

Financial Statements 2024–25

Department of State Growth



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STATEMENT OF CERTIFICATION

The accompanying Financial Statements of the Department of State Growth are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the year ended 30 June 2025 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.



Craig Limkin

SECRETARY

26 September 2025

Statement of Comprehensive Income for the year ended 30 June 2025

	Notes	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue - operating	6.1	715,624	594,380	506,615
Appropriation revenue - capital	6.1	275,879	211,865	263,322
Appropriation revenue - rollover	6.1	53,075	46,109	43,677
Grants	6.2	410,866	395,216	347,978
Sales of goods and services	6.3	13,898	13,042	10,928
Fees and fines	6.4	17,672	20,829	18,950
Interest	6.5	7,684	6,011	7,306
Contributions received	6.6	...	6,824	91,651
Other revenue	6.7	42,829	12,537	3,062
Total revenue from continuing operations		1,537,527	1,306,813	1,293,489
Net gain/(loss) on non-financial assets	7.1	4	(18,634)	(30,841)
Net gain/(loss) on financial instruments and statutory receivables/payables	7.2	...	(927)	(2,791)
Total income from continuing operations		1,537,531	1,287,252	1,259,857
Expenses from continuing operations				
Employee benefits	8.1	116,547	121,532	102,351
Depreciation and amortisation	8.2	131,153	159,910	153,954
Supplies and consumables	8.3	218,407	178,710	167,562
Grants and subsidies	8.4	700,690	556,699	491,367
Finance costs	8.5	8,371	3,725	2,554
Contribution provided	8.6	...	2,756	...
Other expenses	8.7	1,484	4,755	4,341
Total expenses from continuing operations		1,176,652	1,028,087	922,129
Net result from continuing operations		360,879	259,165	337,728
Net result		360,879	259,165	337,728
Other comprehensive income				
Items that will not be reclassified to net result in subsequent periods				
Changes in physical asset revaluation reserve	12.1	150,835	412,396	373,230
Asset transfer to State entity		...	(49,503)	...
Administrative restructure taken directly to equity	12.2	...	3,275	...
Total other comprehensive income		150,835	366,168	373,230
Comprehensive result		511,714	625,333	710,958

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 2025

		2025	2025	2024
	Notes	Budget	Actual	Actual
		\$'000	\$'000	\$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	13.1	85,283	96,207	58,845
Receivables	9.1	18,490	11,519	13,710
Loan advances	9.2	191,341	144,695	129,628
Equity investments	9.3	...	10,492	...
Other financial assets	9.4	403	6,699	5,498
<i>Non-financial assets</i>				
Inventories	9.5	1,558	4,049	3,811
Property, plant and equipment and artwork	9.6	740,316	868,255	856,862
Right-of-use assets	9.7	2,242	3,801	1,586
Infrastructure	9.8	7,624,019	7,744,311	7,209,160
Intangibles	9.9	701	7,310	2,198
Other assets	9.10	2,348	12,671	12,155
Total assets		8,666,701	8,910,009	8,293,453
Liabilities				
Payables	10.1	33,676	10,364	36,523
Lease liabilities	10.2	2,343	3,441	1,887
Borrowings	10.3	159,432	103,196	90,363
Employee benefits	10.4	29,558	30,847	25,778
Provisions	10.5	7,957	6,891	6,689
Other liabilities	10.6	34,880	39,431	41,706
Total liabilities		267,846	194,170	202,946
Net assets		8,398,855	8,715,839	8,090,507
Equity				
Contributed capital		...	403,438	449,664
Reserves	12.1	3,526,389	4,010,345	3,597,949
Accumulated funds		4,872,466	4,302,056	4,042,894
Total equity		8,398,855	8,715,839	8,090,507

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 2025

		2025	2025	2024
	Notes	Budget	Actual	Actual
		\$'000	\$'000	\$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts - operating		715,624	592,894	505,088
Appropriation receipts - capital		90,874	95,832	113,424
Appropriation receipts - other		53,075	46,109	43,677
Grants		124,446	134,572	85,242
Sales of goods and services		13,903	12,239	14,722
Fees and fines		17,672	20,829	18,950
GST receipts		16,898	86,746	81,063
Interest receipts		7,684	7,818	7,118
Other cash receipts		42,829	11,567	3,969
Total cash inflows		1,083,005	1,008,606	873,253
Cash outflows				
Employee benefits		(116,059)	(117,146)	(102,995)
Grants and subsidies		(700,615)	(556,709)	(486,964)
Supplies and consumables		(218,615)	(205,175)	(172,714)
Interest payments		(8,461)	(3,678)	(3,796)
Contribution provided		...	(2,756)	...
GST payments		(16,899)	(84,123)	(79,834)
Other cash payments		(1,484)	(4,687)	(4,341)
Total cash outflows		(1,062,133)	(974,274)	(850,644)
Net cash from (used by) operating activities	13.2	20,872	34,332	22,609
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		4	...	5,211
Receipts from non-operational capital funding - operating		...	1,486	1,527
Receipts from non-operational capital funding - capital		185,005	116,033	149,898
Receipts from Australian Government funding		286,420	255,756	262,736
Cash inflow on administrative restructure		...	3,656	...
Repayment of loans by other entities		21,449	51,937	43,245
Total cash inflows		492,878	428,868	462,617
Cash outflows				
Payments for acquisition of non-financial assets		(492,953)	(361,885)	(440,413)
Loans made to other entities		(61,795)	(79,077)	(25,064)
Payments for investments		...	...	(4,970)
Total cash outflows		(554,748)	(440,962)	(470,447)
Net cash from (used by) investing activities		(61,870)	(12,094)	(7,830)
Cash flows from financing activities				
Cash inflows				
Proceeds from borrowings		44,159	15,000	3,022

Trust receipts		...	2,884	964
Total cash inflows		44,159	17,884	3,986
Cash outflows				
Repayment of borrowings		(17,253)	(2,214)	(30,512)
Trust payments		...	(546)	(689)
Total cash outflows		(17,253)	(2,760)	(31,201)
Net cash from (used by) financing activities		26,906	15,124	(27,215)
Net increase (decrease) in cash and cash equivalents held		(14,092)	37,362	(12,436)
Cash and deposits at the beginning of the reporting period			58,845	71,281
Cash and deposits at the end of the reporting period	13.1	(14,092)	96,207	58,845

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 2025

	Notes	Contributed Equity	Reserves	Accumulated funds	Total Equity
2025		\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2024		449,664	3,597,949	4,042,893	8,090,506
Net result		...	...	259,165	259,165
Other comprehensive income – revaluation reserve	12.1	...	412,396	...	412,396
Total comprehensive result		...	412,396	259,165	671,561
Administrative restructure - Contributions by owners	12.2	3,275			3,275
Asset Transfer to State entity*		(49,503)			(49,503)
Total		(46,228)	...	...	(46,228)
Balance as at 30 June 2025		403,436	4,010,345	4,302,058	8,715,839

* Transfer of Silverdome assets to Stadiums Tas pursuant to Ministerial order dated 5 May 2025

	Notes	Contributed Equity	Reserves	Accumulated funds	Total Equity
2024		\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2023		449,664	3,224,719	3,705,166	7,379,549
Net result		...	...	337,728	337,728
Other comprehensive income – revaluation reserve	12.1	...	373,230	...	373,230
Total comprehensive result		...	373,230	337,728	710,958
Balance as at 30 June 2024		449,664	3,597,949	4,042,894	8,090,507

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

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Note 1 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.

1.1 Schedule of Administered Income and Expenses

	Notes	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Administered revenue				
Revenue from Government				
Appropriation revenue – operating	16.2	51,513	91,122	35,525
Grants	16.3	...	2,970	...
State taxation	16.4	56,603	59,611	55,469
Sales of goods and services	16.5	5,943	6,602	6,814
Fees and fines	16.6	11,237	10,670	10,296
Other revenue	16.7	50,350	72,370	51,839
Total administered revenue		175,646	243,345	159,943
Net gain/(loss) on financial instruments and statutory receivables/payables			43	(43)
Total administered income		175,646	243,388	159,900
Administered expenses				
Employee benefits	16.8	...	135	84
Supplies and consumables	16.9	136	1,144	1,096
Grants and subsidies	16.10	51,377	89,266	35,492
Transfers to the Public Account		124,133	146,338	122,935
Other expenses	16.11	...	5,058	139
Total administered expenses		175,646	241,941	159,746
Administered net result		...	1,447	154
Administered comprehensive result		...	1,447	154

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

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

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

1.2 Schedule of Administered Assets and Liabilities

		2025	2025	2024
	Notes	Budget	Actual	Actual
		\$'000	\$'000	\$'000
Administered assets				
<i>Administered financial assets</i>				
Cash and deposits	16.18	325	5,207	(2,193)
Receivables	16.12	785	141	824
Other financial Assets	16.13	...	1,177	574
Total administered assets		1,110	6,525	(795)
Administered liabilities				
Payables	16.14	...	608	...
Employee benefits	16.15	...	3	2
Other liabilities	16.16	...	855	(4,409)
Total administered liabilities		...	1,466	(4,407)
Administered net assets		1,110	5,059	3,612
Administered equity				
Contributed capital		...	(4,061)	(4,061)
Accumulated funds		1,110	9,120	7,673
Total administered equity		1,110	5,059	3,612

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

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

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

1.3 Schedule of Administered Changes in Equity

	Contributed Equity	Accumulated surplus / deficit	Total Equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2024	(4,061)	7,673	3,612
Total comprehensive result	...	1,447	1,447
Balance as at 30 June 2025	(4,061)	9,120	5,059

	Contributed Equity	Accumulated surplus / deficit	Total Equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2023	(4,061)	7,519	3,458
Total comprehensive result	...	154	154
Balance as at 30 June 2024	(4,061)	7,673	3,612

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 1 – Industry and Business Growth

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Revenue from appropriation	111,542	95,798	77,511
Other revenue from government	17,126	10,043	18,133
Grants	2,375	6,689	5,521
Sales of goods and services	2,795	2,654	2,201
Interest	7,684	5,785	7,159
Other revenue	2,320	583	664
Total revenue from continuing operation	143,842	121,552	111,189
Net gain/(loss) on disposal of non-financial assets	...	(102)	(66)
Net gain/(loss) on financial assets	...	118	(2,352)
Total income from continuing operations	143,842	121,568	108,771
Expenses from continuing operations			
Employee Entitlements	30,536	26,078	23,515
Depreciation and Amortisation	2,614	809	651
Grants and subsidies	91,357	54,928	58,929
Supplies and Consumables:			
Consultants	2,704	2,311	724
Property Services	1,069	716	717
Maintenance	330	339	346
Communications	343	298	284
Information Technology	1,419	2,219	1,805
Travel and Transport	951	1,601	1,477
Advertising and Promotion	693	1,422	920
Audit Expenses	...	119	124
Operating Lease costs	...	1,903	2,139
Other Supplies and Consumables	2,653	(330)	(2,011)
Borrowing costs	6,055	3,599	2,468
Contributions Provided	...	2,551	...
Other expenses	672	684	659
Total expenses from continuing operations	141,396	99,247	92,747
Net result from continuing operations	2,446	22,321	16,024
Other comprehensive income			
Changes in physical asset revaluation reserve	3,604	...	...
Total other comprehensive income	3,604	...	...
Comprehensive result	6,050	22,321	16,024

	2025	2025	2024
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Expense by output			
1.1 Office of the Coordinator-General	31,853	39,530	3,987
1.2 Industry & Business Development	109,543	59,717	88,760
Total	141,396	99,247	92,747
Net Assets			
Total assets deployed for Output Group		183,250	149,374
Total liabilities incurred for Output Group		111,505	97,274
Net assets deployed for Output Group 1		71,745	52,100

Output Group 2 – Infrastructure and Transport Services

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Revenue from appropriation	63,377	48,386	64,899
Other revenue from government	20,457	20,457	8,120
Revenue from appropriation - capital	...	...	...
Grants	18,637	36,327	16,185
Sales of goods and services	10,273	8,431	6,171
Fees and fines	17,672	20,829	18,950
Interest	...	190	107
Other revenue	23,262	10,396	422
Total revenue from continuing operation	153,678	145,016	114,854
Net gain/(loss) on disposal of non-financial assets	3	(4,225)	(2,591)
Net gain/(loss) on financial assets	...	1	78
Total income from continuing operations	153,681	140,792	112,341
Expenses from continuing operations			
Employee Entitlements	27,372	38,740	30,986
Depreciation and Amortisation	660	4,470	3,075
Grants and subsidies	55,126	37,931	40,108
Supplies and Consumables:			
Consultants	1,304	3,922	4,557
Property Services	931	635	558
Maintenance	9,912	1,403	368
Communications	745	2,469	1,614
Information Technology	28,577	5,365	4,396
Travel and Transport	199	1,283	1,142
Advertising and Promotion	650	2,077	1,703
Audit Expenses	...	133	96
Operating Lease costs	...	2,484	2,174
Other Supplies and Consumables	21,145	18,211	14,362
Borrowing costs	...	61	42
Contributions Provided	...	2	...
Other expenses	457	2,407	2,012
Total expenses from continuing operations	147,078	121,593	107,193
Net result from continuing operations	6,603	19,199	5,148
Other comprehensive income			
Changes in physical asset revaluation reserve	136,211	(243)	66,081
Total other comprehensive income	136,211	(243)	66,081
Comprehensive result	142,814	18,956	71,229
Expense by output			
2.1 Infrastructure Tasmania	58,967	56,908	43,446
2.2 Road User Services	39,551	44,491	38,002
2.3 Passenger Transport	48,560	20,194	25,745
Total	147,078	121,593	107,193

	2025	2025	2024
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Net Assets			
Total assets deployed for Output Group		380,413	365,232
Total liabilities incurred for Output Group		11,897	14,870
Net assets deployed for Output Group		368,516	350,362

Output Group 3 – Skills, Training and Workforce Growth

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Revenue from appropriation	144,843	126,367	139,713
Other revenue from government	1,304	1,304	...
Grants	62,450	49,386	34,683
Sales of goods and services	(158)	128	105
Other revenue	...	99	88
Total revenue from continuing operation	208,439	177,284	174,589
Net gain/(loss) on disposal of non-financial assets	...	(39)	(24)
Net gain/(loss) on financial assets	...	...	27
Total income from continuing operations	208,439	177,245	174,592
Expenses from continuing operations			
Employee Entitlements	6,855	11,033	9,736
Depreciation and Amortisation	...	245	184
Grants and subsidies	199,935	165,026	163,616
Supplies and Consumables:			
Consultants	(16)	234	285
Property Services	805	125	118
Maintenance	43	44	29
Communications	77	107	111
Information Technology	126	843	1,274
Travel and Transport	145	816	803
Advertising and Promotion	36	56	46
Audit Expenses	...	32	34
Operating Lease costs	...	664	751
Other Supplies and Consumables	536	(2,328)	(192)
Borrowing costs	...	22	15
Contributions Provided	...	1	...
Other expenses	118	267	246
Total expenses from continuing operations	208,660	177,187	177,056
Net result from continuing operations	(221)	58	(2,464)
Other comprehensive income			
Other movements taken directly to equity	...	...	...
Total other comprehensive income	...	...	...
Comprehensive result	(221)	58	(2,464)
Expense by output			
3.1 Skills & Workforce Growth	208,660	177,187	177,056
Total	208,660	177,187	177,056
Net Assets			
Total assets deployed for Output Group		840	(465)

	2025	2025	2024
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Total liabilities incurred for Output Group		3,262	2,631
Net assets deployed for Output Group		(2,422)	(3,096)

Output Group 4 – Resources Policy and Regulatory Services

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Revenue from appropriation	14,215	13,481	12,542
Other revenue from government	247	247	626
Grants	1,170	14	...
Sales of goods and services	100	194	220
Other revenue	776	3	99
Total revenue from continuing operation	16,508	13,939	13,487
Net gain/(loss) on disposal of non-financial assets	...	(39)	(1,127)
Net gain/(loss) on financial assets	...	...	27
Total income from continuing operations	16,508	13,900	12,387
Expenses from continuing operations			
Employee Entitlements	7,717	10,342	5,052
Depreciation and Amortisation	352	406	282
Grants and subsidies	6,034	1,143	533
Supplies and Consumables:			
Consultants	(8)	360	532
Property Services	748	264	233
Maintenance	81	243	136
Communications	75	111	104
Information Technology	317	1,084	971
Travel and Transport	96	585	446
Advertising and Promotion	...	76	44
Audit Expenses	1	32	35
Operating Lease costs	...	664	748
Other Supplies and Consumables	1,114	(624)	(1,023)
Borrowing costs	...	22	14
Contributions Provided	...	1	...
Other expenses	13	368	288
Total expenses from continuing operations	16,540	15,077	8,395
Net result from continuing operations	(32)	(1,177)	3,992
Other comprehensive income			
Administrative restructure taken directly to equity	...	3,527	...
Total other comprehensive income	...	3,527	...
Comprehensive result	(32)	2,350	3,992
Expense by output			
4.1 Forestry Policy & Reform	5,286	1,614	...
4.2 Minerals Resources	11,254	13,463	8,395
Total	16,540	15,077	8,395

Net Assets

	2025	2025	2024
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Total assets deployed for Output Group		39,350	33,026
Total liabilities incurred for Output Group		32,713	29,567
Net assets deployed for Output Group		6,637	3,459

Output Group 5 – Cultural and Tourism Development

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Revenue from appropriation	154,614	136,465	69,631
Other revenue from government	3,725	3,725	11,544
Grants	1,400	2,943	2,640
Sales of goods and services	678	1,223	2,027
Contributions Received	...	6,824	1,441
Interest	...	36	40
Other revenue	5,732	1,422	1,274
Total revenue from continuing operation	166,149	152,638	88,597
Net gain/(loss) on disposal of non-financial assets	...	(313)	(22)
Net gain/(loss) on financial assets	...	(1,046)	(571)
Total income from continuing operations	166,149	151,279	88,004
Expenses from continuing operations			
Employee Entitlements	21,687	22,099	19,582
Depreciation and Amortisation	1,979	1,764	1,738
Grants and subsidies	132,108	111,128	71,917
Supplies and Consumables:			
Consultants	977	513	249
Property Services	1,428	1,535	1,479
Maintenance	844	516	927
Communications	312	234	208
Information Technology	264	1,102	925
Travel and Transport	339	572	576
Medical, Surgical and Pharmacy Supplies	6	...	...
Advertising and Promotion	413	438	563
Audit Expenses	12	70	46
Operating Lease costs	10	722	690
Lease costs not subject to AASB 16	35	...	...
Other Supplies and Consumables	7,106	3,713	2,847
Borrowing costs	2,316	21	15
Contributions Provided	...	201	...
Other expenses	156	516	609
Total expenses from continuing operations	169,992	145,144	102,371
Net result from continuing operations	(3,843)	6,135	(14,367)
Other comprehensive income			
Changes in physical asset revaluation reserve	11,020	48,921	44,136
Asset transfer to State entity	...	(49,503)	...
Total other comprehensive income	11,020	(582)	44,136
Comprehensive result	7,177	5,553	29,769
Expense by output			
5.1 Tasmanian Museum & Art Gallery	12,518	16,298	13,387
5.2 Arts Industry Development	12,381	11,011	10,168
5.3 Screen Industry Development	3,307	2,668	2,461
5.4 Events and Hospitality	40,324	33,590	27,646
5.5 Visitor Economy Support	32,824	20,899	14,933
5.6 Sport and Recreation	68,638	60,678	33,776

	2025	2025	2024
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Total	169,992	145,144	102,371
Net Assets			
Total assets deployed for Output Group		546,791	542,887
Total liabilities incurred for Output Group		8,330	9,396
Net assets deployed for Output Group		538,461	533,491

Output Group 6 – Subsidies and Concessions

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Revenue from appropriation	136,487	128,438	111,507
Other revenue	...	...	(2)
Total revenue from continuing operation	136,487	128,438	111,505
Expenses from continuing operations			
Grants and subsidies	136,028	127,556	110,477
Supplies and Consumables:			
Consultants	...	1	47
Maintenance	...	152	331
Advertising and promotion	...	5	...
Other Supplies and Consumables	459	275	280
Other expenses	...	1	...
Total expenses from continuing operations	136,487	127,990	111,135
Net result from continuing operations	...	448	370
Expense by output			
6.1 Shipping and Ferry Subsidies	2,795	2,399	1,161
6.2 General Access Services	91,500	88,691	73,441
6.3 School Bus Services	42,140	36,900	36,533
6.4 Construction of Street in Towns	52	...	...
Total	136,487	127,990	111,135
Net Assets			
Total assets deployed for Output Group		7	7
Total liabilities incurred for Output Group		92	38
Net assets deployed for Output Group		(85)	(31)

Output Group 7 – Renewables, Climate and Future Industries Tasmania

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Revenue from appropriation	39,584	20,134	17,904
Other revenue from government	514	514	5,254
Grants	3,444	11	6,366
Other revenue	728	...	...
Total revenue from continuing operation	44,270	20,659	29,524
Net gain/(loss) on disposal of non-financial assets	...	(11)	...
Total income from continuing operations	44,270	20,648	29,524
Expenses from continuing operations			
Employee Entitlements	12,686	9,119	12,322
Depreciation and Amortisation	139	17	38
Grants and subsidies	21,140	7,200	15,606
Supplies and Consumables:			
Consultants	332	1,970	1,807
Property Services	100	...	...
Maintenance	1	...	...
Communications	61	28	10
Information Technology	547	33	19
Travel and Transport	25	105	78
Advertising and Promotion	...	1,937	35
Audit Expenses	86	...	...
Operating Lease costs	5	...	...
Lease costs not subject to AASB 16	548	...	...
Other Supplies and Consumables	8,847	2,051	1,143
Other expenses	53	226	92
Total expenses from continuing operations	44,570	22,686	31,150
Net result from continuing operations	(300)	(2,038)	(1,626)
Net result	(300)	(2,038)	(1,626)
Other comprehensive income			
Other movements taken directly to equity	...	...	...
Total other comprehensive income	...	...	...
Comprehensive result	(300)	(2,038)	(1,626)
Expense by output			
7.1 Energy and Renewables	34,257	15,791	22,777
7.2 Climate Change	10,313	6,895	8,373
Total	44,570	22,686	31,150
Net Assets			
Total assets deployed for Output Group		6,152	6,250
Total liabilities incurred for Output Group		1,757	1,343
Net assets deployed for Output Group		4,395	4,907

Output Group 8 – Housing and Planning

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Revenue from appropriation	45,712	22,808	...
Other revenue from government	8,000	8,117	...
Grants	...	1,850	...
Total revenue from continuing operation	53,712	32,775	...
Total income from continuing operations	53,712	32,775	...
Expenses from continuing operations			
Employee Entitlements	...	1,155	...
Grants and subsidies	53,712	31,617	...
Supplies and Consumables:			
Consultants	...	65	...
Communications	...	4	...
Information Technology	...	3	...
Travel and Transport	...	5	...
Advertising and Promotion	...	7	...
Other Supplies and Consumables	...	1,854	...
Other expenses	...	15	...
Total expenses from continuing operations	53,712	34,725	...
Net result from continuing operations	...	(1,950)	...
Net result	...	(1,950)	...
Other comprehensive income			
Administrative restructure taken directly to equity	...	(252)	...
Total other comprehensive income	...	(252)	...
Comprehensive result	...	(2,202)	...
Expense by output			
8.1 Housing and Planning	53,712	33,365	...
8.2 State Planning Office	...	1,360	...
Total	53,712	34,725	...
Net Assets			
Total assets deployed for Output Group		(1,802)	...
Total liabilities incurred for Output Group		370	...
Net assets deployed for Output Group		(2,172)	...

Output Group 89 – Public Building Maintenance Fund

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Other revenue	...	...	4
Total income from continuing operations	...	...	4
Expenses from continuing operations			
Supplies and Consumables:			
Consultants	...	...	(71)
Maintenance	...	...	1
Other Supplies and Consumables	...	...	(1)
Other expenses	...	...	1
Total expenses from continuing operations	...	...	(70)
Net result from continuing operations	...	...	74
Comprehensive result	...	...	74
Expense by output			
89.1 Public Building Maintenance Fund	...	...	(70)
Total	...	...	(70)
Net Assets			
Total assets deployed for Output Group		...	(62)
Total liabilities incurred for Output Group		...	...
Net assets deployed for Output Group		...	(62)

Output Group 90 –COVID- 19 Response

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Revenue from appropriation	5,250	2,503	12,908
Total revenue from continuing operation	5,250	2,503	12,908
Expenses from continuing operations			
Grants and subsidies	5,250	545	13,647
Supplies and Consumables:			
Consultants	...	...	129
Other Supplies and Consumables	...	1,958	(868)
Total expenses from continuing operations	5,250	2,503	12,908
Net result from continuing operations	...	...	...
Comprehensive result	...	...	...
Expense by output			
90.20 Rapid Response Skills Initiative	2,500	2,500	1,150
90.23 Waratah-Wynyard Coastal Pathway	500	...	9,000
90.24 Small Business Sustainability And Recovery Grants	...	3	133
90.26 Expansion Of The Apprentices And Trainees Small Business Gra	...	...	725
90.28 Airport Infrastructure	2,250	...	1,900
Total	5,250	2,503	12,908
Net Assets			
Total assets deployed for Output Group		33	33
Total liabilities incurred for Output Group		12	3,507
Net assets deployed for Output Group		21	(3,474)

Output Group –Capital Investment Program

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Income from continuing operations			
Revenue from appropriation - capital	275,879	211,865	263,322
Other revenue from government	1,702	1,702	...
Grants	321,390	297,996	282,583
Sales of goods and services	210	412	204
Contributions Received	...	...	90,210
Other revenue	10,011	34	513
Total revenue from continuing operation	609,192	512,009	636,832
Net gain/(loss) on disposal of non-financial assets	1	(13,905)	(27,011)
Total income from continuing operations	609,193	498,104	609,821
Expenses from continuing operations			
Employee Entitlements	9,694	2,966	1,158
Depreciation and Amortisation	125,409	152,199	147,986
Grants and subsidies	...	19,625	16,534
Supplies and Consumables:			
Consultants	1,000	4,958	9,721
Property Services	...	419	133
Maintenance	115,127	72,143	83,154
Communications	...	567	455
Information Technology	1,400	1,435	1,098
Travel and Transport	...	206	153
Advertising and Promotion	...	62	98
Audit Expenses	...	8	5
Operating Lease costs	...	11	17
Other Supplies and Consumables	322	27,065	18,298
Other expenses	15	271	434
Total expenses from continuing operations	252,967	281,935	279,244
Net result from continuing operations)	356,226	216,169	330,577
Net result	356,226	216,169	330,577
Other comprehensive income			
Changes in physical asset revaluation reserve	...	363,718	263,013
Total other comprehensive income	...	363,718	263,013
Comprehensive result	356,226	579,887	593,590
Net Assets			
Total assets deployed for Output Group		7,754,975	7,197,171
Total liabilities incurred for Output Group		24,232	44,320
Net assets deployed for Output – Capital Investment Program		7,730,743	7,152,851
Expense by output			
Algona Interchange and Kingston Bypass	4,120	...	...
Bass Highway Corridor	...	...	1,032
Bridge Renewal Program	...	...	2,367

	2025	2025	2024
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Bruny Island Landside Infrastructure	...	...	...
Bus Stop Upgrades	...	527	411
Cycling Infrastructure	...	3,895	3,407
Domain Highway Planning	...	25	49
Dial Regional Sports Complex	...	...	144
East and West Tamar Highway Corridors	...	...	332
Elphin Sports Centre	...	120	...
Festival Infrastructure - PW1	...	112	...
Glenora road Upgrade	...	500	250
Great Eastern Drive	...	...	...
Greater Hobart Traffic Solution	1,000	1,537	2,053
Heavy Vehicle Safety and Productivity	...	...	89
Infrastructure Maintenance	112,085	72,484	88,463
Infrastructure Stimulus Funding	...	38	1,239
Launceston and Tamar Valley Traffic Vision	...	...	5
Midland Highway	...	424	335
Network Planning	124,737	151,921	143,896
New Bridgewater Bridge	...	149	...
New Park and Ride Facilities	...	...	...
New Southern Tasmanian Sporting Facilities	...	1,638	...
Northern Suburbs Community Recreation Hub Project	...	1,604	415
Northern Suburbs Multi- Sports Facility	...	...	4,461
Program Management	3,632	9,809	6,829
Remote Roads Pilot Funding	...	4,929	4,410
Road Safety Projects	3,015	17,657	12,678
Roads of Strategic Importance	...	...	395
Roads Package to Support Tasmania's Visitor Economy	...	733	1,325
Rokeby Stage 3 - Pass Road to Oakdowns	...	...	8
Safer Local Roads Program	...	6,655	...
State Road Upgrades – Southern Region	...	...	111
State Road Upgrades – Northern Region	...	175	...
Targeting Congestion Package	...	265	...
Tasmanian AFL Package – High Performance Centre	...	2,968	859
Tasman Highway Corridor	...	...	...
TMAG Building Maintenance	500	212	198
Traffic Management and Engineering Services	3,878	3,512	3,483
Urban Congestion Fund	...	48	...
Total	252,967	281,937	279,244

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

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Total comprehensive result of Output Groups	511,714	625,333	710,958
Reconciliation to comprehensive result			
Expenses unallocated to Output Groups (accruals)	...	...	...
Comprehensive result	511,714	625,333	710,958

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

	2025 Actual \$'000	2024 Actual \$'000
Total net assets deployed for Output Groups	8,715,839	8,090,507
Reconciliation to net assets		
Assets unallocated to Output Groups (overheads)	...	...
Liabilities unallocated to Output Groups (overheads)	...	...
Net assets	8,715,839	8,090,507

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

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Administered revenue and other income from transactions			
Revenue from appropriation	51,513	91,122	35,525
Grants	...	1,120	...
Other revenue	...	2	7
Total administered revenue and other income from transactions	51,513	92,244	35,532
Administered expenses from transactions			
Employee Entitlements	...	44	22
Grants and subsidies	51,377	89,266	35,492
Supplies and Consumables:			
Information Technology	...	...	10
Other Supplies and Consumables	136	5,216	3
Total administered expenses from transactions	51,513	94,526	35,527
Administered net result from transactions (net operating balance)	...	(2,282)	5
Total administered comprehensive result	...	(2,282)	5
Administered expense by output			
91.001 Homes Tasmania	...	28,673	...
91.580 Government Contribution to TSO	2,418	2,418	2,384
91.598 NTC: Local Government Contribution	1,500	1,500	1,500
91.599 Payment in Accordance with Section 5 of the Roads & Jetties	...	6,468	...
91.621 Payments for Forest Practices Authority	1,802	1,802	...
91.624 Conveyance Allowance	1,630	784	745
91.625 Pensioner Air Travel Subsidy	10	12	7
91.626 Transport Access Scheme	4,518	5,234	4,952
91.643 Marine and Safety Tasmania	2,317	2,317	1,418
91.739 Private Forests Tasmania	1,898	1,898	...
91.751 10 Days on the Island	1,480	1,480	1,451
91.759 Tasmanian Icon - State Cricket	...	...	500
91.878 Theatre Royal	1,040	1,040	1,020
91.882 Tasmanian Railway Pty Ltd	13,900	21,900	13,900
91.883 West Coast Wilderness Railway	11,000	11,000	7,650
91.884 Sustainable Timber Tasmania CSO	8,000	8,000	...
Total	51,513	94,526	35,527
Net Assets			
Total assets deployed for Output – Grants and Subsidies		...	...
Total liabilities incurred for Output – Grants and Subsidies		...	...
Net assets deployed for Output – Grants and Subsidies		...	...

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

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Total administered comprehensive result of Output Groups	...	(2,282)	5
Reconciliation to administered net surplus (deficit)			
Administered revenue collections	124,133	146,338	122,935
Transfers to the Public Account	(124,133)	(146,338)	(122,935)
Other administered transactions (ie unallocated to Output Groups)	...	3,729	149
Administered comprehensive result	...	1,447	154

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

	2025 Actual \$'000	2024 Actual \$'000
Total administered net assets deployed for Output Groups	...	...
Reconciliation to administered net assets		
Assets unallocated to Output Groups	6,525	(795)
Liabilities unallocated to Output Groups	1,466	(4,407)
Administered net assets	5,059	3,612

Note 3 Expenditure under Australian Government Funding Arrangements

	State Funds	Australian Govt Funds	State Funds	Australian Govt Funds
	2025 Actual \$'000	2025 Actual \$'000	2024 Actual \$'000	2024 Actual \$'000

National Partnership Payments

Energy and Emissions Reduction

Marinus Link	...	11	...	539
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Housing and Planning

Housing Support Program - To States	...	1,850	...	...
Social Housing Energy Performance Initiative	...	2,969	...	...

Infrastructure & Transport

Black Spot Project	...	5,908	...	2,144
Bridgewater Bridge	21,495	177,440	60,231	163,433
IIP Bridges Renewal Programme - To States	...	...	...	2,367
Infrastructure Stimulus Funding	788	2,226	1,175	624
Launceston City Deal - Tamar River	...	7,750	...	13,500
Nation Building program - Heavy Vehicle Safety	288	...	276	330
Nation Building program - Road	40,116	29,086	62,050	66,802
Remote Roads Pilot Funding	...	3,860	...	4,410
Road Corridors	12,696	28,014	9,490	...
Roads of Strategic Importance	14,021	21,687	17,331	40,204
Safer Local Roads	...	7,035	...	...
Tasman Bridge Upgrade	522	950	3,180	...
Trail Wetlands	50	716	...	...
Urban Congestion Fund	976	5,849	3,326	2,698

Skills, Training and Workforce Development

Building Australia's Future Workforce - Vocational Education	...	...	...	2,458
Energising Tasmania	...	937	...	2,139
Fee Free TAFE	...	4,589	...	6,774
Industry and Indigenous skills centre	...	...	...	20
Infection Control Training	...	...	...	726
Job Trainer Fund	...	230	...	318
National Skills Agreement	...	33,519	...	16,720
North-West Tasmania Job Ready Generation	...	24	...	396
Skilling Australians Fund	...	9,395	...	4,632
TAFE technology fund	...	300	...	...

State Growth

Growing Regions Program	...	200	...	...
Regional Recovery Partnerships	...	2,375	...	3,375
Tasmanian Jobs and Investment Fund	...	...	...	226

Tourism

Regional Recovery Partnerships	...	...	...	1,650
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Total		90,952	346,919	157,058	336,483
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Note that previous year figures have been restated to reflect a change to Australian Government classifications. Additional details of capital expenditures included in the above note are included within Note 13.4.

Note 4 Explanations of Material Variances between Budget and Actual Outcomes

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

4.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - operating	(a)	715,624	594,380	(121,244)	(17%)
Appropriation revenue - capital	(b)	275,879	211,865	(64,014)	(23%)
Appropriation revenue - rollover	(c)	53,075	46,109	(6,966)	(13%)
Fees and fines	(d)	17,672	20,829	3,157	18%
Interest	(e)	7,684	6,011	(1,673)	(22%)
Contributions received	(f)	...	6,824	6,824	...
Other revenue	(g)	42,829	12,537	(30,292)	(71%)
Net gain/(loss) on non-financial assets	(h)	4	(18,634)	(18,638)	...
Net gain/(loss) on financial instruments and statutory receivables/payables	(i)	...	(927)	(927)	...
Depreciation and amortisation	(j)	131,153	159,910	28,757	22%
Supplies and consumables	(k)	218,407	178,710	(39,697)	(18%)
Grants and subsidies	(l)	700,690	556,699	(143,991)	(21%)
Finance costs	(m)	8,371	3,725	(4,646)	(56%)
Contribution provided	(n)	...	2,756	2,756	...
Other expenses	(o)	1,484	4,755	3,271	220%
Changes in physical asset revaluation reserve	(p)	150,835	412,396	261,561	173%
Administrative restructure taken directly to equity	(q)	...	3,275	3,275	...

Notes to Statement of Comprehensive Income variances

- (a) Variance reflects revised cashflow of Budget Initiatives including Showground Upgrade (\$18M), Nyrstar (\$11M), Tasmanian Green Hydrogen Hub (\$6.7M), Additional Bus Capacity (\$5.5m), and Homes Faster! Partnership - Medium-High Density Development (\$5.0M).
- (b) Variance reflects revised cashflow of Capital Investment Program including AFL High Performance Centre (\$11.3M), Urban Congestion Fund (\$6.8m) Silverdome (\$6M) , Targeting Congestion (\$5.3M) and New Bridgewater Bridge (\$4.1m).
- (c) Variance reflects an unspent rollover for Nyrstar Transformation Project.
- (d) Variance reflects higher than budgeted revenue for the Road Safety Levy.
- (e) Variance reflects lower than budgeted interest received from Tasmania Development and Resources (TDR) investment activities.
- (f) Variance reflects unanticipated (in original budget) donations and bequests.
- (g) Variance represents less than anticipated (in original budget) revenue receipts relating to the reimbursement of funding including for the AFL High Performance Centre and the Launceston City Deal project Tamar River Catchment.
- (h) Variance reflects unanticipated (in original budget) Net losses on non-financial assets
- (i) Variance reflects unanticipated (in original budget) provision for impairment and bad debt write-offs.
- (j) Variance reflects as increase in the roads and bridges infrastructure depreciation.
- (k) Variance reflects changes in the expenditure profile of the common ticketing project including reclassification of expenditure to intangible assets, as well as an increase in capitalisation of maintenance costs on infrastructure assets.
- (l) Variance reflects revised cashflow of grant payments including Showgrounds Upgrade (\$18M), Launceston City Deal (\$12.9M), Nyrstar (\$11M), Tasmanian Green Hydrogen Hub (\$6.7M), and Homes Faster! Partnership - Medium- High Density Development (\$5.0M)
- (m) Variance reflects lower than anticipated costs of borrowing from TASCORP by TDR.
- (n) Variance relates unbudgeted (in original budget) transfers to other State Government Departments.

4.2 Statement of Financial Position

		2025	2025	2024	Budget	Actual
	Note	Budget	Actual	Actual	Variance	Variance
		\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	(a)	85,283	96,207	58,845	10,924	37,362
Receivables	(b)	18,490	11,519	13,710	(6,971)	(2,191)
Loan advances	(c)	191,341	144,695	129,628	(46,646)	15,067
Equity investments	(d)	...	10,492	...	10,492	10,492
Other financial assets	(e)	403	6,699	5,498	6,296	1,201
Inventories	(f)	1,558	4,049	3,811	2,491	238
Property, plant and equipment and artwork	(g)	740,316	868,255	856,862	127,939	11,393
Right-of-use assets	(h)	2,242	3,801	1,586	1,559	2,215
Intangibles	(i)	701	7,310	2,198	6,609	5,112
Other assets	(j)	2,348	12,671	12,155	10,323	516
Payables	(k)	33,676	10,364	36,523	(23,312)	(26,159)
Lease liabilities	(l)	2,343	3,441	1,887	1,098	1,554
Borrowings	(m)	159,432	103,196	90,363	(56,236)	12,833
Employee benefits	(n)	29,558	30,847	25,778	1,289	5,069
Provisions	(o)	7,957	6,891	6,689	(1,066)	202
Other liabilities	(p)	34,880	39,431	41,706	4,551	(2,275)

Notes to Statement of Financial Position variances

(a) Variance reflects the activity through the Department's Specific Purpose Account.

(b) Variance reflects lower than anticipated (Original Budget) receivables. Variance between actuals relates to the quicker turnaround recovery of outstanding sale of goods and services.

(c) Variance reflects lower than anticipated (Original Budget) loans disbursed, including Supporting Jobs at INCAT and the Building and Construction Support Loan Scheme.

(d) Variance reflects unanticipated (in original budget) equity investment in Group 6 Metals Limited.

(e) Variance reflects higher than anticipated (Original Budget) investment activities by TMAG Trustees as well as an increase in accrued revenue including infrastructure milestone payments from the Australian Government and mining royalty payments.

(f) Variance primarily relates to the value of inventories for the personal, protective equipment stockpile held for emergency management reserves.

(g) Variance primarily relates to the revaluation of assets in 2024 not anticipated in the Original Budget.

(h) The variance relates to additional properties with right of use arrangements not anticipated in the Original Budget.

(i) Variance reflects higher than anticipated (Original Budget) purchase of intangible assets, including purchases relating to the Common Ticketing Program.

(j) The variance to Original Budget primarily relates to the prepayment of progress claims for the New Bridgewater Bridge.

(k) Variance reflects lower than anticipated (Original Budget) and prior year payables predominately related to a variance in accrued expense for the New Bridgewater Bridge of \$21M between the years.

(l) Variance reflects corresponding right of use asset movements relating to additional properties under lease arrangements.

(m) Variance reflects lower than anticipated (Original Budget) borrowing required from TASCORP in order to fund the activities of TDR.

(n) Variance to prior year employee benefits primarily relates to an increase in the levels of accrued annual leave held at year end.

(o) Variance reflects lower than anticipated (Original Budget) provisions for the compulsory acquisition of land for roadworks.

(p) Variance reflects higher than anticipated (in Original Budget) monies held in trust.

4.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - operating	(a)	715,624	592,894	(122,730)	(17%)
Appropriation receipts - rollover	(b)	53,075	46,109	(6,966)	(13%)
Sales of goods and services	(c)	13,903	12,239	(1,664)	(12%)
Fees and fines	(d)	17,672	20,829	3,157	18%
GST receipts/payments (net)	(e)	(1)	2,623	2,624	...
Other cash receipts	(f)	42,829	11,567	(31,262)	(73%)
Grants and subsidies	(g)	(700,615)	(556,709)	143,906	(21%)
Interest payments	(h)	(8,461)	(3,678)	4,783	(57%)
Contribution provided	(i)	...	(2,756)	(2,756)	...
Other cash payments	(j)	(1,484)	(4,687)	(3,203)	216%
Receipts from non-operational capital funding - operating	(k)	...	1,486	1,486	...
Receipts from non-operational capital funding - capital	(l)	185,005	116,033	(68,972)	(37%)
Receipts from Australian Government funding	(m)	286,420	255,756	(30,664)	(11%)
Cash inflow on administrative restructure	(n)	...	3,656	3,656	...
Repayment of loans by other entities	(o)	21,449	51,937	30,488	142%
Payments for acquisition of non-financial assets	(p)	(492,953)	(361,885)	131,068	(27%)
Loans made to other entities	(q)	(61,795)	(79,077)	(17,282)	28%
Proceeds from borrowings	(r)	44,159	15,000	(29,159)	(66%)
Trust receipts	(s)	...	2,884	2,884	...
Repayment of borrowings	(t)	(17,253)	(2,214)	15,039	(87%)

Notes to Statement of Cash Flows variances

(a) Variance reflects revised cashflow of Budget Initiatives including Showground Upgrade (\$18M), Nyrstar (\$11M), Tasmanian Green Hydrogen Hub (\$6.7M), Additional Bus Capacity (\$5.5m), and Homes Faster! Partnership - Medium-High Density Development (\$5.0M).

(b) Variance reflects an unspent rollover for Nyrstar Transformation Project.

(c) Variance reflects lower than anticipated (original budget) Abt Railway ticketing and sales.

(d) Variance reflects higher than budgeted revenue for the Road Safety Levy.

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

- (f) Variance reflects less than anticipated (in original budget) receipts relating to the reimbursement of funding including for the AFL High Performance Centre and the Launceston City Deal project Tamar River Catchment.
- (g) Variance reflects revised cashflow of grant payments including Showground Upgrade (\$18M), Nyrstar (\$11M), Tasmanian Green Hydrogen Hub (\$6.7M), and Homes Faster! Partnership - Medium- High Density Development (\$5.0M).
- (h) Variance reflects lower than budgeted costs of borrowing from TASCORP by TDR.
- (i) Variance relates unbudgeted (in original budget) transferers to other State Government Departments.
- (j) Variance reflects the budget classification of payments for workers compensation and other employee expenses.
- (k) Variance reflects Original Budget classification of appropriation split between Appropriation receipts – operating and Receipts from non-operational capital funding – operating.
- (l) Variance reflects revised cashflow of Capital Investment Program including AFL High Performance Centre (\$11.3M), Urban Congestion Fund (\$6.8m) Silverdome (\$6M), Targeting Congestion (\$5.3M) and New Bridgewater Bridge (\$4.1m).
- (m) Variance reflects Original Budget classification of appropriation split between grants (receipts) and Receipts from Australian Government funding.
- (n) Variance reflects unbudgeted (in original budget) administrative restructuring of State Service (Restructuring) Order (No. 2)
- (o) Variance reflects higher than originally anticipated repayment of TDR loan advances.
- (p) Variance reflects lower than anticipated capitalisation of expenditure.
- (q) Variance reflects lower than anticipated (in Original Budget) disbursement of TDR loan advances including Supporting Jobs at INCAT and the Building and Construction Support Loan Scheme.
- (r) Variance reflects lower than anticipated (Original Budget) borrowing required from TASCORP in order to fund the activities of TDR.
- (s) Variance in trust receipts reflects the movement in the Mines Deposit Account.
- (t) Variance reflects higher than anticipated (Original Budget) repayment of borrowings to TASCORP in order to fund the activities of TDR.

Note 5 Underlying net result

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

For this reason, the Net result from continuing operations is adjusted to remove the effects of funding for capital projects.

		2025	2025	2024
	Notes	Budget	Actual	Actual
		\$'000	\$'000	\$'000
Net result from continuing operations		360,879	259,165	337,728
<i>Less impact of: Non-operational capital funding</i>				
Revenue from Government – capital	6.1	185,005	116,033	106,750
Revenue from Australian Government	13.2	286,420	255,756	262,736
Contributions received - assets acquired for nil consideration	6.6	...	5,812	923
Total		471,425	377,601	370,409
Underlying Net result from continuing operations		(110,546)	(118,436)	(32,681)

Note 6 Revenue

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.

Income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities, dependent on whether there is a contract with a customer defined by AASB 15.

6.1 Revenue from Government

Appropriations, whether operating or capital, are recognised as revenues in the period in which the Department gains control of the appropriated funds as they do not contain enforceable and sufficiently specific obligations as defined by AASB 15. Except for any amounts identified as carried forward, control arises in the period of appropriation.

Revenue from Government includes revenue from appropriations, unexpended appropriations rolled over under section 23 of the *Financial Management Act 2016* and Items Reserved by Law.

Section 23 of the Financial Management Act allows for an unexpended appropriation at the end of the financial year, as determined by the Treasurer, to be issued and applied from the Public Account in the following financial year. The amount determined by the Treasurer must not exceed five per cent of an Agency's appropriation for the financial year.

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

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Continuing operations			
Appropriation revenue – operating			
Current year	715,624	594,380	506,615
	715,624	594,380	506,615
Appropriation revenue - capital	90,874	95,832	156,572
Appropriation Rollover under section 23 of the <i>Financial Management Act 2016</i>	51,373	44,407	41,155
Total revenue from Government from continuing operations	142,247	140,239	197,727
Non-operational capital funding			
Capital Services	185,005	116,033	106,750
Appropriation Rollover under section 23 of the <i>Financial Management Act 2016</i>	1,702	1,702	2,522
Total	186,707	117,735	109,272
Total Revenue from Government	1,044,578	852,354	813,614

6.2 Grants

Grants revenue, where there is a sufficiently specific performance obligation attached, are recognised when the Department satisfies the performance obligation and transfers the promised goods or services. The Department typically satisfies its performance obligations when the corresponding expenditure is incurred, more bespoke grants will detail how the performance obligations are to be satisfied within the grant documentation. The

Department recognises revenue associated with performance obligations as performance obligations are deemed to be met, typically revenue is received as a reimbursement and can be recognised on receipt.

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

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

	2025 Actual \$'000	2024 Actual \$'000
Grants with sufficiently specific performance obligations		
Grants from the Australian Government	61,008	48,287
Grants from the Tasmanian Government	14,141	9,723
Industry contributions	1,858	1,699
Total	77,007	59,709
Grants to acquire/construct a recognisable non-financial asset		
Grants from the Australian Government	318,209	287,649
Grants from the Tasmanian Government	...	620
Total	318,209	288,269
Total revenue from Grants	395,216	347,978

6.3 Sales of goods and services

Revenue from Sales of goods are recognised when the Department satisfies a performance obligation by transferring the goods to the customer.

Goods	Nature of timing of satisfaction of Performance Obligation, including significant payment terms	Revenue recognition policies
Registration and Licensing Tasmanian Museum and Art Gallery – Retail Passenger Transport Mineral Resources Tas	The Department typically satisfies its performance obligations at the time of the transaction.	The Department recognises revenue associated with performance obligations at the time of transaction or in line with relevant contractual arrangements.
Services	Nature of timing of satisfaction of Performance Obligation, including significant payment terms	Revenue recognition policies
Global Education and Migration Registration and Licensing Tasmanian Museum and Art Gallery Arts Tasmania Skills Tasmania Mineral Resources Tas	The Department typically satisfies its performance obligations at the time of the transaction or in line with contractual arrangements.	The Department recognises revenue associated with performance obligations as they occur or in line with the relevant contractual arrangements.

	2025	2024
	\$'000	\$'000
Goods	5,667	4,917
Services	2,620	2,560
Abt Railway ticketing sales and retail revenue	2,168	974
Rental revenue	2,587	2,477
Total	13,042	10,928

6.4 Fees and fines

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

	2025	2024
	\$'000	\$'000
Road Safety Levy	19,972	18,514
Other	857	436
Total	20,829	18,950

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.

	2025	2024
	\$'000	\$'000
Interest – loan advances	6,011	7,306
Total	6,011	7,306

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.

	2025	2024
	\$'000	\$'000
Fair value of additions to TMAG Collections at no cost	5,812	923
TMAG Donations and bequests	1,012	517
Land under roads addition from reclassification	...	90,211
Total	6,824	91,651

6.7 Other revenue

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

	2025	2024
	\$'000	\$'000
Administrative support charge – Tourism Tasmania	903	903
Administrative support charge – Macquarie Point Development Corporation	142	139
Investment revenue ¹	515	435
Miscellaneous revenue ²	10,977	1,585
Total	12,537	3,062

¹ Investment revenue reflects TMAG investment portfolio market value movement

² Miscellaneous revenue includes reimbursement \$10.3m state funding appropriated to Treasury for the Tamar River Catchment grant

Note 7 Net Gain/(Losses)

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

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

Key Judgement

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

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

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

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

	2025	2024
	\$'000	\$'000
Write off of replaced Land under Roads assets	(12,390)	(23,610)
Write off of replaced bridge assets	(885)	(3,401)
Write off of traffic signals replaced/upgraded	(329)	(180)
Net gain/(loss) on disposal of land and buildings	(4,729)	(3,378)
Net gain/(loss) on disposal of plant and equipment	(174)	(267)
Net gain/(loss) on disposal of Heritage Assets	(127)	...
Net gain/(loss) on the disposal of Artwork	...	(5)
	(18,634)	(30,841)

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

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

Key Judgement

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

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

	2025	2024
	\$'000	\$'000
Impairment reversals/(losses) of:		
Loans advance impairments	227	(2,440)
Loans advance write off (not previously impaired)	(109)	...
Equity investments	(1,047)	(596)
Receivables	2	245
Total net gain/(loss) on financial instruments	(927)	(2,791)

Note 8 Expenses from transactions

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

8.1 Employee benefits

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

(a) **Employee expenses**

	2025	2024
	\$'000	\$'000
Wages and salaries	85,227	72,674
Annual leave	9,126	6,162
Long service leave	2,225	1,473
Superannuation	16,609	14,412
Other post-employment benefits	2,862	2,484
Other employee expenses	4,837	4,386
Other employee benefits - Fringe Benefits Tax	646	760
Total	121,532	102,351

(b) **Remuneration of key management personnel**

2025	Short-term benefits		Long-term benefits		Termination benefits	Total
	Salary	Other benefits	Superannuation	Other benefits & Long-service Leave		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Key management personnel

Office of the Co-ordinator General:

John Perry, Co-ordinator General	487	55	58	40	...	640
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Department of State Growth

Craig Limkin, Secretary	439	67	53	10	...	569
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Cynthia Heydon, Deputy Secretary, Transport (from 2/9/24)	236	29	30	...	...	295
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Angela Conway, Deputy Secretary, Business Services	233	50	30	8	...	321
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Kate Kent, Deputy Secretary, Creative Industries, Sport and Visitor Economy (until 30/8/24)	46	1	6	...	9	62
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Brett Stewart, Deputy Secretary, Creative Industries, Sport and Visitor Economy (from 19/8/24)	186	38	21	11	...	256
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Brett Stewart, Deputy Secretary, Strategy, Housing, Infrastructure and Planning (until 19/8/24)	45	6	5	2	...	58
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Denise McIntyre, Deputy Secretary, Strategy, Housing, Infrastructure and Planning (from 2/9/24)	197	26	26	31	...	280
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Acting key management personnel

Department of State Growth

Denise McIntyre, Deputy Secretary, Transport (until 1/9/24)	51	5	7	6	...	69
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Cairney, Jenna L, Deputy Secretary, Business and Jobs (1/7/24 to 30/6/25)	219	32	25	4	...	280
David Sudmalis, Deputy Secretary, Creative Industries, Sport and Visitor Economy (1/7/24 to 1/9/24)	43	6	5	1	...	55
Andrew Smythe, Deputy Secretary, Strategy, Housing, Infrastructure and Planning (various)	33	3	4	...	...	40
Mark Bowles, Chief Executive Officer - Renewables Climate and Future Industries Tasmania (until 31/1/25)	164	11	27	...	73	275
Vanessa Pinto , Chief Executive Officer - Renewables Climate and Future Industries Tasmania (from 17/2/25)	97	51	11	13	...	172
Adrian Christian, Chief Executive Officer - Renewables Climate and Future Industries Tasmania (27/9/24 to 28/10/24)	22	3	2	(4)	...	23
Total	2,498	383	310	122	82	3,395

2024	Short-term benefits		Long-term benefits		Termination benefits	Total
	Salary	Other benefits	Superannuation	Other benefits & Long-service Leave*		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Key management personnel

Office of the Co-ordinator General:

John Perry, Co-ordinator General	467	(23)	54	49	...	547
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Department of State Growth

Craig Limkin, Secretary (from 31/10/23)	275	81	32	28	...	415
Kim Evans, Secretary (until 11/7/23)	57	(255)	64	(135)	420	151
Gary Swain, Deputy Secretary, Transport and Infrastructure (until 12/1/24)	96	(40)	11	(55)	...	12
Angela Conway, Deputy Secretary, Business Services	212	27	28	18	...	285
Kate Kent, Deputy Secretary, Culture, Arts and Sport	229	(8)	25	(42)	...	204
Mark Bowles, Deputy Secretary, Business and Jobs	142	11	16	(4)	...	165
Brett Stewart, Deputy Secretary, Resources, Strategy and Policy	217	11	25	7	...	260
Anton Voss, Chief Executive Officer - Renewables Climate and Future Industries Tasmania	250	10	15	3	...	278

Acting key management personnel

Department of State Growth

Gary Swain, Secretary (12/8/23 to 30/10/23)	87	9	9	(12)	...	93
Martin Crane, Deputy Secretary, Transport and Infrastructure (various)	30	3	4	(1)	...	35

Denise McIntyre, Deputy Secretary, Transport and Infrastructure (various)	153	2	20	5	...	179
Jenna Cairney, Deputy Secretary, Business and Jobs (various)	81	9	14	1	...	105
David Sudmalis, Deputy Secretary, Culture, Arts and Sport (20/4/24 to 30/6/24)	35	4	4	1	...	44
Mark Bowles, Chief Executive Officer - Renewables Climate and Future Industries Tasmania (12/2/24 to 30/6/24)	73	6	8	(2)	...	85
Sean Terry, Chief Executive Officer - Renewables Climate and Future	27	2	4	(1)	...	32
Total	2,431	(151)	331	(141)	420	2,890

**During the 2025 audit, an error was identified in the calculations of the Other benefits & Long Service Leave amounts previously reported in 2024, these have now been amended to reflect the correct amounts*

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 2024-25 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.

Terminations

Termination benefits include all forms of benefit paid or accrued as a consequence of termination, including Annual leave and Long service leave paid out on termination.

(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.

This note is not intended to disclose conflicts of interest for which there are administrative procedures in place.

The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by the Department. It is important to understand that the disclosures included in this note will vary depending on factors such as the nature of the transactions, the relationships between the parties to the transaction and the materiality of each transaction. Those transactions which are not materially significant by their nature, impact or value, in relation to the Department's normal activities, are not included in this note.

The aggregate value of related party transactions and outstanding balances (if any) is as follows:

	2025	30 June 2025
	Aggregate value of transactions	Total amount outstanding or committed
	\$'000	\$'000
Voluntary non-reciprocal donations to TMAG	1	...
Total	1	...

	2024	30 June 2024
	Aggregate value of transactions	Total amount outstanding or committed
	\$'000	\$'000
Voluntary non-reciprocal donations to TMAG	3	...
Total	3	...

8.2 Depreciation and amortisation

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

The depreciable amount of improvements to or on leaseholds is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is reasonably certain.

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

Asset	Estimated Useful Life (years)	Depreciation Rate (per annum)	Method
Road Infrastructure:			
Earthworks	Unlimited	Nil	NA

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

Present Value = Replacement Cost x (1-(age/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

(a) Depreciation

	2025	2024
	\$'000	\$'000
Plant and equipment	1,321	1,221
Abt Railway Rolling Stock	256	192
Aerodromes	2	2
Traffic signal installations	769	750
Buildings	2,867	1,962
Road infrastructure	110,223	107,927
Bridges	41,954	40,030
Other infrastructure	1,484	1,192
Right-of-use assets	844	498
Total	159,720	153,774

(b) Amortisation

	2025	2024
	\$'000	\$'000
Intangibles	12	12
Leasehold improvements	178	168
Total	190	180
Total depreciation and amortisation	159,910	153,954

8.3 Supplies and consumables

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

	2025	2024
	\$'000	\$'000
Audit fees – financial audit	268	250
Audit fees – internal audit	126	90
Operating lease costs	6,448	6,519
Consultants	14,334	17,980
Property services	3,694	3,238
Maintenance	74,840	85,292
Communications	3,818	2,786
Information technology	12,084	10,488
Travel and transport	5,173	4,675
Advertising and promotion	6,080	3,409
Legal expenses	893	781
Contractor payments (non road-works)	33,026	14,358
Other supplies and consumables	17,926	17,696
Total	178,710	167,562

Lease expense includes lease rentals for short-term leases, lease of low value assets and variable lease payments. Refer to note 10.2 for breakdown of lease expenses and other lease disclosures.

8.4 Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

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

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

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

	2025	2024
	\$'000	\$'000
Grant Name		
Active Tasmania grants	42,293	22,050
Advanced Manufacturing grants	1,500	7,340
AFL Tasmania	5,000	5,000
Antarctic contributions and grants	530	401
Arts grants	9,093	7,791
Building Project Support Fund	4,036	5,740
Business and Industry Assistance	10,010	6,712
Business Events Attraction Fund	900	1,100
Capital Investment Programs grants	8,631	8,789
City Deal Launceston	22,550	...
Climate Change grants	3,669	5,350

	2025 \$'000	2024 \$'000
Coastal Pathway Project	218	9,480
Copper Mines of Tasmania	795	1,000
Energy and Renewables grants	3,556	9,383
Event Attraction Fund	3,931	1,401
Events Tasmania grants	28,916	23,156
Forestry grants	426	...
High Vis Army	2,140	3,190
Housing and Planning grants	31,617	14,768
Innovation grants	350	325
Macquarie Point Development Corporation	5,000	5,000
Menzies ICON	500	500
Mineral Resources grant	710	522
Other contributions	4,868	7,445
Other grants	60	228
Regional Recovery Partnerships	...	3,375
Science and Technology grants	1,227	3,084
Screen Tasmania Grants	1,241	1,537
Skilled Migration and International Education	10	...
Skills and Workforce grants	27,501	12,933
Small Business Grants	3,650	3,177
Tamar Estuary	22,020	14,563
Tasmanian Institute of Sport Grants	533	700
Tasmanian Leaders Program	214	207
TasTAFE	29,750	27,650
Ticket to Play	1,231	1,166
Ticket to Wellbeing	758	...
Tourism and Hospitality grants	18,697	14,418
Trade and international relations	1,440	659
Transport and road safety grants	18,578	14,250
Total Grants	318,149	244,390
Subsidy		
Apprentice and trainee subsidies	3,600	3,199
Business Engery Efficiency Subsidy	18	9
Derwent River Ferry Service	1,831	1,573
General Access Bus Services	90,402	85,411
Shipping and ferry subsidies	2,208	923
Student Only Bus Services	37,903	36,678
Vocational Education Training (VET) delivery	102,588	119,184
Total Subsidies	238,550	246,977
Total grants and subsidies	556,699	491,367

A review was conducted in 2024–25 to ensure payments were classified under the appropriate grant categories. As a result, the allocation of payments differs from the prior year's disclosure.

8.5 Finance costs

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

Finance costs include:

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

	2025	2024
	\$'000	\$'000
Interest expense		
Interest on loans	3,543	2,429
Interest on leases	180	119
Total	3,723	2,548
Other finance costs		
Penalty interest on late payments to creditors	2	6
Total	2	6
Total finance costs	3,725	2,554

8.6 Contribution Provided

Contributions provided free of charge by the Department, to another entity, are recognised as an expense when fair value can be reliably determined

	2025	2024
	\$'000	\$'000
Voluntary transfer of activities between Departments	2,756	...
Total	2,756	...

8.7 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.

	2025	2024
	\$'000	\$'000
Workers compensation	1,260	1,096
Other employee expenses (including training/development, WH&S, recruitment)	1,800	1,861
Miscellaneous expenses	1,695	1,384
Total	4,755	4,341

Note 9 Assets

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

9.1 Receivables

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

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

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

	2025	2024
	\$'000	\$'000
Receivables	11,565	13,758
Less: Expected credit loss	(46)	(48)
Total	11,519	13,710
Sales of goods and services	2,354	1,919
Fees and fines	24	29
Tax assets	9,141	11,762
Other receivables	...	...
Total	11,519	13,710
Settled within 12 months	11,473	13,612
Settled in more than 12 months	46	98
Total	11,519	13,710
	2025	2024
Reconciliation of movement in expected credit loss for receivables	\$'000	\$'000
Carrying amount at 1 July	48	293
Increase/(decrease) in provision recognised in profit or loss	(2)	(245)
Carrying amount at 30 June	46	48

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

9.2 Loan advances

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

	2025 \$'000	2024 \$'000
Section 35 Loans Administered by TDR	40,929	22,914
Section 37 Loans Administered by TDR	45,000	15,000
<i>Tasmanian Development Act 1983</i>	321	1,456
Agrigrowth Loan Program	1,768	7,433
Drought Dairy Recovery Concessional Program & Drought Recovery – Non-Debt	808	980
Flood Recovery Rural	8	34
Farm Business Concessional Loan scheme - Dairy Recovery & Drought Assistance	4,417	4,734
Tourism Accommodation Refurbishment Loan Scheme	1,325	2,347
Farm Business Concessional Loan scheme - Dairy Recovery - JUL 2017 & Drought Assistance - JUL 2017	4,125	5,355
Heritage Renewal Loan Scheme	97	125
Agrigrowth Loan Scheme - Young Farmers	20,997	35,563
Federal Refinance Loans	191	177
COVID-19 Interest Free Business Support Loan Scheme	4,455	10,431
COVID-19 Business Support Loans	...	364
Business Growth Loan Scheme	4,237	8,153
Building Construction Support & Construction S35	8,312	8,931
Tourism Development Loan Scheme	7,092	7,170
Regional Tourism Loan Scheme	1,839	...
Screen Tasmania Loans	230	230
Arts Loans	987	901
Less: Provision for impairment	(2,443)	(2,670)
Total	144,695	129,628
Settled within 12 months	69,233	18,164
Settled in more than 12 months	75,462	111,464
Total	144,695	129,628

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

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

	2025	2024
	\$'000	\$'000
Reconciliation of movement in provision for impairment of other financial assets		
Carrying amount at 1 July	2,670	415
Increase/(decrease) in provision recognised in net result	(227)	2,255
Carrying amount at 30 June	2,443	2,670

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.

	2025	2024
	\$'000	\$'000
Listed equity Investments		
Group 6 Metals Limited, formerly known as King Island Scheelite	10,492	...
Unlisted equity Investments		
Unlisted equity instruments	16,820	16,003
Less: Provision for impairment	(16,820)	(16,003)
Total	10,492	...
Settled within 12 months	...	...
Settled in more than 12 months	10,492	...
Total	10,492	...

(a) Listed Equity Investments designated as at fair value through other comprehensive income

	Fair value as at 30 June 2025	Dividend income recognised during 2025
	\$'000	\$'000

Group 6 Metals Limited, formerly known as King Island Scheelite	10,492	...
Total	10,492	...

(b) Reconciliation of movement in equity investments

	2025	2024
	\$'000	\$'000
Carrying amount at 1 July	...	...
Addition	10,492	...
Gain/(loss) on revaluation of equity instrument through other comprehensive income	...	...
Carrying amount at 30 June	10,492	...

	2025	2024
	\$'000	\$'000
(c) Reconciliation of movement in provision for impairment of equity investments		
Carrying amount at 1 July	16,003	15,407
Increase/(decrease) in provision recognised in net result	817	596
Carrying amount at 30 June	16,820	16,003

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.

	2025	2024
	\$'000	\$'000
Accrued revenue	1,132	329
Investments	5,537	5,142
Other current assets	30	27
Total	6,699	5,498
Settled within 12 months	6,699	5,498
Total	6,699	5,498

*Investments \$5.537 million relates to surplus cash invested by TMAG Trustee.

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.

	2025	2024
	\$'000	\$'000
Inventory held for sale – Tasmanian Museum and Art Gallery (TMAG)	88	132
Inventory held for sale – Abt Railway	156	147
Inventory held for use – DSG	3,805	3,532
Total	4,049	3,811
Consumed within 12 months	4,049	3,811
Total	4,049	3,811

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

Property, plant and equipment and artwork

(i) Valuation basis

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

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

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

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

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

(ii) Subsequent costs

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

(iii) Asset recognition threshold

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

(iv) Revaluations

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

- plant and equipment having a cost or revaluation less than the threshold of \$50,000;

- land and buildings that are to be utilised for future roadworks (as required), and;
- land remaining after the completion of the relevant roadworks project which is regarded as non-saleable due to, for example, limited or no access (as required).

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

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

Heritage and cultural assets

(i) Valuation basis

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

(ii) Asset recognition threshold

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

(iii) Revaluations

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

1. Icons – valued by an appropriately qualified independent valuer, based on market values of similar items;
2. Cultural heritage collections – valued under a statistical valuation model by an appropriately qualified independent valuer, dependent upon the stratification of the collection;
3. 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.
4. 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

	2025	2024
	\$'000	\$'000
Land holdings		
Land (including land under buildings) Level 2 - at fair value	73,652	69,518
Land (including land under buildings) Level 3 - at fair value	2,204	4,202
Rural properties - at option value	620	653
Rail Corridor land - at fair value	151,272	151,269
Total	227,748	225,642

Buildings

Level 2 - at fair value	78,408	77,527
Level 3 - at fair value	60,359	89,143
Less: Accumulated depreciation	(4,601)	(4,520)
Total	134,166	162,150
Aerodromes		
At fair value	165	165
Less: Accumulated depreciation	(4)	(2)
Total	161	163
Plant and equipment		
At cost	12,119	13,148
Less: Accumulated depreciation	(6,583)	(7,324)
Total	5,536	5,824
Abt Railway rolling stock		
At fair value	7,436	5,440
Less: Accumulated depreciation	(693)	(373)
Total	6,743	5,067
Traffic Signal installations		
At fair value	22,658	21,782
Less: Accumulated depreciation	(2,204)	(1,466)
Total	20,454	20,316
Leasehold improvements		
At cost	2,115	2,115
Less: Accumulated depreciation	(1,118)	(940)
Total	997	1,175
Heritage and cultural assets and Artwork		
At fair value	452,746	427,513
Total	452,746	427,513
Work in progress (at cost)		
Buildings	19,126	5,574
Plant and equipment	130	1,298
Abt Railway rolling stock	448	2,112
Leasehold improvements	...	...
Heritage and cultural assets and Artwork	...	28
Total	19,704	9,012
Total property, plant and equipment, artwork, heritage and cultural assets	868,255	856,862

Land and buildings

Land and buildings revaluations were based on the most recent valuations undertaken by the Valuer-General as publicly available on the Land Information System Tasmania's (LIST) website. TDR's were undertaken by Knight Frank Tasmania as at 30 June 2022. TMAG used valuations undertaken by independent valuers Opteon Property Group Pty Ltd as at 30 June 2025.

All the valuations have been 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*. Land and the buildings have been classified as non-specialised assets and accordingly valued on the basis of market value with reference to observable prices in an active market, using traditional valuation methods including sales comparison. Indexation has been applied to assets where is applicable.

Land - Rural properties

Rural properties are valued as at 30 June 2025 to fair value. Fair value of these properties equates to the option prices deemed on the individual properties. These option prices are the amounts receivable should the tenants exercise the option to purchase the freehold title.

Land - Rail Corridor land

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

The land is valued at either current Valuer-General valuation where one exists, or at the average rate per land area in each Municipality according to adjacent land zoning. Every five years the Valuer General provides average values per hectare or square metre for the residential, commercial, industrial and primary industrial 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 indexation value was provided by the Valuer-General and applied to this asset class as at 30 June 2024.

Aerodrome

The Aerodrome is located in Cape Barren Island. The department currently administers a grant deed with the Aboriginal Land Council of Tasmania (ALCT) and the Cape Barren Island Aboriginal Association to undertake routine maintenance and minor works on roads and the aerodrome. The latest revaluation undertaken by the department was based on the most recent valuations undertaken by the Valuer-General as publicly available on the Land Information System Tasmania's (LIST) website as at 30 June 2025. This revaluation did not result in any change in values.

Abt Railway rolling stock

The latest revaluation of ABT Railway rolling stock as at 30 June 2022 was completed by Colliers 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.

Traffic Signals installations

Traffic Signals assets are valued as at 30 June 2022 by Colliers 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

The internal review and assessment process incorporates an impairment assessment, utilises the judgement of internal experts and takes into consideration AASB 13 Fair Value Measurement. The definition of fair value is defined in AASB 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of an exit price and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Artwork

Artwork assets were independently valued with an effective date of 30 June 2023 by specialist valuer Rosanna Cameron from Rosanna M Cameron Art Valuations & Consultations. The valuation of these assets was on a fair value basis in accordance with relevant accounting standards.

Where possible the valuation was prepared on the basis of market value. Market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller at arms length transaction after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

The valuation reflects market conditions as at the date of valuation but does not contemplate a forced sale. In the case of the works of art that are site specific and could not be removed and judged in the open market, the value represents the cost at the time of commissioning with consideration, if noted, for depreciation due to wear and tear and damage and increased replacement cost in present market.

(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:

2025	Land Level 2 (land in active markets)	Land Level 3 (specific purpose/use land)	Buildings Level 2 (General office buildings)	Buildings Level 3 (Specific purpose use buildings)	Aero-dromes Level 3 (Specific purpose use)	Plant and equipment (including computer equipment)	Abt Railway Rolling Stock Level 3 (Specific purpose use)	Traffic Signal installations Level 3 (specific purpose use)	Lease-hold improvements	Heritage and cultural assets and Artwork Level 3	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	69,516	156,126	74,054	88,097	163	5,824	5,066	20,316	1,175	427,513	9,012	856,862
Additions	...	...	88	38	...	1,408	1,933	1,236	...	143	12,105	16,951
Contributions received	...	...	...	...	...	...	...	...	...	5,812	...	5,812
Disposals/write offs	(3,117)	(30)	(1,621)	...	...	(174)	...	(329)	...	(127)	...	(5,398)
Net additions/(deletions) through transfers		(5,351)	...	(42,680)		(1,472)	...	...	...	...	...	(49,503)
Reclassification of assets	...	...	...	...	...	...	...	...	...	...	...	...
Transfers in from/(to) WIP	...	...	103	...	...	1,282	...	...	...	28	(1,413)	...
Gains/losses recognised in other comprehensive income		...	...	...	...	...	...	...	...	...	...	...
Revaluation increments/(decrements)	7,253	3,351	4,058	14,896	...	(11)	...	...	...	19,377	...	48,924
Depreciation & amortisation	...	...	(1,947)	(920)	(2)	(1,321)	(256)	(769)	(178)	...	...	(5,393)
Carrying value at 30 June	73,652	154,096	74,735	59,431	161	5,536	6,743	20,454	997	452,746	19,704	868,255

2024

	Land Level 2 (land in active markets)	Land Level 3 (specific purpose/use land)	Buildings Level 2 (General office buildings)	Buildings Level 3 (Specific purpose use buildings)	Aero-dromes Level 3 (Specific purpose use)	Plant and equipment (including computer equipment)	Abt Railway Rolling Stock Level 3 (Specific purpose use)	Traffic Signal installations Level 3 (specific purpose use)	Lease-hold improvements	Heritage and cultural assets and Artwork Level 3	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	72,320	76,095	109,898	5,465	165	6,661	4,901	20,332	1,043	382,290	67,350	746,520
Transfer into Level 3 (from Level 2)	(2,743)	2,743	(35,765)	35,765	...	...	...	...	...	...	...	...
Additions	19	10	116	42	...	687	357	915	202	164	6,184	8,696
Contributions received	...	...	...	...	...	...	...	...	...	923	...	923
Disposals	(3,381)	...	(1,346)	...	...	(303)	...	(181)	...	...	...	(5,211)
Reclassification of assets	...	...	...	...	...	...	...	...	...	...	...	...
Transfers in from/(to) WIP	...	...	2,555	61,869	...	...	...	...	98	...	(64,522)	...
Gains/losses recognised in other comprehensive income											...	...
Revaluation increments/(decrements)	3,301	77,278	(253)	(14,234)	...	...	...	...	...	44,136	...	110,228
Depreciation & amortisation	...	...	(1,151)	(810)	(2)	(1,221)	(192)	(750)	(168)	...	...	(4,294)
Carrying value at 30 June	69,516	156,126	74,054	88,097	163	5,824	5,066	20,316	1,175	427,513	9,012	856,862

(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	620	A – option price in individual contracts	Nil alternatives	Option prices are locked in individual contracts
Land - Rail Corridor – specific purpose/use land	151,272	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	2,824	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	59,431	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	161	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 useful life would increase / decrease the fair value
		C – useful life of specialised buildings	20 years	
Abt Railway Rolling Stock – specific purpose/use	6,743	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	20,454	A – labour costs to replace	\$2,000 to \$52,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		B – materials costs to replace	\$3,000 to \$130,000 /site	Increase / decrease in replacement costs would increase / decrease the fair value
		C – useful life of installation components	10 – 50 years	Increase / decrease in useful life would increase / decrease the fair value

Heritage and cultural assets and Artwork	452,746	A – independent specialist valuation	Nil - alternatives	Reliance on valuer's professional judgement
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9.7 Right-Of-Use Assets

AASB 16 requires the Department to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

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

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

(a) Carrying amount

	2025	2024
	\$'000	\$'000
Buildings		
Level 2 - at fair value	5,379	3,069
Less: Accumulated depreciation	(2,457)	(1,628)
Total	2,922	1,441
Plant and equipment and vehicles (including computer equipment)		
At cost	1,387	626
Less: Accumulated depreciation	(508)	(482)
Total	879	144
Total property, plant and equipment	3,801	1,585

(b) Reconciliation of movements

2025	Buildings	Plant, equipment & vehicles	Total
	\$'000	\$'000	\$'000
Carrying value at 1 July	1,441	144	1,585
Additions	659	776	1,435
Depreciation and amortisation	(687)	(158)	(845)
Other movements in opening balance	1,509	117	1,626
Carrying value at 30 June	2,922	879	3,801
2024	Buildings	Plant, equipment & vehicles	Total
	\$'000	\$'000	\$'000

Carrying value at 1 July	2,095	147	2,242
Depreciation and amortisation	(373)	(126)	(499)
Other movement CPI rent adjustments	(281)	123	(158)
Carrying value at 30 June	1,441	144	1,585

9.8 Infrastructure

Revaluations

Assets are revalued at every five years with sufficient regulatory to ensure carrying value represents fair value.

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

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

The most recent revaluation of the Road asset as at 30 June 2023 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 indices received from an external provider (Jacobs) for both Roads and Bridges. Current replacement cost is depreciated by the proportion of the asset that has been consumed.

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 depreciated 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 with sufficient regulatory to ensure carrying value represents fair value, with the last valuation incorporating new methodology and useful lives conducted as at 30 June 2023. Values are indexed annually between revaluations using indices received from an external provider (Jacobs) for both Roads and Bridges

Bridge Infrastructure

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

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

Full valuation occurs every five years, with the last valuation completed by GHD on 30 June 2023. Values are indexed annually using indices received from an external provider (Jacobs) for both Roads and Bridges..

Land Under Roads and within Road Reserves

Land under roads and within road reserves value is determined by the Valuer-General every five years from the most recent valuations of land titles adjoining and within a 200 metre corridor of the State road network. The Valuer General provides average values per hectare or square metre for the urban and non-urban sectors in each Municipality, and the Department inputs the average values into the land areas in each sector and Municipality. The last full revaluation was completed as at 30 June 2025.

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 with sufficient regulatory to ensure carrying value represents fair value on a current replacement cost basis, with the last valuation completed by Colliers as at 30 June 2022. 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.

(a) Carrying amount

	2025	2024
	\$'000	\$'000
Roads		
At fair value	7,370,753	7,201,536
Less: Accumulated depreciation	(2,800,401)	(2,609,598)

Total	4,570,352	4,591,938
Land Under Roads and within Road Reserves		
At fair value	671,399	462,424
Total	671,399	462,424
Bridges		
At fair value	2,807,459	2,751,691
Less: Accumulated depreciation	(1,170,006)	(1,102,133)
Total	1,637,453	1,649,558
Abt Railway Infrastructure		
At fair value	36,035	28,965
Less: Accumulated depreciation	(3,818)	(2,182)
Total	32,217	26,783
Works in progress		
Roads at Cost	182,668	...
Bridges at Cost	648,743	471,231
Abt Railway Infrastructure at Cost	1,479	7,226
Total	832,890	478,457
Total infrastructure	7,744,311	7,209,160

(b) Reconciliation of movements

2025	Roads	Land Under Roads and within Road Reserves	Bridges	Abt Railway Infrastructure	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	4,591,938	462,424	1,649,558	26,783	478,457	7,209,160
Capital Improvements	55,816	...	4,226	1,025	277,547	339,826
Contributions received	...	...	...	...	...	...
Disposals	...	(12,390)	(885)	...	...	(14,487)
Transfers to/(from) WIP		...	...	5,747	(5,747)	...
Impairment loss	...	...	...	...	...	...
Revaluation increments/(decrements)	115,846	221,365	26,508	(246)	...	363,473
Depreciation & amortisation	(110,223)	...	(41,954)	(1,484)	...	(153,661)
Transfers between classes	(83,025)	...	...	392	82,633	...
Carrying value at 30 June	4,570,352	671,399	1,637,453	32,217	832,890	7,744,311

2024	Roads	Land Under Roads and within Road Reserves	Bridges	Abt Railway Infrastructure	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	4,365,309	361,362	1,587,448	24,033	224,564	6,562,716
Capital Improvements	181,580	...	14,723	3,942	269,147	469,392
Contributions received	...	90,210	...	...	...	90,210
Disposals	(23,610)	...	(3,401)	...	...	(27,011)
Transfers to/(from) WIP	15,254	...	...	...	(15,254)	...
Impairment loss	...	...	...	...	...	...
Revaluation increments/(decrements)	161,332	10,852	90,818	...	...	263,002
Depreciation & amortisation	(107,927)	...	(40,030)	(1,192)	...	(149,149)
Carrying value at 30 June	4,591,938	462,424	1,649,558	26,783	478,457	7,209,160

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

Description	Fair value at 30 June	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
	\$'000			
Road Infrastructure	4,570,352	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 to unlimited	Increase / decrease in useful life would increase / decrease the fair value
		C – annual indexation factor (Jacobs construction price index)	7.40%	Increase / decrease in indexation factor would increase / decrease the fair value
Land under Roads	671,399	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	1,637,453	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 (Jacobs construction price index)	3.70%	Increase / decrease in indexation factor would increase / decrease the fair value
Abt Railway Infrastructure	32,217	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

9.9 Intangibles

An intangible asset is recognised where:

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

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

(a) Carrying amount

	2025	2024
	\$'000	\$'000
Intangibles with a finite useful life (at cost)		
Motor Registry System	17,503	17,503
Other software systems	2,586	2,658
Less: Accumulated amortisation	(18,775)	(18,836)
	1,314	1,325
Work in progress (at cost)	5,996	873
Total intangible assets	7,310	2,198

(b) Reconciliation of movements

	Intangibles	WIP	Total
2025	\$'000	\$'000	\$'000
Carrying value at 1 July	1,325	873	2,198
Additions	...	5,124	5,124
Depreciation & amortisation	(12)	...	(12)
Carrying value at 30 June	1,313	5,997	7,310

	Intangibles	WIP	Total
2024	\$'000	\$'000	\$'000
Carrying value at 1 July	36	873	909
Additions	1,301	...	1,301
Depreciation & amortisation	(12)	...	(12)
Carrying value at 30 June	1,325	873	2,198

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

9.10 Other assets

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

(a) Carrying amount

	2025	2024
	\$'000	\$'000
Prepayments	12,395	11,879
Other assets	276	276
Total	12,671	12,155
Recovered within 12 months	12,387	11,826
Recovered in more than 12 months	284	329
Total	12,671	12,155

(b) Reconciliation of movements

	2025	2024
	\$'000	\$'000
Carrying amount at 1 July	12,155	52,166
Additions	12,387	11,584
Settled/consumed	(11,871)	(51,595)
Carrying amount at 30 June	12,671	12,155

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.

	2025	2024
	\$'000	\$'000
Creditors	3,635	8,259
Accrued expenses ¹	6,729	28,264
Total	10,364	36,523
Settled within 12 months	10,364	36,523
Settled in more than 12 months	...	...
Total	10,364	36,523

¹ 2024 Accrued expenses includes expenses for the New Bridgewater Bridge of \$21M.

Settlement is usually made within 30 days.

10.2 Lease Liabilities

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

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

The Department has entered into the following leasing arrangements:

Class of right-of-use asset	Details of leasing arrangements
Plant and equipment	IT equipment leases range between 2 and 5 years with fixed repayments and no residual. The Departments exposure is limited to the liability recorded.
Buildings	Building leases relate to buildings of a specialist nature or of a small size not classified as major office accommodation by Finance-General. Leases of this nature may be under 5 years, however, will generally allow of multiple extensions which have been incorporated within the lease liability calculated below. Lease payments are subject to variation relating to annual CPI indexations, for which the Department is potentially exposed to increase future cash outflows beyond the liability calculated.

	2025	2024
	\$'000	\$'000
Current		
Lease liabilities	921	467
Non-current		
Lease liabilities	2,520	1,420
Total	3,441	1,887

Maturity analysis of lease liabilities

	2025	2024
	\$'000	\$'000
One year or less	921	467
From one to five years	2,520	1,420
More than five years	...	...
Total	3,441	1,887

The lease liability in the maturity analysis is presented using undiscounted contractual amounts before deducting finance charges.

The following amounts are recognised in the Statement of Comprehensive Income

	2025	2024
	\$'000	\$'000
Interest on lease liabilities included in note 8.5 (Interest on Leases)	180	119
Lease expenses included in note 8.3 (Operating Lease Costs)		
Variable lease payments	809	480
Net expenses from leasing activities	989	599

10.3 Borrowings

Loans are initially measured at fair value, net of transaction costs. 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

	2025	2024
	\$'000	\$'000
Loans from the State Government	940	1,410
Loans from the Australian Government	9,256	10,953
Loans from Tascorp	93,000	78,000
Total	103,196	90,363

(b) Maturity schedule

	2025	2024
	\$'000	\$'000
One year or less	79,715	1,702
From one to five years	23,481	88,661
Total	103,196	90,363

Under the *Tasmanian Public Finance Corporation Act 1985*, the Government has provided a guarantee of Tasmania Development and Resources' borrowings from the Tasmanian Public Finance Corporation. As at 30 June 2025, this support was limited to a maximum amount of \$170.0 million.

10.4 Employee benefits

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

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

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

	2025	2024
	\$'000	\$'000
Accrued salaries	4,607	3,371
Annual leave	9,170	6,973
Long service leave	13,646	12,577
Other employee provisions	3,424	2,857
Total	30,847	25,778
Expected to settle within 12 months	14,286	12,295
Expected to settle in more than 12 months	16,561	13,483
Total	30,847	25,778

10.5 Provisions

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

(a) **Carrying amount**

	2025	2024
	\$'000	\$'000
Compulsory acquisition of land for roadworks	6,891	6,689
Total	6,891	6,689
Settled within 12 months	6,891	6,689
Settled in more than 12 months	...	
Total	6,891	6,689

(b) **Reconciliation of movements in provisions**

	2025	2024
	\$'000	\$'000
Balance at 1 July	6,689	8,037
Additions/increases	202	...
Settled acquisitions	...	(1,348)
Balance at 30 June	6,891	6,689

10.6 Other liabilities

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

	2025	2024
	\$'000	\$'000
Revenue received in advance		
Other revenue received in advance	723	5,611
Other liabilities		
Monies held in trust	35,470	33,132
Suspense accounts	2,878	2,673
PAYG withholding tax liability over year end	69	68
Employee benefits – on costs	278	216
Other	13	6
Total	39,431	41,706
Settled within 12 months	39,252	41,574
Settled in more than 12 months	179	132
Total	39,431	41,706

Monies held in Trust are primarily Mines Deposit Accounts (\$29.670M), which are held by the Department in trust as mine rehabilitation bonds, and monies held in Provision for Land Acquisitions (\$5.672M).

Note 11 Commitments and Contingencies

11.1 Schedule of Commitments

Commitments represent those contractual arrangements entered by the Department that are not reflected in the Statement of Financial Position.

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

	2025	2024
	\$'000	\$'000
By type		
Capital commitments		
Infrastructure – Roads and Bridges	203,829	300,246
Total capital commitments	203,829	300,246
Commitments held with Finance-General		
Major office accommodation	66,111	45,123
Motor vehicle fleet (base usage charge)	2,057	2,003
Other – low value assets	914	...
Total Commitments held with Finance-General	69,082	47,126
Other commitments		
Loan commitments	20,033	115,052
Program/project commitments	894,918	879,560
Total other commitments	914,951	994,612
Total	1,187,862	1,341,984
By maturity		
Capital commitments		
One year or less	78,448	126,130
From one to five years	125,380	144,918
More than five years	...	29199
Total capital commitments	203,829	300,247
Commitments held with Finance-General		
One year or less	8,128	5,825
From one to five years	34,039	22,817
More than five years	26,916	18,484
Total Commitments held with Finance-General	69,083	47,126
Other commitments		

One year or less	349,592	432,450
From one to five years	561,530	555,881
More than five years	3,828	6280
Total other commitments	914,950	994,611
Total	1,187,862	1,341,984

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

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

NB: Commitments are shown as GST exclusive.

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

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

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

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

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

11.2 Contingent Assets and Liabilities

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

(a) Quantifiable contingencies

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

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

	2025	2024
	\$'000	\$'000

Quantifiable Contingent Liabilities

Asbestos removal from traffic signal sites:

This involves the identification and removal of any asbestos from approximately 1,000 traffic signal sites, predominantly pits, associated with traffic signals. The nature and location of the individual traffic signal sites will have a significant impact on the cost of any remediation with the cost range from a few hundred dollars per site to more than \$10,000 for some complex sites. The extent of work on each site will be based on individual assessment which creates significant uncertainty about the final cost.

1,670 2,000

Since late 2015 the Tasmanian Government has remained committed to a \$25 million financial assistance package to Copper Mines of Tasmania, through TDR, to support the potential reopening of the Mt Lyell Copper Mine, subject to due diligence.

25,000 25,000

Total quantifiable contingent liabilities

26,670 27,000

(b) Unquantifiable Contingencies

At 30 June 2025 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, damage, or loss 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

2025	Land and land under roads	Rail corridor land	Buildings	Aero-dromes	Plant and Equip-ment	Traffic Signals	Road Infras-structure	Bridges	Other Infras-structure	Artwork	Heritage and Cultural assets	Total
Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	178,341	101,711	9,981	851	6,576	8,498	2,156,490	1,061,359	13,581	46	60,515	3,597,949
Revaluation increments/(decrements)	231,965	3	18,954	...	(11)	...	115,846	26,508	(246)	...	19,377	412,396
Balance at 30 June	410,306	101,714	28,935	851	6,565	8,498	2,272,336	1,087,867	13,335	46	79,892	4,010,345

2024	Land	Rail corridor land	Buildings	Aero-dromes	Plant and Equip-ment	Traffic Signals	Road Infras-structure	Bridges	Other Infras-structure	Artwork	Heritage and Cultural assets	Total
Asset revaluation reserve	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	164,921	23,700	24,468	851	6,576	8,498	1,995,158	970,541	13,581	46	16,379	3,224,719
Revaluation increments/(decrements)	13,420	78,011	(14,487)	...	...	...	161,332	90,818	...	...	44,136	373,230
Balance at 30 June	178,341	101,711	9,981	851	6,576	8,498	2,156,490	1,061,359	13,581	46	60,515	3,597,949

(a) Nature and purpose of reserves

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

12.2 Administrative restructuring

Net assets received under a restructuring of administrative arrangements are designated as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were recognised by the transferring Department immediately prior to the transfer.

12.2 (a) Forest Policy

As a result of a restructuring of State Service (Restructuring) Order 2024, the Department assumed responsibility for forest policy functions on 1 July 2024.

In respect of activities assumed, the net book values of assets and liabilities transferred to the Department from the Department of Natural Resources and Environment Tasmania for no consideration and recognised as at the date of transfer were:

As at 1 July 2024	2025
	\$'000
Contribution by owners	
Cash and deposits	3,637
Total assets recognised	3,637
Employee entitlements	107
Provisions	1
Other liabilities	2
Total liabilities recognised	110
Net assets (liabilities) assumed on restructure	3,527

12.2 (b) State Planning Office

As a result of a restructuring of State Service (Restructuring) Order (No. 2) 2024, the Department assumed responsibility for State Planning Office on 1 November 2024.

In respect of activities assumed, the net book values of assets and liabilities transferred to the Department from the Department of Premier and Cabinet for no consideration and recognised as at the date of transfer were:

As at 1 November 2024	2025
	\$'000
Contribution by owners	
Cash and deposits	19
Total assets recognised	19
Employee entitlements	270
Total liabilities recognised	270
Net assets (liabilities) assumed on restructure	(251)
As at 1 November 2024	2025
	\$'000

Revenue

Recognised by Department of Premier and Cabinet - 1 July 2024 - 31 October 2024	693
Recognised by Department of State Growth - 1 November 2024 - 30 June 2025	1,630
Total revenues	2,323

Expenses

Recognised by Department of Premier and Cabinet - 1 July 2024 - 31 October 2024	546
Recognised by Department of State Growth - 1 November 2024 - 30 June 2025	1,630
Total expenses	2,176

12.2 (c) Strategic Regional Partnerships

As a result of a restructuring of State Service (Restructuring) Order (No. 2) 2024, the Department assumed responsibility for Strategic Regional Partnerships on 1 November 2024.

In respect of activities assumed, the net book values of assets and liabilities transferred to the Department from the Department of Premier and Cabinet for no consideration and recognised as at the date of transfer were:

As at 1 November 2024	2025
	\$'000

Contribution by owners

Cash and deposits	...
Total assets recognised	...

Employee entitlements	...
Provisions	...
Other liabilities	...
Total liabilities recognised	...

Net assets (liabilities) assumed on restructure	...
--	------------

As at 1 November 2024	2025
	\$'000

Revenue

Recognised by Department of Premier and Cabinet - 1 July 2024 - 31 October 2024	27
Recognised by Department of State Growth - 1 November 2024 - 30 June 2025	3,313
Total revenues	3,340

Expenses

Recognised by Department of Premier and Cabinet - 1 July 2024 - 31 October 2024	27
Recognised by Department of State Growth - 1 November 2024 - 30 June 2025	3,313
Total expenses	3,340

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.

	2025	2024
	\$'000	\$'000
Specific Purpose Account balances		
S524 Department of State Growth Financial Management Account	49,395	22,682
External Bank accounts – Abt Railway Ministerial Corporation	8,055	3,250
Petty cash and Float – Abt Railway Ministerial Corporation	8	7
Commonwealth Bank account – Tasmanian Museum and Art Gallery	58	58
S117 Tasmanian Forests Agreement	3,508	...
Total Specific Purpose Account balances	61,024	25,997
Agency Trust Accounts		
T466 Mines Deposit Account	29,670	27,127
T003 Provision for Land Acquisition Account	5,513	5,721
Total	35,183	32,848
Total cash and deposits	96,207	58,845
Restricted use cash and deposits ¹	1,556	190
Unrestricted use cash and deposits	94,651	58,655
Total cash and deposits	96,207	58,845

¹ 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 (\$58K). The balance relates to TDR accounts.

13.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2025	2024
	\$'000	\$'000
Net results	259,165	337,728
Depreciation and amortisation	159,910	153,954
(Gain) loss on non-financial assets	18,634	30,841
Interest capitalised	(1,807)	(1,151)
Impairment adjustments	927	2,791
Decrease (increase) in Receivables	2,192	4,778
Decrease (increase) in Other Financial Assets	(1,201)	(5,095)
Decrease (increase) in Inventories	(238)	(2,273)
Decrease (increase) in Right of Use Asset	(2,215)	656

Decrease (increase) in Prepayments	(516)	11
Increase (decrease) in Employee entitlements	5,446	(644)
Increase (decrease) in Payables	(26,159)	2,603
Increase (decrease) in Lease liabilities	1,554	(456)
Increase (decrease) in Other liabilities	(2,273)	4,678
Less: contributions received (non cash)	(5,812)	(91,651)
Less: non-operational capital funding – recurrent appropriation	(1,486)	(1,527)
Less: non-operational capital funding - works & services appropriation	(116,033)	(149,898)
Less: non-operational capital funding – Australian Government grants	(255,756)	(262,736)
Net cash from (used by) operating activities	34,332	22,609

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.

	Borrowings	Monies Held in Trust
2025		
	\$'000	\$'000
Balance as at 1 July 2024	90,363	33,132
Trust receipts	...	2,884
Trust payments	...	(546)
Other movements	47	...
Changes from financing cash flows:		
Cash Received	15,000	...
Cash Repayments	(2,214)	...
Balance as at 30 June 2025	103,196	35,470

	Borrowings	Monies Held in Trust
2024		
	\$'000	\$'000
Balance as at 1 July 2023	118,063	32,857
Trust receipts	...	906
Trust payments	...	(371)
Other movements	(210)	(260)
Changes from financing cash flows:		
Cash Received	3,022	...
Cash Repayments	(30,512)	...
Balance as at 30 June 2024	90,363	33,132

13.4 Acquittal of Capital Investment and Specific Purpose Accounts

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

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

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

(a) Project expenditure

	2025 Budget \$'000	2025 Actual \$'000	2024 Actual \$'000
Capital Investment Program			
National Highway Projects			
Bass Highway Corridor	13,771	1,796	9,447
Bridge Renewal Program	...	...	2,367
Channel Highway Bypass of Huonville	6,058	6,058	4,957
East and West Tamar Highway Corridors	11,611	28,014	...
Freight Access Bridge Upgrade	...	...	437
Greater Hobart Traffic Solution	2,000	950	...
Heavy Vehicle Safety and Productivity	...	...	330
Infrastructure Maintenance	31,214	17,269	19,532
Infrastructure Stimulus Funding	1,967	2,226	638
Midland Highway	22,836	4,710	39,970
New Bridgewater Bridge	154,089	177,440	163,433
Northern Suburbs Community Recreation Hub Project	7,500	2,445	1,363
Remote Roads Pilot Funding	6,665	3,860	4,410
Road Safety Projects	13,795	7,529	5,949
Roads of Strategic Importance	16,542	18,477	18,590
Rokeby Stage 3 - Pass Road to Oakdowns	2,000	...	...
Safer Local Roads Program	11,912	7,035	...
South East Traffic Solution	6,000	1,176	2,024
Tasman Highway Corridor	7,332	236	10,142
Urban Congestion Fund	6,098	5,849	2,698
State Funded Projects			
Algona Interchange and Kingston Bypass	1,508	1,065	5,590
Arthur Highway Corridor	1,567	388	193
Bass Highway Corridor	7,924	4,741	7,055
Bruny Island Landside Infrastructure	1,000	590	3,629
Bus Stop Upgrades	2,579	1,445	844
Channel Highway Bypass of Huonville	3,000	4,255	3,050
Cycling Infrastructure	2,400	3,895	3,407
Devonport to Cradle Mountain Corridor	1,670	50	103
Dial Regional Sports Complex	...	(263)	140
Domain Highway Planning	...	25	49
East and West Tamar Highway Corridors	3,950	3,176	6,500
Elphin Sports Centre	1,000	36	...
Esk Main Road	...	...	16

Extending the Great Eastern Drive – Binalong Bay Road	1,053	112	11
Festival Infrastructure - PW1	100	148	...
Freight Access Bridge Upgrade	...	17	12
Glenora Road Upgrade	250	500	250
Greater Hobart Traffic Solution	6,826	11,501	5,133
Heavy Vehicle Safety and Productivity	...	...	276
Huntingfield Roundabout Improvements	...	1,676	11,360
Infrastructure Maintenance	85,543	84,954	103,180
Infrastructure Stimulus Funding	390	154	1,869
Launceston and Tamar Valley Traffic Vision	3,036	758	497
Midland Highway	6,800	245	3,052
Mountain River Intersection Upgrade	...	243	...
Network Planning	1,808	2,039	1,860
New Bridgewater Bridge	35,911	21,495	60,231
New Park and Ride Facilities	6,000	1,929	1,690
New Southern Tasmanian Sporting Facilities	6,219	2,608	4,457
Northern Park and Ride	1,000	154	...
Northern Suburbs Community Recreation Hub Project	13,792	11,672	3,325
Northern Transit Centres	2,000	...	...
Program Management	8,576	7,407	6,687
Road Safety Projects	14,217	13,267	7,889
Roads of Strategic Importance	6,853	2,669	4,652
Roads Package to Support Tasmania's Visitor Economy	3,404	801	2,005
Rokeby Stage 3 - Pass Road to Oakdowns	1,000	1,824	1,211
Safer Local Roads Program	2,020	288	...
Silverdome	6,000	...	...
South East Traffic Solution	1,471	9,722	3,020
Stanley Highway Tourism Upgrades	2,000	935	1,081
State Road Upgrades – Northern Region	1,789	280	2,181
State Road Upgrades – Southern Region	2,611	2,918	3,233
State Roads Upgrades - North West & West Coast Region	...	...	3
Targeting Congestion Package	6,178	810	3,877
Tasman Highway Corridor	4,500	6,743	5,210
Tasmanian AFL Package – High Performance Centre	25,000	2,966	790
TMAG Building Maintenance	1,802	302	198
Traffic Management and Engineering Services	3,721	3,512	3,483
Urban Congestion Fund	8,437	2,249	3,326
West Tamar Highway Traffic Solution	...	89	43
Total cash outflows	618,295	501,456	562,957

(b) Classification of cash flows

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

	2025	2024
	\$'000	\$'000
Cash outflows		
Supplies and consumables:		
Maintenance	36,764	45,486
Other supplies and consumables	94,738	85,079
Payments for acquisition of assets	369,954	432,392
Total cash outflows	501,456	562,957

Note 14 Financial Instruments

14.1 Risk exposures

(a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

(b) Credit risk exposures

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

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables (including Tax assets)	Recognised upon the provision of a good or service and the issuance of an invoice or claim ie BAS, measured at face value	Payment terms generally 30 days. Collectability of receivables is reviewed at balance date and a provision for impairment raised when collection of a debt is judged to be doubtful.
Cash and deposits	Recognised upon receipt of cash, measured at face value	At call
Loan advances	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 (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 2024 and 30 June 2025 are as follows.

Expected credit loss analysis of receivables as at 30 June 2025

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	5.00%	
Total gross carrying amount (B)	1,317	100	5	18	914	2,354
Expected credit loss (A x B)	...	...	...	...	(46)	(46)

Expected credit loss analysis of receivables as at 1 July 2024

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	5.00%	
Total gross carrying amount (B)	464	452	47	58	961	1,982
Expected credit loss (A x B)	...	...	...	...	(48)	(48)

(c) Liquidity risk

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

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

The Department is not exposed to liquidity risk of any significance. Appropriation funding is provided to the Department from State Treasury as funds are spent by the Department, provided the Department does not exceed its budget. The following tables detail the undiscounted cash flows payable by the Department by

remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2025

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	10,364	...	...	...	...	...	10,364	10,364
Borrowings - Interest bearing	78,000	...	15,000	...	...	...	93,000	93,000
Borrowings - Non-interest bearing	1,715	4,476	4,005	...	...	...	10,196	10,196
Monies held in Trust	35,470	...	...	...	...	...	35,470	35,470
Total	125,549	4,476	19,005	...	...	...	149,030	149,030

2024

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	506	...	...	...	...	...	506	506
Borrowings - Interest bearing	...	78,000	...	...	...	...	78,000	78,000
Borrowings - Non-interest bearing	1,702	3,553	3,554	3,554	...	...	12,363	12,363
Monies held in Trust	33,132	...	...	...	...	...	33,132	33,132
Total	35,340	81,553	3,554	3,554	...	...	124,001	124,001

(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:

	2025 \$'000	2024 \$'000
Fixed rate instruments		
Financial assets	10,492	...
Less Financial liabilities	(93,000)	(78,000)
Total	(82,508)	(78,000)
Variable rate instruments		
Financial assets	152,676	132,126
Less Financial liabilities	...	(341)
Total	152,676	131,785

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	100 basis points	100 basis points	100 basis points
	increase	decrease	Increase	decrease
	\$'000	\$'000	\$'000	\$'000
2025				
Cash and deposits	55	(55)	55	(55)
Investments	105	(105)	105	(105)
Loan advances	1,471	(1,471)	1,471	(1,471)
Borrowings	(930)	930	(930)	930
Net sensitivity	701	(701)	701	(701)
2024				
Cash and deposits	52	(52)	52	(52)
Loan advances	1,321	(1,321)	1,321	(1,321)
Borrowings	(780)	780	(780)	780
Net sensitivity	593	(593)	593	(593)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2021.

14.2 Categories of Financial Assets and Liabilities

AASB 9 Carrying amount	2025	2024
	\$'000	\$'000
Financial assets		
Amortised cost	260,472	190,420
Total	260,472	190,420
Financial Liabilities		
Financial liabilities measured at amortised cost	149,030	(160,018)
Total	149,030	(160,018)

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

14.3 Derecognition of Financial Assets

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

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

	Carrying Amount 2025 \$'000	Net Fair Value 2025 \$'000	Carrying Amount 2024 \$'000	Net Fair Value 2024 \$'000
Financial assets				
Cash at bank	35,183	35,183	32,848	32,848
Cash and Deposits	61,024	61,024	25,997	25,997
Receivables	2,379	2,379	1,948	1,948
Loan advances	144,695	144,695	129,628	129,628
Equity investments	10,492	10,492	...	...
Other financial assets	6,699	6,699	...	...
Total financial assets	260,472	260,472	190,421	190,421
Financial liabilities				
Trade creditors	10,364	10,364	36,523	36,523
Borrowings	103,196	104,361	90,363	90,604
Other financial liabilities:				
Monies held in Trust	35,470	35,470	33,132	33,132
Total financial liabilities	149,030	150,195	160,018	160,259

14.5 Net Fair Values of Financial Assets and Liabilities

2025	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net fair Value Total \$'000
Financial assets				
Cash at bank	35,183	...	...	35,183
Cash in Special Deposits and Trust Fund	61,024	...	...	61,024
Receivables	...	2,379	...	2,379
Loan advances	...	144,695	...	144,695
Equity investments	...	10,492	...	10,492
Other financial assets	...	6,699	...	6,699
Total financial assets	96,207	164,265	...	260,472
Financial liabilities				
Trade creditors	...	10,364	...	10,364
Borrowings	...	104,361	...	104,361
Other financial liabilities:				
Monies held in Trust	...	35,470	...	35,470
Total financial liabilities	...	150,195	...	150,195

2024	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net fair Value Total
------	------------------------------	------------------------------	------------------------------	----------------------------

	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash at bank	32,848	...	...	32,848
Cash in Special Deposits and Trust Fund	25,997	...	...	25,997
Receivables	...	445,076	...	445,076
Loan advances	...	129,628	...	129,628
Total financial assets	58,845	574,704	...	633,549
Financial liabilities				
Trade creditors	...	506	...	506
Borrowings	...	9,962	...	9,962
Other financial liabilities:				
Monies held in Trust	...	33,132	...	33,132
Total financial liabilities	...	43,600	...	43,600

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%

Note 16 Notes to Administered Statements

Budget information refers to original estimates as disclosed in the 2024-25 Budget Papers and is not subject to audit.

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.

16.1 Explanations of Material Variances between Budget and Actual Outcomes

(a) Schedule of Administered Income and Expenses

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – operating	(i)	51,513	91,122	39,609	76.89%
Grants	(ii)	...	2,970	2,970	...
Sales of goods and services	(iii)	5,943	6,602	659	11.09%
Other revenue	(iv)	50,350	72,370	22,020	43.73%
Supplies and consumables	(v)	136	1,144	1,008	741.18%
Grants and subsidies	(vi)	51,377	89,266	37,889	73.75%
Transfers to the Public Account	(vii)	124,133	146,338	22,205	17.89%
Other expenses	(viii)	...	5,058	5,058	...

Notes to Schedule of Administered Income and Expenses variances

(i) Variance reflects payments to Home Tasmania in line with the *State Service (Restructuring) Order (No.2) 2024* as well as supplementary appropriation for grant payment to TasRail.

(ii) Variance reflects payments to Home Tasmania in line with the *State Service (Restructuring) Order (No.2) 2024*.

(iii) Variance reflects higher than anticipated revenue from vehicle registration MAIB commissions and custom plate sales.

(iv) Variance reflects higher than anticipated Mining Royalty Income

(v) Variance reflects a higher than anticipated transfer of funds relating to custom vehicle plate (Tasplates) sales.

(vi) Variance reflects payments to Home Tasmania in line with the *State Service (Restructuring) Order (No.2) 2024*, as well as additional grant payment to TasRail.

(vii) Variance relates to higher transfers to the Public Account due to higher than anticipated Royalty and Motor Registry Income.

(viii) Variance reflects the transfer of funding to clear a historical cash deficit and liability associated with payments to Island councils in accordance with section 5 of the *Roads and Jetties Act 1935*. Future payments will be funded through

(b) Schedule of Administered Assets and Liabilities

			2025	2024	Budget	Actual
	Note	Budget	Actual	Actual	Variance	Variance
		\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	(i)	325	5,207	(2,193)	4,882	7,400
Receivables	(ii)	785	141	824	(644)	(683)
Other financial Assets	(iii)	...	1,177	574	1,177	603
Payables	(iv)	...	608	...	608	608
Other liabilities	(v)	...	855	(4,409)	855	5,264

Notes to Schedule of Administered Assets and Liabilities Variances

(i) Variance reflects the transfer of funding to clear historical a cash deficit associated with payments to Island councils in accordance with section 5 of the *Roads and Jetties Act 1935*.

(ii) Variance reflects the lower than anticipated receivables for deferred Mining Royalties.

(iii) Variance relates to higher then prior year Royalty and custom vehicle plate sales income relating to June.

(iv) Variance reflects timing of payments for June transactions relating to custom vehicle plate sales.

(v) Variance reflects the reversal of a liability following the transfer of funding to clear a historical cash deficit associated with payments to Island councils in accordance with section 5 of the *Roads and Jetties Act 1935*. Future payments will be funded through a new Administered Expense Item.

16.2 Administered revenue from Government

For significant Accounting Policies relating to Administered Revenue from Government please refer to note 6.1.

	2025	2025	2024
	Budget	Actual	Actual
	\$'000	\$'000	\$'000
Continuing operations			
Appropriation revenue - recurrent			
Current year	29,581	91,122	35,525
Total	29,581	91,122	35,525

16.3 Administered Grants

For significant Accounting Policies relating to Administered Grants please refer to note 6.2.

	2025	2024
	\$'000	\$'000
Commonwealth recurrent grants	2,970	...
Total	2,970	...

16.4 Administered State taxation

	2025	2024
	\$'000	\$'000
Vehicle Registration Fees	59,611	55,469
Total	59,611	55,469

16.5 Administered Sales of goods and services

	2025	2024
	\$'000	\$'000
Goods		
Mineral Land Rentals	1,483	1,436
Custom Plates	2,393	2,702
Services		
MAIB Commission	2,718	2,669
Registration and Licensing	8	7
Other	...	...
Total	6,602	6,814

16.6 Administered Fees and fines

	2025	2024
	\$'000	\$'000
Regulatory Fees		
Vehicle escorts	1	3
Public Vehicle Licensing	17	14
Fees from Mineral Lands	1,595	1,483
Driver Licensing	9,033	8,761
Fines		
Weighbridge	19	19
Other	6	16
Total	10,670	10,296

16.7 Administered other revenue

	2025	2024
	\$'000	\$'000
Mineral Royalties	70,472	51,839
Other Revenue ¹	1,898	...
Total	72,370	51,839

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.

¹ Other revenue relates to Housing Program support grant payments

16.8 Administered Employee benefits

	2025	2024
	\$'000	\$'000
Wages and salaries	103	70
Annual leave	13	7
Long service leave	2	(1)
Superannuation	14	6
Other employee benefits	3	1
Total	135	83

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 (2023: 12.95 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 11 per cent (2023: 10.5 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 (2023: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

16.9 Supplies and consumables

	2025	2024
	\$'000	\$'000
Personalised number plate production costs	1,120	1,068
Other supplies and consumables	24	28
Total	1,144	1,096

16.10 Administered Grants and subsidies

	2025	2024
	\$'000	\$'000
Grants		
Forest Practices Authority	1,800	...
Homes Tasmania	28,673	...
Marine and Safety Tasmania	2,317	1,418
National Road Transport Commission: Local Government Contribution	1,500	1,500
Payment in Accordance with Section 5 of the Roads & Jetties Act	1,251	...
Private Forests Tasmania	1,898	...
Sustainable Timber Tasmania	8,000	...

Tasmanian Icon Program - State Cricket Team	...	500
Tasmanian Railway Pty Ltd	21,900	13,900
Tasmanian Symphony Orchestra	2,418	2,384
Ten Days on the Island	1,480	1,451
Theatre Royal	1,040	1,020
West Coast Wilderness Railway	11,000	7,650
Total Grants	83,277	29,823
Subsidies		
Conveyance Allowance	740	722
Pensioner Air Travel Subsidy	12	8
Transport Access Scheme	5,237	4,939
Total Subsidies	5,989	5,669
Total	89,266	35,492

16.11 Administered Other expenses

	2025	2024
	\$'000	\$'000
Payments in accordance with section 5 of the <i>Roads and Jetties Act 1935</i>	4,908	...
Miscellaneous Expenses	150	139
Total	5,058	139

16.12 Administered Receivables

	2025	2024
	\$'000	\$'000
Receivables	141	867
Less: Expected credit loss	...	(43)
Total	141	824
Sales of goods and services (inclusive of GST)	142	868
Less: Provision for impairment	...	(43)
GST receivable	(1)	(1)
Total	141	824
Settled within 12 months	141	824
Total	141	824

Reconciliation of movement in expected credit loss for administered receivables	2025	2024
	\$'000	\$'000
Carrying amount at 1 July	(43)	...
Increase/(decrease) in provision recognised in profit or loss	43	(43)
Carrying amount at 30 June	...	(43)

For ageing analysis of administered financial assets past due but not impaired please refer to note 16.26.

16.13 Administered Other Financial Asset

Administered 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.

Administered other financial assets consist mainly of accrued revenue such as motor registry fees that occurred at the end of financial year but yet to be received.

	2025	2024
	\$'000	\$'000
Accrued revenue	1,177	574
Total	1,177	574
Settled within 12 months	1,177	574
Total	1,177	574

16.14 Administered Payables

For significant Accounting Policy information relating to Administered Payables please refer to note 10.1.

	2025	2024
	\$'000	\$'000
Trade Creditors	428	...
Accrued Expenses	180	...
Total	608	...
Expected to settle within 12 months	608	...
Expected to settle in more than 12 months	...	...
Total	608	...

16.15 Administered Employee Benefit Liabilities

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

	2025	2024
	\$'000	\$'000
Accrued salaries	1	(1)
Annual leave	1	(1)
Long Service Leave	1	...
Total	3	(2)
Expected to settle within 12 months	3	(2)
Expected to settle in more than 12 months	...	...
Total	3	(2)

16.16 Administered Other liabilities

	2025	2024
	\$'000	\$'000
Other liabilities		
Monies held in trust	855	(4,409)
Total	855	(4,409)
Settled within 12 months	855	(4,409)
Total	855	(4,409)

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).

16.17 Administered Administrative Restructure

As a result of a restructuring of State Service (Restructuring) Order (No. 2) 2024, the Department assumed responsibility for the administered item Homes Tasmania from the Department of Premier and Cabinet on 1 November 2024. In respect of activities assumed, no assets or liabilities were held as at the date of transfer.

Administered revenue and administered expenses recognised by the Department in these statements are as follows:

Department of State Growth (transferee)	2025
	\$'000
Administered Revenue	
Recognised by Department of Premier and Cabinet - 1 July 2024 - 31 October 2024	90,389
Recognised by Department of State Growth - 1 November 2024 - 30 June 2025	28,673
Total Administered Revenue	119,062

Administered Expense

Recognised by Department of Premier and Cabinet - 1 July 2024 - 31 October 2024	90,389
Recognised by Department of State Growth - 1 November 2024 - 30 June 2025	28,673
Total Administered Expense	119,062

Prior year comparatives have not been adjusted or realigned to reflect the restructure.

16.18 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.

	2025	2024
	\$'000	\$'000
S524 State Growth Financial Management Account	5,207	(2,193)
Total	5,207	(2,193)

16.19 Risk exposures

(a) Risk management policies

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

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

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

The Department does not hold any derivative financial instruments.

(b) Credit risk exposures

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

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

Receivables age analysis - expected credit loss

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

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2025 and 30 June 2024 are as follows.

Expected credit loss analysis of receivables as at 30 June 2025

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	5.00%	
Total gross carrying amount (B)	...	133	1	2	7	143
Expected credit loss (A x B)	...	...	...	...	...	...

Expected credit loss analysis of receivables as at 30 June 2024

	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.00%	0.00%	0.00%	0.00%	5.00%	
Total gross carrying amount (B)	1	3	...	...	863	867
Expected credit loss (A x B)	...	...	...	...	43	43

(c) Liquidity risk

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

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

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

2024-25

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
Financial liabilities								
Payables	608	...	...	...	...	...	608	608

Monies held in Trust	855	...	...	...	...	...	855	855
Total	1,463	...	...	...	...	...	1,463	1,463

2024

Maturity analysis for financial liabilities:

	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscoun ted Total	Carrying Amount
Financial liabilities								
Monies held in Trust	(4,409)	...	...	...	...	...	(4,409)	(4,409)
Total	(4,409)	...	...	...	...	...	(4,409)	(4,409)

(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:

	2025	2024
	\$'000	\$'000

Variable rate instruments

Financial assets	...	...
Less financial liabilities	(855)	4,409
Total	(855)	4,409

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

Sensitivity Analysis of Department's Exposure to Possible Changes in Interest Rates:

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	\$'000	\$'000	\$'000	\$'000
30 June 2025				
Monies held in trust	9	(9)	9	(9)
Net sensitivity	9	(9)	9	(9)
30 June 2024				
Monies held in trust	(44)	44	(44)	44
Net sensitivity	(44)	44	(44)	44

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

16.20 Categories of Administered Financial Assets and Liabilities

AASB 9 Carrying amount	2025	2024
	\$'000	\$'000
Financial assets		
Amortised cost	6,525	(1,369)
Total	6,525	(1,369)
Financial Liabilities		
Financial liabilities measured at amortised cost	1,463	(4,409)
Total	1,463	(4,409)

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.

16.21 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.

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

	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	2025	2025	2024	2024
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and deposits	5,207	5,207	(2,193)	(2,193)
Receivables	141	141	824	824
Other financial assets	1,177	1,177	...	...
Total financial assets	6,525	6,525	(1,369)	(1,369)
Financial liabilities				
Other financial liabilities:				
Payables	608	608	...	...
Monies held in Trust	855	855	(4,409)	(4,409)
Total financial liabilities	1,463	1,463	(4,409)	(4,409)

16.23 Net Fair Values of Administered Financial Assets and Liabilities

2025	Net Fair Value	Net Fair Value	Net Fair Value	Net fair Value
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000

Financial assets				
Cash in Specific Purpose Accounts	...	5,207	...	5,207
Receivables	...	141	...	141
Other financial assets		1,177		1,177
Total financial assets	...	6,525	...	6,525

Financial liabilities

Other financial liabilities:

Payables		608		608
Monies held in Trust	...	855	...	855
Total financial liabilities	...	1,463	...	1,463

2024	Net Fair Value	Net Fair Value	Net Fair Value	Net fair Value
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash in Specific Purpose Accounts	...	(2,193)	...	(2,193)
Receivables	...	824	...	824
Total financial assets	...	(1,369)	...	(1,369)
Financial liabilities				
Other financial liabilities:				
Monies held in Trust				
Total financial liabilities	...	(4,409)	...	(4,409)
	...	(4,409)	...	(4,409)

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	Net transactions during 2024-25	Closing balance
	\$'000	\$'000	\$'000
Monies collected on behalf of external bodies through Motor Registrations (refer below), Net transactions is made up of:	(4,359)	414,995	
Cash injection to State Highway Trust Fund		5,216	
Net monies transferred to external bodies		(414,947)	905
Agreement for the Conservation of Albatrosses and Petrels (ACAP)	1,340	2,656	3,996
Mine Rehabilitation Bonds	27,127	2,633	29,760
Pacific National Compensation Fund	69	3	72
Provision for land acquisition	5,721	(208)	5,513

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

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

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

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

Note 18 Events Occurring After Balance Date

There have been no events subsequent to balance date which would have a material effect on the Department's Financial Statements as at 30 June 2025.

Note 19 Other Significant Accounting Policies and Judgements

19.1 Objectives and Funding

The Department was established on 1 July 2014 to strategically pursue jobs, growth and opportunity for Tasmanians. The Department actively pursues and promotes investment, facilitates major projects, supports business and industry to grow and ensures strategic investment in infrastructure. The Department also works closely with business and industry to address barriers to growth; reduce red and green tape; provide a skilled

workforce; develop our creative and cultural industries; and ensure efficient, cost effective transport and logistics systems.

The Department provides portfolio support for the following Ministers:

- Minister for the Arts and Heritage
- Minister for Energy and Renewables
- Minister for Infrastructure
- Minister for Tourism
- Minister for Transport
- Minister for Business, Industry and Resources
- Minister for Skills and Training
- Minister for Small Business and Consumer Affairs
- Minister for Sports and Events
- Minister for Trade and Major Investment
- Minister for Housing, Planning and Consumer Affairs
- Minister for Hospitality and Small Business

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 Act 2016*.

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 (AASB) relevant to its operations. This includes the adoption of AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates, and AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and other Australian Accounting Standards. The impact of these accounting standard changes is that disclosure of only material accounting policies are now made. There are no other new or revised Standards or Interpretations issued by the Australian Accounting Standards Board that are relevant to the Department's operations and effective for the current annual reporting period.

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

The following applicable accounting Standard has been issued by the AASB, AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities. The Department has not yet determined the potential effect of the revised Standard on the Department's Financial Statements.

19.6 Activities Undertaken Under a Trustee or Agency Relationship

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

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

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

19.7 Foreign Currency

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

19.8 Comparative Figures

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

19.9 Budget Information

Budget information refers to original estimates as disclosed in the 2024-25 Budget Papers and is not subject to audit.

19.10 Rounding

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

19.11 Departmental Taxation

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

19.12 Goods and Services Tax

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

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

Note 20 Independent Auditor's Report



Independent Auditor's Report To the Members of Parliament The Department of State Growth Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Department of State Growth (the Department), which comprises the statement of financial position as at 30 June 2025, 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 signed by the Secretary of the Department.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the financial position of the Department as at 30 June 2025 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Financial Management Act 2016* and Australian Accounting Standards.

Basis for Opinion

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

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

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

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

Key Audit Matters

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

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of infrastructure assets, depreciation expense and recognition of capital expenditure <i>Refer to notes 8.2 and 9.8</i>	
The Department's infrastructure assets include roads, bridges, land under roads and within road structures, Abt Railway infrastructure and related works in progress. As at 30 June 2025, these assets totalled \$7.74 billion, recognised at fair value. The fair value of land under roads and within road reserves value is determined by the Valuer-General from the most recent valuations of land titles adjoining and within a 200-metre corridor of the State road network. The fair value of infrastructure assets is based on current replacement cost. Inputs used in the valuation of infrastructure assets include construction costs, design life, age and condition of the assets and remaining useful life. In the years between valuations, carrying values are updated using indices determined by management. The calculation of fair value is judgemental and highly dependent on a range of assumptions and estimates. In 2023-24 road and bridge assets were indexed based upon information supplied by an external valuer. The calculation of depreciation of these asset classes requires estimation of asset useful lives and residual values, involving a high degree of subjectivity. Changes in	• Evaluated the appropriateness of the valuation methodology applied to determine fair values • Assessing the scope, expertise and independence of those involved to assist in the valuations • Critically assessed assumptions and other key inputs into the valuation model • Tested, on a sample basis, the mathematical accuracy of the indexation calculations where applicable • Tested, on a sample basis, costs capitalised to work in progress to ensure projects resulted in useable assets and that assets commissioned were transferred in a timely manner. • Performed analytical procedures on depreciation expense • Reviewed the assumptions and inputs applied for the calculation of depreciation expense and performing substantive analytical procedures. • Evaluating management's assessment of the useful lives.

assumptions underlying depreciation calculations can significantly impact depreciation charged. The Department undertakes a number of significant capital expenditure programs to upgrade and maintain its road and bridge network. Capital improvements in 2024-25 totalled \$339 million. 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. Timing of capitalisation can also be highly judgemental.	• Tested, on a sample basis, the allocation of costs between capital and operating expenditure • Testing, on a sample basis, costs capitalised to work in progress to ensure projects resulted in useable assets and that assets commissioned were transferred in a timely manner • Evaluated the adequacy of relevant disclosures in the financial statements, including those regarding key assumptions used.
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Responsibilities of Secretary for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 the financial statements.

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

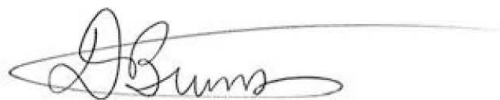
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary.
- Conclude on the appropriateness of the Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Derek Burns
Assistant Auditor-General
Delegate of the Auditor-General

29 September 2025
Hobart

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