decrease) in Employee entitlements	36	14
Increase (decrease) in Payables	308	(110)
Increase (decrease) in Income in Advance	4	10
<b>Net cash from (used by) operating activities</b>	<b>(1,113)</b>	<b>3,864</b>

## Note 8: Commitments and Contingent Liabilities

### 8.1 Schedule of Commitments

	2019 \$'000	2018 \$'000
<b>By type</b>		
Capital commitments		
Plant and Equipment/Buildings	1,336	1,650
Railway Infrastructure	3,000	1,075
<b>Total capital commitments</b>	<b>4,336</b>	<b>2,725</b>
Lease Commitments		
Operating leases	46	90
<b>Total lease commitments</b>	<b>46</b>	<b>90</b>
<b>By maturity</b>		
Capital commitments		
One year or less	4,336	2,725
<b>Total capital commitments</b>	<b>4,336</b>	<b>2,725</b>
Lease commitments		
One year or less	27	44
From one to five years	19	46
<b>Total operating lease commitments</b>	<b>46</b>	<b>90</b>
<b>Total</b>	<b>4,382</b>	<b>2,815</b>



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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 2019.

## Note 9: Reserves

### 9.1 Reserves

2019	Land	Buildings	Infrastructure	Rolling Stock	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Asset revaluation reserve</b>					
<b>Balance at 1 July 2018</b>	-	3,029	8,978	1,236	13,243
Revaluation increments/ (decrements)	-	-	-	-	-
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
<b>Balance at 30 June 2019</b>	-	3,029	8,978	1,236	13,243

2018	Land	Buildings	Infrastructure	Rolling Stock	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2017</b>	-	3,026	8,978	1,236	13,240
Revaluation increments/ (decrements)	-	3	-	-	3
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
<b>Balance at 30 June 2018</b>	-	3,029	8,978	1,236	13,243

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## Certification of Financial Statements for the year ended 30 June 2019

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 2019 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 13 August 2019



## **Independent Auditor's Report**

### **To Members of Parliament**

#### **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 2019 and 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.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Corporation as at 30 June 2019, 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* (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.

...1 of 3

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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.

## **Responsibilities of the Delegate of the Minister for the Financial Report**

The Delegate of the Minister (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 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 have 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.
- 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

...2 of 3

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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.



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

**Tasmanian Audit Office**

16 October 2019  
Hobart

...3 of 3

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